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## HOUSE BILL 2069

State of Washington 63rd Legislature 2013 1st Special Session

By Representatives Hunter and Sullivan

AN ACT Relating to continuation of safety net benefits for persons determined to have a physical or mental disability which makes them eligible for the aged, blind, and disabled program under RCW 74.62.030 or the essential needs and housing program under RCW 43.185C.220; amending RCW 74.62.030, 43.185C.220, and 43.185C.230; reenacting and amending RCW 74.09.510 and 74.09.035; adding a new section to chapter 74.04 RCW; creating a new section; and providing a contingent effective date.

- 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 10 **Sec. 1.** RCW 74.62.030 and 2011 1st sp.s. c 36 s 3 are each amended 11 to read as follows:
- 12 (1)(a) Effective November 1, 2011, the aged, blind, or disabled 13 assistance program shall provide financial grants to persons in need 14 who:
- 15 (i) Are not eligible to receive federal aid assistance, other than 16 basic food benefits transferred electronically and medical assistance;
- 17 (ii) Meet the eligibility requirements of subsection (3) of this 18 section; and

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- 1 (iii) Are aged, blind, or disabled. For purposes of determining 2 eligibility for assistance for the aged, blind, or disabled assistance 3 program, the following definitions apply:
  - (A) "Aged" means age sixty-five or older.

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- (B) "Blind" means statutorily blind as defined for the purpose of determining eligibility for the federal supplemental security income program.
- (C) "Disabled" means a bodily or mental infirmity that will (I) likely continue for a minimum of nine months; (II) prevent the individual from currently performing work that the individual was able to perform as a substantial gainful activity within the prior ten years; and (III) is otherwise likely to meet the federal supplemental security income disability standard as determined by the disability determination service entity within the department. In making this determination, the department should give full consideration to the cumulative impact of an applicant's multiple impairments, an applicant's age, and vocational and educational history.

In determining whether a person is disabled, the department may rely on, but is not limited to, the following:

- (I) A previous disability determination by ((the social security  $administration\ or$ )) the disability determination service entity within the department; or
- (II) A determination that an individual is eligible to receive optional categorically needy medicaid as a disabled person under the federal regulations at 42 C.F.R. Parts 435, Secs. 201(a)(3) and 210.
- (b) The following persons are not eligible for the aged, blind, or disabled assistance program:
- (i) Persons who are not able to engage in gainful employment due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from granting aged, blind, or disabled assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the aged, blind, or disabled assistance program; or

1 (ii) Persons for whom there has been a final determination of 2 ineligibility for federal supplemental security income benefits.

- (c) Persons may receive aged, blind, or disabled assistance benefits pending application for federal supplemental security income benefits. The monetary value of any aged, blind, or disabled assistance benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.
- (2) Effective November 1, 2011, the pregnant women assistance program shall provide financial grants to persons who:
- (a) Are not eligible to receive federal aid assistance other than basic food benefits or medical assistance; and
- (b) Are pregnant and in need, based upon the current income and resource standards of the federal temporary assistance for needy families program, but are ineligible for federal temporary assistance for needy families benefits for a reason other than failure to cooperate in program requirements; and
- (c) Meet the eligibility requirements of subsection (3) of this section.
  - (3) To be eligible for the aged, blind, or disabled assistance program under subsection (1) of this section or the pregnant women assistance program under subsection (2) of this section, a person must:
  - (a) Be a citizen or alien lawfully admitted for permanent residence or otherwise residing in the United States under color of law;
  - (b) Have furnished the department his or her social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;
  - (c) Have not refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his

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or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

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- (d) Not have refused or failed to cooperate in obtaining federal aid assistance, without good cause.
- (4) Effective November 1, 2011, referrals for essential needs and housing support under RCW 43.185C.220 shall be provided to persons found eligible ((for medical care services under RCW 74.09.035 who are not recipients of alcohol and addiction services provided under chapter 74.50 RCW or are not recipients of aged, blind, or disabled assistance)) under section 2 of this act.
- (5) No person may be considered an eligible individual for benefits under this section with respect to any month if during that month the person:
- (a) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or
- (b) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.
- (6) The department must review the cases of all persons, except recipients of alcohol and addiction treatment under chapter 74.50 RCW, or recipients of aged, blind, or disabled assistance, who have received medical care services for twelve consecutive months, and at least annually after the first review, to determine whether they are eligible for the aged, blind, or disabled assistance program.
- NEW SECTION. Sec. 2. A new section is added to chapter 74.04 RCW to read as follows:
- 29 (1) The department is responsible for determining eligibility for 30 referral for essential needs and housing support under RCW 43.185C.220. 31 Persons eligible are persons who:
- 32 (a) Are incapacitated from gainful employment by reason of bodily 33 or mental infirmity that will likely continue for a minimum of ninety 34 days as determined by the disability determination service entity 35 within the department of social and health services. The standard for 36 incapacity in this subsection, as evidenced by the ninety-day duration

standard, is not intended to be as stringent as federal supplemental security income disability standards;

