



House of Representatives

General Assembly

File No. 436

February Session, 2002

Substitute House Bill No. 5560

House of Representatives, April 10, 2002

The Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONFORMING STATE LAW WITH FEDERAL WELFARE REFORM.

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

1 Section 1. Section 17b-112 of the general statutes, as amended by
2 sections 12, 15 and 61 of public act 01-2 of the June special session and
3 section 125 of public act 01-9 of the June special session, is repealed
4 and the following is substituted in lieu thereof (*Effective October 1,*
5 *2002*):

6 (a) The Department of Social Services shall administer a temporary
7 family assistance program under which cash assistance shall be
8 provided to eligible families in accordance with the temporary
9 assistance for needy families program, established pursuant to the
10 Personal Responsibility and Work Opportunity Reconciliation Act of
11 1996. Under the temporary family assistance program, benefits shall be
12 provided to a family for not longer than twenty-one months, except as
13 provided in subsections (b) and (c) of this section. For the purpose of

14 calculating said twenty-one-month time limit, months of assistance
15 received on and after January 1, 1996, pursuant to time limits under
16 the aid to families with dependent children program, shall be
17 included. For purposes of this section, "family" means one or more
18 individuals who apply for or receive assistance together under the
19 temporary family assistance program.

20 (b) The Commissioner of Social Services shall exempt a family from
21 such time-limited benefits for circumstances including, but not limited
22 to: (1) A family with a needy caretaker relative who is incapacitated or
23 of an advanced age, as defined by the commissioner, if there is no
24 other nonexempt caretaker relative in the household; (2) a family with
25 a needy caretaker relative who is needed in the home because of the
26 incapacity of another member of the household, if there is no other
27 nonexempt caretaker relative in the household; (3) a family with a
28 caretaker relative who is not legally responsible for the dependent
29 children in the household if such relative's needs are not considered in
30 calculating the amount of the benefit and there is no other nonexempt
31 caretaker relative in the household; (4) a family with a caretaker
32 relative caring for a child who is under one year of age and who was
33 born not more than ten months after the family's enrollment if there is
34 no other nonexempt caretaker relative in the household; (5) a family
35 with a pregnant or postpartum caretaker relative if a physician has
36 indicated that such relative is unable to work and there is no other
37 nonexempt caretaker relative in the household; (6) a family with a
38 caretaker relative determined by the commissioner to be unemployable
39 and there is no other nonexempt caretaker relative in the household;
40 and (7) minor parents attending and satisfactorily completing high
41 school or high school equivalency programs.

42 (c) A family who is subject to time-limited benefits may petition the
43 Commissioner of Social Services for six-month extensions of such
44 benefits. The commissioner shall grant not more than three extensions
45 to such family who has made a good faith effort to comply with the
46 requirements of the program and despite such effort has a total family
47 income at a level below the payment standard, or has encountered

48 circumstances preventing employment including, but not limited to:
49 (1) Domestic violence or physical harm to such family's children; or (2)
50 other circumstances beyond such family's control. The commissioner
51 shall disregard ninety dollars of earned income in determining
52 applicable family income. The commissioner may grant a fourth or a
53 subsequent six-month extension if each adult in the family meets one
54 or more of the following criteria: (A) The adult is precluded from
55 engaging in employment activities due to domestic violence or another
56 reason beyond the adult's control; (B) the adult has two or more
57 substantiated barriers to employment including, but not limited to, the
58 lack of available child care, substance abuse or addiction, severe
59 mental or physical health problems, one or more severe learning
60 disabilities, domestic violence or a child who has a serious physical or
61 behavioral health problem; (C) the adult is working thirty-five or more
62 hours per week, is earning at least the minimum wage and continues
63 to earn less than the family's temporary family assistance payment
64 standard; or (D) the adult is employed and works less than thirty-five
65 hours per week due to (i) a documented medical impairment that
66 limits the adult's hours of employment, provided the adult works the
67 maximum number of hours that the medical condition permits, or (ii)
68 the need to care for a disabled member of the adult's household,
69 provided the adult works the maximum number of hours the adult's
70 caregiving responsibilities permit. Families receiving temporary family
71 assistance shall be notified by the department of the right to petition
72 for such extensions. Notwithstanding the provisions of this section, the
73 commissioner shall not provide benefits under the state's temporary
74 family assistance program to a family that is subject to the twenty-one
75 month benefit limit and has received benefits beginning on or after
76 October 1, 1996, if such benefits result in that family's receiving more
77 than sixty months of time-limited benefits unless that family
78 experiences domestic violence, as defined in Section 402(a)(7)(B), P.L.
79 104-193. For the purpose of calculating said sixty-month limit: (I) A
80 month shall count toward the limit if the family receives assistance for
81 any day of the month, and (II) a month in which a family receives
82 temporary [family] assistance for needy families benefits that are

