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ENGROSSED SUBSTITUTE HOUSE BILL 2082

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State of Washington                      62nd Legislature                      2011 1st Special Session

By House Ways & Means (originally sponsored by Representatives Darneille, Goodman, Dickerson, Roberts, Pettigrew, Appleton, Ryu, Fitzgibbon, Finn, Orwall, Ormsby, Ladenburg, Kenney, and Moscoso)

READ FIRST TIME 05/12/11.

1            AN ACT Relating to reforming the disability lifeline program  
2 through essential needs and housing support for persons not likely to  
3 meet federal supplemental security income disability standards,  
4 continued aid and support for other disability lifeline recipients, and  
5 modification of the disability lifeline medical care services needed to  
6 receive federal funding; amending RCW 74.09.035, 74.04.005, 74.50.055,  
7 and 70.96A.530; adding new sections to chapter 43.185C RCW; adding a  
8 new chapter to Title 74 RCW; creating a new section; repealing RCW  
9 43.330.175 and 74.04.810; providing effective dates; providing an  
10 expiration date; and declaring an emergency.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

12            NEW SECTION.    **Sec. 1. Intent.**    (1) The legislature finds that:

13            (a) Persons who have a long-term disability and apply for federal  
14 supplemental security income benefits should receive assistance while  
15 their application for federal benefits is pending, with repayment from  
16 the federal government of state-funded income assistance paid through  
17 the long-term disability assistance program;

18            (b) Persons who are incapacitated from gainful employment for an

1 extended period, but who may not meet the level of severity of a long-  
2 term disability, are at increased risk of homelessness; and

3 (c) Persons who are homeless and suffering from significant medical  
4 impairments, mental illness, or chemical dependency face substantial  
5 barriers to successful participation in, and completion of, needed  
6 medical or behavioral health treatment services. Stable housing  
7 increases the likelihood of compliance with and completion of  
8 treatment.

9 (2) Through this act, the legislature intends to:

10 (a) Terminate all components of the disability lifeline program  
11 created in 2010 and codified in RCW 74.04.005 and create new programs:

12 (i) To provide financial grants through the long-term disability  
13 assistance program, the aged, blind, and disabled assistance program,  
14 and the pregnant women assistance program; and (ii) to provide services  
15 through the essential needs and housing support program; and

16 (b) Increase opportunities to utilize limited public funding,  
17 combined with private charitable and volunteer efforts to serve persons  
18 who are recipients of the benefits provided by the new programs created  
19 under this act.

20 NEW SECTION. **Sec. 2.** (1)(a) Effective November 1, 2011, the long-  
21 term disability assistance program shall provide financial grants to  
22 persons who:

23 (i) Are recipients of disability lifeline expedited benefits on  
24 October 31, 2011, and continue to meet the eligibility requirements of  
25 (a)(ii) of this subsection; or

26 (ii)(A) Are not eligible to receive federal aid assistance, other  
27 than basic food benefits transferred electronically and medical  
28 assistance;

29 (B) Are likely to meet the federal supplemental security income  
30 disability standard. In making this determination, the department  
31 should give full consideration to the cumulative impact of an  
32 applicant's multiple impairments, an applicant's age, and vocational  
33 and educational history but need not duplicate the full five-step  
34 sequential review process set out in federal supplemental security  
35 income regulations. To improve access to timely disability  
36 evaluations, the department may allow mid-level practitioners, such as

1 advance registered nurse practitioners, and licensed mental health  
2 practitioners, to conduct evaluations, with review and approval by  
3 medical practitioners;

4 (C) Are citizens or aliens lawfully admitted for permanent  
5 residence or otherwise residing in the United States under color of  
6 law;

7 (D) Have furnished the department their social security number. If  
8 the social security number cannot be furnished because it has not been  
9 issued or is not known, an application for a number shall be made prior  
10 to authorization of benefits, and the social security number shall be  
11 provided to the department upon receipt;

12 (iii) Meet income and resource standards for the disability  
13 lifeline program in effect on December 31, 2010; and

14 (iv) Have not refused or failed without good cause to participate  
15 in drug or alcohol treatment if an assessment by a certified chemical  
16 dependency counselor indicates a need for such treatment. Good cause  
17 must be found to exist when a person's physical or mental condition, as  
18 determined by the department, prevents the person from participating in  
19 drug or alcohol dependency treatment, when needed outpatient drug or  
20 alcohol treatment is not available to the person in the county of his  
21 or her residence or when needed inpatient treatment is not available in  
22 a location that is reasonably accessible for the person.

23 (b) The following persons are not eligible for the long-term  
24 disability assistance program:

25 (i) Persons who are not able to engage in gainful employment due  
26 primarily to alcohol or drug addiction. These persons shall be  
27 referred to appropriate assessment, treatment, shelter, or supplemental  
28 security income referral services as authorized under chapter 74.50  
29 RCW. Referrals shall be made at the time of application or at the time  
30 of eligibility review. This subsection may not be construed to  
31 prohibit the department from granting long-term disability assistance  
32 benefits to alcoholics and drug addicts who are incapacitated due to  
33 other physical or mental conditions that meet the eligibility criteria  
34 for the long-term disability assistance program;

35 (ii) Persons who refuse or fail to cooperate in obtaining federal  
36 aid assistance, without good cause; and

37 (iii) Persons for whom there has been a final determination of  
38 ineligibility for federal supplemental security income benefits.

1 (c) Persons may receive long-term disability assistance benefits  
2 pending application for federal supplemental security income benefits.  
3 The monetary value of any long-term disability assistance benefit that  
4 is subsequently duplicated by the person's receipt of supplemental  
5 security income for the same period shall be considered a debt due the  
6 state and shall by operation of law be subject to recovery through all  
7 available legal remedies.