- (b) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;
- (c) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number must be made prior to authorization of benefits, and the social security number must be provided to the department upon receipt;
- (d) Have countable income as described in RCW 74.04.005 at or below four hundred twenty-eight dollars for a married couple or at or below three hundred thirty-nine dollars for a single individual; and
- (e) Do not have countable resources in excess of those described in RCW 74.04.005.
  - (2) The following persons are not eligible for a referral for essential needs and housing support:
  - (a) Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in subsection (3) of this subsection. These persons must be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals must be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from making a referral for essential needs and housing report for persons who have a substance abuse addiction who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for a referral for essential needs and housing support.
  - (b) Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause;
  - (c) Persons who refuse or fail without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his

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or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

- (d) Persons who are fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or who are violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.
- (3) For purposes of determining whether a person is incapacitated from gainful employment under subsection (1) of this section:
- (a) The department shall adopt by rule medical criteria for incapacity determinations to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information; and
- (b) The process implementing the medical criteria must involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.
- (4) For purposes of reviewing a person's continuing eligibility and in order to remain eligible for the program, persons who have been found to have an incapacity from gainful employment must demonstrate that there has been no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.
- Sec. 3. RCW 43.185C.220 and 2011 1st sp.s. c 36 s 4 are each amended to read as follows:
- (1) The department shall distribute funds for the essential needs and housing support program established under this section in a manner consistent with the requirements of this section and the biennial operating budget. The first distribution of funds must be completed by September 1, 2011. Essential needs or housing support is only for persons found eligible for such services under ((RCW 74.62.030(4))) section 2 of this act and is not considered an entitlement.
- (2) The department shall distribute funds appropriated for the essential needs and housing support program in the form of grants to

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designated essential needs support and housing support entities within each county. The department shall not distribute any funds until it approves the expenditure plan submitted by the designated essential needs support and housing support entities. The amount of funds to be distributed pursuant to this section shall be designated in the biennial operating budget. For the sole purpose of meeting the initial distribution of funds date, the department may distribute partial funds upon the department's approval of a preliminary expenditure plan. The department shall not distribute the remaining funds until it has approved a final expenditure plan.

- (3)(a) During the 2011-2013 biennium, in awarding housing support that is not funded through the contingency fund in this subsection, the designated housing support entity shall provide housing support to clients who are homeless persons as defined in RCW 43.185C.010. As provided in the biennial operating budget for the 2011-2013 biennium, a contingency fund shall be used solely for those clients who are at substantial risk of losing stable housing or at substantial risk of losing one of the other services defined in RCW 74.62.010(6). For purposes of this chapter, "substantial risk" means the client has provided documentation that he or she will lose his or her housing within the next thirty days or that the services will be discontinued within the next thirty days.
- (b) After July 1, 2013, the designated housing support entity shall give first priority to clients who are homeless persons as defined in RCW 43.185C.010 and second priority to clients who would be at substantial risk of losing stable housing without housing support.
- (4) For each county, the department shall designate an essential needs support entity and a housing support entity that will begin providing these supports to medical care services program recipients on November 1, 2011. Essential needs and housing support entities are not required to provide assistance to every medical care services recipient that is referred to the local entity or who meets the priority standards in subsection (3) of this section.
- (a) Each designated entity must be a local government or community-based organization, and may administer the funding for essential needs support, housing support, or both. Designated entities have the authority to subcontract with qualified entities. Upon

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request, and the approval of the department, two or more counties may combine resources to more effectively deliver services.