83 issued from a jurisdiction other than Connecticut shall count toward
84 the limit.

85 [(d) Medicaid eligibility shall be extended for two years to a family
86 who becomes ineligible for cash assistance while employed or a family
87 with an adult who, within six months of becoming ineligible, becomes
88 employed.]

89 [(e)] (d) Under said program (1) no family shall be eligible that has
90 total gross earnings exceeding the federal poverty level, however, in
91 the calculation of the benefit amount for eligible families and
92 previously eligible families that become ineligible temporarily because
93 of receipt of workers' compensation benefits by a family member who
94 subsequently returns to work immediately after the period of receipt of
95 such benefits, earned income shall be disregarded up to the federal
96 poverty level; (2) the increase in benefits to a family in which an infant
97 is born after the initial ten months of participation in the program shall
98 be limited to an amount equal to fifty per cent of the average
99 incremental difference between the amounts paid per each family size;
100 and (3) a disqualification penalty shall be established for failure to
101 cooperate with the biometric identifier system. Except when
102 determining eligibility for a six-month extension of benefits pursuant
103 to subsection (c) of this section, the commissioner shall disregard the
104 first fifty dollars per month of income attributable to child support that
105 a family receives in determining eligibility and benefit levels for
106 temporary family assistance.

107 [(f)] (e) A family receiving assistance under said program shall
108 cooperate with child support enforcement, under title IV-D of the
109 Social Security Act. A family shall be ineligible for benefits for failure
110 to cooperate with child support enforcement.

111 [(g)] (f) A family leaving assistance at the end of (1) said twenty-
112 one-month time limit, including a family with income above the
113 payment standard, or (2) the sixty-month limit shall have an interview
114 for the purpose of being informed of services that may continue to be
115 available to such family, including employment services available

116 through the Labor Department. Said interview shall contain a
117 determination of benefits available to said family provided by the
118 Department of Social Services. Said interview shall also include a
119 determination of whether such family is eligible for food stamps or
120 Medicaid. Information and referrals shall be made to such a family for
121 services and benefits including, but not limited to, the earned income
122 tax credit, rental subsidies emergency housing, employment services
123 and energy assistance.

124 [(h)] (g) An applicant or recipient of temporary family assistance
125 who is adversely affected by a decision of the Commissioner of Social
126 Services may request and shall be provided a hearing in accordance
127 with section 17b-60.

128 [(i) The commissioner may continue to operate under all or portions
129 of the federal waivers granted under Section 1115 of the Social Security
130 Act for the demonstration entitled "Reach For Jobs First".
131 Notwithstanding continuation of the provisions of said federal
132 waivers, the commissioner shall continue the evaluation of the
133 effectiveness of the temporary family assistance program and may
134 continue to utilize a control group using different program
135 requirements.]

136 [(j)] (h) The commissioner shall report, annually on or before
137 November fifteenth, to the joint standing committees of the General
138 Assembly having cognizance of matters relating to human services and
139 appropriations and the budgets of state agencies on the funding
140 requirements necessary to support the programs funded by the
141 temporary assistance for needy families block grant.