8 (2) Effective November 1, 2011, the aged, blind, and disabled  
9 assistance program shall provide financial grants to persons who:

10 (a) Are recipients of disability lifeline aged, blind, and disabled  
11 benefits on October 31, 2011, and continue to meet the eligibility  
12 requirements of (b) of this subsection; or

13 (b)(i) Are citizens or aliens lawfully admitted for permanent  
14 residence or otherwise residing in the United States under color of  
15 law;

16 (ii) Are likely to meet the federal supplemental security income  
17 disability standard. In making this determination, the department  
18 should give full consideration to the cumulative impact of an  
19 applicant's multiple impairments, an applicant's age, and vocational  
20 and educational history but need not duplicate the full five-step  
21 sequential review process set out in federal supplemental security  
22 income regulations;

23 (iii) Meet the income and resource standards for the disability  
24 lifeline program in effect on December 31, 2010;

25 (iv) Have not refused or failed to cooperate in obtaining federal  
26 aid assistance without good cause; and

27 (v) Have not refused or failed without good cause to participate in  
28 drug or alcohol treatment if an assessment by a certified chemical  
29 dependency counselor indicates a need for such treatment. Good cause  
30 must be found to exist when a person's physical or mental condition, as  
31 determined by the department, prevents the person from participating in  
32 drug or alcohol dependency treatment, when needed outpatient drug or  
33 alcohol treatment is not available to the person in the county of his  
34 or her residence or when needed inpatient treatment is not available in  
35 a location that is reasonably accessible for the person.

36 (3) Effective November 1, 2011, the pregnant women assistance  
37 program shall provide financial grants to persons who:

1 (a) Are recipients of disability lifeline benefits as a pregnant  
2 woman on October 31, 2011, and continue to meet the eligibility  
3 requirements of (b) of this subsection; or

4 (b)(i) Are citizens or aliens lawfully admitted for permanent  
5 residence or otherwise residing in the United States under color of  
6 law;

7 (ii) Are pregnant and in need, based upon the current income and  
8 resource standards of the federal temporary assistance for needy  
9 families program, but are ineligible for federal temporary assistance  
10 for needy families benefits for a reason other than failure to  
11 cooperate in program requirements; and

12 (iii) Have not refused or failed without good cause to participate  
13 in drug or alcohol treatment if an assessment by a certified chemical  
14 dependency counselor indicates a need for such treatment. Good cause  
15 must be found to exist when a person's physical or mental condition, as  
16 determined by the department, prevents the person from participating in  
17 drug or alcohol dependency treatment, when needed outpatient drug or  
18 alcohol treatment is not available to the person in the county of his  
19 or her residence or when needed inpatient treatment is not available in  
20 a location that is reasonably accessible for the person.

21 (4) Effective November 1, 2011, referrals for essential needs and  
22 housing support under section 4 of this act shall be provided to  
23 persons found eligible for medical care services under RCW 74.09.035  
24 who are not recipients of alcohol and addiction services provided under  
25 chapter 74.50 RCW.

26 (5) No person may be considered an eligible individual for benefits  
27 under this section with respect to any month if during that month the  
28 person:

29 (a) Is fleeing to avoid prosecution of, or to avoid custody or  
30 confinement for conviction of, a felony, or an attempt to commit a  
31 felony, under the laws of the state of Washington or the place from  
32 which the person flees; or

33 (b) Is violating a condition of probation, community supervision,  
34 or parole imposed under federal or state law for a felony or gross  
35 misdemeanor conviction.

36 (6) The department must review the cases of all persons, except  
37 recipients of alcohol and addiction treatment under chapter 74.50 RCW,  
38 who have received medical care services for twelve months, and annually

1 thereafter, to determine whether they are eligible for the long-term  
2 disability assistance program. In determining whether an applicant is  
3 likely to meet the eligibility requirements for the long-term  
4 disability assistance program, the department should give full  
5 consideration to the cumulative impact of an applicant's multiple  
6 impairments, age, and vocational and educational history but need not  
7 duplicate the full five-step sequential review process set out in  
8 federal supplemental security income regulations. To improve access to  
9 timely disability evaluations, the department may allow mid-level  
10 practitioners, such as advanced registered nurse practitioners and  
11 licensed mental health practitioners, to conduct evaluations, with  
12 review and approval by medical practitioners.

13 NEW SECTION. **Sec. 3.** Funding for the essential needs and housing  
14 support program established under section 4 of this act shall be as  
15 follows: The total funding for the program shall be based on the  
16 projected medical care services caseload, adjusted for discrepancies  
17 between the grant and medical caseloads, and the estimated monthly  
18 average of the cash assistance grant that was in effect as of July 1,  
19 2011. In subsequent fiscal biennia, the total funding for the program  
20 shall, at a minimum, retain the average per-client support level  
21 provided in the previous fiscal biennium.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.185C  
23 RCW to read as follows:

24 **Grants to local governments and community-based organizations for**  
25 **essential needs and housing support.** (1) The department shall  
26 distribute funds for the essential needs and housing support program  
27 established under this section in a manner consistent with the  
28 requirements of this section. The first distribution of funds must be  
29 completed by September 1, 2011. Receipt of essential needs or housing  
30 support is not an entitlement for persons found eligible for such  
31 services under section 2 of this act.

32 (2) The department shall distribute funds appropriated for the  
33 essential needs and housing support program in the form of grants to  
34 designated essential needs support and housing support entities within  
35 each county using a formula based on the average number of clients  
36 residing in the county who received either disability

1 lifeline-unemployable benefits or essential needs and support benefits  
2 in each of the three preceding fiscal years. The formula shall be  
3 applied beginning July 1, 2011, and updated annually. Between ten and  
4 fifteen percent of the funds distributed to a county must be used to  
5 provide essential needs support.

6 (3) For each county, the department shall designate an essential  
7 needs support entity and a housing support entity that will begin  
8 providing these supports to essential needs and housing support program  
9 recipients on November 1, 2011. Essential needs and housing support  
10 entities are not required to provide assistance to every essential  
11 needs and housing support recipient that is referred to the local  
12 entity or who meets the priority standards in subsection (4)(c) of this  
13 section.

14 (a) Each designated entity must be a local government or  
15 community-based organization, and may administer the funding for  
16 essential needs support, housing support, or both. Designated entities  
17 have the authority to subcontract with qualified entities. Upon  
18 request, and the approval of the department, two or more counties may  
19 combine resources to more effectively deliver services.

20 (b) The department's designation process must include a review of  
21 proficiency in managing housing or human services programs when  
22 designating housing support entities.

23 (c) Within a county, if the department directly awards separate  
24 grants to the designated housing support entity and the designated  
25 essential needs support entity, the department shall determine the  
26 amount allocated for essential needs support within the range specified  
27 in subsection (2) of this section.

