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# A BILL FOR AN ACT

RELATING TO PUBLIC ASSISTANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that, under section  
2 346-29(b), Hawaii Revised Statutes, an applicant or recipient of  
3 public assistance who is also an inmate of any public  
4 institution may not receive public assistance from the State  
5 under chapter 346, Hawaii Revised Statutes. The one exception  
6 is for an inmate of a public institution who is otherwise  
7 eligible for medical assistance and who has been determined by  
8 the medical director of the institution as having a major  
9 illness or medical condition requiring the provision of medical  
10 care outside of the institution. In addition, any applicant or  
11 recipient who is found guilty of fraudulently misrepresenting  
12 residence in two or more states to receive assistance is also  
13 prohibited from receiving public assistance in Hawaii for ten  
14 years from the date of conviction. Furthermore, a fugitive  
15 felon or an individual who is in violation of a condition of  
16 probation or parole, or has sufficient income or other resources  
17 to provide a standard above that required by chapter 346, Hawaii



1 Revised Statutes, may not receive public assistance in the  
2 state.

3 However, the legislature finds that the department of  
4 public safety does not provide the department of human services  
5 with lists of newly admitted inmates. The department of human  
6 services currently does not regularly screen inmates for receipt  
7 of public assistance except for inmates who are convicted of  
8 welfare fraud.

9 The purpose of this Act is to improve the efficiency of  
10 enforcing the public assistance law with respect to inmates who  
11 are no longer eligible to receive public assistance by requiring  
12 the department of public safety to provide monthly lists of  
13 newly admitted inmates to the department of human services to  
14 enable that department to screen for all inmates not eligible to  
15 receive public assistance.

16 SECTION 2. Chapter 353, Hawaii Revised Statutes, is  
17 amended by adding a new section to be appropriately designated  
18 and to read as follows:

19 "§353- Public assistance; inmates; monthly reports to  
20 department of human services. Beginning January 31, 2010, for  
21 the purpose of assisting the department of human services to  
22 enforce section 346-29(b), the director shall prepare and



1 transmit to the department of human services monthly reports  
2 listing all inmates newly admitted during the previous month to  
3 any correctional facility within the state; provided that no  
4 later than December 31, 2009, the director shall transmit to the  
5 department of human services an initial list of all inmates  
6 within the department of public safety's correctional facilities  
7 statewide."

8 SECTION 3. Section 346-29, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 **"§346-29 Applications for public assistance; manner, form,**  
11 **conditions.** (a) Applications for public assistance under this  
12 chapter shall be made by the applicant, or by someone acting in  
13 the applicant's behalf, in the manner, place, and form  
14 prescribed by the department.

15 (b) No applicant or recipient who is found guilty of  
16 fraudulently misrepresenting residence to obtain assistance in  
17 two or more states shall be entitled to public assistance under  
18 this chapter for ten years from date of conviction. No  
19 applicant or recipient shall be entitled to public assistance  
20 under this chapter who is a fugitive felon or who is in  
21 violation of a condition of probation or parole or has  
22 sufficient income or other resources to provide a standard above



1 that provided in this chapter, or who is an inmate of any public  
2 institution, except that any inmate of a public institution who  
3 is otherwise eligible for medical assistance and who has been  
4 determined by the medical director of the institution as having  
5 a major illness or medical condition requiring the provision of  
6 medical care outside of the institution may receive assistance  
7 under this chapter. An inmate of a public institution or  
8 resident of a medical institution may apply for assistance to  
9 begin after the inmate's discharge from the institution. To  
10 enforce this subsection, the department, pursuant to section  
11 353- , shall examine each monthly list of newly admitted  
12 inmates to a correctional facility in the state provided to it  
13 pursuant to section 353- , regardless of the nature of the  
14 offense for which an inmate is incarcerated or duration of  
15 incarceration, to identify an inmate's status with respect to  
16 the inmate's current receipt of public assistance under this  
17 chapter.

