

INTRODUCED BY

SENATE BILL NO. 209

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BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT REFORMING THE PUBLIC ASSISTANCE SYSTEM; AUTHORIZING

THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ESTABLISH A DEMONSTRATION

PROJECT CALLED THE FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM) PROJECT;

AUTHORIZING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ADMINISTER A FOOD

STAMP PROGRAM; PROVIDING RULEMAKING AUTHORITY FOR THE FOOD STAMP PROGRAM;

ALLOWING PUBLIC ASSISTANCE INFORMATION TO BE USED FOR AGENCY PURPOSES; REVISING AID

TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID TO INCLUDE THE FAIM PROJECT; AND

AMENDING SECTIONS 53-2-105, 53-2-211, 53-4-201, 53-4-202, 53-4-212, 53-4-241, 53-4-702,

53-4-706, 53-4-707, 53-4-717, 53-6-101, 53-6-113, 53-6-131, AND 53-6-134, MCA."

STATEMENT OF INTENT

A statement of intent is required for this bill because [section 11] grants the department of social and rehabilitation services authority to adopt rules for the administration of the food stamp program.

(1) It is the intent of the legislature that the department adopt rules concerning:

(a) eligibility for assistance, including income and resource limitations, income and resource exclusions, and transfers of resources;

(b) amounts of assistance and methods for determining benefit amounts;

(c) certification periods;

(d) reporting requirements;

(e) work registration and employment and training requirements and exemptions from those requirements;

(f) procedures and policies of the employment and training program;

(g) disqualification because of intentional program violations, voluntarily quitting a job without good cause, or any other violation of program rules;

(h) penalties applicable to recipients of aid to families with dependent children who have been sanctioned because of failure to meet any requirement of the aid to families with dependent children

1 program; and

2 (i) special requirements or criteria applicable to participants in the families achieving independence
3 in Montana (FAIM) project.

4 (2) It is intended that the rules adopted by the department comply with federal requirements under
5 the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq., and 7 CFR 271 through 285, as may
6 be amended, or, in the event that waivers of federal law have been granted by the food and nutrition
7 service of the U.S. department of agriculture, with the waivers.

8 (3) [Section 19] revises the department's rulemaking authority for the aid to families with
9 dependent children program, including the FAIM project.

10 It is the intent of the legislature that the department adopt rules concerning:

11 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
12 income and resource exclusions;

13 (b) amounts of assistance and methods for computing benefit amounts;

14 (c) deprivation of parental support or care for purposes of qualifying as a dependent child;

15 (d) the degree of kinship required for a person to qualify as a specified caretaker relative with
16 whom a child may live to be eligible for assistance;

17 (e) reporting requirements;

18 (f) requirements for participation in the JOBS program and exemptions from participation;

19 (g) procedures and policies of the JOBS program;

20 (h) sanctions, disqualification, or other penalties for failure to comply with program rules or
21 requirements; and

22 (i) special requirements or policies applicable to participants in the FAIM project.

23 (4) It is intended that rules adopted under [section 19] comply with federal requirements under Title
24 IV of the Social Security Act, 42 U.S.C. 601, et seq., and 45 CFR parts 200 through 499, as amended,
25 or, in the event that waivers of federal law have been granted by the U.S. department of health and human
26 services, with the waivers.

27 (5) [Section 26] grants the department additional rulemaking authority. It is the intent of the
28 legislature that the department adopt rules specifying the income limits for eligibility for extended medical
29 assistance for persons receiving aid to families with dependent children under the FAIM project who lose
30 eligibility because of increased income and specifying the length of time for which they may receive

1 extended medical assistance.

2 It is intended that rules adopted under [section 26] comply with waivers of federal medicaid law
3 granted by the secretary of the U.S. department of health and human services pertaining to the FAIM
4 project and promote the goals of the FAIM project of self-sufficiency and responsibility of participants. In
5 adopting the rules, the department may consider the amount of funds appropriated by the legislature for
6 the Montana medicaid program.

7

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9

10 **NEW SECTION. Section 1. Demonstration project -- purpose.** (1) The department is authorized
11 to administer a demonstration project pursuant to section 1115 of the Social Security Act, 42 U.S.C. 1315,
12 to provide assistance under Title IV of that act, 42 U.S.C. 601, et seq., to families who are currently
13 receiving, eligible for, or at risk of becoming eligible for aid to families with dependent children benefits.
14 This demonstration project may be cited as the families achieving independence in Montana (FAIM) project.

15 (2) The purpose of the demonstration project is to promote self-sufficiency and responsibility of
16 participants by providing supports and incentives, such as child-care assistance, training, education, medical
17 assistance, and resource referrals, and to make procedures and requirements less complex and more
18 uniform in the aid to families with dependent children, food stamp, and medicaid programs.

19

20 **NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 10], unless the context
21 requires otherwise, the following definitions apply:

22 (1) "Cash assistance" means monetary payments to a recipient of aid to families with dependent
23 children to meet basic needs, such as shelter, utilities, clothing, and personal needs.

24 (2) "Child-care assistance" means payments to or on behalf of the specified caretaker relative of
25 a dependent child to defray the cost of having a third party care for the child.

26 (3) "Department" means the department of social and rehabilitation services provided for in
27 2-15-2201.

28 (4) "FAIM project" means the families achieving independence in Montana project, including an aid
29 to families with dependent children part established in [section 3], a food stamp part administered under
30 the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to the Social

1 Security Act, 42 U.S.C. 1315.

2 (5) "JOBS program" means the job opportunities and basic skills training program established in
3 53-4-703.

4

5 NEW SECTION. **Section 3. FAIM project -- components.** (1) The aid to families with dependent
6 children part of the FAIM project consists of three components referred to as the job supplement program,
7 pathways, and the community services program.

8 (2) The job supplement program is an alternative to the components of the FAIM project that
9 provide cash assistance. An eligible family may receive assistance under the job supplement program
10 instead of receiving assistance under pathways or the community services program or may receive
11 assistance under the job supplement program either prior to or after receiving assistance under pathways
12 or the community services program.

13 (3) Services that may be provided to eligible individuals in the job supplement program include:

14 (a) full medicaid benefits for dependent children, as provided in 53-6-101, and basic medicaid
15 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
16 the secretary of the U.S. department of health and human services that permit limited benefits. However,
17 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

18 (b) child-care assistance, as provided in [section 8] and as specified by the department by rule;

19 (c) assistance in obtaining child support; and

20 (d) a one-time only cash payment to meet special employment-related needs of the family. In order
21 to receive a one-time cash payment, the family is required to agree not to apply for or receive cash
22 assistance for a period of time based on the size of the one-time cash payment received.

23 (4) (a) Pathways may provide eligible individuals with job training and education; resource referrals;
24 assistance in obtaining child support; one-time cash payments for special employment-related needs;
25 child-care assistance, as provided in [section 8] and as specified by department rule; cash assistance
26 payments; full medicaid benefits for dependent children, as provided in 53-6-101; and basic medicaid
27 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
28 the secretary of the U.S. department of health and human services that permit limited benefits. However,
29 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

30 (b) A specified caretaker relative in a single-parent family may receive assistance under pathways

1 for a maximum of 24 months. The 24 months do not need to be consecutive.

2 (c) Specified caretaker relatives in a two-parent family may receive assistance under pathways for
3 a maximum of 18 months. The 18 months do not need to be consecutive.

4 (5) In the community services program, a specified caretaker relative who has received the
5 maximum number of months of assistance allowable under pathways may continue to receive assistance
6 for the specified caretaker relative's needs if the specified caretaker relative performs community service
7 work as required by the department. A specified caretaker relative who performs community service work
8 as required is entitled to cash assistance for the specified caretaker relative's needs and basic medicaid
9 benefits, as provided in 53-6-101, if waivers of federal law are granted by the secretary of the U.S.
10 department of health and human services that permit limited benefits. However, a specified caretaker
11 relative who is pregnant is entitled to full medicaid benefits. Job training and education, resource referrals,
12 and assistance in obtaining child support may also be provided if determined by the department to be
13 appropriate. Child-care assistance may be provided as set forth in [section 8] and as specified by
14 department rule.

15 (6) Failure of a caretaker relative to participate in community service work as required must result
16 in the needs of the specified caretaker relative being removed from the cash assistance payment.

17 (7) A dependent child who meets all eligibility requirements for aid to families with dependent
18 children may receive assistance under any component of the FAIM project without any time limits.

19
20 **NEW SECTION. Section 4. Requirements for eligibility.** (1) Eligibility for aid to families with
21 dependent children benefits under the FAIM project with regard to income, resources, and all other factors
22 of eligibility must be determined in accordance with the waivers granted by the U.S. secretary of health and
23 human services under section 1115 of the Social Security Act, 42 U.S.C. 1315.

24 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
25 human services, two-parent families applying for or receiving aid to families with dependent children
26 benefits under the FAIM project based on the unemployment of one parent may not be required to meet
27 the special eligibility requirements of section 407 of the Social Security Act, 42 U.S.C. 607.

28 (3) (a) As a condition of eligibility for assistance under pathways and the community services
29 program, all specified caretaker relatives shall enter into a family investment agreement with the department
30 and shall comply with the terms of that agreement. Entering into an agreement is not a condition of

1 eligibility for the job supplement program.

2 (b) The family investment agreement must set forth the mutual obligations of the specified
3 caretaker relative and the department to help the family achieve the goal of self-sufficiency. The agreement
4 may contain provisions:

5 (i) regarding actions to be taken by the specified caretaker relative and by the department to secure
6 child support;

7 (ii) requiring that the immunization and health-screening requirements of the early and periodic
8 screening, diagnosis, and treatment program be met for all children in the family; and

9 (iii) specifying other services and activities appropriate for the specified caretaker relative or family.

10 (c) An individual who is required to enter into a family investment agreement and who fails without
11 good cause to do so or fails without good cause to comply with the individual's obligations under the
12 agreement is ineligible, as provided in [section 6], for aid to families with dependent children benefits.

13 (4) As a condition of eligibility for the community service program, a specified caretaker relative
14 shall perform community service work as required by the department.

15

16 **NEW SECTION. Section 5. Exemptions from time limitations in pathways.** (1) Recipients of aid
17 to families with dependent children under the FAIM project may be exempted from the time limitations on
18 assistance under pathways contained in [section 3] as provided by the department by rule.

19 (2) In establishing categories of individuals who are exempt from the time limitations on assistance
20 under pathways, the department may take into consideration factors that may delay an individual's
21 attainment of self-sufficiency, including but not limited to the following:

22 (a) The individual has a verifiable illness, injury, or physical or mental impairment, handicap, or
23 disability.

24 (b) The individual is of advanced age.

25 (c) The individual does not have child care available.

26 (d) The individual is attending high school or is working toward a graduate equivalency diploma,
27 if the individual is under 20 years of age.

28 (e) The individual is the parent of a child under 1 year of age.

29 (f) The individual is providing care to a household member with a disability who requires special
30 care.

1 (g) The individual is a teenage parent participating in activities pursuant to a family investment
2 agreement.

3 (h) The department failed to substantially comply with its obligations under the family investment
4 agreement.

5

6 **NEW SECTION. Section 6. Ineligibility because of failure to comply with terms of agreement.** If
7 an individual is required to enter into a family investment agreement pursuant to [section 4] and fails
8 without good cause either to enter into an agreement or to comply with the individual's obligations under
9 the agreement, the individual is ineligible for aid to families with dependent children benefits and the needs
10 of the individual may not be taken into consideration in determining the assistance unit's amount of cash
11 assistance. However, the family of an ineligible individual is entitled to assistance for its own needs if it
12 is otherwise eligible. The income and resources of the individual must be considered in determining the
13 family's eligibility for assistance during the period of ineligibility.

14

15 **NEW SECTION. Section 7. Categorical eligibility for other assistance.** All recipients of aid to
16 families with dependent children under a component of the FAIM project are categorically eligible for food
17 stamp benefits and the low-income energy assistance program, regardless of whether they would otherwise
18 meet all the eligibility requirements for those programs, unless otherwise prohibited by federal law.

19

20 **NEW SECTION. Section 8. Child-care assistance.** (1) In the job supplement program component
21 of the FAIM project, the department shall provide child-care assistance to all single-parent families if child
22 care is necessary to allow the parent to engage in paid employment. Child-care assistance may, at the
23 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
24 parents to engage in paid employment.

25 (2) In the pathways component of the FAIM project, the department shall provide child-care
26 assistance to all single-parent families if child care is necessary to allow the parent to participate in an
27 activity required by the family investment agreement. However, child-care assistance for single-parent
28 families to enable the parent to participate in postsecondary education is not guaranteed and may be
29 provided only if funding is available. Child-care assistance may, at the department's discretion, be provided
30 to two-parent families if child care is necessary to allow either or both of the parents to participate in an

1 activity required by the family investment agreement.

2 (3) In the community services program component of the FAIM project, the department shall
3 provide child-care assistance to all single-parent families if child care is necessary to allow the parent to
4 participate in an activity required by the family investment agreement. Child-care assistance may, at the
5 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
6 of the parents to participate in an activity required by the family investment agreement.

7

8 **NEW SECTION. Section 9. Extended child care and medical assistance benefits.** A family receiving
9 aid to families with dependent children benefits under a component of the FAIM project that loses eligibility
10 for assistance because of increased income from any source may receive extended child care and medical
11 assistance benefits if funding is available, provided that the family's income does not exceed a percentage
12 of the federal poverty level specified by the department by rule.

13

14 **NEW SECTION. Section 10. JOBS program.** (1) In cases in which the department determines that
15 participation in the JOBS program would be appropriate for a participant in pathways, the participant may
16 be required to participate in the JOBS program as one of the conditions of the participant's family
17 investment agreement.

18 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
19 human services, the exemptions from participation in the JOBS program provided in section 201 of the
20 federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), may not apply to recipients of aid to families
21 with dependent children benefits who are participating in the FAIM employment and training demonstration
22 project.

23

24 **NEW SECTION. Section 11. Administration of food stamp program -- rulemaking authority.** (1)
25 The department is authorized to administer the food stamp program.

26 (2) The department shall adopt rules that are necessary and desirable for the administration of the
27 food stamp program.

28 (3) The department shall adopt rules that may include but are not limited to rules concerning:

29 (a) eligibility for assistance, including income and resource limitations, income and resource
30 exclusions, and transfers of resources;

- 1 (b) amounts of assistance and methods for determining benefit amount;
- 2 (c) certification periods;
- 3 (d) reporting requirements;
- 4 (e) work registration, employment, and training requirements and exemptions from those
- 5 requirements;
- 6 (f) procedures and policies of the employment and training program;
- 7 (g) disqualification because of intentional program violations, for voluntarily quitting a job without
- 8 good cause, or for any other violation of program rules;
- 9 (h) penalties applicable to recipients of aid to families with dependent children who have been
- 10 sanctioned because of failure to meet any requirement of the aid to families with dependent children
- 11 program; and
- 12 (i) special requirements or criteria applicable to participants in the FAIM project, including but not
- 13 limited to income and resource exclusions and penalties for failure to comply with any requirement of the
- 14 aid to families with dependent children program.

15

16 **NEW SECTION. Section 12. Definitions.** As used in [sections 11 through 14], the following

17 definitions apply:

18 (1) "Child support pass-through payments" means child support received for a dependent child or

19 children in a family receiving aid to families with dependent children, up to \$50 a month, that is paid or

20 "passed through" to the family pursuant to section 402 of the Social Security Act, 42 U.S.C.

21 602(a)(8)(A)(vi).

22 (2) "Department" means the department of social and rehabilitation services provided in Title 2,

23 chapter 15, part 22.

24 (3) "Employment and training demonstration project" means the employment and training program

25 for recipients of aid to families with dependent children who are participating in the FAIM project.

26 (4) "FAIM project" means the families achieving independence in Montana project, including the

27 aid to families with dependent children part established in [section 3], a food stamp part administered

28 pursuant to the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to

29 the Social Security Act, 42 U.S.C. 1315.

30 (5) "Food stamp program" means the provision of coupons that can be used to purchase food to

1 low-income persons pursuant to the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq.

2 (6) "JOBS program" means the job opportunities and basic skills training program for recipients of
3 aid to families with dependent children that is conducted in accordance with the requirements of section
4 201 of the federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), 681 through 686.

5
6 **NEW SECTION. Section 13. Employment and training program.** The department shall establish
7 and administer an employment and training program for food stamp recipients that is in compliance with
8 federal requirements. For purposes of the FAIM project, if waivers of federal law are granted by the food
9 and nutrition service of the U.S. department of agriculture, the department may merge its food stamp
10 program employment and training program with its JOBS program or may modify the rules and requirements
11 of the food stamp program employment and training program as necessary to make them consistent with
12 those of the employment and training demonstration project.