28 (4)(a) Essential needs and housing support entities must use funds  
29 distributed under this section as flexibly as is practicable to provide  
30 essential needs items and housing support to recipients of the  
31 essential needs and housing support program, subject to the  
32 requirements of this section. Essential needs and housing support  
33 shall not be provided in the form of cash assistance to recipients.

34 (b) Benefits provided under the essential needs and housing support  
35 program shall not be provided to recipients in the form of cash  
36 assistance.

37 (c) Designated housing support entities must not exceed either the:  
38 (i) Average per-client support level established in the operating

1 budget for all clients served through their housing support program; or  
2 (ii) maximum per-client support level established in the operating  
3 budget for any individual client served through their housing support  
4 program.

5 (d) In awarding housing support, the designated housing support  
6 entity shall give first priority to clients who are in stable housing,  
7 and for whom support will allow housing retention and who would be at  
8 risk of homelessness without such housing support. Second priority  
9 shall be given to clients who are receiving care coordination services  
10 through the managed health care plan that has a contract with the state  
11 to serve essential needs and housing support program recipients.  
12 Within these priorities, additional local priorities for the use of  
13 funds must be developed in the event that available resources are not  
14 sufficient to provide service to all prioritized recipients who have  
15 been referred for support.

16 (e) Essential needs and housing support entities must partner with  
17 other public and private organizations to maximize the beneficial  
18 impact of funds distributed under this section, and should attempt to  
19 leverage other sources of public and private funds to serve essential  
20 needs and housing support recipients. Funds appropriated in the  
21 operating budget for essential needs and housing support must be used  
22 only to serve persons eligible to receive services under that program.

23 (5) The department and each essential needs and housing support  
24 entity shall minimize the percentage of funds used for administration  
25 of the essential needs and housing support program to maximize funding  
26 available for supports.

27 (6) The department shall:

28 (a) Require housing support entities to enter data into the  
29 homeless client management information system;

30 (b) Require essential needs support entities to report on services  
31 provided under this section;

32 (c) In collaboration with the department of social and health  
33 services, submit a report annually to the relevant policy and fiscal  
34 committees of the legislature. A preliminary report shall be submitted  
35 by December 31, 2011, and must include (c)(i), (iii), and (v) of this  
36 subsection. Annual reports must be submitted beginning December 1,  
37 2012, and must include:



1 (i) A description of the actions the department has taken to  
2 achieve the objectives of this act;

3 (ii) The amount of funds used by the department to administer the  
4 program;

5 (iii) Information on the housing status of essential needs and  
6 housing support recipients served by housing support entities, and  
7 individuals referred for housing support by the department of social  
8 and health services, but not receiving services;

9 (iv) Grantee expenditure data related to administration and  
10 services provided under this section; and

11 (v) Efforts made to partner with other entities and leverage  
12 sources or public and private funds;

13 (d) Review the data submitted by the designated entities, and make  
14 recommendations for program improvements and administrative  
15 efficiencies. The department has the authority to designate  
16 alternative entities as necessary due to performance or other  
17 significant issues. Such change must only be made after consultation  
18 with the department of social and health services and the impacted  
19 entity.

20 (7) The department, counties, and essential needs and housing  
21 support entities are not civilly or criminally liable and may not have  
22 any penalty or cause of action of any nature arise against them related  
23 to decisions regarding: (a) The provision or lack of provision of  
24 housing or essential needs support; or (b) the type of housing  
25 arrangement supported with funds allocated under this section, when the  
26 decision was made in good faith and in the performance of the powers  
27 and duties under this section. However, this section does not prohibit  
28 legal actions against the department, county, or essential needs or  
29 housing support entity to enforce contractual duties or obligations.

30 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.185C  
31 RCW to read as follows:

32 The department, in collaboration with the department of social and  
33 health services, shall develop a mechanism through which the department  
34 and local governments or community-based organizations can verify a  
35 person has been determined eligible for medical care services under RCW  
36 74.09.035 by the department of social and health services.

1       **Sec. 6.** RCW 74.09.035 and 2011 c 284 s 3 are each amended to read  
2 as follows:

3       (1) To the extent of available funds, medical care services may be  
4 provided to ~~((recipients of disability lifeline benefits, persons~~  
5 ~~denied disability lifeline benefits under RCW 74.04.005(5)(b) or~~  
6 ~~74.04.655 who otherwise meet the requirements of RCW 74.04.005(5)(a),~~  
7 ~~and recipients of alcohol and drug addiction services provided under~~  
8 ~~chapter 74.50 RCW, in accordance with medical eligibility requirements~~  
9 ~~established by the department.))):~~

10       (a) Persons who:

11       (i) Are incapacitated from gainful employment by reason of bodily  
12 or mental infirmity that will likely continue for a minimum of ninety  
13 days as determined by the department. The standard for incapacity in  
14 this subsection, as evidenced by the ninety-day duration standard, is  
15 not intended to be as stringent as federal supplemental security income  
16 disability standards;

17       (ii) Are citizens or aliens lawfully admitted for permanent  
18 residence or otherwise residing in the United States under color of  
19 law;

20       (iii) Have furnished the department their social security number.  
21 If the social security number cannot be furnished because it has not  
22 been issued or is not known, an application for a number shall be made  
23 prior to authorization of benefits, and the social security number  
24 shall be provided to the department upon receipt;

25       (iv) Have countable income as described in RCW 74.04.005 at or  
26 below four hundred twenty-eight dollars for a married couple or at or  
27 below three hundred thirty-nine dollars for a single individual; and

28       (v) Do not have countable resources in excess of those described in  
29 RCW 74.04.005.

30       (b) Persons eligible for the aged, blind, or disabled assistance  
31 program authorized in section 2(2) of this act.

32       (c) Persons eligible for alcohol and drug addiction services  
33 provided under chapter 74.50 RCW, in accordance with medical  
34 eligibility requirements established by the department.

