



2627

# HEFFNER

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October 16<sup>th</sup>, 2009

Via U.S. mail and email [irrc@irrc.state.pa.us](mailto:irrc@irrc.state.pa.us), [jjewett@irrc.state.pa.us](mailto:jjewett@irrc.state.pa.us)  
 John H. Jewett, Regulatory Analyst  
 Independent Regulatory Review Commission  
 333 Market Street, 14<sup>th</sup> Floor  
 Harrisburg, PA 17101

RE: Comments in Opposition to Regulation No. 16A-4815 (IRRC #2627)  
 Proposed by the State Board of Funeral Directors

Dear Attorney Jewett,

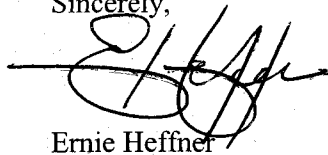
Thank you for the opportunity extended in your email received September 22<sup>nd</sup>, 2009 to offer written comments regarding the regulation No. 16A-4815 (IRRC #2627) as proposed by the State Board of Funeral Directors. I have been a licensed funeral director since 1975 and am the president of our family owned enterprise which does business with over 1000 consumers every year. I am also a Past President of the Pennsylvania Cemetery, Cremation & Funeral Association.

On the following pages, I will address the questions raised and responses provided in the *Regulatory Analysis Form* downloaded from the IRRC website. I will explain why I believe specific answers provided are frequently evasive and/or blatantly incorrect and/or uninformed and/or anti-consumer.

The proposed regulation lacks a reasonable need, will adversely impact both consumers and business and in fact the adoption of the proposed regulation will deny consumers choice and options. I will also offer a simple solution that could address the alleged need and eliminate my objection to the proposed regulation.

I have prepared my comments with attached exhibits and will be happy to answer any questions or provide additional documentation that may be requested.

Sincerely,



Ernie Heffner

C: James Kutz, Esq.  
 Interested Parties  
 Thomas A. Blackburn, Regulatory Unit Counsel  
 State Board of Funeral Directors  
 Department of State  
 P.O. Box 2649, Harrisburg, PA 17105-2649

**1551 Kenneth Rd., York, PA 17408**

RECEIVED  
 2009 OCT 20 AM 9:46  
 INDEPENDENT REGULATORY  
 REVIEW COMMISSION

**Comments of Ernie Heffner 10.16.09**  
**Submitted to IRRC**  
**In Opposition to Regulation No. 16A-4815 (IRRC #2627)**  
**Proposed by the State Board of Funeral Directors**

Below you will find the questions posed and the responses provided per the *Regulatory Analysis Form* downloaded from the IRRC website. Each concern is followed with my specific comments. I ask that the written comments of James J. Kutz, Esquire, submitted as counsel to PCCFA, be incorporated herein and, other than referring to them where appropriate, I will avoid offering redundant comments.

I will explain why I believe specific answers provided are frequently evasive and/or blatantly incorrect and/or uninformed and/or anti-consumer and why the proposed regulation lacks a reasonable need, will adversely impact both consumers and business and how the adoption of the proposed regulation will deny consumers choice and options.

**Regulatory Analysis Form**

(8) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

**This rulemaking amends the Board's existing regulations concerning prepaid burial contracts and accounts. Instead of reporting to the Board each prepaid burial contract, a funeral director must maintain annual reports on the current status of each preneed account. A preneed contract may not be made irrevocable as to the funeral director who is to perform the services. A funeral director whose customer has cancelled the preneed contract must transfer to another funeral director requested by the customer all preneed funds, and the funeral director may not collect any fee for services or merchandise the funeral director did not provide or for liquidated damages. The rulemaking requires a funeral director selling or discontinuing the business to notify the customers and give them the opportunity to cancel the contract and transfer the preneed funds to another funeral director of the customer's choosing. The rulemaking makes clear that the requirements apply to funds for fees such as an arrangement conference or additional allowance for funeral services or merchandise, but not for premiums to purchase life insurance directly from the insurance company.**

# 8 See Kutz/PCCFA comments

**Regulatory Analysis Form**

**SECTION II: STATEMENT OF NEED**

(11) State the statutory authority for the regulation. Include specific statutory citation.

