



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 65-20 – Regulations for Funeral Directors and Embalmers Department of Health Professions November 13, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board of Funeral Directors and Embalmers (board) proposes to: 1) require that the license, general price list, itemized statement, public information materials, and advertisements for branches and chapels clearly reflect the name of the main establishment, 2) mandate that if the preparation of dead human bodies may require that a body be transported between a main establishment, branch, or chapel and another such facility, a statement be given to the next of kin or designee making that clear, and the branch or chapel shall maintain on file and make available for inspection a written plan detailing the method and approximate time required for transporting the body to another location for purposes of embalming or in the event there is a need for services for which a preparation room is necessary, 3) lower two fees and establish one new fee, and 4) permit the use of fiberglass morgue tables.

Estimated Economic Impact

The proposed regulations define a “branch” or “chapel” as “a secondary location or other facility where the practice of funeral services occurs, which is owned and operated by a main funeral service.” The board proposes to require that the license, general price list, itemized statement, public information materials, and advertisements for branches and chapels clearly state that the facility is a branch or chapel and identify the main establishment. According to the Department of Health Professions (department), most branches and chapels already comply with this proposed requirement, but there has been some confusion concerning some branch and chapels that do not explicitly make clear their affiliation. A representative from the Association of Independent Funeral Homes of Virginia has expressed concern that changing the general price list, itemized statement, public information materials, advertisements, etc., to indicate their affiliation will cost funeral homes thousands of dollars. The department points out that the requirement could be met by using the existing materials and adding a sheet of paper (or perhaps a sticker) indicating the branch or chapel’s affiliation. Also, the department states that they will give establishments a reasonable amount of time to make the changes. There will be no charge to change the establishment’s license to reflect its affiliation.¹

Most affected establishments would eventually produce new general price lists, itemized statements, public information materials, and advertisements regardless of this proposed requirement. Thus, the requirement causes costs to be incurred earlier than they would have otherwise have occurred, but otherwise do not significantly add to firms’ expenses. The information disclosure concerning affiliation is potentially quite useful for the public. For example, individuals wishing to compare prices and services among funeral homes will be able to make better-informed decisions if they know that certain homes share ownership and likely coordinate prices and services. Given the significant value to consumers of the public disclosure of affiliations, the benefit of this proposed requirement likely exceeds the costs to affected establishments of changing their general price lists, itemized statements, public information materials, and advertisements.

The board proposes to require that if the preparation of human remains may require that the remains be transported between a main establishment, branch, or chapel and another such

¹ Source: Department of Health Professions

facility, a statement be given to the next of kin or designee making that clear. According to the department, this issue is of great concern to some clients (individuals purchasing funeral services). The cost of producing the statement for funeral homes would be small; an additional piece of paper with the statement could be given to the client or alternatively it could be incorporated in another document given to the next of kin or designee. Since with the information disclosure the public will be able to make better-informed decisions and the cost of providing the information is small, this proposed amendment to the regulations will produce a net benefit.

The board also proposes to require that if the preparation of human remains may require that the remains be transported between a main establishment, branch, or chapel and another such facility, that the branch or chapel maintain on file and make available for inspection a written plan detailing the method and approximate time required for transporting the body to another location for purposes of embalming or in the event there is a need for services for which a preparation room is necessary. Unembalmed dead human bodies can be significant vectors of disease, particularly when handled improperly and left in particular conditions (heat, for example) for too long. By requiring branches and chapels to detail the method they use and the approximate time they take transporting a dead human body to another location for purposes of embalming, etc., the board helps inspectors determine whether the branches and chapels can feasibly perform this function safely. The cost to branches and chapels of recording how they transport bodies is small. Thus the benefits of this proposal likely outweigh the costs.

In order to better reflect the department's costs in regulating and providing services for specific activities, the board proposes to: 1) lower the fee for a duplicate license, registration or courtesy card from \$25 to \$15, 2) lower the fee for a duplicate wall certificate from \$50 to \$25, and 3) establish a \$100 fee for a waiver of the full-time manager requirement. Changing fees to better reflect the department's costs is an improvement in equity. The lower fees for the duplicate license, certification, and wall certificate will of course be beneficial for those individuals obtaining those items, while the new fee for waiver of the full-time manager requirement (a service that already exists) adds costs to firms seeking the waiver.

The current regulations require that preparation rooms be equipped with a metal or porcelain morgue table. The proposed regulations permit a third option for morgue tables:

fiberglass. The additional option is clearly beneficial in that it provides an additional option for funeral home owners.

Businesses and Entities Affected

The proposed regulations affect the 1,446 funeral service providers, 163 funeral directors, 8 embalmers, 88 courtesy card holders, 53 crematories, 495 funeral establishments, and potential funeral service clients (next of kin, etc.) in the Commonwealth.

Localities Particularly Affected

The proposed regulations affect all Virginia localities.

Projected Impact on Employment

The proposed amendments will not significantly affect employment levels.

Effects on the Use and Value of Private Property

Individuals who need to obtain a duplicate license, registration, or courtesy card will save \$10. Individuals that desire a duplicate wall certificate will save \$25. The wall certificates are decorative and are not required. The lower fee may encourage increased purchases of wall certificates. The new \$100 fee for the waiver of the full-time manager requirement will decrease the value of their employer by a commensurate amount. Branches and chapels that do not already make clear on their general price list, itemized statement, public information materials, and advertisements that they are affiliated with a main funeral service will incur costs in reproducing their materials (with the required information) sooner than they would have otherwise. Since these firms are being required to alter the timing of the expenditures from the timing they have determined to be ideal, they are incurring some cost.