35       (d) The following persons are not eligible for medical care  
36 services:

37       (i) Persons who are unemployable due primarily to alcohol or drug  
38 addiction, except as provided in (c) of this subsection. These persons

1 shall be referred to appropriate assessment, treatment, shelter, or  
2 supplemental security income referral services as authorized under  
3 chapter 74.50 RCW. Referrals shall be made at the time of application  
4 or at the time of eligibility review. This subsection shall not be  
5 construed to prohibit the department from granting medical care  
6 services benefits to alcoholics and drug addicts who are incapacitated  
7 due to other physical or mental conditions that meet the eligibility  
8 criteria for the disability lifeline program;

9 (ii) Persons who refuse or fail to cooperate in obtaining federal  
10 aid assistance, without good cause;

11 (iii) Persons who refuse or fail without good cause to participate  
12 in drug or alcohol treatment if an assessment by a certified chemical  
13 dependency counselor indicates a need for such treatment. Good cause  
14 must be found to exist when a person's physical or mental condition, as  
15 determined by the department, prevents the person from participating in  
16 drug or alcohol dependency treatment, when needed outpatient drug or  
17 alcohol treatment is not available to the person in the county of his  
18 or her residence or when needed inpatient treatment is not available in  
19 a location that is reasonably accessible for the person; and

20 (iv) Persons who are fleeing to avoid prosecution of, or to avoid  
21 custody or confinement for conviction of, a felony, or an attempt to  
22 commit a felony, under the laws of the state of Washington or the place  
23 from which the person flees; or who are violating a condition of  
24 probation, community supervision, or parole imposed under federal or  
25 state law for a felony or gross misdemeanor conviction.

26 (e) For purposes of determining whether a person is incapacitated  
27 from gainful employment under (a) of this subsection:

28 (i) The department shall adopt by rule medical criteria for  
29 incapacity determinations to ensure that eligibility decisions are  
30 consistent with statutory requirements and are based on clear,  
31 objective medical information; and

32 (ii) The process implementing the medical criteria shall involve  
33 consideration of opinions of the treating or consulting physicians or  
34 health care professionals regarding incapacity, and any eligibility  
35 decision which rejects uncontroverted medical opinion must set forth  
36 clear and convincing reasons for doing so.

37 (f) For purposes of reviewing a person's continuing eligibility and  
38 in order to remain eligible for the program, persons who have been

1 found to have an incapacity from gainful employment must demonstrate  
2 that there has been no material improvement in their medical or mental  
3 health condition. The department may discontinue benefits when there  
4 was specific error in the prior determination that found the person  
5 eligible by reason of incapacitation.

6 (2) Enrollment in medical care services may not result in  
7 expenditures that exceed the amount that has been appropriated in the  
8 operating budget. If it appears that continued enrollment will result  
9 in expenditures exceeding the appropriated level for a particular  
10 fiscal year, the department may freeze new enrollment and establish a  
11 waiting list of ((eligible)) persons who may receive benefits only when  
12 sufficient funds are available. ~~((Upon implementation of a federal  
13 medicaid 1115 waiver providing federal matching funds for medical care  
14 services, persons subject to termination of disability lifeline  
15 benefits under RCW 74.04.005(5)(h) remain enrolled in medical care  
16 services and persons subject to denial of disability lifeline benefits  
17 under RCW 74.04.005(5)(h) remain eligible for medical care services.~~

18 ~~(+2))~~ (3) Determination of the amount, scope, and duration of  
19 medical care services shall be limited to coverage as defined by the  
20 department, except that adult dental, and routine foot care shall not  
21 be included unless there is a specific appropriation for these  
22 services.

23 ~~((+3))~~ (4) The department shall enter into performance-based  
24 contracts with one or more managed health care systems for the  
25 provision of medical care services ~~((to recipients of disability  
26 lifeline benefits))~~ under this section. The contract must provide for  
27 integrated delivery of medical and mental health services.

28 ~~((+4))~~ (5) The department shall establish standards of assistance  
29 and resource and income exemptions, which may include deductibles and  
30 co- insurance provisions. In addition, the department may include a  
31 prohibition against the voluntary assignment of property or cash for  
32 the purpose of qualifying for assistance.

33 ~~((+5))~~ (6) Residents of skilled nursing homes, intermediate care  
34 facilities, and intermediate care facilities for persons with  
35 intellectual disabilities, as that term is described by federal law,  
36 who are eligible for medical care services shall be provided medical  
37 services to the same extent as provided to those persons eligible under  
38 the medical assistance program.

1       ~~((6) Eligibility for medical care services shall commence with the~~  
2 ~~date of certification for disability lifeline benefits or the date of~~  
3 ~~eligibility for alcohol and drug addiction services provided under~~  
4 ~~chapter 74.50 RCW.))~~

5       (7) Eligibility for medical care services shall commence with the  
6 date of certification for medical services, date of eligibility for the  
7 aged, blind, or disabled assistance program provider under section 2(2)  
8 of this act, or the date or eligibility for alcohol and drug addiction  
9 services provided under chapter 74.50 RCW.

10       NEW SECTION. Sec. 7. For the purposes of this chapter, unless the  
11 context indicates otherwise, the following definitions shall apply:

12       (1) "Aged, blind, and disabled assistance program" means the  
13 program established under section 2 of this act.

14       (2) "Applicant" means any person who has made a request, or on  
15 behalf of whom a request has been made, to any county or local office  
16 for assistance.

17       (3) "Department" means the department of social and health  
18 services.

19       (4) "Director" or "secretary" means the secretary of social and  
20 health services.

21       (5) "Essential needs and housing support program" means the program  
22 established under section 4 of this act.

23       (6) "Essential needs support" means personal health and hygiene  
24 items, cleaning supplies, other necessary items and transportation  
25 passes or tokens provided through an essential needs support entity  
26 established under section 4 of this act.

27       (7) "Federal aid assistance" means the specific categories of  
28 assistance for which provision is made in any federal law existing or  
29 hereafter passed by which payments are made from the federal government  
30 to the state in aid or in respect to payment by the state for public  
31 assistance rendered to any category of needy persons for which  
32 provision for federal funds or aid may from time to time be made, or a  
33 federally administered needs-based program.

34       (8) "Housing support" means assistance provided by a designated  
35 housing support entity established under section 4 of this act to  
36 maintain existing housing, to obtain housing, or to obtain heat,  
37 electricity, natural gas, sewer, garbage, and water services.

