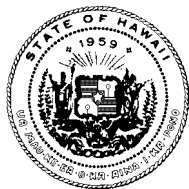


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 24, 2024

To: The Honorable Representative Kyle Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: **HB 1533 HD1 – RELATING TO DEATH BENEFITS.**

Hearing: February 26, 2024, 10:00 a.m.
Conference Room 308, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill as long as it does not reduce or replace the priorities identified in the Governor's budget.

PURPOSE: This bill increases from \$800 to \$1,600 the amount of death benefits paid by the Department of Human Services to cover the cremation and disposition costs for a deceased person who was eligible for medical or financial assistance at the time of the person's death and whose body is unclaimed. Effective 7/1/3000. (HD1)

The Committee on Human Services amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

In state fiscal year 2023, DHS paid a total amount of \$277,600 for this type of death benefit. For the benefit amount to double, the estimated increased appropriation will need to be \$277,600.

February 24, 2024

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DHS supports this increase as long as it does not reduce or replace the priorities identified in the Governor's budget. DHS prefers that the increase be included in the executive budget bill as a recurring appropriation.

Thank you for the opportunity to testify on this measure.

**TESTIMONY BEFORE THE HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE**

HB 1533 HD1

Relating to Death Benefits

February 26, 2024 at 10:00 AM
State Capitol, Conference Room 308

Submitted by Mitchell Dodo

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

My name is Mitchell Dodo, on behalf of Dodo Mortuary, Inc. in Hilo, Hawaii and I am testifying in SUPPORT of HB 1533 HD1, Relating to Death Benefits, increasing the reimbursement to mortuaries from \$800 to \$1600.

Dodo Mortuary, Inc. & Crematory has handled the cremation, transportation, storage (60 days) and final disposition of unclaimed human remains on the Big Island on behalf of the State for decades but have only received \$800 in reimbursement to cover the cost of these services. Well beneath our current charges for minimal cremation type services.

Dodo Mortuary, Inc. & Crematory, as a result, have been covering the costs above the State's reimbursement level of \$800. We are also taking on the responsibility of holding and scattering or interring the remains following the cremations, adding additional cost to our company. Unfortunately, as costs of fuel, labor, and materials continue to rise, we can no longer sustain offering this service at the current reimbursement amount. Some Hawaii mortuaries have opted out of taking unclaimed remains because of this. An increase of the reimbursement amount would help offset the cost associated with performing cremations. The total cost increase of the adjustment in the reimbursement rate to the annual cost increase would not be significant in the state budget.

Please pass HB 1533 HD1. Thank you for the opportunity to share our opinion.



Hawaii Funeral & Cemetery Association, Inc.
1330 Maunakea Street, Honolulu, Hawaii 96817

Written Testimony providing comments on
HB 1533– Relating to Death Benefits
Position: SUPPORT

February 24, 2024

To: Representative Kyle T. Yamashita, Chair – Committee on Finance
Representative Lisa Kitagawa, Vice Chair- Committee on Finance
Committee Members

HEARING DATE/TIME: February 26, 2024 / 10:00am

STATEMENT FROM THE HFCA BOARD OF DIRECTORS

*The Hawaii Funeral & Cemetery Association, Inc. is a Domestic Nonprofit Corporation, comprised of 12 independent Board of Directors representing 14 mortuaries and 10 cemeteries that serve the largest majority of Hawaii's families. The HFCA is an independent association that acts in the best interest of its members and the community. The HFCA Board of Directors would like to **Support on HB1533**.*

Dear Chair Marten, Vice Chair Amato and Committee Members

The Hawaii Funeral and Cemetery Association, Inc. ("HFCA"). The HFCA "**SUPPORTS**" **HB 1533** ("Bill") "Relating to Death Benefits" increasing the reimbursement to mortuaries from \$800 to \$1600.

Hawaii's mortuaries and crematories handle the cremation, transportation, storage (60 days) and final disposition of these unclaimed bodies on behalf of the State but for decades, have only received \$800 in reimbursement to cover the cost of these services.

The City and County of Honolulu Department of the Medical Examiner Annual Statistical Report shows that Honolulu County in;

2021-2022 Unclaimed remains State-assisted cremation 152

2020-2021 Unclaimed remains State-assisted cremation 116

Based on previous testimony from the Department of Human Services in state fiscal year 2023, DHS paid a total amount of \$277,600 for this type of death benefit. If the benefit amount is doubled, the estimated increase to be appropriated would be \$277,600. DHS supports this increase as long as it does not reduce or replace the priorities identified in the Governor's budget.

Mortuaries and cemeteries in Hawaii, as a result, have been covering the costs above the State's reimbursement level of \$800. The Mortuaries are also taking on the responsibility of holding and scattering or interring the remains following the cremations adding additional cost to the mortuary. Unfortunately, as costs of fuel, labor, and materials continue to rise, the industry overall can no longer sustain offering this service at the current fee. Some Hawaii mortuaries have opted out of taking unclaimed remains. An increase of the reimbursement would help offset the cost

associated with the mortuaries. The total cost increase of the adjustment in the reimbursement rate to the annual cost increase would not be significant in the state budget.

Mahalo for your consideration,
HFCA Board of Directors

STATEMENT IN SUPPORT OF HB1533 FROM
MILILANI GROUP, INC. d.b.a. MILILANI MEMORIAL PARK & MORTUARY

TO: Committee on Finance
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee Members

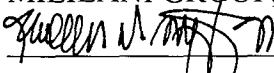
SUBJECT: HOUSE BILL 1533 "A Bill Relating to Death Benefits"

HEARING DATE: Monday, February 26, 2024; 10:00 A.M.

This statement is made on behalf of Mililani Group, Inc., a company doing business as Mililani Memorial Park and Mortuary (hereafter called "Mililani"). Mililani **SUPPORTS** HB1533 "Relating to Death Benefits" which advocates for an increase of the reimbursement paid mortuaries for the cremation, transportation, storage and final disposition of unclaimed persons. Mililani has declined to participate in this program as the reimbursable amount presently provided is not sufficient to cover our cost for these services. We may reconsider this decision should the amount of the reimbursement be increased as set forth in the Bill.

Mililani has been engaged in the business of funeral service and cemetery operations for more than 50 years and during this period, we have been able to deliver our services in a professional and highly competent manner. Based on our years of expertise, we strongly contend that the present reimbursement is insufficient to permit a mortuary to recover its direct costs and appreciate the review of this programs to implement an increase in the reimbursable amount.

FOR THE ABOVE REASONS, Mililani stands in strong support of the proposed HOUSE BILL 1533.

RESPECTFULLY SUBMITTED,
MILILANI GROUP, INC.


EADEAN BUFEINGTON,
Operations Manager