STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

House of Representatives

General Assembly

File No. 203

February Session, 2002

House Bill No. 5142

House of Representatives, March 28, 2002

The Committee on Human Services reported through REP. GERRATANA of the 23rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING AN INCREASE TO THE UNEARNED INCOME DISREGARD FOR STATE SUPPLEMENT RECIPIENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 17b-106 of the general statutes, as amended by section 56 of public act 01-2 of the June special session and section 129 of public act 01-9 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2002*):

(a) On July 1, 1985, the Commissioner of Social Services shall increase the adult payment standards for the state supplement to the federal Supplemental Security Income Program by four and three-tenths per cent over the standards for the fiscal year ending June 30, 1985, provided the commissioner shall apply the appropriate disregards. Notwithstanding the provisions of any regulation to the contrary, effective July 1, 1994, the commissioner shall reduce the appropriate unearned income disregard for recipients of the state supplement to the federal Supplemental Security Income Program by seven per cent, provided if sufficient funds are available within accounts in the Department of Social Services and are transferred to the old age assistance account, the aid to the blind account and the aid to the disabled account, the commissioner shall increase the unearned income disregard for recipients of the state supplement to the federal Supplemental Security Income Program to a level not to exceed that in effect on June 30, 1994. On July 1, 2002, and annually thereafter, the Commissioner of Social Services shall increase the unearned income disregard for recipients of the state supplement to the federal Supplemental Security Income Program by the percentage increase, if any, in the most recent calendar year average in the consumer price index for urban consumers over the average for the previous calendar year. On July 1, 1989, and annually thereafter, the Commissioner of Social Services shall increase the adult payment standards over those of the previous fiscal year for the state supplement to the federal Supplemental Security Income Program by the percentage increase, if any, in the most recent calendar year average in the consumer price index for urban consumers over the average for the previous calendar year, provided the annual increase, if any, shall not exceed five per cent, except that the adult payment standards for the fiscal years ending June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, June 30, 1997, June 30, 1998, June 30, 1999, June 30, 2000, June 30, 2001, June 30, 2002, and June 30, 2003, shall not be increased. Effective October 1, 1991, the coverage of excess utility costs for recipients of the state supplement to the federal Supplemental Security Income Program is eliminated.

(b) Effective July 1, 1998, the Commissioner of Social Services shall provide a state supplement payment for recipients of Medicaid and the federal supplemental security income program who reside in long-term care facilities sufficient to increase their personal needs allowance to fifty dollars per month. Such state supplement payment shall be made to the long-term care facility to be deposited into the personal fund account of each such recipient. Effective July 1, 1999, and annually thereafter, the commissioner shall increase such allowance to reflect the annual inflation adjustment in Social Security income, if any.

For the purposes of this subsection, "long-term care facility" means a licensed chronic and convalescent nursing home, a chronic disease hospital, a rest home with nursing supervision, an intermediate care facility for the mentally retarded or a state humane institution.

This act shall take effect as follows:	
Section 1	*July 1, 2002*

HS *Joint Favorable*

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	Current FY $	FY 03 $	FY 04 $
GF - Cost	Dept of Social Services	None	1,560,000	3,170,000

Municipal Impact: None

Explanation

This bill allows recipients of the Supplemental Assistance programs to have their unearned income disregard increased annually by the increase in the average Consumer Price Index (CPI) for urban consumers. This would increase both the benefit amounts paid under the State Supplement program as well as lowering the Medicaid spenddown amount. The following table illustrates the anticipated increased costs:

	Clients	FY03 Costs	FY04 Costs
State Supp.	21,378	1,296,000	2,630,000
Medicaid	4,400	264,000	540,000
TOTAL	**25,778**	**$1,560,000**	**$3,170,000**

These estimates assume a CPI – Urban of 2.8% in each year. sHB 5019 (the budget bill, as favorably reported by the Appropriations Committee), contains $2 million to adjust the income for State Supplement recipients.

OLR Bill Analysis
HB 5142

AN ACT CONCERNING AN INCREASE TO THE UNEARNED INCOME DISREGARD FOR STATE SUPPLEMENT RECIPIENTS

SUMMARY:
This bill requires the Department of Social Service (DSS) commissioner, starting July 1, 2002, to annually increase the amount of unearned income that is excluded (unearned income "disregard") when she determines someone's eligibility for State Supplement benefits. The amount of the increase is equal to the percentage increase in the average consumer price index for urban consumers in the most recent calendar year over the average for the previous calendar year. Currently, she excludes a set amount of unearned income, which varies based on the person's living arrangement. This disregard has not risen since 1988. The maximum State Supplement benefit has likewise been frozen for several years.

EFFECTIVE DATE: July 1, 2002

BACKGROUND

State Supplement

Needy people who are aged, blind, or disabled can qualify for State Supplement benefits, regardless of whether they are also receiving Supplemental Security Income (SSI) benefits. Eligibility and benefit determination is complex.

In general, DSS looks at the income (both earned and unearned), takes deductions from both types of income, and compares the net amount to a "need" standard. (Gross income cannot exceed 300% of the SSI benefit, which is currently $1,635 per month and assets can be no more than $1,600 for a single applicant.) The unearned income disregard varies, depending on the person's living arrangement. For example, someone living alone in the community has $183 deducted from his unearned income.

Like the disregard, the need standard varies, depending on the applicant's or recipient's living arrangement. It consists of both the housing costs and a personal needs allowance. Using the above example, someone living in the community has a shelter limit of $400 per month and gets a personal needs allowance of $164.10, so his total monthly need would be a maximum of $564.10. (DSS looks at the applicant's actual rent. With regard to needs allowance, people living in licensed boarding facilities have different standards.)

If net income is greater than the need standard, the person is ineligible for assistance. If it is less, the person qualifies and the benefit equals the difference between the two.

Impact of SSI COLAs on State Supplement Benefits

Each year the SSI maximum benefit is adjusted for increases in the cost-of-living (COLA). State Supplement recipients have not been able to deduct these increases since the disregard was frozen. Thus, their state benefit has dropped in proportion to the SSI COLAs.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report
Yea 18 Nay 0