**The regulatory amendments are authorized by Sections 13(c) and 16(a) of the Funeral Director Law (63 P.S. §§ 479.13 (c) and 479.16(a)).**

#11 See Kutz/PCCFA comments

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(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

**The rulemaking is not mandated by any federal or state law or court order or federal regulation.**

#12 involves three issues.

**First**, the answer fails to even acknowledge the ruling of Commonwealth Court, in an *en banc* decision known as Bean v. Department of State, State Board of Funeral Directors, 855 A.2d 148 (Pa. Cmwlth. 2004), *appeal denied*, 584 Pa. 696, 882 A.2d 479 (2005) See Kutz/PCCFA comments and Opinion in exhibits.

**Second**, 16A-4815 is completely opposite of the Statute 13 (c) which states that the funds after being deposited to escrow or trust are, "*conditioned upon its withdrawal or disbursement only for the purpose for which such money was accepted.*" The monies by contract are held in irrevocable trust and are not authorized to be removed for any reason other than the fulfillment of the contract, "*the purpose for which the money was accepted.*"

(c) No person other than a licensed funeral director shall, directly or indirectly, or through an agent, offer to or enter into a contract with a living person to render funeral services to such person when needed. If any such licensed funeral director shall accept any money for such contracts, he shall, forthwith, either deposit the same in an escrow account in, or transfer the same in trust to, a banking institution in this Commonwealth, conditioned upon its withdrawal or disbursement only for the purposes for which such money was accepted. This subsection does not apply to a contract by a bona fide institution that

16A-4815 admits as written in 13.224 (b) "*Transfer of preneed funds from one trustee to another shall be treated as the closing of one account and the opening of another account.*" This is totally inconsistent with the Funeral Director Law, the statute.

The rollover of an account TRANSFER OF PRENEED FUNDS FROM ONE TRUSTEE TO

ANOTHER shall be treated as the closing of one account and the opening of another account.

**Third**, the preservation of irrevocable options for consumers is so important that there is currently Federal Legislation proposed in both the United States House (H.R. 1352) and in the United States Senate (S.427) to codify the importance of irrevocability.

Further, the National Funeral Directors Associations wrote this about H.R. 1352, "*Without this exclusion, many SSI recipients would die without adequate funds for a dignified funeral and burial.*"

H.R. 1352 was introduced by Representative Earl Pomeroy, D-N.D. and has 33 cosponsors, 13 Democrat and 20 Republican.

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111th CONGRESS  
1st Session  
H. R. 1352

To amend title XVI of the Social Security Act to clarify that the value of certain funeral and burial arrangements are not to be considered available resources under the supplemental security income program.

**IN THE HOUSE OF REPRESENTATIVES**

**March 5, 2009**

Mr. POMEROY (for himself, Mr. WILSON of Ohio, Mr. TIM MURPHY of Pennsylvania, Mr. TIBERI, Mr. ROGERS of Michigan, and Mr. GUTHRIE) introduced the following bill; which was referred to the Committee on Ways and Means

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**A BILL**

To amend title XVI of the Social Security Act to clarify that the value of certain funeral and burial arrangements are not to be considered available resources under the supplemental security income program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. CERTAIN FUNERAL AND BURIAL ARRANGEMENTS NOT CONSIDERED RESOURCES.**

(a) In General- Section 1613(e)(3) of the Social Security Act (42 U.S.C. 1382b(e)(3)) is amended by adding at the end the following:

(C) If--

- (i) an individual or the individual's spouse enters into an irrevocable contract with a provider of funeral goods and services for a funeral;
- (ii) the individual or the individual's spouse funds the contract by paying for the goods and services; and
- (iii)(I) the funeral provider subsequently places the funds in a trust or in escrow; or  
(II) the individual or the individual's spouse establishes an irrevocable trust, and the funeral provider is the named beneficiary of the trust, then the trust or escrow shall not be considered a resource available to the individual.