142 [(k) The Commissioner of Social Services shall implement policies
143 and procedures necessary for the purposes of this section while in the
144 process of adopting such policies and procedures in regulation form,
145 provided the commissioner prints notice of intention to adopt the
146 regulations in the Connecticut Law Journal within twenty days of
147 implementing such policies and procedures. Final regulations shall be
148 submitted to the legislative regulation review committee no later than

149 November 15, 1997. Policies and procedures implemented pursuant to
150 this subsection shall be valid until the time final regulations are
151 effective.]

152 Sec. 2. Section 17b-261 of the general statutes, as amended by section
153 3 of public act 01-2 of the June special session and section 129 of public
154 act 01-9 of the June special session, is repealed and the following is
155 substituted in lieu thereof (*Effective October 1, 2002*):

156 (a) Medical assistance shall be provided for any otherwise eligible
157 person whose income, including any available support from legally
158 liable relatives and the income of the person's spouse or dependent
159 child, is not more than one hundred forty-three per cent, pending
160 approval of a federal waiver applied for pursuant to subsection (d) of
161 this section, of the benefit amount paid to a person with no income
162 under the temporary family assistance program in the appropriate
163 region of residence and if such person is an institutionalized
164 individual as defined in Section 1917(c) of the Social Security Act, 42
165 USC 1396p(c), and has not made an assignment or transfer or other
166 disposition of property for less than fair market value for the purpose
167 of establishing eligibility for benefits or assistance under this section.
168 Any such disposition shall be treated in accordance with Section
169 1917(c) of the Social Security Act, 42 USC 1396p(c). Any disposition of
170 property made on behalf of an applicant or recipient or the spouse of
171 an applicant or recipient by a guardian, conservator, person
172 authorized to make such disposition pursuant to a power of attorney
173 or other person so authorized by law shall be attributed to such
174 applicant, recipient or spouse. A disposition of property ordered by a
175 court shall be evaluated in accordance with the standards applied to
176 any other such disposition for the purpose of determining eligibility.
177 The commissioner shall establish the standards for eligibility for
178 medical assistance at one hundred forty-three per cent of the benefit
179 amount paid to a family unit of equal size with no income under the
180 temporary family assistance program in the appropriate region of
181 residence, pending federal approval, except that the medical assistance
182 program shall provide coverage to persons under the age of nineteen

183 up to one hundred eighty-five per cent of the federal poverty level
184 without an asset limit. On and after January 1, 2001, said medical
185 assistance program shall also provide coverage to persons under the
186 age of nineteen and their parents and needy caretaker relatives who
187 qualify for coverage under Section 1931 of the Social Security Act with
188 family income up to one hundred fifty per cent of the federal poverty
189 level without an asset limit, upon the request of such a person or upon
190 a redetermination of eligibility. Such levels shall be based on the
191 regional differences in such benefit amount, if applicable, unless such
192 levels based on regional differences are not in conformance with
193 federal law. Any income in excess of the applicable amounts shall be
194 applied as may be required by said federal law, and assistance shall be
195 granted for the balance of the cost of authorized medical assistance. All
196 contracts entered into on and after July 1, 1997, pursuant to this section
197 shall include provisions for collaboration of managed care
198 organizations with the Healthy Families Connecticut Program
199 established pursuant to section 17a-56. The Commissioner of Social
200 Services shall provide applicants for assistance under this section, at
201 the time of application, with a written statement advising them of the
202 effect of an assignment or transfer or other disposition of property on
203 eligibility for benefits or assistance.

204 (b) For the purposes of the Medicaid program, the Commissioner of
205 Social Services shall consider parental income and resources as
206 available to a child under eighteen years of age who is living with his
207 or her parents and is blind or disabled for purposes of the Medicaid
208 program, or to any other child under twenty-one years of age who is
209 living with his or her parents.

