

HOUSE BILL REPORT

HB 2782

As Reported by House Committee On:

Human Services
Ways & Means

Title: An act relating to establishing the security lifeline act.

Brief Description: Reorganizing delivery of services to recipients of public assistance.

Sponsors: Representatives Dickerson, Appleton, McCoy, Carlyle, Morrell, Kagi, Kessler, Green, Ericks, Moeller, Roberts, Nelson and Orwall.

Brief History:

Committee Activity:

Human Services: 1/21/10, 1/28/10 [DPS];

Ways & Means: 2/6/10, 2/9/10 [DP2S(w/o sub HS)].

Brief Summary of Second Substitute Bill

- Designates the Department of Social and Health Services (DSHS) as the executive sponsor of the planning process for creating a user-friendly electronic Opportunity Portal to allow Washington residents to access a broad array of benefits. If sufficient private funding is not secured by December 31, 2010, the authorization for the Opportunity Portal is null and void.
- Expands the Food Stamp and Training Program, subject to federal approval, to add three additional community colleges in 2010.
- Requires the DSHS, the Employment Security Department, and the State Board for Community and Technical Colleges to seek out community organizations that can provide support services and case management services for participants in the Food Stamp and Training Program and to identify and obtain private and federal funds for employment and training services.
- Renames the General Assistance Program as the "Disability Lifeline Program."
- Requires the DSHS to review medical evidence, functional assessments, and other relevant evidence to identify applicants for Disability Lifeline benefits who are likely eligible for federal Supplemental Security Income (SSI) benefits and to transfer those individuals to the Disability Lifeline Expedited Program no later than 90 days after initial eligibility is determined.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Requires the DSHS to contract with one or more managed health care system for Disability Lifeline medical benefits, and the contract must include integrated delivery of medical and mental health services.
- Creates a pilot project in King, Pierce, and Spokane counties to contract with the managed care organization that provides Disability Lifeline health care benefits for services related to transitioning persons receiving Disability Lifeline benefits to Disability Lifeline Expedited and federal benefits.
- Requires the DSHS to report to the Legislature regarding progress of the Disability Lifeline Program meeting the 90-day goal to transfer clients to SSI; the first report is due on December 1, 2010.
- Requires that individuals who lose Disability Lifeline benefits due to improvements in health status be given high priority for enrollment in the Basic Health Plan if they are eligible.
- Gives high priority for drug or alcohol treatment to Disability Lifeline clients that require treatment to improve their health to transition to employment or federal benefits, but requires that pregnant women and parents be given first priority.
- Requires the DSHS and the entity which contracts for medical care services for Disability Lifeline clients to establish a pilot program for homeless persons eligible for Disability Lifeline benefits in up to two counties; participants would receive a reduced monthly Disability Lifeline cash benefit and housing services.
- Requires that the plan for the first housing pilot program must be submitted to the Governor and relevant policy and fiscal committees of the Legislature by November 15, 2010.

HOUSE COMMITTEE ON HUMAN SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Dickerson, Chair; Orwall, Vice Chair; Darneille, Green, O'Brien and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Dammeier, Ranking Minority Member; Herrera.

Staff: Linda Merelle (786-7092).

Background:

Access to Benefits.

Individuals are currently able to apply for and renew public assistance benefits online from their home and from kiosks located in the waiting areas in the offices of the Department of

Social and Health Services (DSHS). The benefits available through this online service access application include food assistance, cash assistance, medical assistance, drug or alcohol treatment, assisted living, child care, and in-home care.

Since the summer of 2009, the DSHS has been working with a steering committee composed of nonprofit organizations, government agencies, and community organizations to develop a web-based benefits portal to allow eligible persons to apply for and access additional benefits such as energy assistance, federal student aid, housing assistance, and others. A request for proposals is being developed, and the steering committee is seeking private funding for the portal project.

Food Stamp Employment and Training Program.

The Food Stamp Employment and Training Program (Program) was established and administered through the Employment Security Department and the DSHS pursuant to a provision in the Washington Administrative Code. Recipients of assistance under the Basic Food Program, unless they are exempt, are required to participate in the Program. Participants engage in job search workshops and receive assistance in job placement.

Emphasis in the Program is given to participants who have been assessed as needing basic education, a General Equivalency Diploma (GED), English as a second language, or vocational training in order to increase their opportunity for employment. Currently 12 community colleges participate in the Program.

General Assistance Program.