13
14 **NEW SECTION. Section 14. Income and resource exclusions -- FAIM participants.** If waivers of
15 federal law are granted by the food and nutrition service of the U.S. department of agriculture, the
16 department may by rule establish special income and resource exclusions to be applied to participants of
17 the FAIM project in determining their eligibility for food stamps and in determining the benefit amount.
18 Exclusions that may be established include but are not limited to exclusions for one-time only cash
19 payments for special employment-related needs as provided in [section 3] and child support pass-through
20 payments of up to \$50 a month in determining the recipients' eligibility for food stamps and determining
21 the benefit amount.

22
23 **Section 15.** Section 53-2-105, MCA, is amended to read:

24 **"53-2-105. Misuse of public assistance information unlawful.** Except as provided in 53-2-211, it
25 is unlawful for ~~any~~ a person, body, association, firm, corporation, or other agency to solicit, disclose,
26 receive, or make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of ~~any~~
27 lists or names for commercial or political purposes of any nature or for any purpose not directly connected
28 with the administration of public assistance. However, the department may, to the extent permitted by
29 federal law, disclose public assistance information to an agency of the state or to any other organization
30 if the information is used solely for purposes directly connected with the administration of a program or

1 purpose of the agency."

2

3 **Section 16.** Section 53-2-211, MCA, is amended to read:

4 **"53-2-211. Department to share eligibility data.** (1) The department shall make available to the
5 unemployment compensation program of the department of labor and industry all information contained in
6 its files and records pertaining to eligibility of persons for medicaid, aid to families with dependent children,
7 and food stamps. The information made available must include information on the amount and source of
8 an applicant's income. The information received from the department must be used by the department of
9 labor and industry for the purpose of determining fraud, abuse, or eligibility for benefits under the
10 unemployment compensation program of the state and for no other purpose.

11 (2) The department shall make available to the unemployment compensation and the workers'
12 compensation programs of the department of labor and industry all information contained in its files and
13 records pertaining to eligibility of persons for low-income energy assistance, weatherization, and general
14 relief. The information made available must include information on the amount and source of an applicant's
15 income. The information received from the department must be used by the department of labor and
16 industry for the purpose of determining fraud, abuse, or eligibility for benefits under the unemployment
17 compensation and workers' compensation programs of the state.

18 (3) (a) Subject to federal restrictions, the department may request information from the department
19 of labor and industry pertaining to unemployment, workers' compensation, and occupational disease
20 benefits. If the department of labor and industry discovers evidence relating to fraud or abuse for
21 unemployment, workers' compensation, or occupational benefits, the department of labor and industry may
22 request information from the department of revenue pertaining to income as provided in 15-30-303(8)(c).

23 (b) The information must be used by the department for the purpose of determining fraud, abuse,
24 or eligibility for benefits.

25 (4) The department may, to the extent permitted by federal law, make available to an agency of
26 the state or to any other organization information contained in its files and records pertaining to the
27 eligibility of persons for medicaid, aid to families with dependent children, food stamps, low-income energy
28 assistance, weatherization, or other public assistance. The information may be disclosed only for purposes
29 directly connected with the administration of a program or purpose of the agency and may not be used by
30 the agency for any other purpose."

1 **Section 17.** Section 53-4-201, MCA, is amended to read:

2 **"53-4-201. Definitions.** As used in this part and in [sections 1 through 10], the following
3 definitions apply:

4 (1) The term "aid to families with dependent children" means money payments made on behalf of
5 a dependent child pursuant to Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.), ~~including~~
6 and may include payments to meet the needs of a specified caretaker relative with whom the dependent
7 child is living. The term also includes emergency assistance to families with children as provided by the
8 federal Social Security Act.

9 (2) "Department" means the department of social and rehabilitation services provided for in Title
10 2, chapter 15, part 22.

11 (3) (a) The term "dependent child", for public assistance purposes, means:

12 (i) a child under the age of 18; or

13 (ii) a person under the age of 19 who is a student under the regulations prescribed by the
14 department.

15 (b) The child ~~{described in subsection (3)(a)(i) or (3)(a)(ii) above}~~ must be deprived of parental
16 support or care by reason of the death, continued absence from the home, continued unemployment, or
17 physical or mental incapacity of a parent and be living with a specified caretaker relative, as defined in rules
18 adopted by the department.

19 (4) "FAIM project" means the families achieving independence in Montana project as established
20 in [section 1].

21 (5) "Federal poverty level" means the measure of indigence established annually by the U.S. office
22 of management and budget.

23 ~~(4)(6)~~ (6) "Public assistance" or "assistance" means ~~any~~ a type of monetary or other assistance
24 furnished under this title to a person by a state or county agency, regardless of the original source of the
25 assistance.

26 (7) "Specified caretaker relative" means a person within a degree of kinship to the dependent child,
27 as specified by department rule, who lives with the child and exercises care and control over the child."

28

29 **Section 18.** Section 53-4-202, MCA, is amended to read:

30 **"53-4-202. Aid to families with dependent children to be in effect in all counties.** It is hereby

1 mandatory and required that the state plan and operation of aid to families with dependent children ~~shall~~
2 must be in effect in each ~~and every~~ county of the state, and the administration and supervision of aid to
3 families with dependent children ~~shall~~ must be uniform throughout the ~~several~~ counties of the state.
4 However, the department may administer demonstration programs pursuant to section 1115 of the federal
5 Social Security Act, 42 U.S.C. 1315, or any other provision of that act that permits the states to administer
6 experimental, pilot, or demonstration projects."

7
8 **Section 19.** Section 53-4-212, MCA, is amended to read:

9 **"53-4-212. Department to make rules.** (1) The department shall make ~~such~~ rules and take ~~such~~
10 action as ~~may be necessary or desirable for carrying out the provisions of this part~~ the administration of
11 the aid to families with dependent children program, including the FAIM project.

12 (2) The department shall adopt rules that may include but are not limited to rules concerning:

13 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
14 income and resource exclusions;

15 (b) amounts of assistance and methods for computing benefit amounts;

16 (c) what constitutes deprivation of parental support or care sufficient to qualify a child as
17 dependent;

18 (d) the degree of kinship required for a person to qualify as a specified caretaker relative in order
19 to be eligible for assistance;

20 (e) requirements for participation in the JOBS program and exemptions from those requirements;

21 (f) procedures and policies of the JOBS program;

22 (g) special requirements or criteria applicable to participants in the FAIM project, such as:

23 (i) community service requirements for specified caretaker relatives participating in the community
24 services program, including the number of hours of community service work per week and other terms of
25 performance;

26 (ii) eligibility for and terms and conditions of child-care assistance for FAIM project participants,
27 including maximum amounts of assistance payable and amounts of copayments required by specified
28 caretaker relatives;

29 (iii) maximum amounts of one-time only cash payments for special employment-related needs and
30 the length of time that a family is required to remain off cash assistance after a payment is received;

- 1 (iv) exemptions from time limits in pathways;
 2 (v) terms of a specified caretaker relative's ineligibility for assistance because of failure to enter
 3 into a family investment agreement or to comply with the specified caretaker relative's obligations under
 4 the agreement, including the length of the period of ineligibility;
 5 (vi) requirements, if any, for participation in and exemptions from participation in and procedures
 6 and policies of the employment and training demonstration project; and
 7 (vii) eligibility for and terms and conditions of extended child-care and medical assistance benefits;
 8 (h) reporting requirements; and
 9 (i) sanctions, disqualification, or other penalties for failure to comply with the program rules or
 10 requirements."

11

12 **Section 20.** Section 53-4-241, MCA, is amended to read:

13 **"53-4-241. Amount of assistance determined by department rules.** The amount of aid to families
 14 with dependent children granted in any case ~~shall~~, including cases in which the recipient is participating in
 15 the FAIM project, must be determined according to the rules and standards of assistance established by
 16 the department, as required by the federal Social Security Act."

17

18 **Section 21.** Section 53-4-702, MCA, is amended to read:

19 **"53-4-702. Definitions.** As used in this part, unless the context requires otherwise, the following
 20 definitions apply:

21 (1) "Aid to families with dependent children" has the same meaning as provided in 53-4-201.

22 (2) "Department" means the department of social and rehabilitation services provided for in Title
 23 2, chapter 15, part 22.

24 (3) "FAIM project" means the families achieving independence in Montana project as established
 25 in [section 1].

26 (4) "Family Support Act of 1988" means the federal Family Support Act of 1988, Public Law
 27 100-485, as amended.

28 ~~(4)~~(5) "JOBS program" or "program" means the job opportunities and basic skills training program
 29 established in 53-4-703."

30

1 **Section 22.** Section 53-4-706, MCA, is amended to read:

2 "**53-4-706. Participation requirements.** (1) Except as otherwise provided in this section and
3 53-4-707, the department may require individuals to participate in the JOBS program as a condition of their
4 eligibility for aid to families with dependent children.

5 (2) To the extent that the program is available and that state resources permit, the department
6 shall:

7 (a) require recipients of aid to families with dependent children who are not participating in the
8 FAIM project and with respect to whom the state guarantees child care in accordance with section 402(g)
9 of the Social Security Act (42 U.S.C. 602(g)) to participate in the program; ~~and~~

10 (b) require recipients of aid to families with dependent children who are participating in either the
11 pathways or community service program component of the FAIM project to participate in the program if
12 the department determines that it is an appropriate activity for the recipient and includes participation as
13 a condition of the recipient's family investment agreement; and

14 (c) allow applicants for and recipients of aid to families with dependent children who are not
15 required under subsection (2)(a) to participate in the program to do so on a voluntary basis."

16

17 **Section 23.** Section 53-4-707, MCA, is amended to read:

18 "**53-4-707. Exemptions.** (1) ~~An individual may not be required to participate~~ Recipients of aid to
19 families with dependent children must be exempted from participation in the JOBS program if the individual
20 as provided by department rule.

21 (2) The department shall establish, by rule, categories of individuals who are exempt from
22 participation in the JOBS program in accordance with the requirements of section 201 of the federal Family
23 Support Act of 1988, 43 U.S.C. 602(a)(19)(C)(i) through (a)(19)(C)(vii). In establishing the exemptions,
24 the department shall take into consideration whether the individual:

25 (a) is ill, incapacitated, or of advanced age;

26 (b) is needed in the home because of the illness or incapacity of another member of the household;

27 (c) is the parent or other relative who is personally providing care for a child ~~under 3 years of age,~~
28 ~~except as otherwise provided in administrative rules adopted by the department~~ of a very young age;

29 (d) is employed ~~for 30 or more hours a week;~~

30 (e) is a child who is under the age of 16 or attends an elementary, secondary, or vocational school

1 on a full-time basis;

2 (f) is pregnant ~~and it has been medically verified that the child is expected to be born in the month~~
 3 ~~in which participation in the program would otherwise be required. Such individual may not be required to~~
 4 ~~participate in the program within the 6-month period immediately following that month;~~

5 (g) resides in an area of the state where the program is not available; or

6 (h) is for any other reason exempt from participating in the program pursuant to state or federal
 7 regulations.

8 (2) If a family is eligible for aid to families with dependent children because of the unemployment
 9 of the parent who is the principal wage earner, ~~subsection (1)(c) applies to only one parent~~ may be
 10 exempted to provide care for a very young child.

11 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
 12 human services, recipients of aid to families with dependent children participating in the FAIM project may
 13 not be exempted from participation in the employment and training demonstration project."

14

15 **Section 24.** Section 53-4-717, MCA, is amended to read:

16 "**53-4-717. Sanctions.** As (1) Except as provided in subsection (2), an individual who without
 17 good cause fails to participate in the JOBS program as required or who without good cause refuses to
 18 accept suitable employment shall lose eligibility for aid to families with dependent children as provided in
 19 42 U.S.C. 602(a)(19)(G).

20 (2) If an individual receiving aid to families with dependent children under the FAIM project is
 21 required to participate in the JOBS program as a condition of the individual's family investment agreement
 22 and fails without good cause to participate, the individual must be sanctioned in accordance with rules
 23 established by the department."

24

25 **Section 25.** Section 53-6-101, MCA, is amended to read:

26 "**53-6-101. Montana medicaid program -- authorization of services.** (1) There is a Montana
 27 medicaid program established for the purpose of providing necessary medical services to eligible persons
 28 who have need for medical assistance. The Montana medicaid program is a joint federal-state program
 29 administered under this chapter and in accordance with Title XIX of the federal Social Security Act, (42
 30 U.S.C. 1396, et seq.), as may be amended. The department of social and rehabilitation services shall

1 administer the Montana medicaid program.

2 (2) Medical assistance provided by the Montana medicaid program includes the following services:

3 (a) inpatient hospital services;

4 (b) outpatient hospital services;

5 (c) other laboratory and x-ray services, including minimum mammography examination as defined
6 in 33-22-132;

7 (d) skilled nursing services in long-term care facilities;

8 (e) physicians' services;

9 (f) nurse specialist services;

10 (g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of
11 age;

12 (h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as
13 provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

14 (i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant
15 women;

16 (j) services that are provided by physician assistants-certified within the scope of their practice and
17 that are otherwise directly reimbursed as allowed under department rule to an existing provider;

18 (k) health services provided under a physician's orders by a public health department; and

19 (l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).

20 (3) Medical assistance provided by the Montana medicaid program may, as provided by department
21 rule, also include the following services:

22 (a) medical care or any other type of remedial care recognized under state law, furnished by
23 licensed practitioners within the scope of their practice as defined by state law;

24 (b) home health care services;

25 (c) private-duty nursing services;

26 (d) dental services;

27 (e) physical therapy services;

28 (f) mental health center services administered and funded under a state mental health program
29 authorized under Title 53, chapter 21, part 2;

30 (g) clinical social worker services;

- 1 (h) prescribed drugs, dentures, and prosthetic devices;
- 2 (i) prescribed eyeglasses;
- 3 (j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;
- 4 (k) inpatient psychiatric hospital services for persons under 21 years of age;
- 5 (l) services of professional counselors licensed under Title 37, chapter 23;
- 6 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
- 7 (n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted
- 8 case management services for the mentally ill;
- 9 (o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C.
- 10 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with
- 11 50-5-201; and
- 12 (p) any additional medical service or aid allowable under or provided by the federal Social Security
- 13 Act.
- 14 (4) Services for persons qualifying for medicaid under the medically needy category of assistance
- 15 as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to
- 16 others qualifying for assistance under the Montana medicaid program. The department is not required to
- 17 provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the
- 18 medically needy category of assistance.
- 19 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
- 20 human services, the department of social and rehabilitation services may implement limited medicaid
- 21 benefits, to be known as basic medicaid, for recipients who are eligible because they are receiving aid to
- 22 families with dependent children as the specified caretaker relative of a dependent child under the FAIM
- 23 project and for all adult recipients of medical assistance only who are covered under a group related to aid
- 24 to families with dependent children. Basic medicaid benefits consist of all mandatory services listed in
- 25 subsections (2)(a) through (2)(l) but may include those optional services listed in subsection (3)(a) through
- 26 (3)(p) that the department in its discretion specifies by rule. The department, in exercising its discretion,
- 27 may consider the amount of funds appropriated by the legislature for the FAIM project and whether the
- 28 provision of a particular service is commonly covered by private health insurance plans. However, a
- 29 recipient who is pregnant is entitled to full medicaid coverage.
- 30 (6) The department may implement, as provided for in Title XIX of the federal Social Security Act,

1 {42 U.S.C. 1396, et seq.}, as may be amended, a program under medicaid for payment of medicare
 2 premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

3 ~~{6}{7}~~ The department may set rates for medical and other services provided to recipients of
 4 medicaid and may enter into contracts for delivery of services to individual recipients or groups of
 5 recipients.

6 ~~{7}{8}~~ The services provided under this part may be only those that are medically necessary and
 7 that are the most efficient and cost-effective.

8 ~~{8}{9}~~ The amount, scope, and duration of services provided under this part must be determined
 9 by the department in accordance with Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et
 10 seq.}, as may be amended.

11 ~~{9}{10}~~ Services, procedures, and items of an experimental or cosmetic nature may not be provided.

12 ~~{10}{11}~~ If available funds are not sufficient to provide medical assistance for all eligible persons,
 13 the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of
 14 the medical services made available under the Montana medicaid program.

15 ~~{11}{12}~~ Community-based medicaid services, as provided for in part 4 of this chapter, must be
 16 provided in accordance with the provisions of this chapter and the rules adopted under this chapter.

17 ~~{12}{13}~~ Medicaid payment for personal-care facilities may not be made unless the department
 18 certifies to the director of the governor's office of budget and program planning that payment to this type
 19 of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."
 20

21 **Section 26.** Section 53-6-113, MCA, is amended to read:

22 "**53-6-113. Department to adopt rules.** (1) The department of social and rehabilitation services
 23 shall adopt appropriate rules necessary for the administration of the Montana medicaid program as provided
 24 for in this part and as may be required by federal laws and regulations governing state participation in
 25 medicaid under Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et seq.}, as amended.

