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**SUBSTITUTE HOUSE BILL 3064**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** House Committee on Children & Family Services (originally sponsored by Representatives Bailey, Morrell, Dunn, Kilmer, Strow, Green, Skinner, Hinkle, Kretz, Orcutt, Anderson, Darneille, Rodne, Woods, Talcott, Santos and McCune)

READ FIRST TIME 02/03/06.

1       AN ACT Relating to eligibility for services to children and  
2 pregnant women; amending RCW 74.04.005 and 74.04.750; reenacting and  
3 amending RCW 74.09.510; creating new sections; and declaring an  
4 emergency.

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

6       NEW SECTION. **Sec. 1.** The legislature finds that military  
7 allowances are disbursements of money provided for specific needs, such  
8 as food, housing, and clothing. The legislature also finds that the  
9 military basic allowance for housing is intended to substitute for  
10 government-provided housing that is no longer provided as a result of  
11 privatization. The legislature further finds that the basic allowance  
12 for housing is not counted for federal income tax purposes and cannot  
13 be considered when determining family income for a child's eligibility  
14 for free and reduced priced meals in the public schools.

15       The legislature finds that maternity support programs can be an  
16 effective means of prevention and early intervention, especially those  
17 support programs utilizing nurse home visitation services. The  
18 legislature also finds that while military families have access to

1 basic health care services, they generally do not receive maternity  
2 support services. The legislature intends to promote continued access  
3 to maternity support services by low-income military families.

4 **Sec. 2.** RCW 74.04.005 and 2003 1st sp.s. c 10 s 1 are each amended  
5 to read as follows:

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

8 (1) "Public assistance" or "assistance"--Public aid to persons in  
9 need thereof for any cause, including services, medical care,  
10 assistance grants, disbursing orders, work relief, general assistance  
11 and federal-aid assistance.

12 (2) "Department"--The department of social and health services.

13 (3) "County or local office"--The administrative office for one or  
14 more counties or designated service areas.

15 (4) "Director" or "secretary" means the secretary of social and  
16 health services.

17 (5) "Federal-aid assistance"--The specific categories of assistance  
18 for which provision is made in any federal law existing or hereafter  
19 passed by which payments are made from the federal government to the  
20 state in aid or in respect to payment by the state for public  
21 assistance rendered to any category of needy persons for which  
22 provision for federal funds or aid may from time to time be made, or a  
23 federally administered needs-based program.

24 (6)(a) "General assistance"--Aid to persons in need who:

25 (i) Are not eligible to receive federal-aid assistance, other than  
26 food stamps or food stamp benefits transferred electronically and  
27 medical assistance; however, an individual who refuses or fails to  
28 cooperate in obtaining federal-aid assistance, without good cause, is  
29 not eligible for general assistance;

30 (ii) Meet one of the following conditions:

31 (A) Pregnant: PROVIDED, That need is based on the current income  
32 and resource requirements of the federal temporary assistance for needy  
33 families program; or

34 (B) Subject to chapter 165, Laws of 1992, incapacitated from  
35 gainful employment by reason of bodily or mental infirmity that will  
36 likely continue for a minimum of ninety days as determined by the  
37 department.

1 (C) Persons who are unemployable due to alcohol or drug addiction  
2 are not eligible for general assistance. Persons receiving general  
3 assistance on July 26, 1987, or becoming eligible for such assistance  
4 thereafter, due to an alcohol or drug-related incapacity, shall be  
5 referred to appropriate assessment, treatment, shelter, or supplemental  
6 security income referral services as authorized under chapter 74.50  
7 RCW. Referrals shall be made at the time of application or at the time  
8 of eligibility review. Alcoholic and drug addicted clients who are  
9 receiving general assistance on July 26, 1987, may remain on general  
10 assistance if they otherwise retain their eligibility until they are  
11 assessed for services under chapter 74.50 RCW. Subsection  
12 (6)(a)(ii)(B) of this section shall not be construed to prohibit the  
13 department from granting general assistance benefits to alcoholics and  
14 drug addicts who are incapacitated due to other physical or mental  
15 conditions that meet the eligibility criteria for the general  
16 assistance program;

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

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

26 (b) Notwithstanding the provisions of subsection (6)(a)(i), (ii),  
27 and (c) of this section, general assistance shall be provided to the  
28 following recipients of federal-aid assistance:

29 (i) Recipients of supplemental security income whose need, as  
30 defined in this section, is not met by such supplemental security  
31 income grant because of separation from a spouse; or

32 (ii) To the extent authorized by the legislature in the biennial  
33 appropriations act, to recipients of temporary assistance for needy  
34 families whose needs are not being met because of a temporary reduction  
35 in monthly income below the entitled benefit payment level caused by  
36 loss or reduction of wages or unemployment compensation benefits or  
37 some other unforeseen circumstances. The amount of general assistance

1 authorized shall not exceed the difference between the entitled benefit  
2 payment level and the amount of income actually received.