The General Assistance Program (General Assistance) is a public assistance program for low income individuals. Recipients are eligible for a cash grant, food assistance, and medical care, including mental health care. Individuals who are eligible for General Assistance are not eligible for other federal assistance other than food assistance, and they are incapacitated from gainful employment because of a physical or mental infirmity that will likely continue for at least 90 days. If the infirmity is primarily due to a drug or alcohol addiction, a person is not eligible for General Assistance. The monthly cash grant amount for general assistance is \$339.

Summary of Substitute Bill:

Opportunity Portal.

A steering committee is established that consists of the following:

- the Secretary of the DSHS as the executive sponsor;
- four representatives from philanthropic organizations;
- four representatives from community-based organizations;
- a representative of the State Board for Community and Technical Colleges;
- two tribal representatives;
- a representative of the Department of Information Services; and

- two representatives from local governments (one from a city and one from a county).

The steering committee may also include representatives appointed by the Speaker of the House of Representatives, the Senate Majority Leader, and the Governor.

The steering committee must select an advanced software provider to integrate technology systems to create a web-based, online tool so that Washington residents may apply for a broad array of benefits, including, but not limited to, health care, higher education financial aid, tax credits, nutrition assistance, energy assistance, family assistance, and other benefits. The software must allow integration with Washington's information technology system. The selection of the software provider must be complete by June 2010. The DSHS will work to integrate other portals so that their data can be received by the DSHS.

The steering committee terminates January 1, 2015.

Funding.

The steering committee must seek private funding for the development and initial operation of the Opportunity Portal. Incidental costs to state agencies are to be derived from existing resources. If private funding sufficient to implement and operate the Opportunity Portal is not secured by December 31, 2010, the section authorizing its implementation becomes null and void.

Reporting.

The steering committee must submit an annual report to the Legislature and the Governor regarding implementation, outcomes, and use of the portal. The first report is due on December 1, 2011.

Expanding the Food Stamp and Training Program.

The DSHS, the Employment Security Department, and the State Board for Community and Technical Colleges must work in a partnership to expand the Food Stamp Employment and Training Program (Program). Subject to federal approval, the Program will be expanded to three additional community colleges in 2010 and will expand capacity of the 12 currently participating colleges.

The agencies working in partnership must seek out community organizations that can provide support services and case management to participants in the Program, and they must identify funds with which to draw down federal matching funds for employment and training services.

Employment and training funds are to be allocated for skill development for employment, vocational education, English as a second language, job readiness, tuition, housing, counseling, transportation, and other services.

Reporting.

The DSHS must annually track and report outcomes, including federal funding received, the number of participants served, completion rates, wages, and other outcome-related data. The report must be submitted to the Governor and appropriate legislative committees on November 1 of each year, beginning in 2010.

Disability Lifeline Program.

The General Assistance Program is renamed the "Disability Lifeline Program." All of the eligibility requirements and conditions that were in place for the General Assistance Program, including the cash benefit amount, remain in place. An individual cannot continue to receive Disability Lifeline benefits if he or she refuses without good cause to participate in needed treatment. Good cause includes an emotional or physical disability that prevents participation or the unavailability of treatment.

There are additional provisions contained in the Disability Lifeline Program:

Disability Lifeline Expedited Program.

The DSHS must review medical and other relevant evidence to determine whether a Disability Lifeline applicant is likely eligible for federal Supplemental Security Income (SSI) benefits. If there is any evidence of likelihood of eligibility for federal SSI benefits, the DSHS must move the recipient onto the Disability Lifeline Expedited Program no later than 90 days after initial eligibility is determined. Individuals identified through this process must be provided with assistance needed to obtain additional evidence of their disability and to successfully complete their application for SSI benefits. The DSHS must report to the Legislature regarding its progress in meeting the 90-day goal in transferring Disability Lifeline clients to SSI.

Basic Health Plan Enrollment.

Individuals who have lost eligibility for Disability Lifeline Program benefits due to improvements in their health status and who are eligible for subsidized basic health coverage must be given high priority for enrollment in the Basic Health Plan.

Access to Chemical Dependency Treatment.

If the DSHS or an entity that has contracted with the DSHS to provide medical care services to Disability Lifeline Program clients determines that chemical dependency treatment is necessary to improve his or her health status for transition to employment or transition to federal disability benefits, the DSHS or the contracting entity must give the client high priority to enroll in chemical dependency treatment within funds appropriated for chemical dependency treatment. The first priority goes to pregnant women and parents. This requirement expires on June 30, 2013.

Permanent Housing Pilot Program.