26 (2) The department shall adopt rules as are necessary to further define for the purposes of this part
 27 the services provided under 53-6-101 and to provide that services ~~utilized~~ being used are medically
 28 necessary and that ~~these~~ the services are the most efficient and ~~cost-effective~~ cost-effective available. The
 29 rules may establish the amount, scope, and duration of services provided under the Montana medicaid
 30 program, including the items and components constituting the services.

1 (3) The department shall establish by rule the rates for reimbursement of services provided under
2 this part. The department may in its discretion set ~~such~~ rates of reimbursement ~~as~~ that it determines
3 necessary for the purposes of the program. In establishing rates of reimbursement, the department may
4 consider but is not limited to considering:

- 5 (a) the availability of appropriated funds;
6 (b) the actual cost of services;
7 (c) the quality of services;
8 (d) the professional knowledge and skills necessary for the delivery of services; and
9 (e) the availability of services.

10 (4) The department shall specify by rule those professionals who may deliver or direct the delivery
11 of particular services.

12 (5) The department may provide by rule for payment by a recipient of a portion of the
13 reimbursements established by the department for services provided under this part.

14 (6) The department may adopt rules consistent with this part to govern eligibility for the Montana
15 medicaid program. Rules may include but are not limited to financial standards and criteria for income and
16 resources, treatment of resources, nonfinancial criteria, family responsibilities, residency, application,
17 termination, definition of terms, and confidentiality of applicant and recipient information.

18 (7) The department may adopt rules limiting eligibility based on criteria more restrictive than that
19 provided in 53-6-131 if required by Title XIX of the federal Social Security Act, (42 U.S.C. 1396, et seq.),
20 as may be amended, or if funds appropriated are not sufficient to provide medical care for all eligible
21 persons.

22 (8) The department may adopt rules necessary for the administration of medicaid managed-care
23 systems. Rules to be adopted may include but are not limited to rules concerning:

- 24 (a) participation in managed care;
25 (b) selection and qualifications for providers of managed care; and
26 (c) standards for the provision of managed care.

27 (9) The department shall establish by rule income limits for eligibility for extended medical
28 assistance of persons receiving aid to families with dependent children as participants of the FAIM project
29 who lose eligibility because of increased income, as provided in 53-6-134, and shall also establish by rule
30 the length of time for which extended medical assistance will be provided. The department, in exercising

1 its discretion to set income limits and duration of assistance, may consider the amount of funds
2 appropriated by the legislature for the FAIM project."

3

4 **Section 27.** Section 53-6-131, MCA, is amended to read:

5 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
6 may be granted to a person who is determined by the department of social and rehabilitation services, in
7 its discretion, to be eligible as follows:

8 (a) The person receives or is considered to be receiving supplemental security income benefits
9 under Title XVI of the federal Social Security Act, {42 U.S.C. 1381, et seq.} or aid to families with
10 dependent children under Title IV of the federal Social Security Act, {42 U.S.C. 601, et seq.}

11 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
12 that person were to apply for that assistance.

13 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
14 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

15 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for
16 aid to families with dependent children, other than with respect to school attendance.

17 (e) The person is under 21 years of age and in foster care under the supervision of the state or was
18 in foster care under the supervision of the state and has been adopted as a hard-to-place child.

19 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
20 and:

21 (i) the person's income does not exceed the income level specified for federally aided categories
22 of assistance and the person's resources are within the resource standards of the federal supplemental
23 security income program; or

24 (ii) the person, while having income greater than the medically needy income level specified for
25 federally aided categories of assistance:

26 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
27 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
28 in cash to the department the amount by which the person's income exceeds the medically needy income
29 level specified for federally aided categories of assistance; and

30 (B) has resources that are within the resource standards of the federal supplemental security

1 income program.

2 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

3 (2) The department may establish income and resource limitations. Limitations of income and
4 resources must be within the amounts permitted by federal law for the medicaid program.

5 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
6 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
7 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
8 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
9 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

10 (a) has income that does not exceed income standards as may be required by the federal Social
11 Security Act; and

12 (b) has resources that do not exceed standards that the department determines reasonable for
13 purposes of the program.

14 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
15 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

16 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
17 human services, the department of social and rehabilitation services may grant eligibility for basic medicaid
18 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
19 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
20 assistance only who are covered under a group related to aid to families with dependent children. A
21 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

22 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
23 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social
24 Security Act, {42 U.S.C. 1396, et seq.}, as may be amended, and not specifically listed in this part to
25 categories of persons that may be designated by the act for receipt of assistance.

26 ~~(6)~~(7) Notwithstanding any other provision of this chapter, medical assistance must be provided
27 to infants and pregnant women whose family income does not exceed 133% of the federal poverty
28 ~~threshold level~~, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose
29 family resources do not exceed standards that the department determines reasonable for purposes of the
30 program.

1 ~~(7)~~(8) A person described in subsection ~~(6)~~ (7) must be provided continuous eligibility for medical
2 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

3
4 **Section 28.** Section 53-6-134, MCA, is amended to read:

5 "**53-6-134. Extension of eligibility for medical assistance to persons terminated from aid to families**
6 **with dependent children.** (1) In accordance with section 1925 of Title XIX of the Social Security Act, ~~42~~
7 U.S.C. 1396r-6}, the department of social and rehabilitation services shall provide for the extension of
8 eligibility for medical assistance to persons who lose eligibility for aid to families with dependent children
9 ~~due to~~ because of:

10 (a) increased hours or income from employment; or

11 (b) loss of federally prescribed earned income disregards.

12 (2) In providing for the extension of eligibility for medical assistance under subsection (1), the
13 department may provide for health insurance or other health coverage in accordance with subsections
14 1925(a)(4)(B) and 1925(b)(4)(C) of Title XIX of the Social Security Act, ~~42~~ U.S.C. 1396r-6(a)(4)(B) and
15 42 U.S.C. 1396r-6(b)(4)(C)}, and may exercise the other options contained in section 1925 of Title XIX of
16 the Social Security Act, ~~42~~ U.S.C. 1396r-6}, regarding the provision of medical assistance.

17 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
18 human services, the department of social and rehabilitation services may provide extended eligibility for
19 medical assistance for a period of time established by the department by rule for persons receiving aid to
20 families with dependent children under the job supplement program, pathways, or community services
21 program components of the FAIM project described in [section 3] who lose eligibility because of increased
22 income from any source, provided that the family's income does not exceed a percentage of the federal
23 poverty level established by the department by rule. The department, in exercising its discretion to
24 establish income standards and duration of extended medical assistance by rule, may consider the amount
25 of funds appropriated by the legislature for the FAIM project."

26
27 **NEW SECTION. Section 29. Codification instruction.** (1) [Sections 1 through 10] are intended
28 to be codified as an integral part of Title 53, chapter 4, and the provisions of Title 53, chapter 4, apply to
29 [sections 1 through 10].

30 (2) [Sections 11 through 14] are intended to be codified as an integral part of Title 53, and the

1 provisions of Title 53 apply to [sections 11 through 14].

2 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0209, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

The act reforming the public assistance system.

ASSUMPTIONS:

1. This fiscal note reflects the Executive Budget proposal as revised and approved by the Joint Subcommittee on Appropriations for Humans Services on February 8, 1995.
 2. In lieu of hiring additional FTE, the Department of Social and Rehabilitation Services (SRS) proposes to access sufficient personal services resources to implement this proposal by contracting for the provision of some functions and streamlining others. These initiatives are one portion of the administrative costs. Administrative costs also include program evaluation for cost neutrality purposes (required by the federal government as a condition of federal waiver approval) and training costs for local staff. Costs are funded approximately 50% state general fund and 50% federal funds.
 3. Program implementation will be phased in state-wide beginning February 1996.
 4. The Aid for Families with Dependent Children (AFDC) caseload is projected to increase by 176 cases in FY96 and 325 cases in FY97. AFDC is funded at the Federal Matching Assistance Percentage (FMAP) rate, which is 30.26% general fund and 69.74% federal funds during FY96 and 31.00% general fund and 69.00% federal funds during FY97.
 5. It is estimated that 37 children will receive child care services in the Job Supplement Program in FY96 and 118 children in FY97 at a cost of \$200 per month per child. It is estimated that 460 children will receive services in the Pathways child care program in FY96 and 1,081 children in FY97 at a cost of \$70 per month per child. Child care is funded at FMAP (please see assumption four above).
 6. Resource and Referral agencies (R&R) will be utilized to authorize the new child care services. Estimated R&R costs per child will be \$16.57 per year. R&R costs are funded at FMAP (please see assumption four above).
 7. It is estimated that communities will provide existing funds necessary to fully maximize the expected federal IV-F state allocation. These services will be funded at FMAP (please see assumption four above).
 8. Non-assumed county administrative costs fund conversion training. These costs are approximately 50% county funds and 50% federal funds.
 9. Assumed county administrative costs also fund conversion training. These costs are approximately 50% state general fund and 50% federal funds.
 10. Child Support Enforcement (CSE) operational costs will result from contracting for services. Costs are approximately 66% federal funds and 34% state special revenue funds.
 11. CSE revenue will increase as a result of priority services provided to welfare reform recipients and expedited processing. Results expected are an increase in the number of collection cases and an increase in the average amount of collections per case.
 12. Medicaid savings will result from the elimination of some optional services and from requiring recipient's mandatory participation in Health Maintenance Organizations (HMO). Funding is at FMAP (please see assumption four above).
- (continued)

David Lewis 2-9-95

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Charles Swysgood 2-9-95

CHARLES SWYSGOOD, PRIMARY SPONSOR DATE

Fiscal Note for SB0209, as introduced

SB 209

(continued)

13. Increased expenses related to The Economic Assistance Management System (TEAMS) facilities management contract were based upon a request for proposal from the current TEAMS contractor.
14. Operations and Technology Division computer processing costs and data network connections were based on the increases associated with system modifications and additional system users. This increase reflects 17 additional users in FY96 and an additional 39 in FY97.

FISCAL IMPACT:

Expenditures:

	<u>FY96</u> <u>Difference</u>	<u>FY97</u> <u>Difference</u>
FAMILY ASSISTANCE DIVISION		
Administrative Cost	773,732	1,474,350
AFDC Caseload Growth	762,172	1,451,544
Child Care	484,190	1,213,306
JOBS Benefits	<u>839,712</u>	<u>839,712</u>
Sub-Total Family Assistance	2,859,806	4,978,912
COUNTY ADMINISTRATION		
Non-Assumed Counties	13,366	47,664
Assumed Counties	<u>23,091</u>	<u>106,922</u>
Sub-Total County Admin.	36,457	154,586
OPERATIONS & TECHNOLOGY DIV		
TEAMS FM Contract	180,000	185,400
Computer Processing Costs	66,968	215,699
Data Network Connections	<u>7,344</u>	<u>24,192</u>
Sub-Total Ops. & Tech.	254,312	425,291
CHILD SUPPORT ENFORCEMENT	543,820	1,286,870
MEDICAL ASSISTANCE		
Benefit Reductions	(541,718)	(1,668,065)
TOTAL EXPENDITURES	3,152,677	5,177,594
<u>Funding:</u>		
General Fund	805,433	1,403,695
State Special	256,870	307,483
Federal Fund	<u>2,090,359</u>	<u>3,466,416</u>
Total Funds	3,152,647	5,177,594

Revenues:

Additional Child Support Revenue to General Fund	11,746	595,309
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Net Impact:

General Fund Cost	793,687	808,386
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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

In FY98 the upfront costs will continue at a cost of \$37,075 general fund and in FY99 the savings will begin to be realized in the amount of \$373,273 general fund. The true general fund savings will be realized in the last four years of the eight year demonstration project.

1 SENATE BILL NO. 209

2 INTRODUCED BY SWYSGOOD, COBB, MERCER, GRINDE, ORR, BAER, STANG, WISEMAN, KOTTEL,
3 BISHOP, HERTEL, BENEDICT, AKLESTAD, FORRESTER, HARP, BROWN, KASTEN, SPRAGUE, FISHER,
4 HARGROVE, MOHL, SOFT, BECK, MCGEE, ESTRADA, EMERSON, DEVLIN, SIMPKINS, GRADY,
5 ANDERSON, PECK, ARNOTT, BOHLINGER, MESAROS, J. JOHNSON, ZOOK, FOSTER, T. NELSON,
6 STOVALL, ELLIOTT, CRIPPEN, GRIMES, HARPER, BARNHART, FRANKLIN, HALLIGAN, JACOBSON,
7 HIBBARD, GAGE, WATERMAN, HARDING, TVEIT, CRISMORE, KEATING, JABS, L. NELSON, JENKINS,
8 HOLDEN, TOEWS, BURNETT, COLE, MILLS, CHRISTIAENS, GROSFIELD
9 BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

10
11 A BILL FOR AN ACT ENTITLED: "AN ACT REFORMING THE PUBLIC ASSISTANCE SYSTEM; AUTHORIZING
12 THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ESTABLISH A DEMONSTRATION
13 PROJECT CALLED THE FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM) PROJECT;
14 AUTHORIZING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ADMINISTER A FOOD
15 STAMP PROGRAM; PROVIDING RULEMAKING AUTHORITY FOR THE FOOD STAMP PROGRAM;
16 ALLOWING PUBLIC ASSISTANCE INFORMATION TO BE USED FOR AGENCY PURPOSES; REVISING AID
17 TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID TO INCLUDE THE FAIM PROJECT; AND
18 AMENDING SECTIONS 53-2-105, 53-2-211, 53-4-201, 53-4-202, 53-4-212, 53-4-241, 53-4-702,
19 53-4-706, 53-4-707, 53-4-717, 53-6-101, 53-6-113, 53-6-131, AND 53-6-134, MCA."

20
21 STATEMENT OF INTENT

22 A statement of intent is required for this bill because [section 11] grants the department of social
23 and rehabilitation services authority to adopt rules for the administration of the food stamp program.

24 (1) It is the intent of the legislature that the department adopt rules concerning:

25 (a) eligibility for assistance, including income and resource limitations, income and resource
26 exclusions, and transfers of resources;

27 (b) amounts of assistance and methods for determining benefit amounts;

28 (c) certification periods;

29 (d) reporting requirements;

30 (e) work registration and employment and training requirements and exemptions from those

1 requirements;

2 (f) procedures and policies of the employment and training program;

3 (g) disqualification because of intentional program violations, voluntarily quitting a job without good
4 cause, or any other violation of program rules;

5 (h) penalties applicable to recipients of aid to families with dependent children who have been
6 sanctioned because of failure to meet any requirement of the aid to families with dependent children
7 program; and

8 (i) special requirements or criteria applicable to participants in the families achieving independence
9 in Montana (FAIM) project.

10 (2) It is intended that the rules adopted by the department comply with federal requirements under
11 the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq., and 7 CFR 271 through 285, as may
12 be amended, or, in the event that waivers of federal law have been granted by the food and nutrition
13 service of the U.S. department of agriculture, with the waivers.

14 (3) [Section 19] revises the department's rulemaking authority for the aid to families with
15 dependent children program, including the FAIM project.

16 It is the intent of the legislature that the department adopt rules concerning:

17 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
18 income and resource exclusions;

19 (b) amounts of assistance and methods for computing benefit amounts;

20 (c) deprivation of parental support or care for purposes of qualifying as a dependent child;

21 (d) the degree of kinship required for a person to qualify as a specified caretaker relative with
22 whom a child may live to be eligible for assistance;

23 (e) reporting requirements;

24 (f) requirements for participation in the JOBS program and exemptions from participation;

25 (g) procedures and policies of the JOBS program;

26 (h) sanctions, disqualification, or other penalties for failure to comply with program rules or
27 requirements; and

28 (i) special requirements or policies applicable to participants in the FAIM project.

29 (4) It is intended that rules adopted under [section 19] comply with federal requirements under Title
30 IV of the Social Security Act, 42 U.S.C. 601, et seq., and 45 CFR parts 200 through 499, as amended,

1 or, in the event that waivers of federal law have been granted by the U.S. department of health and human
2 services, with the waivers.

3 (5) [Section 26] grants the department additional rulemaking authority. It is the intent of the
4 legislature that the department adopt rules specifying the income limits for eligibility for extended medical
5 assistance for persons receiving aid to families with dependent children under the FAIM project who lose
6 eligibility because of increased income and specifying the length of time for which they may receive
7 extended medical assistance.

8 It is intended that rules adopted under [section 26] comply with waivers of federal medicaid law
9 granted by the secretary of the U.S. department of health and human services pertaining to the FAIM
10 project and promote the goals of the FAIM project of self-sufficiency and responsibility of participants. In
11 adopting the rules, the department may consider the amount of funds appropriated by the legislature for
12 the Montana medicaid program.

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15

16 NEW SECTION. Section 1. Demonstration project -- purpose. (1) The department is authorized
17 to administer a demonstration project pursuant to section 1115 of the Social Security Act, 42 U.S.C. 1315,
18 to provide assistance under Title IV of that act, 42 U.S.C. 601, et seq., to families who are currently
19 receiving, eligible for, or at risk of becoming eligible for aid to families with dependent children benefits.
20 This demonstration project may be cited as the families achieving independence in Montana (FAIM) project.