3 (c) General assistance shall be provided only to persons who are  
4 not members of assistance units receiving federal aid assistance,  
5 except as provided in subsection (6)(a)(ii)(A) and (b) of this section,  
6 and will accept available services which can reasonably be expected to  
7 enable the person to work or reduce the need for assistance unless  
8 there is good cause to refuse. Failure to accept such services shall  
9 result in termination until the person agrees to cooperate in accepting  
10 such services and subject to the following maximum periods of  
11 ineligibility after reapplication:

12 (i) First failure: One week;

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

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

15 (d) Persons found eligible for general assistance based on  
16 incapacity from gainful employment may, if otherwise eligible, receive  
17 general assistance pending application for federal supplemental  
18 security income benefits. Any general assistance that is subsequently  
19 duplicated by the person's receipt of supplemental security income for  
20 the same period shall be considered a debt due the state and shall by  
21 operation of law be subject to recovery through all available legal  
22 remedies.

23 (e) The department shall adopt by rule medical criteria for general  
24 assistance eligibility to ensure that eligibility decisions are  
25 consistent with statutory requirements and are based on clear,  
26 objective medical information.

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

32 (g) Recipients of general assistance based upon a finding of  
33 incapacity from gainful employment who remain otherwise eligible shall  
34 have their benefits discontinued unless the recipient demonstrates no  
35 material improvement in their medical or mental condition. The  
36 department may discontinue benefits when there was specific error in  
37 the prior determination that found the recipient eligible by reason of  
38 incapacitation. Recipients of general assistance based upon pregnancy

1 who relinquish their child for adoption, remain otherwise eligible, and  
2 are not eligible to receive benefits under the federal temporary  
3 assistance for needy families program shall not have their benefits  
4 terminated until the end of the month in which the period of six weeks  
5 following the birth of the recipient's child falls. Recipients of the  
6 federal temporary assistance for needy families program who lose their  
7 eligibility solely because of the birth and relinquishment of the  
8 qualifying child may receive general assistance through the end of the  
9 month in which the period of six weeks following the birth of the child  
10 falls.

11 (h) No person may be considered an eligible individual for general  
12 assistance with respect to any month if during that month the person:

13 (i) Is fleeing to avoid prosecution of, or to avoid custody or  
14 confinement for conviction of, a felony, or an attempt to commit a  
15 felony, under the laws of the state of Washington or the place from  
16 which the person flees; or

17 (ii) Is violating a condition of probation, community supervision,  
18 or parole imposed under federal or state law for a felony or gross  
19 misdemeanor conviction.

20 (7) "Applicant"--Any person who has made a request, or on behalf of  
21 whom a request has been made, to any county or local office for  
22 assistance.

23 (8) "Recipient"--Any person receiving assistance and in addition  
24 those dependents whose needs are included in the recipient's  
25 assistance.

26 (9) "Standards of assistance"--The level of income required by an  
27 applicant or recipient to maintain a level of living specified by the  
28 department.

29 (10) "Resource"--Any asset, tangible or intangible, owned by or  
30 available to the applicant at the time of application, which can be  
31 applied toward meeting the applicant's need, either directly or by  
32 conversion into money or its equivalent. The department may by rule  
33 designate resources that an applicant may retain and not be ineligible  
34 for public assistance because of such resources. Exempt resources  
35 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 physically disabled  
4 household member. This exclusion is limited to one vehicle per  
5 physically disabled person;

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 general assistance shall have  
14 their eligibility based on resource limitations consistent with the  
15 temporary assistance for needy families program rules adopted by the  
16 department; and

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

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

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

36 (C) Applicants and recipients are advised of their right to a fair  
37 hearing and afforded the opportunity to challenge a decision that good

1 faith efforts to sell have ceased, prior to assessment of an  
2 overpayment under this section; and

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

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

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

23 (c) To the extent permitted under applicable federal requirements,  
24 the military basic allowance for housing shall not be counted as income  
25 when determining eligibility for medical assistance to pregnant women  
26 and their infants under chapter 74.09 RCW.