(b) Effective Date- The amendment made by subsection (a) shall apply to payments for supplemental security income benefits under title XVI of the Social Security Act for months beginning 90 days or more after the date of the enactment of this Act.

**H.R.1352**

**Title:** To amend title XVI of the Social Security Act to clarify that the value of certain funeral and burial arrangements are not to be considered available resources under the supplemental security income program.

**Sponsor:** Rep Pomeroy, Earl [ND] (introduced 3/5/2009)    Cosponsors (32)

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**Related Bills:** S.427

**Latest Major Action:** 3/5/2009 Referred to House committee. Status: Referred to the House Committee on Ways and Means.

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**RELATED BILL DETAILS:** (additional related bills may be identified in Status)

<b>Bill:</b>	<b>Relationship:</b>
<u>S.427</u>	Related bill identified by CRS

**Heffner Summary on #12:** Without having identified a reasonable need for 16A-4815, the Pennsylvania State Board of Funeral Directors' proposed regulation 16A-4815 seems to be an attempt to circumvent a Commonwealth Court *en banc* decision while ignoring the language of the Funeral Director Law 13(c) and the current Federal legislative efforts H.R. 1352 and S.427 to codify the consumer option of irrevocability, which the proposed regulation 16A-4815 would destroy.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

Although at the time the Funeral Director Law was enacted in 1952 preneed was a very tiny portion of funerals, today it is extremely significant. Section 13(c) of the Funeral Director Law (63 P.S. § 479.13(c)) only requires a funeral director who has received preneed funds to place those funds in a banking institution, either in trust or escrow, to be withdrawn or disbursed only for the purpose for which they were deposited. Millions of dollars are now held in preneed accounts for Pennsylvanians. By its current regulations, the Board requires that all interest and other earnings of preneed funds stay with the principal in order to provide funeral goods and services of the quality anticipated in the preneed contract.

Funeral directors who enter into preneed contracts often purport to guarantee the funeral, by promising to provide the funeral goods and services at no additional fee to the customer's family, in exchange for being able to retain all earnings of the preneed funds. A funeral director is thus tempted to authorize the trustee to place the funds in higher risk investments in order to maximize the funeral director's ultimate return, risking only the funeral director's wholesale cost to later provide the funeral services and merchandise. Requiring a funeral director to honor a customer's demand to transfer the contract and funds to another funeral director of the customer's choosing take away some motivation for a funeral director to make risky investment of preneed funds, thereby better assuring that funds are available to provide for the customer's funeral service.

In addition, the rulemaking will reduce the burden imposed by the existing prepaid contract reporting requirements.

#13 "State why the regulation is needed" received an ambiguous and uninformed response. To suggest that "*A funeral director is thus tempted to authorize the trustee to place the funds in high risk investments in order maximize the funeral director's ultimate return*" is ludicrous. Bank trustees are federally regulated, have very clear and specific fiduciary responsibilities and are regularly audited. It is inflammatory to propose that federally regulated and audited bank trustees would be willing to effectively conspire with funeral directors to the benefit of funeral directors and the detriment of consumers by ignoring the fiduciary responsibilities of being a bank trustee.

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It is also grossly presumptuous to conceive that the State Board of Funeral Directors could possibly have more fiduciary understanding of prudent trust fund management than a federally regulated and audited bank trustee.

It is the federally regulated and audited bank trustee that makes the ultimate investment decisions within the parameters of prudent investment responsibility, NOT the funeral director. The elimination of irrevocable agreements due to 16A-4815 will insure that the very lowest rates of return are realized which will be to the detriment of the funeral directors and the consumers.

**How and why is this to the detriment of both funeral directors and consumers?**

**For the bank trustee**, funds that must be accessible in full, with interest and at a moment's notice could not be invested, for instance, in U.S. Treasury Bills, which can be worth less than face value at a given time. This leaves trustee investment options to passbook savings accounts and money market accounts, the earnings of which are currently insufficient to even cover the annual fees of the federally regulated bank trustee. Consequently, the funds set aside could actually be less than the original deposit amount for two reasons. First, due to the cancel-any-time terms of 16A-4815, the trustee is unable to make prudent, long-term investment decisions for the funds held in trust. Consequently the second reason the funds set aside could actually contract would be because bank trustees may charge fees against the corpus in the event earnings are insufficient to cover the fees.