21 (2) The purpose of the demonstration project is to promote self-sufficiency and responsibility of
22 participants by providing supports and incentives, such as child-care assistance, training, education, medical
23 assistance, and resource referrals, and to make procedures and requirements less complex and more
24 uniform in the aid to families with dependent children, food stamp, and medicaid programs.

25

26 NEW SECTION. Section 2. Definitions. As used in [sections 1 through 10], unless the context
27 requires otherwise, the following definitions apply:

28 (1) "Cash assistance" means monetary payments to a recipient of aid to families with dependent
29 children to meet basic needs, such as shelter, utilities, clothing, and personal needs.

30 (2) "Child-care assistance" means payments to or on behalf of the specified caretaker relative of

1 a dependent child to defray the cost of having a third party care for the child.

2 (3) "Department" means the department of social and rehabilitation services provided for in
3 2-15-2201.

4 (4) "FAIM project" means the families achieving independence in Montana project, including an aid
5 to families with dependent children part established in [section 3], a food stamp part administered under
6 the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to the Social
7 Security Act, 42 U.S.C. 1315.

8 (5) "JOBS program" means the job opportunities and basic skills training program established in
9 53-4-703.

10

11 **NEW SECTION. Section 3. FAIM project -- components.** (1) The aid to families with dependent
12 children part of the FAIM project consists of three components referred to as the job supplement program,
13 pathways, and the community services program.

14 (2) The job supplement program is an alternative to the components of the FAIM project that
15 provide cash assistance. An eligible family may receive assistance under the job supplement program
16 instead of receiving assistance under pathways or the community services program or may receive
17 assistance under the job supplement program either prior to or after receiving assistance under pathways
18 or the community services program.

19 (3) Services that may be provided to eligible individuals in the job supplement program include:

20 (a) full medicaid benefits for dependent children, as provided in 53-6-101, and basic medicaid
21 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
22 the secretary of the U.S. department of health and human services that permit limited benefits. However,
23 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

24 (b) child-care assistance, as provided in [section 8] and as specified by the department by rule;

25 (c) assistance in obtaining child support; and

26 (d) a one-time only cash payment to meet special employment-related needs of the family. In order
27 to receive a one-time cash payment, the family is required to agree not to apply for or receive cash
28 assistance for a period of time based on the size of the one-time cash payment received.

29 (4) (a) Pathways may provide eligible individuals with job training and education; resource referrals;
30 assistance in obtaining child support; one-time cash payments for special employment-related needs;

1 child-care assistance, as provided in [section 8] and as specified by department rule; cash assistance
2 payments; full medicaid benefits for dependent children, as provided in 53-6-101; and basic medicaid
3 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
4 the secretary of the U.S. department of health and human services that permit limited benefits. However,
5 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

6 (b) A specified caretaker relative in a single-parent family may receive assistance under pathways
7 for a maximum of 24 months. The 24 months do not need to be consecutive.

8 (c) Specified caretaker relatives in a two-parent family may receive assistance under pathways for
9 a maximum of 18 months. The 18 months do not need to be consecutive.

10 (5) In the community services program, a specified caretaker relative who has received the
11 maximum number of months of assistance allowable under pathways may continue to receive assistance
12 for the specified caretaker relative's needs if the specified caretaker relative performs community service
13 work as required by the department. A specified caretaker relative who performs community service work
14 as required is entitled to cash assistance for the specified caretaker relative's needs and basic medicaid
15 benefits, as provided in 53-6-101, if waivers of federal law are granted by the secretary of the U.S.
16 department of health and human services that permit limited benefits. However, a specified caretaker
17 relative who is pregnant is entitled to full medicaid benefits. Job training and education, resource referrals,
18 and assistance in obtaining child support may also be provided if determined by the department to be
19 appropriate. Child-care assistance may be provided as set forth in [section 8] and as specified by
20 department rule.

21 (6) Failure of a caretaker relative to participate in community service work as required must result
22 in the needs of the specified caretaker relative being removed from the cash assistance payment.

23 (7) A dependent child who meets all eligibility requirements for aid to families with dependent
24 children may receive assistance under any component of the FAIM project without any time limits.

25
26 **NEW SECTION. Section 4. Requirements for eligibility.** (1) Eligibility for aid to families with
27 dependent children benefits under the FAIM project with regard to income, resources, and all other factors
28 of eligibility must be determined in accordance with the waivers granted by the U.S. secretary of health and
29 human services under section 1115 of the Social Security Act, 42 U.S.C. 1315.

30 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and

1 human services, two-parent families applying for or receiving aid to families with dependent children
2 benefits under the FAIM project based on the unemployment of one parent may not be required to meet
3 the special eligibility requirements of section 407 of the Social Security Act, 42 U.S.C. 607.

4 (3) (a) As a condition of eligibility for assistance under pathways and the community services
5 program, all specified caretaker relatives shall enter into a family investment agreement with the department
6 and shall comply with the terms of that agreement. Entering into an agreement is not a condition of
7 eligibility for the job supplement program.

8 (b) The family investment agreement must set forth the mutual obligations of the specified
9 caretaker relative and the department to help the family achieve the goal of self-sufficiency. The agreement
10 may contain provisions:

11 (i) regarding actions to be taken by the specified caretaker relative and by the department to secure
12 child support;

13 (ii) requiring that the immunization and health-screening requirements of the early and periodic
14 screening, diagnosis, and treatment program be met for all children in the family; and

15 (iii) specifying other services and activities appropriate for the specified caretaker relative or family.

16 (c) An individual who is required to enter into a family investment agreement and who fails without
17 good cause to do so or fails without good cause to comply with the individual's obligations under the
18 agreement is ineligible, as provided in [section 6], for aid to families with dependent children benefits.

19 (4) As a condition of eligibility for the community service program, a specified caretaker relative
20 shall perform community service work as required by the department.

21
22 **NEW SECTION. Section 5. Exemptions from time limitations in pathways.** (1) Recipients of aid
23 to families with dependent children under the FAIM project may be exempted from the time limitations on
24 assistance under pathways contained in [section 3] as provided by the department by rule.

25 (2) In establishing categories of individuals who are exempt from the time limitations on assistance
26 under pathways, the department may take into consideration factors that may delay an individual's
27 attainment of self-sufficiency, including but not limited to the following:

28 (a) The individual has a verifiable illness, injury, or physical or mental impairment, handicap, or
29 disability.

30 (b) The individual is of advanced age.

1 (c) The individual does not have child care available.

2 (d) The individual is attending high school or is working toward a graduate equivalency diploma,
3 if the individual is under 20 years of age.

4 (e) The individual is the parent of a child under 1 year of age.

5 (f) The individual is providing care to a household member with a disability who requires special
6 care.

7 (g) The individual is a teenage parent participating in activities pursuant to a family investment
8 agreement.

9 (h) The department failed to substantially comply with its obligations under the family investment
10 agreement.

11
12 **NEW SECTION. Section 6. Ineligibility because of failure to comply with terms of agreement.** If
13 an individual is required to enter into a family investment agreement pursuant to [section 4] and fails
14 without good cause either to enter into an agreement or to comply with the individual's obligations under
15 the agreement, the individual is ineligible for aid to families with dependent children benefits and the needs
16 of the individual may not be taken into consideration in determining the assistance unit's amount of cash
17 assistance. However, the family of an ineligible individual is entitled to assistance for its own needs if it
18 is otherwise eligible. The income and resources of the individual must be considered in determining the
19 family's eligibility for assistance during the period of ineligibility.

20
21 **NEW SECTION. Section 7. Categorical eligibility for other assistance.** All recipients of aid to
22 families with dependent children under a component of the FAIM project are categorically eligible for food
23 stamp benefits and the low-income energy assistance program, regardless of whether they would otherwise
24 meet all the eligibility requirements for those programs, unless otherwise prohibited by federal law.

25
26 **NEW SECTION. Section 8. Child-care assistance.** (1) In the job supplement program component
27 of the FAIM project, the department shall provide child-care assistance to all single-parent families if child
28 care is necessary to allow the parent to engage in paid employment. Child-care assistance may, at the
29 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
30 parents to engage in paid employment.

1 (2) In the pathways component of the FAIM project, the department shall provide child-care
2 assistance to all single-parent families if child care is necessary to allow the parent to participate in an
3 activity required by the family investment agreement. However, child-care assistance for single-parent
4 families to enable the parent to participate in postsecondary education is not guaranteed and may be
5 provided only if funding is available. Child-care assistance may, at the department's discretion, be provided
6 to two-parent families if child care is necessary to allow either or both of the parents to participate in an
7 activity required by the family investment agreement.

8 (3) In the community services program component of the FAIM project, the department shall
9 provide child-care assistance to all single-parent families if child care is necessary to allow the parent to
10 participate in an activity required by the family investment agreement. Child-care assistance may, at the
11 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
12 of the parents to participate in an activity required by the family investment agreement.

13
14 **NEW SECTION. Section 9. Extended child care and medical assistance benefits.** A family receiving
15 aid to families with dependent children benefits under a component of the FAIM project that loses eligibility
16 for assistance because of increased income from any source may receive extended child care and medical
17 assistance benefits if funding is available, provided that the family's income does not exceed a percentage
18 of the federal poverty level specified by the department by rule.

19
20 **NEW SECTION. Section 10. JOBS program.** (1) In cases in which the department determines that
21 participation in the JOBS program would be appropriate for a participant in pathways, the participant may
22 be required to participate in the JOBS program as one of the conditions of the participant's family
23 investment agreement.

24 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
25 human services, the exemptions from participation in the JOBS program provided in section 201 of the
26 federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), may not apply to recipients of aid to families
27 with dependent children benefits who are participating in the FAIM employment and training demonstration
28 project.

29
30 **NEW SECTION. Section 11. Administration of food stamp program -- rulemaking authority.** (1)

1 The department is authorized to administer the food stamp program.

2 (2) The department shall adopt rules that are necessary and desirable for the administration of the
3 food stamp program.

4 (3) The department shall adopt rules that may include but are not limited to rules concerning:

5 (a) eligibility for assistance, including income and resource limitations, income and resource
6 exclusions, and transfers of resources;

7 (b) amounts of assistance and methods for determining benefit amount;

8 (c) certification periods;

9 (d) reporting requirements;

10 (e) work registration, employment, and training requirements and exemptions from those
11 requirements;

12 (f) procedures and policies of the employment and training program;

13 (g) disqualification because of intentional program violations, for voluntarily quitting a job without
14 good cause, or for any other violation of program rules;

15 (h) penalties applicable to recipients of aid to families with dependent children who have been
16 sanctioned because of failure to meet any requirement of the aid to families with dependent children
17 program; and

18 (i) special requirements or criteria applicable to participants in the FAIM project, including but not
19 limited to income and resource exclusions and penalties for failure to comply with any requirement of the
20 aid to families with dependent children program.

21
22 **NEW SECTION. Section 12. Definitions.** As used in [sections 11 through 14], the following
23 definitions apply:

24 (1) "Child support pass-through payments" means child support received for a dependent child or
25 children in a family receiving aid to families with dependent children, up to \$50 a month, that is paid or
26 "passed through" to the family pursuant to section 402 of the Social Security Act, 42 U.S.C.
27 602(a)(8)(A)(vi).

28 (2) "Department" means the department of social and rehabilitation services provided in Title 2,
29 chapter 15, part 22.

30 (3) "Employment and training demonstration project" means the employment and training program

1 for recipients of aid to families with dependent children who are participating in the FAIM project.

2 (4) "FAIM project" means the families achieving independence in Montana project, including the
3 aid to families with dependent children part established in [section 3], a food stamp part administered
4 pursuant to the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to
5 the Social Security Act, 42 U.S.C. 1315.

6 (5) "Food stamp program" means the provision of coupons that can be used to purchase food to
7 low-income persons pursuant to the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq.

8 (6) "JOBS program" means the job opportunities and basic skills training program for recipients of
9 aid to families with dependent children that is conducted in accordance with the requirements of section
10 201 of the federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), 681 through 686.

11
12 **NEW SECTION. Section 13. Employment and training program.** The department shall establish
13 and administer an employment and training program for food stamp recipients that is in compliance with
14 federal requirements. For purposes of the FAIM project, if waivers of federal law are granted by the food
15 and nutrition service of the U.S. department of agriculture, the department may merge its food stamp
16 program employment and training program with its JOBS program or may modify the rules and requirements
17 of the food stamp program employment and training program as necessary to make them consistent with
18 those of the employment and training demonstration project.

19
20 **NEW SECTION. Section 14. Income and resource exclusions -- FAIM participants.** If waivers of
21 federal law are granted by the food and nutrition service of the U.S. department of agriculture, the
22 department may by rule establish special income and resource exclusions to be applied to participants of
23 the FAIM project in determining their eligibility for food stamps and in determining the benefit amount.
24 Exclusions that may be established include but are not limited to exclusions for one-time only cash
25 payments for special employment-related needs as provided in [section 3] and child support pass-through
26 payments of up to \$50 a month in determining the recipients' eligibility for food stamps and determining
27 the benefit amount.

28
29 **Section 15.** Section 53-2-105, MCA, is amended to read:

30 "53-2-105. **Misuse of public assistance information unlawful.** Except as provided in 53-2-211, it

1 is unlawful for any a person, body, association, firm, corporation, or other agency to solicit, disclose,
2 receive, or make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of any
3 lists or names for commercial or political purposes of any nature or for any purpose not directly connected
4 with the administration of public assistance. However, the department may, to the extent permitted by
5 federal law, disclose public assistance information to an agency of the state or to any other organization
6 if the information is used solely for purposes directly connected with the administration of a program or
7 purpose of the agency."

8

9 **Section 16.** Section 53-2-211, MCA, is amended to read:

10 **"53-2-211. Department to share eligibility data.** (1) The department shall make available to the
11 unemployment compensation program of the department of labor and industry all information contained in
12 its files and records pertaining to eligibility of persons for medicaid, aid to families with dependent children,
13 and food stamps. The information made available must include information on the amount and source of
14 an applicant's income. The information received from the department must be used by the department of
15 labor and industry for the purpose of determining fraud, abuse, or eligibility for benefits under the
16 unemployment compensation program of the state and for no other purpose.

17 (2) The department shall make available to the unemployment compensation and the workers'
18 compensation programs of the department of labor and industry all information contained in its files and
19 records pertaining to eligibility of persons for low-income energy assistance, weatherization, and general
20 relief. The information made available must include information on the amount and source of an applicant's
21 income. The information received from the department must be used by the department of labor and
22 industry for the purpose of determining fraud, abuse, or eligibility for benefits under the unemployment
23 compensation and workers' compensation programs of the state.

24 (3) (a) Subject to federal restrictions, the department may request information from the department
25 of labor and industry pertaining to unemployment, workers' compensation, and occupational disease
26 benefits. If the department of labor and industry discovers evidence relating to fraud or abuse for
27 unemployment, workers' compensation, or occupational benefits, the department of labor and industry may
28 request information from the department of revenue pertaining to income as provided in 15-30-303(8)(c).

29 (b) The information must be used by the department for the purpose of determining fraud, abuse,
30 or eligibility for benefits.

1 (4) The department may, to the extent permitted by federal law, make available to an agency of
 2 the state or to any other organization information contained in its files and records pertaining to the
 3 eligibility of persons for medicaid, aid to families with dependent children, food stamps, low-income energy
 4 assistance, weatherization, or other public assistance. The information may be disclosed only for purposes
 5 directly connected with the administration of a program or purpose of the agency and may not be used by
 6 the agency for any other purpose."

7
 8 **Section 17.** Section 53-4-201, MCA, is amended to read:

9 **"53-4-201. Definitions.** As used in this part and in [sections 1 through 10], the following
 10 definitions apply:

11 (1) The term "aid to families with dependent children" means money payments made on behalf of
 12 a dependent child pursuant to Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.), ~~including~~
 13 and may include payments to meet the needs of a specified caretaker relative with whom the dependent
 14 child is living. The term also includes emergency assistance to families with children as provided by the
 15 federal Social Security Act.

16 (2) "Department" means the department of social and rehabilitation services provided for in Title
 17 2, chapter 15, part 22.

18 (3) (a) The term "dependent child", for public assistance purposes, means:

19 (i) a child under the age of 18; or

20 (ii) a person under the age of 19 who is a student under the regulations prescribed by the
 21 department.

22 (b) The child ~~{described in subsection (3)(a)(i) or (3)(a)(ii) above}~~ must be deprived of parental
 23 support or care by reason of the death, continued absence from the home, continued unemployment, or
 24 physical or mental incapacity of a parent and be living with a specified caretaker relative, as defined in rules
 25 adopted by the department.

26 (4) "FAIM project" means the families achieving independence in Montana project as established
 27 in [section 1].

28 (5) "Federal poverty level" means the measure of indigence established annually by the U.S. office
 29 of management and budget.