27 (12) "Need"--The difference between the applicant's or recipient's  
28 standards of assistance for himself or herself and the dependent  
29 members of his or her family, as measured by the standards of the  
30 department, and value of all nonexempt resources and nonexempt income  
31 received by or available to the applicant or recipient and the  
32 dependent members of his or her family.

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

1 (14) In the construction of words and phrases used in this title,  
2 the singular number shall include the plural, the masculine gender  
3 shall include both the feminine and neuter genders and the present  
4 tense shall include the past and future tenses, unless the context  
5 thereof shall clearly indicate to the contrary.

6 **Sec. 3.** RCW 74.09.510 and 2001 2nd sp.s. c 15 s 3 and 2001 1st  
7 sp.s. c 4 s 1 are each reenacted and amended to read as follows:

8 Medical assistance may be provided in accordance with eligibility  
9 requirements established by the department, as defined in the social  
10 security Title XIX state plan for mandatory categorically needy persons  
11 and: (1) Individuals who would be eligible for cash assistance except  
12 for their institutional status; (2) individuals who are under twenty-  
13 one years of age, who would be eligible for medicaid, but do not  
14 qualify as dependent children and who are in (a) foster care, (b)  
15 subsidized adoption, (c) a nursing facility or an intermediate care  
16 facility for the mentally retarded, or (d) inpatient psychiatric  
17 facilities; (3) the aged, blind, and disabled who: (a) Receive only a  
18 state supplement, or (b) would not be eligible for cash assistance if  
19 they were not institutionalized; (4) categorically eligible individuals  
20 who meet the income and resource requirements of the cash assistance  
21 programs; (5) individuals who are enrolled in managed health care  
22 systems, who have otherwise lost eligibility for medical assistance,  
23 but who have not completed a current six-month enrollment in a managed  
24 health care system, and who are eligible for federal financial  
25 participation under Title XIX of the social security act; (6) children  
26 and pregnant women allowed by federal statute for whom funding is  
27 appropriated; (7) working individuals with disabilities authorized  
28 under section 1902(a)(10)(A)(ii) of the social security act for whom  
29 funding is appropriated; (8) other individuals eligible for medical  
30 services under RCW 74.09.035 and 74.09.700 for whom federal financial  
31 participation is available under Title XIX of the social security act;  
32 (9) persons allowed by section 1931 of the social security act for whom  
33 funding is appropriated; and (10) women who: (a) Are under sixty-five  
34 years of age; (b) have been screened for breast and cervical cancer  
35 under the national breast and cervical cancer early detection program  
36 administered by the department of health or tribal entity and have been  
37 identified as needing treatment for breast or cervical cancer; and (c)



1 are not otherwise covered by health insurance. Medical assistance  
2 provided under this subsection is limited to the period during which  
3 the woman requires treatment for breast or cervical cancer, and is  
4 subject to any conditions or limitations specified in the omnibus  
5 appropriations act. To the extent permitted under applicable federal  
6 requirements, the military basic allowance for housing shall not be  
7 counted as income when determining eligibility for services to pregnant  
8 women and their infants under subsection (6) of this section.

9 **Sec. 4.** RCW 74.04.750 and 1998 c 79 s 13 are each amended to read  
10 as follows:

11 (1) Applicants and recipients under this title must satisfy all  
12 reporting requirements imposed by the department.

13 (2) Except as provided in RCW 74.04.005 and 74.09.510, the  
14 secretary shall have the discretion to consider: (a) Food stamp  
15 allotments or food stamp benefits transferred electronically and/or (b)  
16 rent or housing subsidies as income in determining eligibility for and  
17 assistance to be provided by public assistance programs. If the  
18 department considers food stamp allotments or food stamp benefits  
19 transferred electronically as income in determining eligibility for  
20 assistance, applicants or recipients for any grant assistance program  
21 must apply for and take all reasonable actions necessary to establish  
22 and maintain eligibility for food stamps or food stamp benefits  
23 transferred electronically.

24 NEW SECTION. **Sec. 5.** If any part of this act is found to be in  
25 conflict with federal requirements that are a prescribed condition to  
26 the allocation of federal funds to the state, the conflicting part of  
27 this act is inoperative solely to the extent of the conflict and with  
28 respect to the agencies directly affected, and this finding does not  
29 affect the operation of the remainder of this act in its application to  
30 the agencies concerned. Rules adopted under this act must meet federal  
31 requirements that are a necessary condition to the receipt of federal  
32 funds by the state.

33 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
34 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect  
2 immediately.

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