210 (c) For the purposes of determining eligibility for the Medicaid
211 program, an available asset is one that is actually available to the
212 applicant or one that the applicant has the legal right, authority or
213 power to obtain or to have applied for the applicant's general or
214 medical support. If the terms of a trust provide for the support of an
215 applicant, the refusal of a trustee to make a distribution from the trust
216 does not render the trust an unavailable asset. Notwithstanding the

217 provisions of this subsection, the availability of funds in a trust or
218 similar instrument funded in whole or in part by the applicant or the
219 applicant's spouse shall be determined pursuant to the Omnibus
220 Budget Reconciliation Act of 1993, 42 USC 1396p. The provisions of
221 this subsection shall not apply to special needs trust, as defined in 42
222 USC 1396p(d)(4)(A).

223 (d) The transfer of an asset in exchange for other valuable
224 consideration shall be allowable to the extent the value of the other
225 valuable consideration is equal to or greater than the value of the asset
226 transferred.

227 (e) On or before January 15, 1994, and annually thereafter, the
228 Department of Social Services shall submit a report to the General
229 Assembly in accordance with section 11-4a which sets forth the
230 following: The number of children receiving Medicaid services; the
231 number of children receiving medical treatment at any state or
232 municipal health care facility; the number of doctors and dentists
233 participating in state or municipally-funded programs; and the
234 percentage of children treated in medical programs whose family
235 income is less than one hundred thirty-three per cent of the federal
236 poverty level and the number whose family income is greater than one
237 hundred thirty-three per cent but not more than one hundred eighty-
238 five per cent of the federal poverty level. On and after October 1, 1996,
239 the report shall be submitted to the joint standing committee of the
240 General Assembly having cognizance of matters relating to human
241 services and, upon request, to any member of the General Assembly. A
242 summary of the report shall be submitted to each member of the
243 General Assembly if the summary is two pages or less and a
244 notification of the report shall be submitted to each member if the
245 summary is more than two pages. Submission shall be by mailing the
246 report, summary or notification to the legislative address of each
247 member of the committee or the General Assembly, as applicable.

248 (f) The Commissioner of Social Services shall seek a waiver from
249 federal law to permit federal financial participation for Medicaid

250 expenditures for families with incomes of one hundred forty-three per
251 cent of the temporary family assistance program payment standard.

252 (g) To the extent permitted by federal law, Medicaid eligibility shall
253 be extended for two years to a family who becomes ineligible for
254 medical assistance under Section 1931 of the Social Security Act while
255 employed or due to receipt of child support income or a family with an
256 adult who, within six months of becoming ineligible under Section
257 1931 of the Social Security Act, becomes employed. All written notices
258 to a family concerning continued Medicaid eligibility shall specifically
259 state that failure to comply with any interview processes may result in
260 a termination of Medicaid eligibility.

261 Sec. 3. Subsection (a) of section 17b-112b of the general statutes is
262 repealed and the following is substituted in lieu thereof (*Effective*
263 *October 1, 2002*):

264 (a) An applicant or recipient who is a past or present victim of
265 domestic violence or at risk of further domestic violence, pursuant to
266 subsection (c) of section 17b-112a, shall, for good cause: (1) Be excused
267 from failing to participate in a work activity; or (2) be exempted from
268 child support enforcement requirements pursuant to subsection [(f)]
269 (e) of section 17b-112. Such an applicant or recipient may, for good
270 cause, be granted an extension of cash assistance beyond twenty-one
271 months, provided the domestic violence experienced is of sufficient
272 magnitude to reasonably render the individual unable to obtain or
273 maintain employment.

274 Sec. 4. (*Effective October 1, 2002*) Sections 17b-15 and 17b-55 of the
275 general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>
Sec. 2	<i>October 1, 2002</i>
Sec. 3	<i>October 1, 2002</i>
Sec. 4	<i>October 1, 2002</i>

HS *Joint Favorable Subst. C/R*

APP

APP *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

This bill makes a number of technical adjustments to bring the state's Temporary Family Assistance (TFA) program in line with Federal Temporary Assistance to Needy Families requirements. These changes allow the state to continue current state eligibility policies for TFA and Medicaid.