**For the funeral director** who might have offered guaranteed price pre-planning in the past, the only prudent response to the enactment of 16A-4815 is to immediately discontinue offering consumers the peace of mind of a guaranteed price, irrevocable agreement with an irrevocable trust. It is unrealistic to expect that there could possibly be sufficient funds available at sometime in the future, via principal and earnings, to offset the impact of inflation and thus be able to guarantee a locked in price to a consumer.

**For the consumers**, 16A-4815 will eliminate the consumer option of utilizing an irrevocable trust with a price guarantee irrevocable agreement. This would be a great disservice to individuals with special needs and their families along with those eligible for Medicaid or SSI as evidenced by the Federal legislative efforts with H.R. 1352 and S.427 which indicate awareness on a federal level.

**The additional negative for consumers**, assuming a funeral director is fiscally foolish enough to offer a guaranteed price revocable agreement in compliance with 16A-4815, should the funeral director go out of business, the consumer would be contacted by the bank trustee to request they designate another funeral director. However, at this point, the consumer is left with a deflated amount of funds against an unknown period of price increases with which to attempt to renegotiate a pre-need commitment from a different funeral director.

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(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

**This rulemaking is not based upon any scientific data, studies, or references.**

14. Stands as the admission of why there was no response in #13 regarding, "State why the regulation is needed." There simply is no reasonableness of need, no supporting scientific data, no studies and no references **except** to the contrary of the 16A-4815 as provided in my comments and the comments of James Kutz.

(15) Describe who and how many will be adversely affected by the regulation. How are they affected?

**The Board does not foresee any groups being adversely affected by the rulemaking.**

15. Proposed regulation 16A-4815 is a great disservice to individuals with special needs and their families along with those eligible for Medical Assistance or SSI, an important consideration as evidenced by the Federal legislative efforts with H.R. 1352 and S.427 as previously noted. In addition 16A-4815 will adversely impact thousands of Commonwealth consumers annually who do not fall in any of the previously referenced categories but, due to 16A-4815, will now be denied the option of irrevocable, price guaranteed pre-planning.

### **SECTION III- COST AND IMPACT ANALYSIS**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

**There are no costs or savings to the regulated community associated with compliance with the rulemaking.**

In addition to the reasons outlined in #13 above as to why price guaranteed pre-arrangements will be eliminated, 16A-4815 further insures this to be the case by the language in 13.227 (b) which states that "The fees to be charged under a preneed funeral contract for funeral goods and services may not exceed the fees for such goods and services as set forth on the funeral entity's general price list at the time of entering into the contract." This makes it fiscally insane to guarantee a price in anticipation that earnings will offset inflation. For instance, if the price for specific goods and services is \$6000 at the "time of entering into the contract," it is very conceivable that if the time of fulfillment of the contract is ten years hence, the inflated cost will be closer to \$11,000 yet 16A-4815 includes language that states, "The fees to be charged under a preneed funeral contract for funeral goods and services may not exceed the fees for such goods and services as set forth on the funeral entity's general price list at the time of entering into the contract." In this case, the cost to a funeral director to fulfill the preneed contract and be in compliance with 16A-4815 would be \$5000. This is a very real cost to the regulated community.

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§ 13.227. Limitations on preneed funeral contracts.

(a) A preneed funeral contract must be in writing.

(b) A funeral director or funeral entity may not charge or collect any fees THE FEES TO BE CHARGED under a preneed funeral contract for funeral goods and services MAY NOT that exceed the fees for such goods and services as set forth on the funeral entity's general price list at the time the goods or services are provided OF ENTERING INTO THE CONTRACT.

(c) A preneed funeral contract may not incorporate a contract for funeral merchandise entered into by a person or entity other than a funeral director.