30 ~~(4)(6)~~ "Public assistance" or "assistance" means ~~any~~ a type of monetary or other assistance

1 furnished under this title to a person by a state or county agency, regardless of the original source of the
2 assistance.

3 (7) "Specified caretaker relative" means a person within a degree of kinship to the dependent child,
4 as specified by department rule, who lives with the child and exercises care and control over the child."

5
6 **Section 18.** Section 53-4-202, MCA, is amended to read:

7 **"53-4-202. Aid to families with dependent children to be in effect in all counties.** It is hereby
8 mandatory and required that the state plan and operation of aid to families with dependent children shall
9 must be in effect in each ~~and every~~ county of the state, and the administration and supervision of aid to
10 families with dependent children shall must be uniform throughout the ~~several~~ counties of the state.
11 However, the department may administer demonstration programs pursuant to section 1115 of the federal
12 Social Security Act, 42 U.S.C. 1315, or any other provision of that act that permits the states to administer
13 experimental, pilot, or demonstration projects."

14
15 **Section 19.** Section 53-4-212, MCA, is amended to read:

16 **"53-4-212. Department to make rules.** (1) The department shall make ~~such~~ rules and take ~~such~~
17 action as ~~may be~~ necessary or desirable for ~~carrying out the provisions of this part~~ the administration of
18 the aid to families with dependent children program, including the FAIM project.

19 (2) The department shall adopt rules that may include but are not limited to rules concerning:

20 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
21 income and resource exclusions;

22 (b) amounts of assistance and methods for computing benefit amounts;

23 (c) what constitutes deprivation of parental support or care sufficient to qualify a child as
24 dependent;

25 (d) the degree of kinship required for a person to qualify as a specified caretaker relative in order
26 to be eligible for assistance;

27 (e) requirements for participation in the JOBS program and exemptions from those requirements;

28 (f) procedures and policies of the JOBS program;

29 (g) special requirements or criteria applicable to participants in the FAIM project, such as:

30 (i) community service requirements for specified caretaker relatives participating in the community

1 services program, including the number of hours of community service work per week MONTH and other
 2 terms of performance;

3 (ii) eligibility for and terms and conditions of child-care assistance for FAIM project participants,
 4 including maximum amounts of assistance payable and amounts of copayments required by specified
 5 caretaker relatives;

6 (iii) maximum amounts of one-time only cash payments for special employment-related needs and
 7 the length of time that a family is required to remain off cash assistance after a payment is received;

8 (iv) exemptions from time limits in pathways;

9 (v) terms of a specified caretaker relative's ineligibility for assistance because of failure to enter
 10 into a family investment agreement or to comply with the specified caretaker relative's obligations under
 11 the agreement, including the length of the period of ineligibility;

12 (vi) requirements, if any, for participation in and exemptions from participation in and procedures
 13 and policies of the employment and training demonstration project; and

14 (vii) eligibility for and terms and conditions of extended child-care and medical assistance benefits;

15 (h) reporting requirements; and

16 (i) sanctions, disqualification, or other penalties for failure to comply with the program rules or
 17 requirements."

18
 19 **Section 20.** Section 53-4-241, MCA, is amended to read:

20 **"53-4-241. Amount of assistance determined by department rules.** The amount of aid to families
 21 with dependent children granted in any case ~~shall~~, including cases in which the recipient is participating in
 22 the FAIM project, must be determined according to the rules and standards of assistance established by
 23 the department, as required by the federal Social Security Act."

24
 25 **Section 21.** Section 53-4-702, MCA, is amended to read:

26 **"53-4-702. Definitions.** As used in this part, unless the context requires otherwise, the following
 27 definitions apply:

28 (1) "Aid to families with dependent children" has the same meaning as provided in 53-4-201.

29 (2) "Department" means the department of social and rehabilitation services provided for in Title
 30 2, chapter 15, part 22.

1 (3) "FAIM project" means the families achieving independence in Montana project as established
2 in [section 1].

3 (4) "Family Support Act of 1988" means the federal Family Support Act of 1988, Public Law
4 100-485, as amended.

5 ~~(4)~~(5) "JOBS program" or "program" means the job opportunities and basic skills training program
6 established in 53-4-703."

7
8 **Section 22.** Section 53-4-706, MCA, is amended to read:

9 **"53-4-706. Participation requirements.** (1) Except as otherwise provided in this section and
10 53-4-707, the department may require individuals to participate in the JOBS program as a condition of their
11 eligibility for aid to families with dependent children.

12 (2) To the extent that the program is available and that state resources permit, the department
13 shall:

14 (a) require recipients of aid to families with dependent children who are not participating in the
15 FAIM project and with respect to whom the state guarantees child care in accordance with section 402(g)
16 of the Social Security Act (42 U.S.C. 602(g)) to participate in the program; and

17 (b) require recipients of aid to families with dependent children who are participating in either the
18 pathways or community service program component of the FAIM project to participate in the program if
19 the department determines that it is an appropriate activity for the recipient and includes participation as
20 a condition of the recipient's family investment agreement; and

21 (c) allow applicants for and recipients of aid to families with dependent children who are not
22 required under subsection (2)(a) to participate in the program to do so on a voluntary basis."

23
24 **Section 23.** Section 53-4-707, MCA, is amended to read:

25 **"53-4-707. Exemptions.** (1) ~~An individual may not be required to participate~~ Recipients of aid to
26 families with dependent children must be exempted from participation in the JOBS program if the individual
27 as provided by department rule.

28 (2) The department shall establish, by rule, categories of individuals who are exempt from
29 participation in the JOBS program in accordance with the requirements of section 201 of the federal Family
30 Support Act of 1988, 43 U.S.C. 602(a)(19)(C)(i) through (a)(19)(C)(vii). In establishing the exemptions,

1 the department shall take into consideration whether the individual:

2 (a) is ill, incapacitated, or of advanced age;

3 (b) is needed in the home because of the illness or incapacity of another member of the household;

4 (c) is the parent or other relative who is personally providing care for a child ~~under 3 years of age,~~
5 ~~except as otherwise provided in administrative rules adopted by the department~~ of a very young age;

6 (d) is employed ~~for 30 or more hours a week;~~

7 (e) is a child who is under the age of 16 or attends an elementary, secondary, or vocational school
8 on a full-time basis;

9 (f) is pregnant ~~and it has been medically verified that the child is expected to be born in the month~~
10 ~~in which participation in the program would otherwise be required. Such individual may not be required to~~
11 ~~participate in the program within the 6 month period immediately following that month.;~~

12 (g) resides in an area of the state where the program is not available; or

13 (h) is for any other reason exempt from participating in the program pursuant to state or federal
14 regulations.

15 (2) If a family is eligible for aid to families with dependent children because of the unemployment
16 of the parent who is the principal wage earner, ~~subsection (1)(c) applies to~~ only one parent may be
17 exempted to provide care for a very young child.

18 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
19 human services, recipients of aid to families with dependent children participating in the FAIM project may
20 not be exempted from participation in the employment and training demonstration project."

21
22 **Section 24.** Section 53-4-717, MCA, is amended to read:

23 "**53-4-717. Sanctions.** ~~As~~ (1) Except as provided in subsection (2), an individual who without
24 good cause fails to participate in the JOBS program as required or who without good cause refuses to
25 accept suitable employment shall lose eligibility for aid to families with dependent children as provided in
26 42 U.S.C. 602(a)(19)(G).

27 (2) If an individual receiving aid to families with dependent children under the FAIM project is
28 required to participate in the JOBS program as a condition of the individual's family investment agreement
29 and fails without good cause to participate, the individual must be sanctioned in accordance with rules
30 established by the department."

1 **Section 25.** Section 53-6-101, MCA, is amended to read:

2 **"53-6-101. Montana medicaid program -- authorization of services.** (1) There is a Montana
3 medicaid program established for the purpose of providing necessary medical services to eligible persons
4 who have need for medical assistance. The Montana medicaid program is a joint federal-state program
5 administered under this chapter and in accordance with Title XIX of the federal Social Security Act, (42
6 U.S.C. 1396, et seq.), as may be amended. The department of social and rehabilitation services shall
7 administer the Montana medicaid program.

8 (2) Medical assistance provided by the Montana medicaid program includes the following services:

9 (a) inpatient hospital services;

10 (b) outpatient hospital services;

11 (c) other laboratory and x-ray services, including minimum mammography examination as defined
12 in 33-22-132;

13 (d) skilled nursing services in long-term care facilities;

14 (e) physicians' services;

15 (f) nurse specialist services;

16 (g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of
17 age;

18 (h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as
19 provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

20 (i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant
21 women;

22 (j) services that are provided by physician assistants-certified within the scope of their practice and
23 that are otherwise directly reimbursed as allowed under department rule to an existing provider;

24 (k) health services provided under a physician's orders by a public health department; and

25 (l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).

26 (3) Medical assistance provided by the Montana medicaid program may, as provided by department
27 rule, also include the following services:

28 (a) medical care or any other type of remedial care recognized under state law, furnished by
29 licensed practitioners within the scope of their practice as defined by state law;

30 (b) home health care services;

- 1 (c) private-duty nursing services;
- 2 (d) dental services;
- 3 (e) physical therapy services;
- 4 (f) mental health center services administered and funded under a state mental health program
5 authorized under Title 53, chapter 21, part 2;
- 6 (g) clinical social worker services;
- 7 (h) prescribed drugs, dentures, and prosthetic devices;
- 8 (i) prescribed eyeglasses;
- 9 (j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;
- 10 (k) inpatient psychiatric hospital services for persons under 21 years of age;
- 11 (l) services of professional counselors licensed under Title 37, chapter 23;
- 12 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
- 13 (n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted
14 case management services for the mentally ill;
- 15 (o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C.
16 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with
17 50-5-201; and
- 18 (p) any additional medical service or aid allowable under or provided by the federal Social Security
19 Act.
- 20 (4) Services for persons qualifying for medicaid under the medically needy category of assistance
21 as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to
22 others qualifying for assistance under the Montana medicaid program. The department is not required to
23 provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the
24 medically needy category of assistance.
- 25 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
26 human services, the department of social and rehabilitation services may implement limited medicaid
27 benefits, to be known as basic medicaid, for recipients who are eligible because they are receiving aid to
28 families with dependent children as the specified caretaker relative of a dependent child under the FAIM
29 project and for all adult recipients of medical assistance only who are covered under a group related to aid
30 to families with dependent children. Basic medicaid benefits consist of all mandatory services listed in

1 subsections (2)(a) through (2)(l) but may include those optional services listed in subsection (3)(a) through
 2 (3)(p) that the department in its discretion specifies by rule. The department, in exercising its discretion,
 3 may consider the amount of funds appropriated by the legislature for the FAIM project and whether the
 4 provision of a particular service is commonly covered by private health insurance plans. However, a
 5 recipient who is pregnant is entitled to full medicaid coverage.

6 (6) The department may implement, as provided for in Title XIX of the federal Social Security Act,
 7 {42 U.S.C. 1396, et seq.}, as may be amended, a program under medicaid for payment of medicare
 8 premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

9 ~~(6)(7)~~ The department may set rates for medical and other services provided to recipients of
 10 medicaid and may enter into contracts for delivery of services to individual recipients or groups of
 11 recipients.

12 ~~(7)(8)~~ The services provided under this part may be only those that are medically necessary and
 13 that are the most efficient and cost-effective.

14 ~~(8)(9)~~ The amount, scope, and duration of services provided under this part must be determined
 15 by the department in accordance with Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et
 16 seq.}, as may be amended.

17 ~~(9)(10)~~ Services, procedures, and items of an experimental or cosmetic nature may not be provided.

18 ~~(10)(11)~~ If available funds are not sufficient to provide medical assistance for all eligible persons,
 19 the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of
 20 the medical services made available under the Montana medicaid program.

21 ~~(11)(12)~~ Community-based medicaid services, as provided for in part 4 of this chapter, must be
 22 provided in accordance with the provisions of this chapter and the rules adopted under this chapter.

23 ~~(12)(13)~~ Medicaid payment for personal-care facilities may not be made unless the department
 24 certifies to the director of the governor's office of budget and program planning that payment to this type
 25 of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."
 26

27 **Section 26.** Section 53-6-113, MCA, is amended to read:

28 **"53-6-113. Department to adopt rules.** (1) The department of social and rehabilitation services
 29 shall adopt appropriate rules necessary for the administration of the Montana medicaid program as provided
 30 for in this part and as may be required by federal laws and regulations governing state participation in

1 medicaid under Title XIX of the federal Social Security Act, (42 U.S.C. 1396, et seq.), as amended.

2 (2) The department shall adopt rules as are necessary to further define for the purposes of this part
3 the services provided under 53-6-101 and to provide that services ~~utilized~~ being used are medically
4 necessary and that ~~these~~ the services are the most efficient and ~~cost-effective~~ cost-effective available. The
5 rules may establish the amount, scope, and duration of services provided under the Montana medicaid
6 program, including the items and components constituting the services.

7 (3) The department shall establish by rule the rates for reimbursement of services provided under
8 this part. The department may in its discretion set ~~such~~ rates of reimbursement ~~as~~ that it determines
9 necessary for the purposes of the program. In establishing rates of reimbursement, the department may
10 consider but is not limited to considering:

- 11 (a) the availability of appropriated funds;
12 (b) the actual cost of services;
13 (c) the quality of services;
14 (d) the professional knowledge and skills necessary for the delivery of services; and
15 (e) the availability of services.

16 (4) The department shall specify by rule those professionals who may deliver or direct the delivery
17 of particular services.

18 (5) The department may provide by rule for payment by a recipient of a portion of the
19 reimbursements established by the department for services provided under this part.

20 (6) The department may adopt rules consistent with this part to govern eligibility for the Montana
21 medicaid program. Rules may include but are not limited to financial standards and criteria for income and
22 resources, treatment of resources, nonfinancial criteria, family responsibilities, residency, application,
23 termination, definition of terms, and confidentiality of applicant and recipient information.

24 (7) The department may adopt rules limiting eligibility based on criteria more restrictive than that
25 provided in 53-6-131 if required by Title XIX of the federal Social Security Act, (42 U.S.C. 1396, et seq.),
26 as may be amended, or if funds appropriated are not sufficient to provide medical care for all eligible
27 persons.

28 (8) The department may adopt rules necessary for the administration of medicaid managed-care
29 systems. Rules to be adopted may include but are not limited to rules concerning:

- 30 (a) participation in managed care;

1 (b) selection and qualifications for providers of managed care; and

2 (c) standards for the provision of managed care.

3 (9) The department shall establish by rule income limits for eligibility for extended medical
 4 assistance of persons receiving aid to families with dependent children as participants of the FAIM project
 5 who lose eligibility because of increased income, as provided in 53-6-134, and shall also establish by rule
 6 the length of time for which extended medical assistance will be provided. The department, in exercising
 7 its discretion to set income limits and duration of assistance, may consider the amount of funds
 8 appropriated by the legislature for the FAIM project."

9
 10 **Section 27.** Section 53-6-131, MCA, is amended to read:

11 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
 12 may be granted to a person who is determined by the department of social and rehabilitation services, in
 13 its discretion, to be eligible as follows:

14 (a) The person receives or is considered to be receiving supplemental security income benefits
 15 under Title XVI of the federal Social Security Act, {42 U.S.C. 1381, et seq.}, or aid to families with
 16 dependent children under Title IV of the federal Social Security Act, {42 U.S.C. 601, et seq.}

17 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
 18 that person were to apply for that assistance.

19 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
 20 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

21 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for
 22 aid to families with dependent children, other than with respect to school attendance.

23 (e) The person is under 21 years of age and in foster care under the supervision of the state or was
 24 in foster care under the supervision of the state and has been adopted as a hard-to-place child.

25 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
 26 and:

27 (i) the person's income does not exceed the income level specified for federally aided categories
 28 of assistance and the person's resources are within the resource standards of the federal supplemental
 29 security income program; or

30 (ii) the person, while having income greater than the medically needy income level specified for

1 federally aided categories of assistance:

2 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
3 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
4 in cash to the department the amount by which the person's income exceeds the medically needy income
5 level specified for federally aided categories of assistance; and

6 (B) has resources that are within the resource standards of the federal supplemental security
7 income program.

8 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

9 (2) The department may establish income and resource limitations. Limitations of income and
10 resources must be within the amounts permitted by federal law for the medicaid program.

11 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
12 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
13 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
14 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
15 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

16 (a) has income that does not exceed income standards as may be required by the federal Social
17 Security Act; and

18 (b) has resources that do not exceed standards that the department determines reasonable for
19 purposes of the program.

20 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
21 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

22 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
23 human services, the department of social and rehabilitation services may grant eligibility for basic medicaid
24 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
25 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
26 assistance only who are covered under a group related to aid to families with dependent children. A
27 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

28 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
29 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social
30 Security Act, (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to

1 categories of persons that may be designated by the act for receipt of assistance.

2 ~~(6)~~(7) Notwithstanding any other provision of this chapter, medical assistance must be provided
3 to infants and pregnant women whose family income does not exceed 133% of the federal poverty
4 ~~threshold level~~, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose
5 family resources do not exceed standards that the department determines reasonable for purposes of the
6 program.