1 (9) "Income" means:

2 (a) All appreciable gains in real or personal property (cash or  
3 kind) or other assets, which are received by or become available for  
4 use and enjoyment by an applicant or recipient during the month of  
5 application or after applying for or receiving public assistance. The  
6 department may by rule and regulation exempt income received by an  
7 applicant for or recipient of public assistance which can be used by  
8 him or her to decrease his or her need for public assistance or to aid  
9 in rehabilitating him or her or his or her dependents, but such  
10 exemption shall not, unless otherwise provided in this title, exceed  
11 the exemptions of resources granted under this chapter to an applicant  
12 for public assistance. In addition, for cash assistance the department  
13 may disregard income pursuant to RCW 74.08A.230 and 74.12.350.

14 (b) If, under applicable federal requirements, the state has the  
15 option of considering property in the form of lump sum compensatory  
16 awards or related settlements received by an applicant or recipient as  
17 income or as a resource, the department shall consider such property to  
18 be a resource.

19 (10) "Long-term disability assistance program" means the program  
20 established under section 2 of this act.

21 (11) "Need" means the difference between the applicant's or  
22 recipient's standards of assistance for himself or herself and the  
23 dependent members of his or her family, as measured by the standards of  
24 the department, and value of all nonexempt resources and nonexempt  
25 income received by or available to the applicant or recipient and the  
26 dependent members of his or her family.

27 (12) "Pregnant women assistance program" means the program  
28 established under section 2 of this act.

29 (13) "Recipient" means any person receiving assistance and in  
30 addition those dependents whose needs are included in the recipient's  
31 assistance.

32 (14)(a) "Resource" means any asset, tangible or intangible, owned  
33 by or available to the applicant at the time of application, which can  
34 be applied toward meeting the applicant's need, either directly or by  
35 conversion into money or its equivalent. The department may by rule  
36 designate resources that an applicant may retain and not be ineligible  
37 for public assistance because of such resources. Exempt resources  
38 shall include, but are not limited to:

1 (i) A home that an applicant, recipient, or their dependents is  
2 living in, including the surrounding property;

3 (ii) Household furnishings and personal effects;

4 (iii) A motor vehicle, other than a motor home, used and useful  
5 having an equity value not to exceed five thousand dollars;

6 (iv) A motor vehicle necessary to transport a household member with  
7 a physical disability. This exclusion is limited to one vehicle per  
8 person with a physical disability; and

9 (v) All other resources, including any excess of values exempted,  
10 not to exceed one thousand dollars or other limit as set by the  
11 department, to be consistent with limitations on resources and  
12 exemptions necessary for federal aid assistance. The department shall  
13 also allow recipients of temporary assistance for needy families to  
14 exempt savings accounts with combined balances of up to an additional  
15 three thousand dollars.

16 (b) Applicants for or recipients of benefits under this chapter  
17 shall have their eligibility based on resource limitations consistent  
18 with the temporary assistance for needy families program rules adopted  
19 by the department.

20 (c) If an applicant for or recipient of public assistance possesses  
21 property and belongings in excess of the ceiling value, such value  
22 shall be used in determining the need of the applicant or recipient,  
23 except that: (i) The department may exempt resources or income when  
24 the income and resources are determined necessary to the applicant's or  
25 recipient's restoration to independence, to decrease the need for  
26 public assistance, or to aid in rehabilitating the applicant or  
27 recipient or a dependent of the applicant or recipient; and (ii) the  
28 department may provide grant assistance for a period not to exceed nine  
29 months from the date the agreement is signed pursuant to this section  
30 to persons who are otherwise ineligible because of excess real property  
31 owned by such persons when they are making a good faith effort to  
32 dispose of that property: PROVIDED, That:

33 (A) The applicant or recipient signs an agreement to repay the  
34 lesser of the amount of aid received or the net proceeds of such sale;

35 (B) If the owner of the excess property ceases to make good faith  
36 efforts to sell the property, the entire amount of assistance may  
37 become an overpayment and a debt due the state and may be recovered  
38 pursuant to RCW 43.20B.630;

1 (C) Applicants and recipients are advised of their right to a fair  
2 hearing and afforded the opportunity to challenge a decision that good  
3 faith efforts to sell have ceased, prior to assessment of an  
4 overpayment under this section; and

5 (D) At the time assistance is authorized, the department files a  
6 lien without a sum certain on the specific property.

7 (15) For purposes of determining eligibility for public assistance  
8 and participation levels in the cost of medical care, the department  
9 shall exempt restitution payments made to people of Japanese and Aleut  
10 ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian  
11 and Pribilof Island Restitution Act passed by congress, P.L. 100-383,  
12 including all income and resources derived therefrom.

13 (16) In the construction of words and phrases used in this chapter,  
14 the singular number shall include the plural, the masculine gender  
15 shall include both the feminine and neuter genders, and the present  
16 tense shall include the past and future tenses, unless the context  
17 thereof shall clearly indicate to the contrary.

18 **Sec. 8.** RCW 74.04.005 and 2010 1st sp.s. c 8 s 4 are each amended  
19 to read as follows:

20 For the purposes of this title, unless the context indicates  
21 otherwise, the following definitions shall apply:

22 (1) "Public assistance" or "assistance"(~~(—)~~) means public aid to  
23 persons in need thereof for any cause, including services, medical  
24 care, assistance grants, disbursing orders, work relief, (~~(disability~~  
25 ~~lifeline)~~) benefits under sections 2 and 4 of this act, and federal aid  
26 assistance.

27 (2) "Department"(~~(—)~~) means the department of social and health  
28 services.

29 (3) "County or local office"(~~(—)~~) means the administrative office  
30 for one or more counties or designated service areas.

31 (4) "Director" or "secretary" means the secretary of social and  
32 health services.

