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FISCAL IMPACT REPORT

SPONSOR Munoz **ORIGINAL DATE** 03/02/21
LAST UPDATED _____ **HB** _____
SHORT TITLE Burial of Deceased Indigent Persons **SB** 356
ANALYST Klundt

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|---------|------------------------------|------------------|
| FY21 | FY22 | | |
| | \$200.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)

SUMMARY

Synopsis of Bill

Senate Bill 356 (SB 356) appropriates \$200 thousand from the general fund to Aging and Long-Term Services Department (ALTSD) to assist in providing burial services for deceased indigent persons.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund. ALTSD reported the department would need to enter into agreements with local county governments to ensure they are able to access the funding for indigent burials.

SIGNIFICANT ISSUES

ALTSD provided, “counties in New Mexico generally manage any indigent funds. Section 24-13-3 NMSA 1978 requiring the burial expenses to be borne by the county where the deceased person resided. Existing mechanisms are in place for the administration of indigent funds. If the county of residence of the deceased person is not known, the burial or cremation expenses may be paid for by the county in which the body was found. The burial or cremation expenses may

be paid by the county out of the general fund in an amount up to six hundred dollars (\$600) for the burial or cremation of any adult or minor.

Additionally, counties are also authorized to use to the county indigent hospital claims fund for the burial or cremation of an indigent person. Section 27-5-7.1 NMSA 1978.

ALTSD recommends the appropriation provided for in this legislation be administered in line with already existing mechanisms as managed by counties with attention to the unique needs of tribal communities.

These funds would assist local communities in navigating the increase in deaths they have no doubt seen over the course of the pandemic.”

OTHER SUBSTANTIVE ISSUES

According to Medicare.org “Medicaid covers neither funeral expenses nor the cost of a cremation or burial. However, Medicaid services and Social Security do provide alternative forms of support. Rules established under Medicaid enable recipients to earmark funds for their own funeral and burial. Under these rules, such funds are excluded from the accounting of assets recorded when determining eligibility for benefits. Medicaid recipients are permitted to set aside money in a separate account or prepay a funeral home. Any interest earned on the burial fund does not count as a resource.”

In Texas, The Burial or Cremation Assistance Registry was established in 2017. The registry consists of participating funeral homes and cemeteries willing to provide free common burial or low-cost private burial and private nonprofit organizations registered to provide financial assistance for the costs associated with burial or cremation of embryonic and fetal tissue remains. Registry information is available on request to a physician, health care facility, or authorized agent of a physician or health care facility. Funeral homes, cemeteries, and private nonprofit organizations that want to apply for inclusion on the Burial or Cremation Assistance Registry must submit a completed application form

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