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- (b) The department's designation process must include a review of proficiency in managing housing or human services programs when designating housing support entities.
- (c) Within a county, if the department directly awards separate grants to the designated housing support entity and the designated essential needs support entity, the department shall determine the amount allocated for essential needs support as directed in the biennial operating budget.
- (5)(a) Essential needs and housing support entities must use funds distributed under this section as flexibly as is practicable to provide essential needs items and housing support to recipients of the essential needs and housing support program, subject to the requirements of this section.
- (b) Benefits provided under the essential needs and housing support program shall not be provided to recipients in the form of cash assistance.
- (c) The appropriations by the legislature for the purposes of the essential needs and housing support program established under this section shall be based on forecasted program caseloads. The caseload forecast council shall provide a courtesy forecast of the ((medical care services recipient)) population eligible for a referral for essential needs and housing support that is homeless or is included in reporting under subsection (7)(c)(iii) of this section. The department may move funds between entities or between counties to reflect actual caseload changes. In doing so, the department must: (i) Develop a process for reviewing the caseload of designated essential needs and housing support entities, and for redistributing grant funds from those entities experiencing reduced actual caseloads to those with increased actual caseloads; and (ii) inform all designated entities of the redistribution process. Savings resulting from program caseload attrition from the essential needs and housing support program shall not result in increased per-client expenditures.
- (d) Essential needs and housing support entities must partner with other public and private organizations to maximize the beneficial impact of funds distributed under this section, and should attempt to leverage other sources of public and private funds to serve essential

needs and housing support recipients. Funds appropriated in the operating budget for essential needs and housing support must be used only to serve persons eligible to receive services under that program.

- (6) The department shall use no more than five percent of the funds for administration of the essential needs and housing support program. Each essential needs and housing support entity shall use no more than seven percent of the funds for administrative expenses.
  - (7) The department shall:

- (a) Require housing support entities to enter data into the homeless client management information system;
- (b) Require essential needs support entities to report on services provided under this section;
- (c) In collaboration with the department of social and health services, submit a report annually to the relevant policy and fiscal committees of the legislature. A preliminary report shall be submitted by December 31, 2011, and must include (c)(i), (iii), and (v) of this subsection. Annual reports must be submitted beginning December 1, 2012, and must include:
- 19 (i) A description of the actions the department has taken to 20 achieve the objectives of chapter 36, Laws of 2011 1st sp. sess.;
- 21 (ii) The amount of funds used by the department to administer the 22 program;
  - (iii) Information on the housing status of essential needs and housing support recipients served by housing support entities, and individuals who have requested housing support but did not receive housing support;
  - (iv) Grantee expenditure data related to administration and services provided under this section; and
- 29 (v) Efforts made to partner with other entities and leverage 30 sources or public and private funds;
  - (d) Review the data submitted by the designated entities, and make recommendations for program improvements and administrative efficiencies. The department has the authority to designate alternative entities as necessary due to performance or other significant issues. Such change must only be made after consultation with the department of social and health services and the impacted entity.

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

**Sec. 4.** RCW 43.185C.230 and 2011 1st sp.s. c 36 s 5 are each 12 amended to read as follows:

The department, in collaboration with the department of social and health services, shall develop a mechanism through which the department and local governments or community-based organizations can verify a person has been determined eligible by the department of social and health services and remains eligible for ((medical care services under RCW 74.09.035 by the department of social and health services)) the essential needs and housing support program.

20 Sec. 5. RCW 74.09.510 and 2011 1st sp.s. c 36 s 9 and 2011 1st sp.s. c 15 s 25 are each reenacted and amended to read as follows:

Medical assistance may be provided in accordance with eligibility requirements established by the authority, as defined in the social security Title XIX state plan for mandatory categorically needy persons and:

- (1) Individuals who would be eligible for cash assistance except for their institutional status;
  - (2) Individuals who are under twenty-one years of age, who would be eligible for medicaid, but do not qualify as dependent children and who are in (a) foster care, (b) subsidized adoption, (c) a nursing facility or an intermediate care facility for persons with intellectual disabilities, or (d) inpatient psychiatric facilities;
    - (3) Individuals who:

- (a) Are under twenty-one years of age;
- 35 (b) On or after July 22, 2007, were in foster care under the legal

responsibility of the department or a federally recognized tribe located within the state; and