33 (5) "~~(Disability lifeline)~~ Essential needs and housing support  
34 program" means ~~((a program that provides aid and support in accordance~~  
35 ~~with the conditions set out in this subsection.~~

36 ~~(a) Aid and assistance shall be provided to persons who are not~~



1 eligible to receive federal aid assistance, other than basic food  
2 benefits transferred electronically and medical assistance and meet one  
3 of the following conditions:

4 (i) Are pregnant and in need, based upon the current income and  
5 resource requirements of the federal temporary assistance for needy  
6 families program; or

7 (ii) Are incapacitated from gainful employment by reason of bodily  
8 or mental infirmity that will likely continue for a minimum of ninety  
9 days as determined by the department. The standard for incapacity in  
10 this subsection, as evidenced by the ninety day duration standard, is  
11 not intended to be as stringent as federal supplemental security income  
12 disability standards; and

13 (A) Are citizens or aliens lawfully admitted for permanent  
14 residence or otherwise residing in the United States under color of  
15 law;

16 (B) Have furnished the department their social security number. If  
17 the social security number cannot be furnished because it has not been  
18 issued or is not known, an application for a number shall be made prior  
19 to authorization of benefits, and the social security number shall be  
20 provided to the department upon receipt;

21 (C) Have not refused or failed without good cause to participate in  
22 drug or alcohol treatment if an assessment by a certified chemical  
23 dependency counselor indicates a need for such treatment. Good cause  
24 must be found to exist when a person's physical or mental condition, as  
25 determined by the department, prevents the person from participating in  
26 drug or alcohol dependency treatment, when needed outpatient drug or  
27 alcohol treatment is not available to the person in the county of his  
28 or her residence or when needed inpatient treatment is not available in  
29 a location that is reasonably accessible for the person; and

30 (D) Have not refused or failed without good cause to participate in  
31 vocational rehabilitation services, if an assessment conducted under  
32 RCW 74.04.655 indicates that the person might benefit from such  
33 services. Good cause must be found to exist when a person's physical  
34 or mental condition, as determined by the department, prevents the  
35 person from participating in vocational rehabilitation services, or  
36 when vocational rehabilitation services are not available to the person  
37 in the county of his or her residence.

1       ~~(b)(i) Persons who initially apply and are found eligible for~~  
2 ~~disability lifeline benefits based upon incapacity from gainful~~  
3 ~~employment under (a) of this subsection on or after September 2, 2010,~~  
4 ~~who are homeless and have been assessed as needing chemical dependency~~  
5 ~~or mental health treatment or both, must agree, as a condition of~~  
6 ~~eligibility for the disability lifeline program, to accept a housing~~  
7 ~~voucher in lieu of a cash grant if a voucher is available. The~~  
8 ~~department shall establish the dollar value of the housing voucher.~~  
9 ~~The dollar value of the housing voucher may differ from the value of~~  
10 ~~the cash grant. Persons receiving a housing voucher under this~~  
11 ~~subsection also shall receive a cash stipend of fifty dollars per~~  
12 ~~month.~~

13       ~~(ii) If the department of commerce has determined under RCW~~  
14 ~~43.330.175 that sufficient housing is not available, persons described~~  
15 ~~in this subsection who apply for disability lifeline benefits during~~  
16 ~~the time period that housing is not available shall receive a cash~~  
17 ~~grant in lieu of a cash stipend and housing voucher.~~

18       ~~(iii) Persons who refuse to accept a housing voucher under this~~  
19 ~~subsection but otherwise meet the eligibility requirements of (a) of~~  
20 ~~this subsection are eligible for medical care services benefits under~~  
21 ~~RCW 74.09.035, subject to the time limits in (h) of this subsection.~~

22       ~~(c) The following persons are not eligible for the disability~~  
23 ~~lifeline program:~~

24       ~~(i) Persons who are unemployable due primarily to alcohol or drug~~  
25 ~~addiction. These persons shall be referred to appropriate assessment,~~  
26 ~~treatment, shelter, or supplemental security income referral services~~  
27 ~~as authorized under chapter 74.50 RCW. Referrals shall be made at the~~  
28 ~~time of application or at the time of eligibility review. This~~  
29 ~~subsection shall not be construed to prohibit the department from~~  
30 ~~granting disability lifeline benefits to alcoholics and drug addicts~~  
31 ~~who are incapacitated due to other physical or mental conditions that~~  
32 ~~meet the eligibility criteria for the disability lifeline program;~~

33       ~~(ii) Persons who refuse or fail to cooperate in obtaining federal~~  
34 ~~aid assistance, without good cause.~~

35       ~~(d) Disability lifeline benefits shall be provided only to persons~~  
36 ~~who are not members of assistance units receiving federal aid~~  
37 ~~assistance, except as provided in (a) of this subsection, and who will~~  
38 ~~accept available services that can reasonably be expected to enable the~~

1 ~~person to work or reduce the need for assistance unless there is good~~  
2 ~~cause to refuse. Failure to accept such services shall result in~~  
3 ~~termination until the person agrees to cooperate in accepting such~~  
4 ~~services and subject to the following maximum periods of ineligibility~~  
5 ~~after reapplication:~~

6 ~~(i) First failure: One week;~~

7 ~~(ii) Second failure within six months: One month;~~

8 ~~(iii) Third and subsequent failure within one year: Two months.~~

9 ~~(e) Persons who are likely eligible for federal supplemental~~  
10 ~~security income benefits shall be moved into the disability lifeline~~  
11 ~~expedited component of the disability lifeline program. Persons placed~~  
12 ~~in the expedited component of the program may, if otherwise eligible,~~  
13 ~~receive disability lifeline benefits pending application for federal~~  
14 ~~supplemental security income benefits. The monetary value of any~~  
15 ~~disability lifeline benefit that is subsequently duplicated by the~~  
16 ~~person's receipt of supplemental security income for the same period~~  
17 ~~shall be considered a debt due the state and shall by operation of law~~  
18 ~~be subject to recovery through all available legal remedies.~~

19 ~~(f) For purposes of determining whether a person is incapacitated~~  
20 ~~from gainful employment under (a) of this subsection:~~

21 ~~(i) The department shall adopt by rule medical criteria for~~  
22 ~~disability lifeline incapacity determinations to ensure that~~  
23 ~~eligibility decisions are consistent with statutory requirements and~~  
24 ~~are based on clear, objective medical information; and~~

25 ~~(ii) The process implementing the medical criteria shall involve~~  
26 ~~consideration of opinions of the treating or consulting physicians or~~  
27 ~~health care professionals regarding incapacity, and any eligibility~~  
28 ~~decision which rejects uncontroverted medical opinion must set forth~~  
29 ~~clear and convincing reasons for doing so.~~