OLR Bill Analysis

sHB 5560

AN ACT CONFORMING STATE LAW WITH FEDERAL WELFARE REFORM**SUMMARY:**

This bill makes a number of changes, mostly technical, in the state's Temporary Family Assistance (TFA) and Medicaid statutes to ensure that they conform to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PROWRA) law. It removes references to the federal waiver under which the Department of Social Services (DSS) ran its family welfare program. One of these changes limits the availability of medical benefits to people transitioning off the TFA program.

The bill makes it clear that DSS can count any months that someone receives "TANF benefits" (TANF benefits could include not only cash assistance but other programs funded with TANF dollars) from another state or jurisdiction towards the TFA program's time limits. Currently, DSS counts only months someone receives TFA benefits issued outside the state. TFA is the name of Connecticut's cash assistance program. TANF is the federal block grant that replaced the old Aid to Families with Dependent Children program. States can use their TANF grants to fund a variety of programs that help poor families, including cash assistance.

The bill also removes obsolete provisions.

EFFECTIVE DATE: October 1, 2002

TRANSITIONAL MEDICAID FOR WELFARE LEAVERS

Under current law, DSS must extend Medicaid eligibility for two years to families who become ineligible for TFA benefits for any reason as long as an adult in the family (1) is working or (2) becomes employed within six months of losing cash assistance eligibility. (The regulations also allow Medicaid coverage for families who lose TFA eligibility due to child-support income.)

The bill instead extends Medicaid benefits for two years to families who become ineligible for “Section 1931” assistance, to the extent permitted by federal law. (Section 1931 is a reference to the federal Social Security Act. It is a Medicaid coverage category into which families receiving cash assistance fall.) This transitional coverage is available only to families who lose Medicaid eligibility and an adult in the family is (1) working or (2) begins working within six months of losing such eligibility. It is also available to people who lose eligibility due to child support income that brings them over the Section 1931 limits.

By tying eligibility for the transitional benefit to eligibility for Section 1931 coverage, instead of cash assistance, the bill limits such coverage to what federal law allows. Thus, families who lose eligibility for their Section 1931 medical coverage for any reason other than income, including child support income, cannot get transitional benefits. Under current law, families who lose their cash assistance due to things like noncompliance with a documentation requirement can qualify for transitional Medicaid as long as they meet the employment or child support income criterion. (The federal law does not allow states to waive a family’s non-financial eligibility requirements, which include filing proper forms.)

The bill requires that any notice DSS provides to families concerning continued Medicaid eligibility to state that failure to comply with any interview processes can result in a termination of Medicaid eligibility.

BACKGROUND

Section 1931 and Transitional Medicaid

Section 1931 of the Social Security Act was created under PROWRA. (PROWRA also established TANF.) It essentially de-linked Medicaid from state cash assistance programs, which meant that receipt of cash assistance no longer rendered someone automatically eligible for Medicaid. Section 1931 also required states to offer Medicaid to families using standards that were in effect when PROWRA passed but allowed them to use less restrictive eligibility criteria.

In addition to de-linking cash and medical assistance, Section 1931 limits transitional Medicaid benefits to families as follows. Families who would lose their Medicaid eligibility because their income, due to

child support, exceeds the Section 1931 limits can receive up to four months of transitional Medicaid. Families losing income eligibility for Medicaid due to increased earnings can receive up to 12 months of transitional benefits.

DSS indicates that it can continue offering two full years of transitional benefits by combining a different Section 1931 provision that allows states to use less restrictive eligibility methodologies with the above time-limited coverage provision. For families with child support income, DSS will allow this excess income to be “disregarded” for 20 months, and then the four months of mandatory coverage will start. Families with excess earnings will have these disregarded for one year. Then, the mandatory year of coverage would apply.

Until September 30, 2001, the state operated its transitional Medicaid program under a federal waiver. PROWRA allowed states with waivers to continue those waivers even if they contained elements contrary to the PROWRA’s provisions.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute Change of Reference
Yea 18 Nay 0

Appropriations Committee

Joint Favorable Report
Yea 49 Nay 0