7 ~~(7)~~(8) A person described in subsection ~~(6)~~ (7) must be provided continuous eligibility for medical
8 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

9

10 **Section 28.** Section 53-6-134, MCA, is amended to read:

11 **"53-6-134. Extension of eligibility for medical assistance to persons terminated from aid to families**
12 **with dependent children.** (1) In accordance with section 1925 of Title XIX of the Social Security Act, ~~42~~
13 U.S.C. 1396r-6), the department of social and rehabilitation services shall provide for the extension of
14 eligibility for medical assistance to persons who lose eligibility for aid to families with dependent children
15 ~~due to~~ because of:

16 (a) increased hours or income from employment; or

17 (b) loss of federally prescribed earned income disregards.

18 (2) In providing for the extension of eligibility for medical assistance under subsection (1), the
19 department may provide for health insurance or other health coverage in accordance with subsections
20 1925(a)(4)(B) and 1925(b)(4)(C) of Title XIX of the Social Security Act, ~~42 U.S.C. 1396r-6(a)(4)(B) and~~
21 ~~42 U.S.C. 1396r-6(b)(4)(C)~~, and may exercise the other options contained in section 1925 of Title XIX of
22 the Social Security Act, ~~42 U.S.C. 1396r-6~~, regarding the provision of medical assistance.

23 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
24 human services, the department of social and rehabilitation services may provide extended eligibility for
25 medical assistance for a period of time established by the department by rule for persons receiving aid to
26 families with dependent children under the job supplement program, pathways, or community services
27 program components of the FAIM project described in [section 3] who lose eligibility because of increased
28 income from any source, provided that the family's income does not exceed a percentage of the federal
29 poverty level established by the department by rule. The department, in exercising its discretion to
30 establish income standards and duration of extended medical assistance by rule, may consider the amount

1 of funds appropriated by the legislature for the FAIM project."

2

3 NEW SECTION. Section 29. Codification instruction. (1) [Sections 1 through 10] are intended
4 to be codified as an integral part of Title 53, chapter 4, and the provisions of Title 53, chapter 4, apply to
5 [sections 1 through 10].

6 (2) [Sections 11 through 14] are intended to be codified as an integral part of Title 53, and the
7 provisions of Title 53 apply to [sections 11 through 14].

8 -END-

SENATE BILL NO. 209

INTRODUCED BY SWYSGOOD, COBB, MERCER, GRINDE, ORR, BAER, STANG, WISEMAN, KOTTEL,
 BISHOP, HERTEL, BENEDICT, AKLESTAD, FORRESTER, HARP, BROWN, KASTEN, SPRAGUE, FISHER,
 HARGROVE, MOHL, SOFT, BECK, MCGEE, ESTRADA, EMERSON, DEVLIN, SIMPKINS, GRADY,
 ANDERSON, PECK, ARNOTT, BOHLINGER, MESAROS, J. JOHNSON, ZOOK, FOSTER, T. NELSON,
 STOVALL, ELLIOTT, CRIPPEN, GRIMES, HARPER, BARNHART, FRANKLIN, HALLIGAN, JACOBSON,
 HIBBARD, GAGE, WATERMAN, HARDING, TVEIT, CRISMORE, KEATING, JABS, L. NELSON, JENKINS,
 HOLDEN, TOEWS, BURNETT, COLE, MILLS, CHRISTIAENS, GROSFIELD
 BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT REFORMING THE PUBLIC ASSISTANCE SYSTEM; AUTHORIZING
 THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ESTABLISH A DEMONSTRATION
 PROJECT CALLED THE FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM) PROJECT;
 AUTHORIZING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ADMINISTER A FOOD
 STAMP PROGRAM; PROVIDING RULEMAKING AUTHORITY FOR THE FOOD STAMP PROGRAM;
 ALLOWING PUBLIC ASSISTANCE INFORMATION TO BE USED FOR AGENCY PURPOSES; REVISING AID
 TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID TO INCLUDE THE FAIM PROJECT; AND
 AMENDING SECTIONS 53-2-105, 53-2-211, 53-4-201, 53-4-202, 53-4-212, 53-4-241, 53-4-702,
 53-4-706, 53-4-707, 53-4-717, 53-6-101, 53-6-113, 53-6-131, AND 53-6-134, MCA."

STATEMENT OF INTENT

A statement of intent is required for this bill because [section 11] grants the department of social
 and rehabilitation services authority to adopt rules for the administration of the food stamp program.

(1) It is the intent of the legislature that the department adopt rules concerning:

- (a) eligibility for assistance, including income and resource limitations, income and resource
 exclusions, and transfers of resources;
- (b) amounts of assistance and methods for determining benefit amounts;
- (c) certification periods;
- (d) reporting requirements;
- (e) work registration and employment and training requirements and exemptions from those

1 requirements;

2 (f) procedures and policies of the employment and training program;

3 (g) disqualification because of intentional program violations, voluntarily quitting a job without good
4 cause, or any other violation of program rules;

5 (h) penalties applicable to recipients of aid to families with dependent children who have been
6 sanctioned because of failure to meet any requirement of the aid to families with dependent children
7 program; and

8 (i) special requirements or criteria applicable to participants in the families achieving independence
9 in Montana (FAIM) project.

10 (2) It is intended that the rules adopted by the department comply with federal requirements under
11 the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq., and 7 CFR 271 through 285, as may
12 be amended, or, in the event that waivers of federal law have been granted by the food and nutrition
13 service of the U.S. department of agriculture, with the waivers.

14 (3) [Section 19] revises the department's rulemaking authority for the aid to families with
15 dependent children program, including the FAIM project.

16 It is the intent of the legislature that the department adopt rules concerning:

17 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
18 income and resource exclusions;

19 (b) amounts of assistance and methods for computing benefit amounts;

20 (c) deprivation of parental support or care for purposes of qualifying as a dependent child;

21 (d) the degree of kinship required for a person to qualify as a specified caretaker relative with
22 whom a child may live to be eligible for assistance;

23 (e) reporting requirements;

24 (f) requirements for participation in the JOBS program and exemptions from participation;

25 (g) procedures and policies of the JOBS program;

26 (h) sanctions, disqualification, or other penalties for failure to comply with program rules or
27 requirements; and

28 (i) special requirements or policies applicable to participants in the FAIM project.

29 (4) It is intended that rules adopted under [section 19] comply with federal requirements under Title
30 IV of the Social Security Act, 42 U.S.C. 601, et seq., and 45 CFR parts 200 through 499, as amended,

1 or, in the event that waivers of federal law have been granted by the U.S. department of health and human
2 services, with the waivers.

3 (5) [Section 26] grants the department additional rulemaking authority. It is the intent of the
4 legislature that the department adopt rules specifying the income limits for eligibility for extended medical
5 assistance for persons receiving aid to families with dependent children under the FAIM project who lose
6 eligibility because of increased income and specifying the length of time for which they may receive
7 extended medical assistance.

8 It is intended that rules adopted under [section 26] comply with waivers of federal medicaid law
9 granted by the secretary of the U.S. department of health and human services pertaining to the FAIM
10 project and promote the goals of the FAIM project of self-sufficiency and responsibility of participants. In
11 adopting the rules, the department may consider the amount of funds appropriated by the legislature for
12 the Montana medicaid program.

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15

16 **NEW SECTION. Section 1. Demonstration project -- purpose.** (1) The department is authorized
17 to administer a demonstration project pursuant to section 1115 of the Social Security Act, 42 U.S.C. 1315,
18 to provide assistance under Title IV of that act, 42 U.S.C. 601, et seq., to families who are currently
19 receiving, eligible for, or at risk of becoming eligible for aid to families with dependent children benefits.
20 This demonstration project may be cited as the families achieving independence in Montana (FAIM) project.

21 (2) The purpose of the demonstration project is to promote self-sufficiency and responsibility of
22 participants by providing supports and incentives, such as child-care assistance, training, education, medical
23 assistance, and resource referrals, and to make procedures and requirements less complex and more
24 uniform in the aid to families with dependent children, food stamp, and medicaid programs.

25

26 **NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 10], unless the context
27 requires otherwise, the following definitions apply:

28 (1) "Cash assistance" means monetary payments to a recipient of aid to families with dependent
29 children to meet basic needs, such as shelter, utilities, clothing, and personal needs.

30 (2) "Child-care assistance" means payments to or on behalf of the specified caretaker relative of

1 a dependent child to defray the cost of having a third party care for the child.

2 (3) "Department" means the department of social and rehabilitation services provided for in
3 2-15-2201.

4 (4) "FAIM project" means the families achieving independence in Montana project, including an aid
5 to families with dependent children part established in [section 3], a food stamp part administered under
6 the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to the Social
7 Security Act, 42 U.S.C. 1315.

8 (5) "JOBS program" means the job opportunities and basic skills training program established in
9 53-4-703.

10

11 **NEW SECTION. Section 3. FAIM project -- components.** (1) The aid to families with dependent
12 children part of the FAIM project consists of three components referred to as the job supplement program,
13 pathways, and the community services program.

14 (2) The job supplement program is an alternative to the components of the FAIM project that
15 provide cash assistance. An eligible family may receive assistance under the job supplement program
16 instead of receiving assistance under pathways or the community services program or may receive
17 assistance under the job supplement program either prior to or after receiving assistance under pathways
18 or the community services program.

19 (3) Services that may be provided to eligible individuals in the job supplement program include:

20 (a) full medicaid benefits for dependent children, as provided in 53-6-101, and basic medicaid
21 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
22 the secretary of the U.S. department of health and human services that permit limited benefits. However,
23 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

24 (b) child-care assistance, as provided in [section 8] and as specified by the department by rule;

25 (c) assistance in obtaining child support; and

26 (d) a one-time only cash payment to meet special employment-related needs of the family. In order
27 to receive a one-time cash payment, the family is required to agree not to apply for or receive cash
28 assistance for a period of time based on the size of the one-time cash payment received.

29 (4) (a) Pathways may provide eligible individuals with job training and education; resource referrals;
30 assistance in obtaining child support; one-time cash payments for special employment-related needs;

1 child-care assistance, as provided in [section 8] and as specified by department rule; cash assistance
2 payments; full medicaid benefits for dependent children, as provided in 53-6-101; and basic medicaid
3 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
4 the secretary of the U.S. department of health and human services that permit limited benefits. However,
5 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

6 (b) A specified caretaker relative in a single-parent family may receive assistance under pathways
7 for a maximum of 24 months. The 24 months do not need to be consecutive.

8 (c) Specified caretaker relatives in a two-parent family may receive assistance under pathways for
9 a maximum of 18 months. The 18 months do not need to be consecutive.

10 (5) In the community services program, a specified caretaker relative who has received the
11 maximum number of months of assistance allowable under pathways may continue to receive assistance
12 for the specified caretaker relative's needs if the specified caretaker relative performs community service
13 work as required by the department. A specified caretaker relative who performs community service work
14 as required is entitled to cash assistance for the specified caretaker relative's needs and basic medicaid
15 benefits, as provided in 53-6-101, if waivers of federal law are granted by the secretary of the U.S.
16 department of health and human services that permit limited benefits. However, a specified caretaker
17 relative who is pregnant is entitled to full medicaid benefits. Job training and education, resource referrals,
18 and assistance in obtaining child support may also be provided if determined by the department to be
19 appropriate. Child-care assistance may be provided as set forth in [section 8] and as specified by
20 department rule.

21 (6) Failure of a caretaker relative to participate in community service work as required must result
22 in the needs of the specified caretaker relative being removed from the cash assistance payment.

23 (7) A dependent child who meets all eligibility requirements for aid to families with dependent
24 children may receive assistance under any component of the FAIM project without any time limits.

25
26 **NEW SECTION. Section 4. Requirements for eligibility.** (1) Eligibility for aid to families with
27 dependent children benefits under the FAIM project with regard to income, resources, and all other factors
28 of eligibility must be determined in accordance with the waivers granted by the U.S. secretary of health and
29 human services under section 1115 of the Social Security Act, 42 U.S.C. 1315.

30 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and

1 human services, two-parent families applying for or receiving aid to families with dependent children
2 benefits under the FAIM project based on the unemployment of one parent may not be required to meet
3 the special eligibility requirements of section 407 of the Social Security Act, 42 U.S.C. 607.

4 (3) (a) As a condition of eligibility for assistance under pathways and the community services
5 program, all specified caretaker relatives shall enter into a family investment agreement with the department
6 and shall comply with the terms of that agreement. Entering into an agreement is not a condition of
7 eligibility for the job supplement program.

8 (b) The family investment agreement must set forth the mutual obligations of the specified
9 caretaker relative and the department to help the family achieve the goal of self-sufficiency. The agreement
10 may contain provisions:

11 (i) regarding actions to be taken by the specified caretaker relative and by the department to secure
12 child support;

13 (ii) requiring that the immunization and health-screening requirements of the early and periodic
14 screening, diagnosis, and treatment program be met for all children in the family; and

15 (iii) specifying other services and activities appropriate for the specified caretaker relative or family.

16 (c) An individual who is required to enter into a family investment agreement and who fails without
17 good cause to do so or fails without good cause to comply with the individual's obligations under the
18 agreement is ineligible, as provided in [section 6], for aid to families with dependent children benefits.

19 (4) As a condition of eligibility for the community service program, a specified caretaker relative
20 shall perform community service work as required by the department.

21
22 **NEW SECTION. Section 5. Exemptions from time limitations in pathways.** (1) Recipients of aid
23 to families with dependent children under the FAIM project may be exempted from the time limitations on
24 assistance under pathways contained in [section 3] as provided by the department by rule.

25 (2) In establishing categories of individuals who are exempt from the time limitations on assistance
26 under pathways, the department may take into consideration factors that may delay an individual's
27 attainment of self-sufficiency, including but not limited to the following:

28 (a) The individual has a verifiable illness, injury, or physical or mental impairment, handicap, or
29 disability.

30 (b) The individual is of advanced age.

1 (c) The individual does not have child care available.

2 (d) The individual is attending high school or is working toward a graduate equivalency diploma,
3 if the individual is under 20 years of age.

4 (e) The individual is the parent of a child under 1 year of age.

5 (f) The individual is providing care to a household member with a disability who requires special
6 care.

7 (g) The individual is a teenage parent participating in activities pursuant to a family investment
8 agreement.

9 (h) The department failed to substantially comply with its obligations under the family investment
10 agreement.

11
12 **NEW SECTION. Section 6. Ineligibility because of failure to comply with terms of agreement.** If
13 an individual is required to enter into a family investment agreement pursuant to [section 4] and fails
14 without good cause either to enter into an agreement or to comply with the individual's obligations under
15 the agreement, the individual is ineligible for aid to families with dependent children benefits and the needs
16 of the individual may not be taken into consideration in determining the assistance unit's amount of cash
17 assistance. However, the family of an ineligible individual is entitled to assistance for its own needs if it
18 is otherwise eligible. The income and resources of the individual must be considered in determining the
19 family's eligibility for assistance during the period of ineligibility.

20
21 **NEW SECTION. Section 7. Categorical eligibility for other assistance.** All recipients of aid to
22 families with dependent children under a component of the FAIM project are categorically eligible for food
23 stamp benefits and the low-income energy assistance program, regardless of whether they would otherwise
24 meet all the eligibility requirements for those programs, unless otherwise prohibited by federal law.

25
26 **NEW SECTION. Section 8. Child-care assistance.** (1) In the job supplement program component
27 of the FAIM project, the department shall provide child-care assistance to all single-parent families if child
28 care is necessary to allow the parent to engage in paid employment. Child-care assistance may, at the
29 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
30 parents to engage in paid employment.

1 (2) In the pathways component of the FAIM project, the department shall provide child-care
2 assistance to all single-parent families if child care is necessary to allow the parent to participate in an
3 activity required by the family investment agreement. However, child-care assistance for single-parent
4 families to enable the parent to participate in postsecondary education is not guaranteed and may be
5 provided only if funding is available. Child-care assistance may, at the department's discretion, be provided
6 to two-parent families if child care is necessary to allow either or both of the parents to participate in an
7 activity required by the family investment agreement.

8 (3) In the community services program component of the FAIM project, the department shall
9 provide child-care assistance to all single-parent families if child care is necessary to allow the parent to
10 participate in an activity required by the family investment agreement. Child-care assistance may, at the
11 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
12 of the parents to participate in an activity required by the family investment agreement.

13

14 **NEW SECTION. Section 9. Extended child care and medical assistance benefits.** A family receiving
15 aid to families with dependent children benefits under a component of the FAIM project that loses eligibility
16 for assistance because of increased income from any source may receive extended child care and medical
17 assistance benefits if funding is available, provided that the family's income does not exceed a percentage
18 of the federal poverty level specified by the department by rule.