30 ~~(g) Persons receiving disability lifeline benefits based upon a~~  
31 ~~finding of incapacity from gainful employment who remain otherwise~~  
32 ~~eligible shall have their benefits discontinued unless the recipient~~  
33 ~~demonstrates no material improvement in their medical or mental health~~  
34 ~~condition. The department may discontinue benefits when there was~~  
35 ~~specific error in the prior determination that found the person~~  
36 ~~eligible by reason of incapacitation.~~

37 ~~(h)(i) Beginning September 1, 2010, no person who is currently~~  
38 ~~receiving or becomes eligible for disability lifeline program benefits~~

1 shall be eligible to receive benefits under the program for more than  
2 twenty-four months in a sixty-month period. For purposes of this  
3 subsection, months of receipt of general assistance unemployable  
4 benefits count toward the twenty-four month limit. Months during which  
5 a person received benefits under the expedited component of the  
6 disability lifeline or general assistance program or under the aged,  
7 blind, or disabled component of the disability lifeline or general  
8 assistance program shall not be included when determining whether a  
9 person has been receiving benefits for more than twenty-four months.  
10 On or before July 1, 2010, the department must review the cases of all  
11 persons who have received disability lifeline benefits or general  
12 assistance unemployable benefits for at least twenty months as of that  
13 date. On or before September 1, 2010, the department must review the  
14 cases of all remaining persons who have received disability lifeline  
15 benefits for at least twelve months as of that date. The review should  
16 determine whether the person meets the federal supplemental security  
17 income disability standard and, if the person does not meet that  
18 standard, whether the receipt of additional services could lead to  
19 employability. If a need for additional services is identified, the  
20 department shall provide case management services, such as assistance  
21 with arranging transportation or locating stable housing, that will  
22 facilitate the person's access to needed services. A person may not be  
23 determined ineligible due to exceeding the time limit unless he or she  
24 has received a case review under this subsection finding that the  
25 person does not meet the federal supplemental security income  
26 disability standard.

27 (ii) The time limits established under this subsection expire June  
28 30, 2013.

29 (i) No person may be considered an eligible individual for  
30 disability lifeline benefits with respect to any month if during that  
31 month the person:

32 (i) Is fleeing to avoid prosecution of, or to avoid custody or  
33 confinement for conviction of, a felony, or an attempt to commit a  
34 felony, under the laws of the state of Washington or the place from  
35 which the person flees; or

36 (ii) Is violating a condition of probation, community supervision,  
37 or parole imposed under federal or state law for a felony or gross

1 ~~misdemeanor conviction))~~ the program established in section 4 of this  
2 act.

3 (6) "Long-term disability (~~lifeline - expedited~~) assistance  
4 program" means (~~a component of the disability lifeline program under~~  
5 ~~which - persons - receiving - disability - lifeline - benefits - have - been~~  
6 ~~determined, after examination by an appropriate health care provider,~~  
7 ~~to be likely to be eligible for federal supplemental security income~~  
8 ~~benefits based on medical and behavioral health evidence that meets the~~  
9 ~~disability standards used for the federal supplemental security income~~  
10 ~~program)) the program established under section 2 of this act.~~

11 (7) "Aged, blind, and disabled assistance program" means the  
12 program established under section 2 of this act.

13 (8) "Federal aid assistance"(~~(—)~~) means the specific categories of  
14 assistance for which provision is made in any federal law existing or  
15 hereafter passed by which payments are made from the federal government  
16 to the state in aid or in respect to payment by the state for public  
17 assistance rendered to any category of needy persons for which  
18 provision for federal funds or aid may from time to time be made, or a  
19 federally administered needs-based program.

20 (~~(+8)~~) (9) "Applicant"(~~(—)~~) means any person who has made a  
21 request, or on behalf of whom a request has been made, to any county or  
22 local office for assistance.

23 (~~(+9)~~) (10) "Recipient"(~~(—)~~) means any person receiving  
24 assistance and in addition those dependents whose needs are included in  
25 the recipient's assistance.

26 (~~(+10)~~) (11) "Standards of assistance"(~~(—)~~) means the level of  
27 income required by an applicant or recipient to maintain a level of  
28 living specified by the department.

29 (~~(+11)~~) (12) "Resource"(~~(—)~~) means any asset, tangible or  
30 intangible, owned by or available to the applicant at the time of  
31 application, which can be applied toward meeting the applicant's need,  
32 either directly or by conversion into money or its equivalent. The  
33 department may by rule designate resources that an applicant may retain  
34 and not be ineligible for public assistance because of such resources.  
35 Exempt resources shall include, but are not limited to:

36 (a) A home that an applicant, recipient, or their dependents is  
37 living in, including the surrounding property;

38 (b) Household furnishings and personal effects;

1 (c) A motor vehicle, other than a motor home, used and useful  
2 having an equity value not to exceed five thousand dollars;

3 (d) A motor vehicle necessary to transport a household member with  
4 a physical disability. This exclusion is limited to one vehicle per  
5 person with a physical disability;

6 (e) All other resources, including any excess of values exempted,  
7 not to exceed one thousand dollars or other limit as set by the  
8 department, to be consistent with limitations on resources and  
9 exemptions necessary for federal aid assistance. The department shall  
10 also allow recipients of temporary assistance for needy families to  
11 exempt savings accounts with combined balances of up to an additional  
12 three thousand dollars;

13 (f) Applicants for or recipients of (~~disability-lifeline~~)  
14 benefits under sections 2 and 4 of this act shall have their  
15 eligibility based on resource limitations consistent with the temporary  
16 assistance for needy families program rules adopted by the department;  
17 and

18 (g) If an applicant for or recipient of public assistance possesses  
19 property and belongings in excess of the ceiling value, such value  
20 shall be used in determining the need of the applicant or recipient,  
21 except that: (i) The department may exempt resources or income when  
22 the income and resources are determined necessary to the applicant's or  
23 recipient's restoration to independence, to decrease the need for  
24 public assistance, or to aid in rehabilitating the applicant or  
25 recipient or a dependent of the applicant or recipient; and (ii) the  
26 department may provide grant assistance for a period not to exceed nine  
27 months from the date the agreement is signed pursuant to this section  
28 to persons who are otherwise ineligible because of excess real property  
29 owned by such persons when they are making a good faith effort to  
30 dispose of that property: PROVIDED, That:

31 (A) The applicant or recipient signs an agreement to repay the  
32 lesser of the amount of aid received or the net proceeds of such sale;

33 (B) If the owner of the excess property ceases to make good faith  
34 efforts to sell the property, the entire amount of assistance may  
35 become an overpayment and a debt due the state and may be recovered  
36 pursuant to RCW 43.20B.630;

37 (C) Applicants and recipients are advised of their right to a fair

1 hearing and afforded the opportunity to challenge a decision that good  
2 faith efforts to sell have ceased, prior to assessment of an  
3 overpayment under this section; and

4 (D) At the time assistance is authorized, the department files a  
5 lien without a sum certain on the specific property.