13.277(c) is a current interpretation by the Funeral Board, not found in or authorized by statute, and which is being challenged in Federal Court as a violation of rights protected by the U.S. Constitution.

16A-4815 then goes on in 13.228(c) to restrict the retention of excess from earnings after disallowing additional charges beyond those charges on "*the funeral entity's general price list at the time of entering into the contract.*" Guaranteed price, irrevocable agreements are offered by funeral directors to consumers on the basis that some in some cases, there will be insufficient growth of funds to offset the inflation of prices and in some cases there will be excess funds. It is the funeral director who assumes the responsibility to provide the goods and services without regard to actual costs in the future in consideration for the consumer authorizing the payment of all funds on deposit and any earnings thereon. 16A-4815 eliminates this option for consumers, places all financial liability with the consumer and relieves the funeral director of any voluntary liability for the consideration as the consideration is erased by 16A-4815. The fiscally prudent funeral director is effectively prevented from offering price guaranteed preplanning to the consumer.

13.228(c)

(c) A funeral director or funeral entity may not retain any amount of fees for services that have not been provided or merchandise that has not been delivered to the customer under a preneed funeral contract for which the preneed funeral account or funds have been transferred as authorized by subsection (a).



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Proposed by the State Board of Funeral Directors**

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

**There are no costs or savings to local governments associated with compliance with the rulemaking.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

**There are no costs or savings to state government associated with compliance with the rulemaking.**

18 and 19 are blatantly incorrect responses for two reasons. First, the response to 18 fails to acknowledge the reality of a national increase in the number of unclaimed human remains as recently highlighted by national coverage from numerous press outlets [see samples attached from CNN and NY Times]. This economic reality clearly adversely impacts the budgets of both local government and state government.

Second, the Funeral Board has acknowledged in open meetings that they do not currently nor have they been in the past monitoring the current compliance requirements on preneed reports. How can they possibly monitor the requirements of 16A-4815 and without monitoring, what is the point of 16A-4815?

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

**In the spring of 2002, the Board conducted public work sessions concerning regulation of preneed sales of funeral goods and services. In April, 2003, the Board solicited exposure draft comments from the Pennsylvania Funeral Directors Association (PFDA) and all individuals who had attended any Board meeting during the preceding year. Frank Switzer, Jr., FD; Gregory L. Myer, FD; PFDA; Pennsylvania Cemetery Funeral Association; James Kutz, Esquire, (on behalf of Pennsylvania Pre-Need Association); and Philadelphia Trust Company commented. The Board considered all these comments in preparing the proposed rulemaking.**

**Following publication as proposed and receipt of public comments, the Board discussed these comments and all comments from the standing committees and IRRC at public meetings of the Board, which are routinely attended by members of the regulated community and their professional associations. The Board considered all these comments in preparing the final rulemaking package.**

22. This response fails to “describe the communications” used in drafting the regulation as well as **not including** all of the “persons and/or groups who were involved.”

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(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

**No alternative regulatory schemes were considered.**

23. This is an incomplete answer in that while "No alternative regulatory scheme was considered," an "acceptable alternative" was not selected, the request for a statement to that affect was ignored.

(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

Maryland requirements are similar to those proposed for Pennsylvania. However, a funeral director may retain the earnings of the invested funds when performing under the preneed contract, but must return all principal and interest upon discontinuance or inability to perform. The contract is revocable unless the buyer agrees to an irrevocable trust. Each Maryland funeral director must file an annual report of the preneed accounts he controls. New Jersey requirements are similar to those proposed for Pennsylvania, except that a preneed contract may be irrevocable. Ohio requirements are similar to those proposed for Pennsylvania. However, a customer has the right to cancel a preneed contract within 7 days or cancel a preneed contract that is not irrevocable at any time, and receive a full refund of principal and earnings. Each funeral director must report preneed funds annually. West Virginia requirements are similar to those proposed for Pennsylvania. However, a West Virginia funeral director must receive a separate certificate of authority to engage in preneed sales and report all contracts and funds biennially. A West Virginia funeral director does not need to trust the costs of selling preneed contracts (up to 10% of the contract price). A customer who has cancelled a preneed contract is entitled to a refund of all payments, but without earnings. West Virginia maintains a payment guarantee fund to protect a preneed customer (principal only) in the event the seller defaults.

