

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS**

AGENCY SUBMITTING REGULATION Department of Social Services DATE 7/15/2015

SUBJECT MATTER OF REGULATION SAGA Program Changes

REGULATION SECTION NO. various STATUTORY AUTHORITY 17b-198

OTHER AGENCIES AFFECTED None

EFFECTIVE DATE USED IN COST ESTIMATE Upon Passage/Upon the Department of Social Services'  
Implementation of the Integrated Eligibility System known as ImpaCT

ESTIMATE PREPARED BY Marsha Goldberg

QUESTIONS SHOULD BE ADDRESSED TO Mike Gilbert TELEPHONE 424-5841

**SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION**

Agency Department of Social Services Fund Affected General

|                                | SFY<br>2017                 | SFY<br>2018                 | SFY<br>2018                 |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Number of Positions            | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Personal Services              | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Other Expenses                 | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Equipment                      | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Grants (Medicaid)              | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Total State Cost (Savings)     | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Estimated Revenue Gain (Loss)  | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Total Net State Cost (Savings) | <u>                    </u> | <u>See Below</u>            | <u>                    </u> |

## EXPLANATION OF STATE IMPACT OF REGULATION:

This proposed regulation seeks to repeal most Uniform Policy Manual provisions concerning SAGA and to publish new provisions, with certain revisions to existing eligibility rules, in the Regulations of Connecticut State Agencies. The following areas of the SAGA program are revised by the proposed regulation.

**Citizenship requirements:** Under current policy, to be eligible for SAGA, an applicant must be a US citizen, a qualified alien who has resided in the US for at least 5 years, or a qualified alien who has not been here for 5 years and is pursuing citizenship to the maximum allowed by law or is (1) incapable of pursuing citizenship due to a medical condition or language barrier, (2) a victim of domestic violence, or (3) mentally retarded. Under revised rules, an applicant must be a US citizen, a qualified alien who does not qualify for federally-funded benefits (presumably because the person has been here for less than five years), an immigrant alien who entered the country prior to 8/22/96 and was recognized as PRUCOL, or any other alien who has immigrated to and is legally residing in the US. These changes ensure compliance with the governing statute.

**Improper Transfer of Assets:** There is no transfer of asset rule included in current SAGA cash policy. With this change, the agency will investigate to see if assets were transferred illegally when a SAGA recipient is residing in or admitted to a rated boarding facility. Under current SAGA rules, the State may pay for an individual's stay in a rated boarding facility while waiting for SSI to be granted. The State Supplement program does require an assets check. If assets were improperly transferred, the State would no longer cover the cost of the boarding facility. This change aligns policy with the State Supplemental program.

**Failure to Comply with TFA program requirements:** There is no current policy regarding eligibility for SAGA for an applicant who failed to comply with TFA program requirements and was discontinued from TFA. Under the new policy, a recipient who is disqualified from TFA for failure to comply with program rules would be ineligible for SAGA. This change brings current rules into compliance with Section 17b-191(c) CGS.

**Children who are 18-21 years old aging out of TFA:** Current policy requires that a child aging out of a TFA family will be eligible only if he/she is still in high school. Under the new rules, there will be no requirement for enrollment in school, just as there is no such requirement in the controlling statute, Section 17b-196 CGS.

**Petition for Reconsideration:** Under current policy, any SAGA recipient may file for reconsideration. Under the new rule, only a SAGA recipient who is found to be transitional may file a petition for reconsideration, as authorized under Section 17b-191(d) CGS. An individual is considered transitional if they do not meet the medical or temporal criteria for unemployable status.

**Asset Limits:** Under current policy, the asset limit is \$250 per person up to \$1,000 per needs group. Under the new rule, the asset limit remains \$250 per unmarried person and \$500 per married person. This codifies current practice and aligns SAGA policy with a recent statutory change.

**Asset Exclusion for Non-home Real Property:** Under current policy, non-home real property can only be excluded for a period of 9 months while the owner is making a bona fide effort to sell it. Under the new rule, the exclusion applies indefinitely so long as the assistance unit continues to make a bona fide effort to sell the property. This aligns the SAGA program with practices of other cash assistance programs.

**Treatment of borrowed money:** Under current policy, borrowed money is treated as counted income. Under the new rule, borrowed money is treated as a counted asset if received in one lump sum, and as counted income if received in regular installments. This aligns SAGA policy with TFA.

**Treatment of lump-sum payments:** Under current policy, a lump-sum payment is treated as income in the month of receipt and a counted asset each month thereafter to the extent retained. Under the new rule, it is treated as a counted asset. This aligns SAGA policy with TFA.