6 (~~(12)~~) (13) "Income"(~~(—)~~) means:

7 (a) All appreciable gains in real or personal property (cash or  
8 kind) or other assets, which are received by or become available for  
9 use and enjoyment by an applicant or recipient during the month of  
10 application or after applying for or receiving public assistance. The  
11 department may by rule and regulation exempt income received by an  
12 applicant for or recipient of public assistance which can be used by  
13 him or her to decrease his or her need for public assistance or to aid  
14 in rehabilitating him or her or his or her dependents, but such  
15 exemption shall not, unless otherwise provided in this title, exceed  
16 the exemptions of resources granted under this chapter to an applicant  
17 for public assistance. In addition, for cash assistance the department  
18 may disregard income pursuant to RCW 74.08A.230 and 74.12.350.

19 (b) If, under applicable federal requirements, the state has the  
20 option of considering property in the form of lump sum compensatory  
21 awards or related settlements received by an applicant or recipient as  
22 income or as a resource, the department shall consider such property to  
23 be a resource.

24 (~~(13)~~) (14) "Need"(~~(—)~~) means the difference between the  
25 applicant's or recipient's standards of assistance for himself or  
26 herself and the dependent members of his or her family, as measured by  
27 the standards of the department, and value of all nonexempt resources  
28 and nonexempt income received by or available to the applicant or  
29 recipient and the dependent members of his or her family.

30 (~~(14)~~) (15) For purposes of determining eligibility for public  
31 assistance and participation levels in the cost of medical care, the  
32 department shall exempt restitution payments made to people of Japanese  
33 and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the  
34 Aleutian and Pribilof Island Restitution Act passed by congress, P.L.  
35 100-383, including all income and resources derived therefrom.

36 (~~(15)~~) (16) In the construction of words and phrases used in this  
37 title, the singular number shall include the plural, the masculine

1 gender shall include both the feminine and neuter genders, and the  
2 present tense shall include the past and future tenses, unless the  
3 context thereof shall clearly indicate to the contrary.

4 **Sec. 9.** RCW 74.50.055 and 1989 1st ex.s. c 18 s 4 are each amended  
5 to read as follows:

6 (1) A person shall not be eligible for treatment services under  
7 this chapter unless he or she:

8 (a) Meets the (~~financial~~) income and resource eligibility  
9 requirements (~~contained in RCW 74.04.005~~) for the medical care  
10 services program under RCW 74.09.035(1)(a)(iv) and (v); and

11 (b) Is incapacitated from gainful employment, which incapacity will  
12 likely continue for a minimum of sixty days.

13 (2) First priority for receipt of treatment services shall be given  
14 to pregnant women and parents of young children.

15 (3) In order to rationally allocate treatment services, the  
16 department may establish by rule caseload ceilings and additional  
17 eligibility criteria, including the setting of priorities among classes  
18 of persons for the receipt of treatment services. Any such rules shall  
19 be consistent with any conditions or limitations contained in any  
20 appropriations for treatment services.

21 **Sec. 10.** RCW 70.96A.530 and 2010 1st sp.s. c 8 s 10 are each  
22 amended to read as follows:

23 If an assessment by a certified chemical dependency counselor  
24 indicates a need for drug or alcohol treatment, in order to enable a  
25 person receiving (~~disability lifeline~~) benefits under sections 2 and  
26 4 of this act to improve his or her health status and transition from  
27 (~~disability lifeline~~) those benefits to employment, or transition to  
28 federal disability benefits, the person must be given high priority for  
29 enrollment in treatment, within funds appropriated for that treatment.  
30 However, first priority for receipt of treatment services must be given  
31 to pregnant women and parents of young children. This section expires  
32 June 30, 2013. (~~Persons who are terminated from disability lifeline~~  
33 ~~benefits under RCW 74.04.005(5)(h) and are actively engaged in chemical~~  
34 ~~dependency treatment during the month they are terminated shall be~~  
35 ~~provided the opportunity to complete their current course of~~  
36 ~~treatment.~~)



1        NEW SECTION.    **Sec. 11.**    The following acts or parts of acts are  
2 each repealed:

3        (1) RCW 43.330.175 (Disability lifeline housing voucher program)  
4 and 2010 1st sp.s. c 8 s 8; and

5        (2) RCW 74.04.810 (Study of disability lifeline program  
6 terminations--Report) and 2010 1st sp.s. c 8 s 11.

7        NEW SECTION.    **Sec. 12.**    The code reviser shall alphabetize the  
8 subsections containing definitions in RCW 74.04.005.

9        NEW SECTION.    **Sec. 13.**    Sections 1 through 3 and 7 of this act  
10 constitute a new chapter in Title 74 RCW.

11        NEW SECTION.    **Sec. 14.**    Section 10 of this act expires June 30,  
12 2013.

13        NEW SECTION.    **Sec. 15.**    Except for sections 6 and 8 of this act,  
14 this act is necessary for the immediate preservation of the public  
15 peace, health, or safety, or support of the state government and its  
16 existing public institutions, and takes effect immediately.

17        NEW SECTION.    **Sec. 16.**    Section 6 of this act is necessary for the  
18 immediate preservation of the public peace, health, or safety, or  
19 support of the state government and its existing public institutions,  
20 and takes effect July 22, 2011.

21        NEW SECTION.    **Sec. 17.**    Section 8 of this act takes effect November  
22 1, 2011.

--- END ---