24. Although the response begins with "Maryland requirements are similar," the response goes on to describe other states as allowing for irrevocable trusts in addition to other dissimilar nuances. The statutes of other states are **NOT similar**.

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

**This rulemaking will not require any additional recordkeeping or other paperwork. To the contrary, the rulemaking will eliminate the reporting to the Board by funeral directors of the execution and fulfillment of each preneed contract, in favor of maintaining an annual report of the preneed funds held by the funeral director. The regulation will change no other record keeping or paperwork requirements.**

27. See response to 18 and 19 above.

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(28) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

The Board has determined that there are no special needs of any subset of its applicants or licensees for whom special accommodations should be made.

28. This Board's response is blatantly incorrect. It is inconceivable how the Board is either oblivious about or has turned a blind eye to individuals with special needs as more fully describe in the comments of other organizations adversely impacted.

**Solution and Summary:**

Rather than the implementation of 16A-4815, an unneeded regulation that will destroy the current pre-planning options available to Commonwealth consumers by denying them choices and options, it would not be objectionable if licensees were required to provide every pre-planning consumer with the documented opportunity to elect between a revocable or irrevocable pre-plan. A simple signed acknowledgment, similar to a federally mandated three day right of recession, could be required.

Otherwise, the proposed regulation 16A-4815 as drafted lacks a reasonable need, has no supporting scientific data or studies and will adversely impact consumers, licensees and government budgets.

Comments are respectfully submitted

By:



Ernie Heffner, President  
Heffner Funeral Homes & Crematory  
1551 Kenneth Road,  
York, PA 17408  
Phone 717-767-1551

Cc: James J. Kutz, Esquire  
Other Interested Parties

## **Detroit: Too broke to bury their dead**

**Money to bury Detroit's poor has dried up, forcing struggling families to abandon their loved ones in the morgue freezer**

By Poppy Harlow, CNNMoney.com anchor

October 1, 2009

## **Detroit: Too broke to bury their dead**

**Money to bury Detroit's poor has dried up, forcing struggling families to abandon their loved ones in the morgue freezer.**

By Poppy Harlow, CNNMoney.com anchor

Last Updated: October 1, 2009: 10:19 AM ET



**Unclaimed bodies piling up in the Detroit morgue.**

DETROIT (CNNMoney.com) – At 1300 E. Warren St., you can smell the plight of Detroit.

Inside the Wayne County morgue in midtown Detroit, 67 bodies are piled up, unclaimed, in the freezing temperatures. Neither the families nor the county can afford to bury the corpses. So they stack up inside the freezer.

Albert Samuels, chief investigator for the morgue, said he has never seen anything like it during his 13 years on the job. "Some people don't come forward even though they know the people are here," said the former Detroit cop. "They don't have the money."

Lifelong Detroit residents Darrell and Cheryl Vickers understand this firsthand. On a chilly September morning they had to visit the freezer to identify the body of Darrell's aunt, Nancy Graham – and say their goodbyes.

The couple, already financially strained, don't have the \$695 needed to cremate her. Other family members, mostly in Florida, don't have the means to contribute, either. In fact, when Darrell's grandmother passed recently, his father paid for the cremation on a credit card – at 21% interest.

So the Vickers had to leave their aunt behind. Body number 67.

## **Detroit: Too broke to bury their dead**

**Money to bury Detroit's poor has dried up, forcing struggling families to abandon their loved ones in the morgue freezer**

By Poppy Harlow, CNNMoney.com anchor

October 1, 2009

"It's devastating to a family not to be able to take care of their own," said Darrell. "But there's really no way to come up with that kind of cash in today's society. There's just no way."

