

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4603

A bill to amend 1986 PA 255, entitled
"Prepaid funeral contract funding act,"
by amending section 19 (MCL 328.229).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19. (1) A prepaid funeral contract may be made with an
2 applicant for or recipient of assistance under the social welfare
3 act, ~~Act No. 280 of the Public Acts of 1939, being sections~~
4 ~~400.1 to 400.121 of the Michigan Compiled Laws~~ 1939 PA 280, MCL
5 400.1 TO 400.119B, or a patient or a legal guardian of a patient
6 in a ~~mental~~ COMMUNITY health care facility under the jurisdic-
7 tion of the department of ~~mental~~ COMMUNITY health. If the
8 ~~department of social services~~ FAMILY INDEPENDENCE AGENCY or
9 department of ~~mental~~ COMMUNITY health determines that the
10 contract is a fully paid guaranteed price contract, ~~of not more~~
11 ~~than \$2,000.00~~ WHICH WHEN ADDED TO THE AMOUNT OF A DEATH BENEFIT

HB 4603, As Passed Senate, May 15, 2002

House Bill No. 4603

2

1 FROM AN INSURANCE POLICY OR ANNUITY CONTRACT, THE PROCEEDS OF
2 WHICH HAVE BEEN ASSIGNED PURSUANT TO SECTION 2080(6) OF THE
3 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.2080, AS PAYMENT FOR
4 FUNERAL GOODS OR FUNERAL SERVICES FOR THE CONTRACT BENEFICIARY
5 THAT ARE NOT MORE THAN THAT AMOUNT ALLOWED UNDER SECTION
6 2080(6)(G) OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL
7 500.2080, PLUS \$2,000.00, exclusive of income, and that the state
8 will not be liable for the funeral goods or funeral services,
9 excluding an outside receptacle when required by the chosen ceme-
10 tery, of the applicant for or recipient of assistance or patient
11 allowable under contracts under this act, the prepaid funeral
12 contract shall be made irrevocable at the request of the appli-
13 cant for or recipient of assistance, or the patient or a legal
14 guardian of a patient. NOTHING IN THIS SECTION SHALL BE CON-
15 STRUED AS INCREASING THE AMOUNT OF EXCLUDABLE BURIAL ASSETS FOR
16 FAMILY INDEPENDENCE AGENCY OR MEDICAID PROGRAM ELIGIBILITY ABOVE
17 THAT ALLOWED UNDER EXISTING FAMILY INDEPENDENCE AGENCY STANDARDS,
18 INCLUDING ANY INCREASES THEREIN. The ~~department of social~~
19 ~~services~~ FAMILY INDEPENDENCE AGENCY or department of ~~mental~~
20 COMMUNITY health shall advise the applicant for or recipient of
21 assistance, or the patient or a legal guardian of a patient that
22 additional funeral goods or funeral services subject to contract
23 under this act will not be paid by the ~~department of social~~
24 ~~services~~ FAMILY INDEPENDENCE AGENCY or department of ~~mental~~
25 COMMUNITY health but shall not specify or require approval of
26 particular funeral goods or funeral services selected by the

HB 4603, As Passed Senate, May 15, 2002

House Bill No. 4603

3

1 applicant for or recipient of assistance, or patient or a legal
2 guardian of a patient.

3 (2) A prepaid funeral contract approved by the ~~department~~
4 ~~of social services~~ FAMILY INDEPENDENCE AGENCY or department of
5 ~~mental~~ COMMUNITY health shall not be revoked or canceled by the
6 contract seller, contract provider, contract buyer, or their suc-
7 cessors, or the estate of the contract beneficiary either before
8 or after the death of the contract beneficiary. ~~However, noth-~~
9 ~~ing in this~~ THIS subsection ~~shall~~ DOES NOT prevent those
10 legally entitled to make arrangements for a contract beneficiary
11 from reallocating the amount paid under the prepaid contract to
12 different funeral services and funeral goods. A CONTRACT SELLER
13 OR PROVIDER SHALL ASSIGN AN IRREVOCABLE PREPAID FUNERAL CONTRACT
14 TO ANOTHER PROVIDER UPON THE WRITTEN REQUEST OF THE CONTRACT BEN-
15 EFICIARY, HIS OR HER SUCCESSOR, OR THOSE LEGALLY ENTITLED TO MAKE
16 ARRANGEMENTS FOR THE CONTRACT BENEFICIARY SO LONG AS THE WRITTEN
17 REQUEST IS RECEIVED BEFORE A PROVIDER'S OBLIGATIONS HAVE BEEN
18 PERFORMED. An irrevocable contract shall not be considered in
19 determining the eligibility of an applicant or recipient for
20 assistance given under ~~Act No. 280 of the Public Acts of 1939~~
21 THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B. An
22 irrevocable prepaid funeral contract made under this section
23 ~~shall~~ IS not ~~be~~ subject to the cancellation provision of sec-
24 tion 13 or to THE PROVISIONS OF section ~~15(6)~~ 15(5).

25 (3) Notwithstanding any other provisions of this act, funds
26 paid in connection with an irrevocable prepaid funeral contract

HB 4603, As Passed Senate, May 15, 2002

House Bill No. 4603

4

1 may, at the option of the provider, be held and deposited in the
2 manner prescribed for a nonguaranteed price contract.

3 (4) The ~~department of social services~~ FAMILY INDEPENDENCE
4 AGENCY and department of ~~mental~~ COMMUNITY health may promulgate
5 rules under the administrative procedures act of 1969, ~~Act~~
6 No. 306 of the Public Acts of 1969, being sections 24.201 to
7 24.328 of the Michigan Compiled Laws— 1969 PA 306, MCL 24.201 TO
8 24.328, to provide for the uniform administration of this
9 section.