**Treatment of income in kind:** Under current policy, in kind income is treated as counted income. Under the new rule, it is treated as excluded income. This aligns SAGA policy with TFA.

**Benefit calculation / payment standard for married individuals:** Under current policy, the benefit calculation for married individuals often resulted in a larger benefit award than for unmarried individuals merely due to marital status. Under these changes, benefit calculations for married and unmarried individuals will use the same SAGA payment standards and therefore treat married and unmarried recipients in a similar manner.

**Special benefit for payment of attorney's fees in SSI appeal:** Under current policy, DSS pays for a SAGA recipient's attorney's fees associated with a successful SSI appeal. Under the new rule, DSS no longer provides this special benefit. Statutory authority to pay these attorney's fees was sunset by Public Act 10-3 such that no attorney's fees shall be paid for representation that began on or after 4/14/10.

**SAGA Funeral Benefits:** Under current policy, a decedent is eligible for burial benefits of up to \$1,800 minus the value of his/her estate, any actual or deemed contribution from the decedent's legally liable relatives, and certain other amounts explicitly listed in the controlling statute, Section 17b-131 CGS. Under new rules, the maximum is reduced to \$1,400, in accordance with Public Act 15-5 from the June 2015 special session of the General Assembly, and this maximum benefit is reduced only by the amounts explicitly listed in Section 17b-131 CGS, including contributions in excess of \$3200 from sources other than a funeral fund, prepaid funeral contract, or life insurance (this threshold was increased from \$2800 by Public Act 15-5). Also, under current policy, a decedent is eligible for the burial benefit only if he or she was considered indigent at the time of death after adding up various assets and contributions. The changes ensure policy complies with Section 17b-131 CGS by also providing for the eligibility of any decedent who was a SAGA recipient at the time of his or her death.

**Replacement of Essential Clothing:** Under current policy, this special benefit is currently calculated according to which articles of clothing were lost in a catastrophic event. Under the new rule, this special benefit will be in a set amount that assumes the individual will need to replace all articles of clothing the department would previously pay to replace under the old rule. This codifies current departmental practices.

**Standard processing time for applications:** Under current policy, the Department is supposed to process regular applications within 10 days and expedited cases in 4 days. Under new rules, DSS will have 60 days to process any application that requires disability determination and 45 days to process any application that does not. DSS will process an application that qualifies for expedited treatment in 4 days if the applicant applies in person and we are able to verify all necessary information in that timeframe. This change is in compliance with Section 17b-80 CGS.

**Effective date for interim changes:** Under current rule, all adverse interim changes, even interim changes that are timely reported, are effective on the last day of the month preceding the month in which they occurred, and therefore create an overpayment, since benefits are paid on the first day of each month. Under the new rule, adverse interim changes that are timely reported do not become effective until the first day of the month following the month in which the 10-day advance notice of adverse action period expires. No overpayment is created when an adverse interim change is timely reported. This change aligns SAGA policy with current TFA policy.

**Sponsor deeming:** Under current policy, DSS "deems" income and assets belonging to a sponsor of an alien applying for or receiving SAGA benefits to be available to such alien for purposes of determining eligibility and

calculating the benefit award. Under the new rule, this is no longer done. This change is the result of the Connecticut Supreme Court's decision in *Barannikova v. Greenwich*, 229 Conn. 664 (1994).

#### FINANCIAL IMPACT:

The above changes will be effective upon the launch of the DSS' new computer eligibility system, currently projected for August 1, 2016.

The majority of changes to policy are to align the SAGA program with other cash benefit programs run by DSS.

Changes to SAGA funeral benefits are anticipated to save \$500,000 in SFY 2016 and \$800,000 in SFY 2017.

Many of the other changes above may have a relatively minor financial impact that is difficult to quantify. The following changes would result in a minor savings to the SAGA program:

- Improper Transfer of Assets
- Failure to Comply with TFA program requirements
- Petition for Reconsideration
- Asset Limits
- Asset Exclusion for Non-home Real Property
- Benefit calculation / payment standard for married individuals
- Special benefit for payment of attorney's fees in SSI appeal
- Standard processing time for applications
- Effective date for interim changes

The following changes may result in a small increase in cost to the SAGA program:

- Citizenship requirements
- Children 18-21 years old aging out of TFA
- Treatment of borrowed money
- Treatment of lump-sum payments
- Treatment of income in kind
- Replacement of Essential Clothing
- Sponsor deeming

There may be a small savings where SAGA clients have transferred assets illegally prior to going into a rated boarding home and applying to the State Supplement program. Caseloads may see a small increase where TFA children age out of a TFA family and become eligible for SAGA. Changes to the effective date of interim changes will save administrative time as new policy will no longer create an overpayment.

MUNICIPAL IMPACT: None.