The number of unclaimed corpses at the Wayne County morgue is at a record high, having tripled since 2000. The reason for the pile-up is twofold: One, unemployment in the area is approaching 28%, and many people, like the Vickers, can't afford last rites; two, the county's \$21,000 annual budget to bury unclaimed bodies ran out in June.

"One way we look back at a culture is how they dispose of their dead," said the county's chief medical examiner, Carl Schmidt, who has been in his position for 15 years. "We see people here that society was not taking care of before they died -- and society is having difficulty taking care of them after they are dead."

0:00 / 03:28 Detroit's dead pile up

**Detroit is not alone.** The Los Angeles coroner's office said it, too, has seen an increase in the number of bodies abandoned. That's not surprising at a time when unemployment tops 10% in many cities and the median cost of a funeral in America hovers around \$7,000. Cremation can cost \$2,000.

### **Little help available**

This is an issue of concern, said the Detroit mayor's office, but the city can't afford to offer any assistance. "The failure, through inability or choice, to bury the deceased is a reflection of the economic conditions that have arrested this region, where people are now forced to make emotionally compromised choices," said a spokesman in a prepared statement.

The state, however, does have some funds available to assist with burial costs. For fiscal year 2009, Michigan allocated \$4.9 million for assistance, and of that, approximately \$135,500 remains. Those in need of assistance can find grant applications at Michigan Department of Human Services offices, most funeral homes, and at [Michigan.gov/dhs](http://Michigan.gov/dhs).

The Vickers did not know about the funds until CNNMoney notified them. But, fortunately, they were eventually able to scrape together the \$695 and will be able to cremate their aunt with help from Social Security, social services and their aunt's church.

The way Darrell sees it, the stimulus package should have helped people in situations like this, rather than to "spark the economy and sell cars. We can't take care of our own when it comes to laying them to rest and letting them rest in peace."

## **Detroit: Too broke to bury their dead**

**Money to bury Detroit's poor has dried up, forcing struggling families to abandon their loved ones in the morgue freezer**

By Poppy Harlow, CNNMoney.com anchor

October 1, 2009

### **'Reflection of the economy'**

Believe it or not, the Vickers are among the fortunate.

Dozens of other bodies remain, some never identified. And they can't be disposed of until their families come forward or the county's burial fund is replenished when the 2010 budget is approved. There were 66 bodies before Aunt Nancy's, and they'll be interred on a first-arrived-first-buried basis.

"There are many people with sad lives," said Schmidt. "But it is even sadder when even after you are dead, there is no one to pick you up."

And in a town with so much need, Schmidt noted one more cause for concern: The increase in unclaimed bodies is not due to an increase in murders -- though the rate remains high -- but due to natural causes. Schmidt speculated that many of the deceased didn't have health insurance or could no longer afford medication for the chronic medical conditions.

"If anything is a reflection of the economy, that is a reflection of the economy," he said.

But this messy reality is shielded behind the Wayne County morgue's perfectly trimmed hedges and pristine brick walls.

"I feel sadness because I can recall when it [Detroit] was really booming," said investigator Samuels. "I don't think a lot of people are really aware that these types of things are happening in such a wide area." ■

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## **Indigent Burials Are on the Rise**

By KATIE ZEZIMA

Published: October 10, 2009

### **Indigent Burials Are on the Rise**

Coroners and medical examiners across the country are reporting spikes in the number of unclaimed bodies and indigent burials, with states, counties and private funeral homes having to foot the bill when families cannot.

The increase comes as governments short on cash are cutting other social service programs, with some municipalities dipping into emergency and reserve funds to help cover the costs of burials or cremations.

Oregon, for example, has seen a 50 percent increase in the number of unclaimed bodies over the past few years, the majority left by families who say they cannot afford services. "There are more people in our cooler for a longer period of time," said Dr. Karen Gunson, the state's medical examiner. "It's not that we're not finding families, but that the families are having a harder time coming up with funds to cover burial or cremation costs."

About a dozen states now subsidize the burial or cremation of unclaimed bodies, including Illinois, Massachusetts, West Virginia and Wisconsin. Most of the state programs provide disposition services to people on Medicaid, a cost that has grown along with Medicaid rolls.