19

20 **NEW SECTION. Section 10. JOBS program.** (1) In cases in which the department determines that
21 participation in the JOBS program would be appropriate for a participant in pathways, the participant may
22 be required to participate in the JOBS program as one of the conditions of the participant's family
23 investment agreement.

24 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
25 human services, the exemptions from participation in the JOBS program provided in section 201 of the
26 federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), may not apply to recipients of aid to families
27 with dependent children benefits who are participating in the FAIM employment and training demonstration
28 project.

29

30 **NEW SECTION. Section 11. Administration of food stamp program -- rulemaking authority.** (1)

1 The department is authorized to administer the food stamp program.

2 (2) The department shall adopt rules that are necessary and desirable for the administration of the
3 food stamp program.

4 (3) The department shall adopt rules that may include but are not limited to rules concerning:

5 (a) eligibility for assistance, including income and resource limitations, income and resource
6 exclusions, and transfers of resources;

7 (b) amounts of assistance and methods for determining benefit amount;

8 (c) certification periods;

9 (d) reporting requirements;

10 (e) work registration, employment, and training requirements and exemptions from those
11 requirements;

12 (f) procedures and policies of the employment and training program;

13 (g) disqualification because of intentional program violations, for voluntarily quitting a job without
14 good cause, or for any other violation of program rules; AND.

15 (h) penalties applicable to recipients of aid to families with dependent children who have been
16 sanctioned because of failure to meet any requirement of the aid to families with dependent children
17 program; ~~and,~~

18 ~~(i) special requirements or criteria applicable to participants in the FAIM project, including but not~~
19 ~~limited to income and resource exclusions and penalties for failure to comply with any requirement of the~~
20 ~~aid to families with dependent children program.~~

21
22 NEW SECTION. Section 12. Definitions. As used in [sections 11 through 14], the following
23 definitions apply:

24 (1) "Child support pass-through payments" means child support received for a dependent child or
25 children in a family receiving aid to families with dependent children, up to \$50 a month, that is paid or
26 "passed through" to the family pursuant to section 402 of the Social Security Act, 42 U.S.C.
27 602(a)(8)(A)(vi).

28 (2) "Department" means the department of social and rehabilitation services provided in Title 2,
29 chapter 15, part 22.

30 (3) "Employment and training demonstration project" means the employment and training program

1 for recipients of aid to families with dependent children who are participating in the FAIM project.

2 (4) "FAIM project" means the families achieving independence in Montana project, including the
3 aid to families with dependent children part established in [section 3], a food stamp part administered
4 pursuant to the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to
5 the Social Security Act, 42 U.S.C. 1315.

6 (5) "Food stamp program" means the provision of coupons that can be used to purchase food to
7 low-income persons pursuant to the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq.

8 (6) "JOBS program" means the job opportunities and basic skills training program for recipients of
9 aid to families with dependent children that is conducted in accordance with the requirements of section
10 201 of the federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), 681 through 686.

11
12 **NEW SECTION. Section 13. Employment and training program.** The department shall establish
13 and administer an employment and training program for food stamp recipients that is in compliance with
14 federal requirements. For purposes of the FAIM project, if waivers of federal law are granted by the food
15 and nutrition service of the U.S. department of agriculture, the department may merge its food stamp
16 program employment and training program with its JOBS program or may modify the rules and requirements
17 of the food stamp program employment and training program as necessary to make them consistent with
18 those of the employment and training demonstration project.

19
20 **NEW SECTION. Section 14. Income and resource exclusions -- FAIM participants.** If waivers of
21 federal law are granted by the food and nutrition service of the U.S. department of agriculture, the
22 department may by rule establish special income and resource exclusions to be applied to participants of
23 the FAIM project in determining their eligibility for food stamps and in determining the benefit amount.
24 Exclusions that may be established include but are not limited to exclusions for one-time only cash
25 payments for special employment-related needs as provided in [section 3] and child support pass-through
26 payments of up to \$50 a month in determining the recipients' eligibility for food stamps and determining
27 the benefit amount.

28
29 **Section 15.** Section 53-2-105, MCA, is amended to read:

30 **"53-2-105. Misuse of public assistance information unlawful.** Except as provided in 53-2-211, it

1 is unlawful for ~~any~~ a person, body, association, firm, corporation, or other agency to solicit, disclose,
2 receive, or make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of ~~any~~
3 lists or names for commercial or political purposes of any nature or for any purpose not directly connected
4 with the administration of public assistance. However, the department may, to the extent permitted by
5 federal law, disclose public assistance information to an agency of the state or to any other organization
6 if the information is used solely for purposes directly connected with the administration of a program or
7 purpose of the agency."

8

9 **Section 16.** Section 53-2-211, MCA, is amended to read:

10 **"53-2-211. Department to share eligibility data.** (1) The department shall make available to the
11 unemployment compensation program of the department of labor and industry all information contained in
12 its files and records pertaining to eligibility of persons for medicaid, aid to families with dependent children,
13 and food stamps. The information made available must include information on the amount and source of
14 an applicant's income. The information received from the department must be used by the department of
15 labor and industry for the purpose of determining fraud, abuse, or eligibility for benefits under the
16 unemployment compensation program of the state and for no other purpose.

17 (2) The department shall make available to the unemployment compensation and the workers'
18 compensation programs of the department of labor and industry all information contained in its files and
19 records pertaining to eligibility of persons for low-income energy assistance, weatherization, and general
20 relief. The information made available must include information on the amount and source of an applicant's
21 income. The information received from the department must be used by the department of labor and
22 industry for the purpose of determining fraud, abuse, or eligibility for benefits under the unemployment
23 compensation and workers' compensation programs of the state.

24 (3) (a) Subject to federal restrictions, the department may request information from the department
25 of labor and industry pertaining to unemployment, workers' compensation, and occupational disease
26 benefits. If the department of labor and industry discovers evidence relating to fraud or abuse for
27 unemployment, workers' compensation, or occupational benefits, the department of labor and industry may
28 request information from the department of revenue pertaining to income as provided in 15-30-303(8)(c).

29 (b) The information must be used by the department for the purpose of determining fraud, abuse,
30 or eligibility for benefits.

1 (4) The department may, to the extent permitted by federal law, make available to an agency of
 2 the state or to any other organization information contained in its files and records pertaining to the
 3 eligibility of persons for medicaid, aid to families with dependent children, food stamps, low-income energy
 4 assistance, weatherization, or other public assistance. The information may be disclosed only for purposes
 5 directly connected with the administration of a program or purpose of the agency and may not be used by
 6 the agency for any other purpose."

7
 8 **Section 17.** Section 53-4-201, MCA, is amended to read:

9 **"53-4-201. Definitions.** As used in this part and in [sections 1 through 10], the following
 10 definitions apply:

11 (1) The term "aid to families with dependent children" means money payments made on behalf of
 12 a dependent child pursuant to Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.) ~~including~~
 13 and may include payments to meet the needs of a specified caretaker relative with whom the dependent
 14 child is living. The term also includes emergency assistance to families with children as provided by the
 15 federal Social Security Act.

16 (2) "Department" means the department of social and rehabilitation services provided for in Title
 17 2, chapter 15, part 22.

18 (3) (a) The term "dependent child", for public assistance purposes, means:

19 (i) a child under the age of 18; or

20 (ii) a person under the age of 19 who is a student under the regulations prescribed by the
 21 department.

22 (b) The child ~~{described in subsection (3)(a)(i) or (3)(a)(ii) above}~~ must be deprived of parental
 23 support or care by reason of the death, continued absence from the home, continued unemployment, or
 24 physical or mental incapacity of a parent and be living with a specified caretaker relative, as defined in rules
 25 adopted by the department.

26 (4) "FAIM project" means the families achieving independence in Montana project as established
 27 in [section 1].

28 (5) "Federal poverty level" means the measure of indigence established annually by the U.S. office
 29 of management and budget.

30 ~~(4)(6)~~ "Public assistance" or "assistance" means ~~any~~ a type of monetary or other assistance

1 furnished under this title to a person by a state or county agency, regardless of the original source of the
2 assistance.

3 (7) "Specified caretaker relative" means a person within a degree of kinship to the dependent child,
4 as specified by department rule, who lives with the child and exercises care and control over the child."

5
6 **Section 18.** Section 53-4-202, MCA, is amended to read:

7 **"53-4-202. Aid to families with dependent children to be in effect in all counties.** It is hereby
8 mandatory and required that the state plan and operation of aid to families with dependent children shall
9 must be in effect in each ~~and every~~ county of the state, and the administration and supervision of aid to
10 families with dependent children ~~shall~~ must be uniform throughout the ~~several~~ counties of the state.
11 However, the department may administer demonstration programs pursuant to section 1115 of the federal
12 Social Security Act, 42 U.S.C. 1315, or any other provision of that act that permits the states to administer
13 experimental, pilot, or demonstration projects."

14
15 **Section 19.** Section 53-4-212, MCA, is amended to read:

16 **"53-4-212. Department to make rules.** (1) The department shall make ~~such~~ rules and take ~~such~~
17 action as ~~may be~~ necessary or desirable for ~~carrying out the provisions of this part~~ the administration of
18 the aid to families with dependent children program, including the FAIM project.

19 (2) The department shall adopt rules that may include but are not limited to rules concerning:

20 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
21 income and resource exclusions;

22 (b) amounts of assistance and methods for computing benefit amounts;

23 (c) what constitutes deprivation of parental support or care sufficient to qualify a child as
24 dependent;

25 (d) the degree of kinship required for a person to qualify as a specified caretaker relative in order
26 to be eligible for assistance;

27 (e) requirements for participation in the JOBS program and exemptions from those requirements;

28 (f) procedures and policies of the JOBS program;

29 (g) special requirements or criteria applicable to participants in the FAIM project, such as:

30 (i) community service requirements for specified caretaker relatives participating in the community

1 services program, including the number of hours of community service work per week MONTH and other
 2 terms of performance;

3 (ii) eligibility for and terms and conditions of child-care assistance for FAIM project participants,
 4 including maximum amounts of assistance payable and amounts of copayments required by specified
 5 caretaker relatives;

6 (iii) maximum amounts of one-time only cash payments for special employment-related needs and
 7 the length of time that a family is required to remain off cash assistance after a payment is received;

8 (iv) exemptions from time limits in pathways;

9 (v) terms of a specified caretaker relative's ineligibility for assistance because of failure to enter
 10 into a family investment agreement or to comply with the specified caretaker relative's obligations under
 11 the agreement, including the length of the period of ineligibility;

12 (vi) requirements, if any, for participation in and exemptions from participation in and procedures
 13 and policies of the employment and training demonstration project; and

14 (vii) eligibility for and terms and conditions of extended child-care and medical assistance benefits;

15 (h) reporting requirements; and

16 (i) sanctions, disqualification, or other penalties for failure to comply with the program rules or
 17 requirements."

18
 19 **Section 20.** Section 53-4-241, MCA, is amended to read:

20 **"53-4-241. Amount of assistance determined by department rules.** The amount of aid to families
 21 with dependent children granted in any case ~~shall~~, including cases in which the recipient is participating in
 22 the FAIM project, must be determined according to the rules and standards of assistance established by
 23 the department, as required by the federal Social Security Act."
 24

25 **Section 21.** Section 53-4-702, MCA, is amended to read:

26 **"53-4-702. Definitions.** As used in this part, unless the context requires otherwise, the following
 27 definitions apply:

28 (1) "Aid to families with dependent children" has the same meaning as provided in 53-4-201.

29 (2) "Department" means the department of social and rehabilitation services provided for in Title
 30 2, chapter 15, part 22.

1 (3) "FAIM project" means the families achieving independence in Montana project as established
 2 in [section 1].

3 (4) "Family Support Act of 1988" means the federal Family Support Act of 1988, Public Law
 4 100-485, as amended.

5 ~~(4)~~(5) "JOBS program" or "program" means the job opportunities and basic skills training program
 6 established in 53-4-703."

7
 8 **Section 22.** Section 53-4-706, MCA, is amended to read:

9 **"53-4-706. Participation requirements.** (1) Except as otherwise provided in this section and
 10 53-4-707, the department may require individuals to participate in the JOBS program as a condition of their
 11 eligibility for aid to families with dependent children.

12 (2) To the extent that the program is available and that state resources permit, the department
 13 shall:

14 (a) require recipients of aid to families with dependent children who are not participating in the
 15 FAIM project and with respect to whom the state guarantees child care in accordance with section 402(g)
 16 of the Social Security Act (42 U.S.C. 602(g)) to participate in the program; ~~and~~

17 (b) require recipients of aid to families with dependent children who are participating in either the
 18 pathways or community service program component of the FAIM project to participate in the program if
 19 the department determines that it is an appropriate activity for the recipient and includes participation as
 20 a condition of the recipient's family investment agreement; and

21 (c) allow applicants for and recipients of aid to families with dependent children who are not
 22 required under subsection (2)(a) to participate in the program to do so on a voluntary basis."

23
 24 **Section 23.** Section 53-4-707, MCA, is amended to read:

25 **"53-4-707. Exemptions.** (1) ~~An individual may not be required to participate~~ Recipients of aid to
 26 families with dependent children must be exempted from participation in the JOBS program if the individual:
 27 as provided by department rule.

28 (2) The department shall establish, by rule, categories of individuals who are exempt from
 29 participation in the JOBS program in accordance with the requirements of section 201 of the federal Family
 30 Support Act of 1988, 43 U.S.C. 602(a)(19)(C)(i) through (a)(19)(C)(vii). In establishing the exemptions,

1 the department shall take into consideration whether the individual:

2 (a) is ill, incapacitated, or of advanced age;

3 (b) is needed in the home because of the illness or incapacity of another member of the household;

4 (c) is the parent or other relative who is personally providing care for a child ~~under 3 years of age,~~
5 ~~except as otherwise provided in administrative rules adopted by the department~~ of a very young age;

6 (d) is employed ~~for 30 or more hours a week;~~

7 (e) is a child who is under the age of 16 or attends an elementary, secondary, or vocational school
8 on a full-time basis;

9 (f) is pregnant ~~and it has been medically verified that the child is expected to be born in the month~~
10 ~~in which participation in the program would otherwise be required. Such individual may not be required to~~
11 ~~participate in the program within the 6-month period immediately following that month;~~

12 (g) resides in an area of the state where the program is not available; or

13 (h) is for any other reason exempt from participating in the program pursuant to state or federal
14 regulations.

15 (2) If a family is eligible for aid to families with dependent children because of the unemployment
16 of the parent who is the principal wage earner, ~~subsection (1)(c) applies to only one parent~~ may be
17 exempted to provide care for a very young child.

18 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
19 human services, recipients of aid to families with dependent children participating in the FAIM project may
20 not be exempted from participation in the employment and training demonstration project."

21

22 **Section 24.** Section 53-4-717, MCA, is amended to read:

23 "**53-4-717. Sanctions.** Am (1) Except as provided in subsection (2), an individual who without
24 good cause fails to participate in the JOBS program as required or who without good cause refuses to
25 accept suitable employment shall lose eligibility for aid to families with dependent children as provided in
26 42 U.S.C. 602(a)(19)(G).

27 (2) If an individual receiving aid to families with dependent children under the FAIM project is
28 required to participate in the JOBS program as a condition of the individual's family investment agreement
29 and fails without good cause to participate, the individual must be sanctioned in accordance with rules
30 established by the department."

1 **Section 25.** Section 53-6-101, MCA, is amended to read:

2 **"53-6-101. Montana medicaid program -- authorization of services.** (1) There is a Montana
3 medicaid program established for the purpose of providing necessary medical services to eligible persons
4 who have need for medical assistance. The Montana medicaid program is a joint federal-state program
5 administered under this chapter and in accordance with Title XIX of the federal Social Security Act, {42
6 U.S.C. 1396, et seq.}, as may be amended. The department of social and rehabilitation services shall
7 administer the Montana medicaid program.

8 (2) Medical assistance provided by the Montana medicaid program includes the following services:

9 (a) inpatient hospital services;

10 (b) outpatient hospital services;

11 (c) other laboratory and x-ray services, including minimum mammography examination as defined
12 in 33-22-132;

13 (d) skilled nursing services in long-term care facilities;

14 (e) physicians' services;

15 (f) nurse specialist services;

16 (g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of
17 age;

18 (h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as
19 provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

20 (i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant
21 women;

22 (j) services that are provided by physician assistants-certified within the scope of their practice and
23 that are otherwise directly reimbursed as allowed under department rule to an existing provider;

24 (k) health services provided under a physician's orders by a public health department; and

25 (l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).

