

DSS ID # 14-08

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE 3/12/2015

SUBJECT MATTER OF REGULATION State Supplement Benefit Issuance

REGULATION SECTION NO. 6505 and 6505.05 UPM STATUTORY AUTHORITY 17b-104

OTHER AGENCIES AFFECTED None

EFFECTIVE DATE USED IN COST ESTIMATE Upon Passage

ESTIMATE PREPARED BY Marsha Goldberg

QUESTIONS SHOULD BE ADDRESSED TO Mike Gilbert TELEPHONE 424-5841

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected General

	SFY 2016	SFY 2017	SFY 2017
Number of Positions	_____	_____	_____
Personal Services	_____	_____	_____
Other Expenses	_____	_____	_____
Equipment	_____	_____	_____
Grants (Medicaid)	_____	_____	_____
Total State Cost (Savings)	_____	_____	_____
Estimated Revenue Gain (Loss)	_____	_____	_____
Total Net State Cost (Savings)	_____	See Below	_____

EXPLANATION OF STATE IMPACT OF REGULATION:

This proposed regulation seeks to require recipients of state supplementation to the Supplemental Security Income Program (State Supplement) who do not reside in rated facilities to receive such benefits by direct deposit into a

personal account at a financial institution or an electronic benefit transfer account, with certain limited exceptions for recipients who were born before May 1, 1921, suffer from a mental impairment or live in a disaster area.

Issuing State Supplement benefits by paper check is unnecessarily costly and leads to complications when benefit checks are lost, mutilated or destroyed prior to being cashed or deposited by the recipient. For similar reasons, as of March 1, 2013, the United States Department of Treasury began issuing all federal benefits, with limited exceptions, by electronic means. As a result, the vast majority of Connecticut's State Supplement recipients already receive their federal Supplemental Security Income benefits by direct deposit into a personal financial account or an EBT account. Accordingly, continued issuance of State Supplement benefits by paper check is not only unnecessarily costly, but also out of step with the federal model for issuing benefits.

The proposed regulation requires each State Supplement recipient who does not reside in a rated facility to receive benefit payments by direct deposit into a personal account at a financial institution or an EBT account, with limited exceptions. These exceptions, which are adapted from similar exceptions set forth in the Department of Treasury's regulations, allow a recipient to receive benefits by paper check if such recipient was born before May 1, 1921, or has a mental impairment that results in the recipient being unable to manage a personal account at a financial institution or an EBT account. In addition, the proposed regulation allows the department to issue benefits by check to any recipient who lives in a federal disaster area for a period not to exceed 120 days after the disaster is declared.

FINANCIAL IMPACT:

The above changes will be effective upon passage.

The changes to policy will align the State Supplement program with other cash benefit programs run by DSS.

There may be a small savings of approximately \$3,700 in SFY 2016 and 2017 resulting from the electronic benefit transfer with savings from issuing the checks and associated postage. In addition, there will be administrative savings where staff will not need to process cancellation and reissuance of checks.

MUNICIPAL IMPACT: None.