

HB 2685, HD2

Measure Title: RELATING TO HUMAN SERVICES.
Report Title: Department of Human Services; Public Assistance Programs
Description: Raises the asset limit for public assistance for households with minor dependents from \$5,000 to \$10,000. Effective July 1, 2030. (HB2685 HD2)
Companion:
Package: None
Current Referral: HMS, WAM
Introducer(s): JORDAN

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR
BARBARA A. YAMASHITA
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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 13, 2012

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2685, H.D. 2 - RELATING TO HUMAN SERVICES**

Hearing: Tuesday, March 13, 2012; 1:15 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to raise the asset limit for public assistance programs from \$5,000 to \$10,000.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the overall concept of this bill as it includes initiatives supportive of our goals and objectives, but the Department requests time to study the cost implications generated by this proposal. A change in the asset limit may affect all assistance programs that the Department administers. The raising of the asset limits proposed in bill is premature without an evaluation of the fiscal consequences.

At a minimum, changing the asset limits will require changes to the information systems used by the Department to determine eligibility at an estimated cost of \$100,000. The system changes may take up to six months or longer to implement. In addition, a change in the asset limits would affect our Medicaid eligibility review processes and may result in slower processing times. If it is also decided to raise the Medicaid eligibility standards to be consonant with this bill, approval will be required by

the federal Centers for Medicare and Medicaid Services. Finally, an implementation plan will need to be developed to ensure operational consistencies.

Further, the implementation of the Affordable Care Act (ACA) in 2014 includes changes in eligibility requirements for Medicaid and an updated Medicaid eligibility system into which the information systems changes necessary for the financial assistance programs could also be included.

The DHS supports reporting to the Legislature, before the start of the Legislative Session next year, on the fiscal and other impacts of raising the current asset limits with recommendations for change(s) where appropriate. This will enable the Department to avoid duplication of efforts that will be required by ACA in 2014 and ensure that financial and other resources are used in a cost effective manner.

Thank you for the opportunity to provide comments on this bill.

HACBED

Community Voice, Collective Action

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Athena T. Esene
Program Support Assistant

Tuesday, March 13, 2012
Senate Committee on Human Services
Conference Room 016
Testimony in Support of HB2685
Relating to Asset Limits

Dear Chair Chun Oakland, Vice Chair Ihara and Committee Members:

The Hawai'i Alliance for Community-Based Economic Development (HACBED) **supports HB2685** which increases the asset limit for public benefit programs from \$5,000 to \$10,000.

Raising or eliminating public benefit program asset tests are part of a broader asset building agenda that seeks to foster financial independence and self sufficiency for our families. It provides individuals with tangible incentives to save, helping them to gain financial success. Assets are essential for three reasons:

1. To have **financial security** against difficult times
2. To create **economic opportunities** for oneself
3. To **leave a legacy** for future generations to have a better life

Current TANF eligibility requirements limit assets to \$5,000. If individuals or families have assets exceeding this limit, they must "spend down" longer-term savings. Personal savings and assets are precisely the kinds of resources that allow people to move off public benefit programs and having such low asset limits can discourage anyone considering or receiving public benefits from saving for the future.

Overall, since 1996, 24 states have eliminated Medicaid asset limits entirely; five states have eliminated TANF asset limits; and 37 states have eliminated SNAP asset limits. Three states have substantially increased the asset limits in their Medicaid or TANF programs, and 37 states have excluded important categories of assets from these limits in one or both programs.

Thanks for this opportunity to submit testimony in support of HB2685.

Sincerely,

Brent Dillabaugh
Asset Policy Coordinator

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 12, 2012 11:36 PM
To: HMS Testimony
Cc: annfreed@hotmail.com
Subject: Testimony for HB2685 on 3/13/2012 1:15:00 PM

Testimony for HMS 3/13/2012 1:15:00 PM HB2685

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Ann S Freed
Organization: Hawai'i Women's Coalition
E-mail: annfreed@hotmail.com
Submitted on: 3/12/2012

Comments:

The Women's Coalition is in support of this bill and concurs with comments by OHA and The Bridge to Hope.

Mahalo for allowing us to testify

Ann S. Freed
Co-Chair, Hawai'i Women's Coalition