- (c) On their eighteenth birthday, were in foster care under the legal responsibility of the department or a federally recognized tribe located within the state;
- (4) Persons who are aged, blind, or disabled who: (a) Receive only a state supplement, or (b) would not be eligible for cash assistance if they were not institutionalized;
- (5) Categorically eligible individuals who meet the income and resource requirements of the cash assistance programs;
- (6) Individuals who are enrolled in managed health care systems, who have otherwise lost eligibility for medical assistance, but who have not completed a current six-month enrollment in a managed health care system, and who are eligible for federal financial participation under Title XIX of the social security act;
- 16 (7) Children and pregnant women allowed by federal statute for whom funding is appropriated;
  - (8) Working individuals with disabilities authorized under section 1902(a)(10)(A)(ii) of the social security act for whom funding is appropriated;
  - (9) Other individuals eligible for medical services under ((RCW 74.09.035 based on age, blindness, or disability and income and resources standards for medical care services and)) RCW 74.09.700 for whom federal financial participation is available under Title XIX of the social security act;
  - (10) Persons allowed by section 1931 of the social security act for whom funding is appropriated; and
  - (11) Women who: (a) Are under sixty-five years of age; (b) have been screened for breast and cervical cancer under the national breast and cervical cancer early detection program administered by the department of health or tribal entity and have been identified as needing treatment for breast or cervical cancer; and (c) are not otherwise covered by health insurance. Medical assistance provided under this subsection is limited to the period during which the woman requires treatment for breast or cervical cancer, and is subject to any conditions or limitations specified in the omnibus appropriations act.

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- Sec. 6. RCW 74.09.035 and 2011 1st sp.s. c 36 s 6 and 2011 1st sp.s. c 15 s 3 are each reenacted and amended to read as follows:
  - (1) To the extent of available funds, medical care services may be provided to:

## ((<del>(a) Persons who:</del>

- (i) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department. The standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to be as stringent as federal supplemental security income disability standards;
- 12 (ii) Are citizens or aliens lawfully admitted for permanent 13 residence or otherwise residing in the United States under color of 14 law;
  - (iii) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;
  - (iv) Have countable income as described in RCW 74.04.005 at or below four hundred twenty-eight dollars for a married couple or at or below three hundred thirty-nine dollars for a single individual; and
- 23 (v) Do not have countable resources in excess of those described in 24 RCW 74.04.005.
  - $\frac{(b)}{(b)}$ ) Persons eligible for the aged, blind, or disabled assistance program authorized in RCW 74.62.030 and who are not eligible for medicaid under RCW 74.09.510.
  - (((c) Persons eligible for alcohol and drug addiction services provided under chapter 74.50 RCW, in accordance with medical eligibility requirements established by the department.
- 31 (d) The following persons are not eligible for medical care 32 services:
  - (i) Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in (c) of this subsection. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection shall not be

construed to prohibit the department from granting medical care services benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for medical care services;

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

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

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

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

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

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

(f) For purposes of reviewing a person's continuing eligibility and in order to remain eligible for the program, persons who have been found to have an incapacity from gainful employment must demonstrate that there has been no material improvement in their medical or mental health condition. The department may discontinue benefits when there

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was specific error in the prior determination that found the person eligible by reason of incapacitation.))

- (2) Enrollment in medical care services may not result in expenditures that exceed the amount that has been appropriated in the operating budget. If it appears that continued enrollment will result in expenditures exceeding the appropriated level for a particular fiscal year, the department may freeze new enrollment and establish a waiting list of persons who may receive benefits only when sufficient funds are available.
- (3) Determination of the amount, scope, and duration of medical care services shall be limited to coverage as defined by the authority, except that adult dental, and routine foot care shall not be included unless there is a specific appropriation for these services.
- (4) The authority shall enter into performance-based contracts with one or more managed health care systems for the provision of medical care services under this section. The contract must provide for integrated delivery of medical and mental health services.
- (5) The authority shall establish standards of assistance and resource and income exemptions, which may include deductibles and coinsurance provisions. In addition, the authority may include a prohibition against the voluntary assignment of property or cash for the purpose of qualifying for assistance.
- (6) ((Residents of skilled nursing homes, intermediate care facilities, and intermediate care facilities for persons with intellectual disabilities, as that term is described by federal law, who are eligible for medical care services shall be provided medical services to the same extent as provided to those persons eligible under the medical assistance program.
- (7)) Eligibility for medical care services shall commence with the date of ((certification for medical care services, date of)) eligibility for the aged, blind, or disabled assistance program provided under RCW 74.62.030((, or the date or eligibility for alcohol and drug addiction services provided under chapter 74.50 RCW)).
- NEW SECTION. Sec. 7. This act takes effect January 1, 2014, if medicaid expansion coverage under the federal patient protection and affordable care act of 2010 (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is available in Washington state January 1, 2014. If medicaid expansion

coverage is not available January 1, 2014, this act takes effect upon the date that medicaid expansion coverage under the federal patient protection and affordable care act of 2010 is available in Washington state.

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NEW SECTION. Sec. 8. The Washington state health care authority must provide notice of the effective date of section 7 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the Washington state health care authority.

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