Financing in Oregon comes from fees paid to register the deaths with the state. The state legislature in June voted to raise the filing fee for death certificates to \$20 from \$7, to help offset the increased costs of state cremations, which cost \$450.

"I've been here for 24 years, and I can't remember something like this happening before," Dr. Gunson said.

Already in 2009, Wisconsin has paid for 15 percent more cremations than it did last year, as the number of Medicaid recipients grew by more than 95,000 people since the end of January, said Stephanie Smiley, a spokeswoman for the Wisconsin Department of Health Services.

In Illinois, Gov. Pat Quinn tried to end the state's indigent burial program this year, shifting the financing to counties and funeral homes, but the state eventually found \$12 million to continue the program when funeral directors balked.

The majority of burials and cremations, however, are handled on the city, county, town or township level, an added economic stress as many places face down wide budget gaps.

Boone County, Mo., hit its \$3,000 burial budget cap last month, and took \$1,500 out of a reserve fund to cover the rest of the year. While the sum is relatively low, it comes as the county is facing a \$2 million budget shortfall, tax collections are down 5 percent and the number of residents needing help is expected to grow.

"We've had a significant increase in unemployment, wages are dropping, industrial manufacturing jobs go away and companies scaled back or even closed their doors," said Skip Elkin, the county commissioner. "But we feel an obligation to help families who don't have any assets."

## **Indigent Burials Are on the Rise**

By KATIE ZEZIMA

Published: October 10, 2009

The medical examiner of Wayne County, Mich., Dr. Carl Schmidt, bought a refrigerated truck after the morgue ran out of space. The truck, which holds 35 bodies, is currently full, Dr. Schmidt said. "We'll buy another truck if we have to," he said.

Many places are turning to cremation, which averages a third to half the price of a burial. However, they will accommodate families' requests for burial.

Clyde Gibbs, the chief medical examiner in Chapel Hill, N.C., said the office typically averaged 25 to 30 unclaimed bodies each year. At the end of the 2008 fiscal year there were at least 60, Dr. Gibbs said. The office cremates about three-quarters of the remains, and scatters the ashes at sea every few years.

In Tennessee, medical examiner and coroners' offices donate unclaimed remains to the Forensic Anthropological Research Center, known as the "Body Farm," where students study decomposition at the University of Tennessee. The facility had to briefly halt donations because it had received so many this year, said its spokesman, Jay Mayfield.

The increase in indigent burials and cremations is also taking a toll on funeral homes, which are losing money as more people choose cremation over burial. In 2003, 29.5 percent of remains were cremated; by 2008 the number had grown to 36 percent, according to the Cremation Association of North America, and it is expected to soar to 46 percent by 2015, according to the association's projection of current trends.

Don Catchen, owner of Don Catchen & Son Funeral Homes in Elsmere, Ky., who handles cremations of the poor in Kenton County, said the \$831 county reimbursement for cremations was "just enough to cover the cost of what I do — I donate my time."

In Florida, where counties switched to cremation a few years ago to save on costs, Prudencio Vallejo, general manager of the Unclaimed Bodies Unit of the Hillsborough County Medical Examiner's Office, said cremations were \$425, compared with \$1,500 for a burial. They have risen about 10 percent this year, Mr. Vallejo said.

"Most people, the first thing that they say is 'We wouldn't be coming to you if we could afford to do it ourselves,'" he said.

Broward County, Fla., paid for the cremation of Renata Richardson's daughter, Jazmyn Rose, who was born stillborn on Sept. 25, 2008. Ms. Richardson, 26, lost her job at an advertising agency in July and could not afford to pay.

The county spent about \$1,000 on a cremation and pink urn, engraved with the baby's birth and death date, and a Bible passage. It now sits in the bassinette where she was to sleep.

"I was strapped for cash, I was in mourning, and I didn't know what they were going to do with her," Ms. Richardson, of Davie, Fla., said. "I was honored that they went that far to help me."