The DSHS, in conjunction with the entity that has contracted to provide medical care services to Disability Lifeline Program clients, must establish a pilot program in no more

than two counties for homeless persons eligible for Disability Lifeline Program benefits. Under the pilot program, the homeless persons will receive housing services and a reduced monthly stipend rather than the full Disability Lifeline Program cash benefit. A plan for the housing pilot must be submitted by November 1, 2010.

The DSHS must, by December 1 of each year, provide a brief update to the Legislature and the Governor on the status of the pilot program. This requirement expires June 30, 2013.

Substitute Bill Compared to Original Bill:

Opportunity Portal.

The "working group" is changed to a "steering committee" which consists of:

- the Secretary of the DSHS as the executive sponsor;
- four representatives from philanthropic organizations;
- four representatives from community-based organizations;
- a representative of the State Board for Community and Technical Colleges;
- two tribal representatives;
- a representative of the Department of Information Services; and
- two representatives from local governments (one from a city and one from a county).

The Speaker of the House of Representatives, the Senate Majority Leader, and the Governor may each appoint one additional representative to serve on the steering committee. The Secretary of the DSHS shall convene meetings of the steering committee. The substitute bill does not set a deadline for the first meeting of the steering committee.

The steering committee must chose a software provider by June 1, 2010, and the DSHS must work to integrate other portals so that the data of those portals can be received by the DSHS.

Disability Lifeline Program.

An individual cannot continue to receive Disability Lifeline benefits if he or she refuses without good cause to participate in needed treatment. Good cause for the refusal of treatment can include an emotional or physical disability that prevents participation or the unavailability of treatment.

Disability Lifeline Expedited Program.

The DSHS must report to the Legislature, beginning December 1, 2010, and every six months thereafter, its progress in moving individuals into the expedited program if they appear to be eligible for federal SSI.

Access to Chemical Dependency Treatment.

The first priority for chemical dependency treatment goes to pregnant women and parents.

Permanent Housing Pilot Program.

A plan for the housing pilot must be submitted by November 1, 2010.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available. A new fiscal note was requested on January 28, 2010.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately except section 6, relating to high priority for clients needing chemical dependency treatment in order improve to health status, transition to employment, or to federal disability benefits, which takes effect July 1, 2010, however if funding to implement and operate the portal authorized under section 2 is not secured by December 31, 2010, section 2 is null and void.

Staff Summary of Public Testimony:

(In support) The state is in the midst of an economic crisis, but morally, we cannot afford not to help. This Disability Lifeline is designed to help neighbors. They can not be helped by a single program or entity. Private philanthropy and nonprofit groups are committed to make this bill revenue neutral. It offers hope to those who have lost hope. Each year millions of funds go unclaimed. The Opportunity Portal will use state-of-the-art technology. The Gates Foundation is one of the leading partners. Some of these efforts are already underway. Additional philanthropy groups are added. The Food Stamp Employment and Training Program is a federally funded effort. The good news is that this has already been successful. More than half of the participants in the program became employed with a median wage of \$10.53 per hour. The Disability Lifeline Program aims to give a lifeline to people in the state. We need to move persons onto to SSI faster. Disability Lifeline clients should not be out on a limb with no health care at all. Up to one-third of the General Assistance-Unemployable population have a second disability of chemical dependency. It will save money in the criminal justice budget. Twenty-five percent of those on General Assistance-Unemployable are homeless. In King County, up to 40 percent are homeless. Federal SSI facilitation and figuring out a way to really integrate facilitation with the frontline health care providers is critical. Priority for people with substance abuse and the Basic Health Plan is good because once someone is stabilized, it is important to keep them stabilized. The Opportunity Portal will make it easier for clients to find services.

The majority of crime is committed by a small minority of folks. When people lose jobs, services, education, or get blindsided, they sometimes turn to other unhealthy means to cope, and they may turn to criminal behavior. This bill is a form of crime prevention. Several states are combining cutting-edge software and outreach and organizing with impressive results. This legislation would amplify and streamline current efforts to develop a benefits portal. Nationally the system is showing impressive results. The Governor has been working with foundations, nonprofit organizations, and agencies to develop the Opportunity Portal. This legislation would amplify those efforts. One concern is that the bill requires the DSHS to move clients to the General Assistance Expedited program within 90 days. Sometimes that is not enough time.

Managed health care would improve lives and get clients onto SSI faster. The Opportunity Portal is great. Chemical dependency is of particular importance to local governments. The General Assistance-Unemployable population are often homeless or at risk of homelessness. A cut to the cash grant could drive recipients into homelessness very easily.