18 (c) In determining the needs of an applicant or recipient  
19 for public assistance by the department, the department shall:

20 (1) Disregard the amounts of earned or unearned income as  
21 required or allowed by federal acts and other  
22 regulations, to receive federal funds and disregard



1 from gross earned income twenty per cent plus \$200 and  
2 a percentage of the remaining balance of earned income  
3 consistent with federal regulations and other  
4 requirements;

5 (2) Consider as net income in all cases the income as  
6 federal acts and other regulations require the  
7 department to consider for receipt of federal funds  
8 and may consider the additional income and resources  
9 as these acts and regulations permit to be considered;

10 (3) For households with minor dependents, disregard a  
11 total of \$5,000 in assets and the value of one motor  
12 vehicle in determining the needs of persons for  
13 financial assistance; provided that the amount to be  
14 disregarded shall not exceed standards under federally  
15 funded financial assistance programs. This paragraph  
16 shall not apply to persons eligible for federal  
17 supplemental security income benefits, aid to the  
18 aged, blind or disabled, or general assistance to  
19 households without minor dependents. In determining  
20 the needs of persons eligible for federal supplemental  
21 security income benefits, aid to the aged, blind, or  
22 disabled, or general assistance to households without



- 1 minor dependents, the department shall apply all the  
2 resource retention and exclusion requirements under  
3 the federal supplemental security income program;
- 4 (4) Apply the resource retention requirements under the  
5 federal supplemental security income program in  
6 determining the needs of a single person for medical  
7 assistance only;
- 8 (5) Apply the resource retention requirements under the  
9 federal supplemental security income program in  
10 determining the needs of a family of two persons for  
11 medical assistance only and an additional \$250 for  
12 each additional person included in an application for  
13 medical assistance only;
- 14 (6) Disregard amounts of emergency assistance granted  
15 under section 346-65;
- 16 (7) Not consider as income or resources any payment for  
17 services to or on behalf of, or any benefit received  
18 by, a participant under the first to work program of  
19 part XI, other than wages. Wages earned by a  
20 participant while participating in the first to work  
21 program shall be considered income of the participant,



1 unless the wages are excluded or disregarded under any  
2 other law;

3 (8) Not consider as income or resources payment made to  
4 eligible individuals, eligible surviving spouses,  
5 surviving children or surviving parents as specified  
6 under Title I of the Civil Liberties Act of 1988,  
7 Public Law 100-383, which made restitution to  
8 individuals of Japanese ancestry who were interned  
9 during World War II;

10 (9) Allow the community spouse of an individual residing  
11 in a medical institution to maintain countable  
12 resources to the maximum allowed by federal statutes  
13 or regulations with provisions for increases, as  
14 allowed by the Secretary of Health and Human Services  
15 by means of indexing, court order, or fair hearing  
16 decree, without jeopardizing the eligibility of the  
17 institutionalized spouse for medical assistance;

18 (10) Allow an individual residing in a medical institution  
19 to contribute toward the support of the individual's  
20 community spouse, thereby enabling the community  
21 spouse to maintain the monthly maximum income allowed  
22 by federal statutes or regulations, with provisions



1 for increases as allowed by the Secretary of Health  
2 and Human Services by means of indexing, court order,  
3 or fair hearing decree;

4 (11) Consider the transfer of assets from the applicant's  
5 name to another name within the specified time period  
6 as required by federal regulations, known as the  
7 "lookback" period, prior to the application for  
8 medical assistance for care in a nursing home or other  
9 long-term care facility. Pursuant to rules adopted  
10 under chapter 91, the director may attribute any  
11 assets that have been transferred within the required  
12 federal "lookback" period from the applicant if the  
13 director determines that transfer of certain assets  
14 was made solely to make the applicant eligible for  
15 assistance under this chapter; and

16 (12) Not consider as income or resources any funds  
17 deposited into a family self-sufficiency escrow  
18 account on behalf of a participant under a federal  
19 housing choice voucher family self-sufficiency program  
20 as required or allowed under federal law.

21 [~~e~~] (d) In determining eligibility for medical  
22 assistance, the department shall require from all applicants and





1 recipients the assignment of any benefits due to a third party  
2 liability. Any rights or amounts so assigned shall be applied  
3 against the cost of medical care paid under this chapter.

4       ~~(d)~~ (e) The director shall adopt rules pursuant to  
5 chapter 91 defining assets and to determine eligibility for  
6 medical assistance; provided that the cash surrender value of  
7 life insurance policies owned by persons included in an  
8 application shall be treated as assets."

9       SECTION 4. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11       SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Welfare; Inmates; Reports to Department of Human Services

**Description:**

Requires the Department of Public Safety to provide the Department of Human Services (DHS) with a monthly report listing newly admitted inmates. Requires DHS to identify the status of each inmate on the monthly list with respect to the inmate's current receipt of public assistance. (HB1776 HD1)