(Information only) We cannot fiscally sustain caseload-driven programs for adults who are unable to work because of mental or physical incapacity to work. The timeline of 90 days is difficult to obtain sufficient evidence for the SSI program eligibility. It is uncertain how the high priority in the Basic Health Plan and chemical access provisions would be implemented, and there is an issue of how this would capture savings. There is concern regarding savings in the housing model, how it would be funded, and how adequate housing would be provided.

(Opposed) None.

Persons Testifying: (In support) Representative Dickerson, prime sponsor; Zach Carstensen, Jewish Federation; Assistant Chief Nick Metz, Seattle Police Department; Tom Beyers, Cedar River Group; Patty Hayes, Within Reach; Carol Wood, United Way of King County; Betsy Jones, Community Health Plan; Robin Zukoski, Columbia Legal Services and Voices of Spokane; Tony Lee, Solid Ground; Rashi Gupta, Washington State Association of Counties; Carey Morris, King County; and Nick Federici, Washington Low Income Housing Alliance.

(Information only) Alexis Oliver, Office of the Governor.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Human Services. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew and Seaquist.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

Staff: Erik Cornellier (786-7116).

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Human Services:

Opportunity Portal.

The Department of Social and Health Services (DSHS) will serve as the executive branch sponsor of the Opportunity Portal, and a steering committee is not created.

The DSHS must select an appropriate solution and acquisition approach instead of an advanced software provider.

The DSHS must ensure that the project maximizes available federal and private funds for the development and initial operation of the portal.

The DSHS must develop a plan for implementing paperless application processes for the services included in the Opportunity Portal by July 1, 2012. The plan must comply with federal law, and the DSHS shall provide the plan to the relevant legislative committees by November 15, 2011.

Food Stamp Employment and Training Program.

The prohibition on using direct state appropriations for the Food Stamp Employment and Training Program is removed.

Support services provided by community based organizations must supplement, and not replace, the positions or work of employees of the DSHS.

Disability Lifeline.

Functional assessments are included in the information that the DSHS must review to determine whether a Disability Lifeline applicant or recipient is likely eligible for federal benefits.

The DSHS must contract with one or more managed health care systems for Disability Lifeline medical benefits, and the contract must include integrated delivery of medical and mental health services.

The DSHS is required to create a pilot project in King, Pierce, and Spokane counties to contract with the managed health care system that provides Disability Lifeline health care benefits for services related to transitioning persons receiving Disability Lifeline benefits to Disability Lifeline Expedited and federal benefits. The pilot project is authorized to operate between July 1, 2010, through June 30, 2012. The DSHS may terminate the project before June 30, 2013, if the savings associated with the project do not exceed the costs.

Funding.

The new requirements in this act must be implemented within the amounts appropriated specifically for these purposes in the operating budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains an emergency clause and takes effect immediately, except section 7, relating to high priority for clients needing chemical dependency treatment in order improve to health status, transition to employment, or to federal disability benefits, which takes effect July 1, 2010. However, section 2 is null and void, if funding to implement and operate the portal is not secured by December 31, 2010.

Staff Summary of Public Testimony:

(In support) Changing the name of the General Assistance Program to Disability Lifeline puts a spotlight on the true purpose of the General Assistance Program, which is a lifeline for people who are incapacitated and prevented from working. Identifying people for Supplemental Security Income quicker will bring down program costs, along with the shortened length of stay in the program from the transition to managed care with a mental health benefit. The goal of giving people who leave the Disability Lifeline Program due to health improvements priority in the Basic Health Plan is to prevent people from falling back to the Disability Lifeline due to complications from their conditions. The housing pilot is modeled on a successful program in San Francisco that provided a one-stop shop for services where clients live, which helped the clients achieve self-sufficiency. This would result in state savings and it is a compassionate way to continue the program for this fragile client base. The Food Stamp Employment and Training Program follows the lead of other states and brings in federal matching funds. The state has already identified private funds for the Opportunity Portal, and that section is null and void if the state does not raise enough private funding. The costs for the portal are minimal, and it will decrease the number of employees needed to process applications for services.

(Oppose) None.

Persons Testifying: Robin Zukoski, Columbia Legal Services; Tony Lee, Solid Ground; and Nick Federici, United Way of King County and Washington Low Income Housing Alliance.

Persons Signed In To Testify But Not Testifying: None.