26 (3) Medical assistance provided by the Montana medicaid program may, as provided by department
27 rule, also include the following services:

28 (a) medical care or any other type of remedial care recognized under state law, furnished by
29 licensed practitioners within the scope of their practice as defined by state law;

30 (b) home health care services;

- 1 (c) private-duty nursing services;
- 2 (d) dental services;
- 3 (e) physical therapy services;
- 4 (f) mental health center services administered and funded under a state mental health program
5 authorized under Title 53, chapter 21, part 2;
- 6 (g) clinical social worker services;
- 7 (h) prescribed drugs, dentures, and prosthetic devices;
- 8 (i) prescribed eyeglasses;
- 9 (j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;
- 10 (k) inpatient psychiatric hospital services for persons under 21 years of age;
- 11 (l) services of professional counselors licensed under Title 37, chapter 23;
- 12 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
- 13 (n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted
14 case management services for the mentally ill;
- 15 (o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C.
16 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with
17 50-5-201; and
- 18 (p) any additional medical service or aid allowable under or provided by the federal Social Security
19 Act.
- 20 (4) Services for persons qualifying for medicaid under the medically needy category of assistance
21 as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to
22 others qualifying for assistance under the Montana medicaid program. The department is not required to
23 provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the
24 medically needy category of assistance.
- 25 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
26 human services, the department of social and rehabilitation services may implement limited medicaid
27 benefits, to be known as basic medicaid, for recipients who are eligible because they are receiving aid to
28 families with dependent children as the specified caretaker relative of a dependent child under the FAIM
29 project and for all adult recipients of medical assistance only who are covered under a group related to aid
30 to families with dependent children. Basic medicaid benefits consist of all mandatory services listed in

1 subsections (2)(a) through (2)(l) but may include those optional services listed in subsection (3)(a) through
 2 (3)(p) that the department in its discretion specifies by rule. The department, in exercising its discretion,
 3 may consider the amount of funds appropriated by the legislature for the FAIM project and whether the
 4 provision of a particular service is commonly covered by private health insurance plans. However, a
 5 recipient who is pregnant is entitled to full medicaid coverage.

6 (6) The department may implement, as provided for in Title XIX of the federal Social Security Act,
 7 ~~(42 U.S.C. 1396, et seq.)~~, as may be amended, a program under medicaid for payment of medicare
 8 premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

9 ~~(6)(7)~~ The department may set rates for medical and other services provided to recipients of
 10 medicaid and may enter into contracts for delivery of services to individual recipients or groups of
 11 recipients.

12 ~~(7)(8)~~ The services provided under this part may be only those that are medically necessary and
 13 that are the most efficient and cost-effective.

14 ~~(8)(9)~~ The amount, scope, and duration of services provided under this part must be determined
 15 by the department in accordance with Title XIX of the federal Social Security Act, ~~(42 U.S.C. 1396, et~~
 16 ~~seq.)~~, as may be amended.

17 ~~(9)(10)~~ Services, procedures, and items of an experimental or cosmetic nature may not be provided.

18 ~~(10)(11)~~ If available funds are not sufficient to provide medical assistance for all eligible persons,
 19 the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of
 20 the medical services made available under the Montana medicaid program.

21 ~~(11)(12)~~ Community-based medicaid services, as provided for in part 4 of this chapter, must be
 22 provided in accordance with the provisions of this chapter and the rules adopted under this chapter.

23 ~~(12)(13)~~ Medicaid payment for personal-care facilities may not be made unless the department
 24 certifies to the director of the governor's office of budget and program planning that payment to this type
 25 of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."

26

27 **Section 26.** Section 53-6-113, MCA, is amended to read:

28 **"53-6-113. Department to adopt rules.** (1) The department of social and rehabilitation services
 29 shall adopt appropriate rules necessary for the administration of the Montana medicaid program as provided
 30 for in this part and as may be required by federal laws and regulations governing state participation in

1 medicaid under Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et seq.}, as amended.

2 (2) The department shall adopt rules as are necessary to further define for the purposes of this part
3 the services provided under 53-6-101 and to provide that services ~~utilized~~ being used are medically
4 necessary and that ~~these~~ the services are the most efficient and ~~cost-effective~~ cost-effective available. The
5 rules may establish the amount, scope, and duration of services provided under the Montana medicaid
6 program, including the items and components constituting the services.

7 (3) The department shall establish by rule the rates for reimbursement of services provided under
8 this part. The department may in its discretion set ~~such~~ rates of reimbursement ~~as~~ that it determines
9 necessary for the purposes of the program. In establishing rates of reimbursement, the department may
10 consider but is not limited to considering:

- 11 (a) the availability of appropriated funds;
12 (b) the actual cost of services;
13 (c) the quality of services;
14 (d) the professional knowledge and skills necessary for the delivery of services; and
15 (e) the availability of services.

16 (4) The department shall specify by rule those professionals who may deliver or direct the delivery
17 of particular services.

18 (5) The department may provide by rule for payment by a recipient of a portion of the
19 reimbursements established by the department for services provided under this part.

20 (6) The department may adopt rules consistent with this part to govern eligibility for the Montana
21 medicaid program. Rules may include but are not limited to financial standards and criteria for income and
22 resources, treatment of resources, nonfinancial criteria, family responsibilities, residency, application,
23 termination, definition of terms, and confidentiality of applicant and recipient information.

24 (7) The department may adopt rules limiting eligibility based on criteria more restrictive than that
25 provided in 53-6-131 if required by Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et seq.},
26 as may be amended, or if funds appropriated are not sufficient to provide medical care for all eligible
27 persons.

28 (8) The department may adopt rules necessary for the administration of medicaid managed-care
29 systems. Rules to be adopted may include but are not limited to rules concerning:

- 30 (a) participation in managed care;

1 (b) selection and qualifications for providers of managed care; and

2 (c) standards for the provision of managed care.

3 (9) The department shall establish by rule income limits for eligibility for extended medical
 4 assistance of persons receiving aid to families with dependent children as participants of the FAIM project
 5 who lose eligibility because of increased income, as provided in 53-6-134, and shall also establish by rule
 6 the length of time for which extended medical assistance will be provided. The department, in exercising
 7 its discretion to set income limits and duration of assistance, may consider the amount of funds
 8 appropriated by the legislature for the FAIM project."

9
 10 **Section 27.** Section 53-6-131, MCA, is amended to read:

11 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
 12 may be granted to a person who is determined by the department of social and rehabilitation services, in
 13 its discretion, to be eligible as follows:

14 (a) The person receives or is considered to be receiving supplemental security income benefits
 15 under Title XVI of the federal Social Security Act, {42 U.S.C. 1381, et seq.}, or aid to families with
 16 dependent children under Title IV of the federal Social Security Act, {42 U.S.C. 601, et seq.}

17 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
 18 that person were to apply for that assistance.

19 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
 20 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

21 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for
 22 aid to families with dependent children, other than with respect to school attendance.

23 (e) The person is under 21 years of age and in foster care under the supervision of the state or was
 24 in foster care under the supervision of the state and has been adopted as a hard-to-place child.

25 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
 26 and:

27 (i) the person's income does not exceed the income level specified for federally aided categories
 28 of assistance and the person's resources are within the resource standards of the federal supplemental
 29 security income program; or

30 (ii) the person, while having income greater than the medically needy income level specified for

1 federally aided categories of assistance:

2 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
3 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
4 in cash to the department the amount by which the person's income exceeds the medically needy income
5 level specified for federally aided categories of assistance; and

6 (B) has resources that are within the resource standards of the federal supplemental security
7 income program.

8 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

9 (2) The department may establish income and resource limitations. Limitations of income and
10 resources must be within the amounts permitted by federal law for the medicaid program.

11 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
12 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
13 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
14 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
15 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

16 (a) has income that does not exceed income standards as may be required by the federal Social
17 Security Act; and

18 (b) has resources that do not exceed standards that the department determines reasonable for
19 purposes of the program.

20 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
21 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

22 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
23 human services, the department of social and rehabilitation services may grant eligibility for basic medicaid
24 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
25 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
26 assistance only who are covered under a group related to aid to families with dependent children. A
27 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

28 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
29 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social
30 Security Act, {42 U.S.C. 1396, et seq.}, as may be amended, and not specifically listed in this part to

1 categories of persons that may be designated by the act for receipt of assistance.

2 ~~{6}~~{7} Notwithstanding any other provision of this chapter, medical assistance must be provided
3 to infants and pregnant women whose family income does not exceed 133% of the federal poverty
4 ~~threshold level~~, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose
5 family resources do not exceed standards that the department determines reasonable for purposes of the
6 program.

7 ~~{7}~~{8} A person described in subsection ~~{6}~~ {7} must be provided continuous eligibility for medical
8 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

9

10 **Section 28.** Section 53-6-134, MCA, is amended to read:

11 **"53-6-134. Extension of eligibility for medical assistance to persons terminated from aid to families**
12 **with dependent children.** (1) In accordance with section 1925 of Title XIX of the Social Security Act, ~~{42~~
13 ~~U.S.C. 1396r-6}~~, the department of social and rehabilitation services shall provide for the extension of
14 eligibility for medical assistance to persons who lose eligibility for aid to families with dependent children
15 ~~due to~~ because of:

16 (a) increased hours or income from employment; or

17 (b) loss of federally prescribed earned income disregards.

18 (2) In providing for the extension of eligibility for medical assistance under subsection (1), the
19 department may provide for health insurance or other health coverage in accordance with subsections
20 1925(a)(4)(B) and 1925(b)(4)(C) of Title XIX of the Social Security Act, ~~{42 U.S.C. 1396r-6(a)(4)(B) and~~
21 ~~42 U.S.C. 1396r-6(b)(4)(C)}~~, and may exercise the other options contained in section 1925 of Title XIX of
22 the Social Security Act, ~~{42 U.S.C. 1396r-6}~~, regarding the provision of medical assistance.

23 {3} If waivers of federal law are granted by the secretary of the U.S. department of health and
24 human services, the department of social and rehabilitation services may provide extended eligibility for
25 medical assistance for a period of time established by the department by rule for persons receiving aid to
26 families with dependent children under the job supplement program, pathways, or community services
27 program components of the FAIM project described in [section 3] who lose eligibility because of increased
28 income from any source, provided that the family's income does not exceed a percentage of the federal
29 poverty level established by the department by rule. The department, in exercising its discretion to
30 establish income standards and duration of extended medical assistance by rule, may consider the amount

1 of funds appropriated by the legislature for the FAIM project."

2

3 NEW SECTION. Section 29. Codification instruction. (1) [Sections 1 through 10] are intended
4 to be codified as an integral part of Title 53, chapter 4, and the provisions of Title 53, chapter 4, apply to
5 [sections 1 through 10].

6 (2) [Sections 11 through 14] are intended to be codified as an integral part of Title 53, and the
7 provisions of Title 53 apply to [sections 11 through 14].

8

-END-



HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Human Services and Aging** report that **Senate Bill 209** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____

Duane Grimes, Chair

And, that such amendments read:

Carried by: Rep. Cobb

1. Page 7.

Following: line 10

Insert: "(i) The individual is a homeless person.

(j) The individual is a victim of domestic violence."

-END-

Committee Vote:
Yes 16, No 0.

SB 209
HOUSE
611126SC.Hdh



HOUSE COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 209
Representative Cobb

March 27, 1995 8:21 am
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 209 (third reading copy -- blue).

Signed: *Cobb*
Representative Cobb

And, that such amendments to Senate Bill 209 read as follows:

1. Page 5, line 25.

Insert: "(8) The department shall furnish workers' compensation coverage, as provided in 39-71-118, for recipients in any component of the FAIM project who perform community service work or who participate in a work experience program."

-END-

ADOPT

93-C

①

SB 209

HOUSE

REJECT



HOUSE COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 209

Representative Cobb

March 27, 1995 8:32 am

Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 209 (third reading copy -- blue).

Signed: Cobb
Representative Cobb

And, that such amendments to Senate Bill 209 read as follows:

1. Page 21, line 3.

Following: "(9)"

Insert: "(a)"

2. Page 21, line 9.

Insert: "(b) Notwithstanding [sections 1 through 14], it is the intent of the legislature that rules may not be adopted except to implement the waiver granted by the U.S. secretary of health and human services under section 1115 of the Social Security Act, 42 U.S.C. 1315, and to implement the FAIM program. Rules may not implement any other program or programs that may result because of federal welfare reform unless the rules are required for compliance with federal law."

-END-

ADOPT 94-0

⓪

SB 209

REJECT

HOUSE

1 SENATE BILL NO. 209

2 INTRODUCED BY SWYSGOOD, COBB, MERCER, GRINDE, ORR, BAER, STANG, WISEMAN, KOTTEL,
3 BISHOP, HERTEL, BENEDICT, AKLESTAD, FORRESTER, HARP, BROWN, KASTEN, SPRAGUE, FISHER,
4 HARGROVE, MOHL, SOFT, BECK, MCGEE, ESTRADA, EMERSON, DEVLIN, SIMPKINS, GRADY,
5 ANDERSON, PECK, ARNOTT, BOHLINGER, MESAROS, J. JOHNSON, ZOOK, FOSTER, T. NELSON,
6 STOVALL, ELLIOTT, CRIPPEN, GRIMES, HARPER, BARNHART, FRANKLIN, HALLIGAN, JACOBSON,
7 HIBBARD, GAGE, WATERMAN, HARDING, TVEIT, CRISMORE, KEATING, JABS, L. NELSON, JENKINS,
8 HOLDEN, TOEWS, BURNETT, COLE, MILLS, CHRISTIAENS, GROSFIELD

9 BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
10

11 A BILL FOR AN ACT ENTITLED: "AN ACT REFORMING THE PUBLIC ASSISTANCE SYSTEM; AUTHORIZING
12 THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ESTABLISH A DEMONSTRATION
13 PROJECT CALLED THE FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM) PROJECT;
14 AUTHORIZING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO ADMINISTER A FOOD
15 STAMP PROGRAM; PROVIDING RULEMAKING AUTHORITY FOR THE FOOD STAMP PROGRAM;
16 ALLOWING PUBLIC ASSISTANCE INFORMATION TO BE USED FOR AGENCY PURPOSES; REVISING AID
17 TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID TO INCLUDE THE FAIM PROJECT; AND
18 AMENDING SECTIONS 53-2-105, 53-2-211, 53-4-201, 53-4-202, 53-4-212, 53-4-241, 53-4-702,
19 53-4-706, 53-4-707, 53-4-717, 53-6-101, 53-6-113, 53-6-131, AND 53-6-134, MCA."
20

21 STATEMENT OF INTENT

22 A statement of intent is required for this bill because [section 11] grants the department of social
23 and rehabilitation services authority to adopt rules for the administration of the food stamp program.

24 (1) It is the intent of the legislature that the department adopt rules concerning:

25 (a) eligibility for assistance, including income and resource limitations, income and resource
26 exclusions, and transfers of resources;

27 (b) amounts of assistance and methods for determining benefit amounts;

28 (c) certification periods;

29 (d) reporting requirements;

30 (e) work registration and employment and training requirements and exemptions from those

1 requirements;

2 (f) procedures and policies of the employment and training program;

3 (g) disqualification because of intentional program violations, voluntarily quitting a job without good
4 cause, or any other violation of program rules;

5 (h) penalties applicable to recipients of aid to families with dependent children who have been
6 sanctioned because of failure to meet any requirement of the aid to families with dependent children
7 program; and

8 (i) special requirements or criteria applicable to participants in the families achieving independence
9 in Montana (FAIM) project.

10 (2) It is intended that the rules adopted by the department comply with federal requirements under
11 the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq., and 7 CFR 271 through 285, as may
12 be amended, or, in the event that waivers of federal law have been granted by the food and nutrition
13 service of the U.S. department of agriculture, with the waivers.

14 (3) [Section 19] revises the department's rulemaking authority for the aid to families with
15 dependent children program, including the FAIM project.

16 It is the intent of the legislature that the department adopt rules concerning:

17 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
18 income and resource exclusions;

19 (b) amounts of assistance and methods for computing benefit amounts;

20 (c) deprivation of parental support or care for purposes of qualifying as a dependent child;

21 (d) the degree of kinship required for a person to qualify as a specified caretaker relative with
22 whom a child may live to be eligible for assistance;

23 (e) reporting requirements;

24 (f) requirements for participation in the JOBS program and exemptions from participation;

25 (g) procedures and policies of the JOBS program;

26 (h) sanctions, disqualification, or other penalties for failure to comply with program rules or
27 requirements; and

28 (i) special requirements or policies applicable to participants in the FAIM project.

29 (4) It is intended that rules adopted under [section 19] comply with federal requirements under Title
30 IV of the Social Security Act, 42 U.S.C. 601, et seq., and 45 CFR parts 200 through 499, as amended,

1 or, in the event that waivers of federal law have been granted by the U.S. department of health and human
2 services, with the waivers.

3 (5) [Section 26] grants the department additional rulemaking authority. It is the intent of the
4 legislature that the department adopt rules specifying the income limits for eligibility for extended medical
5 assistance for persons receiving aid to families with dependent children under the FAIM project who lose
6 eligibility because of increased income and specifying the length of time for which they may receive
7 extended medical assistance.

8 It is intended that rules adopted under [section 26] comply with waivers of federal medicaid law
9 granted by the secretary of the U.S. department of health and human services pertaining to the FAIM
10 project and promote the goals of the FAIM project of self-sufficiency and responsibility of participants. In
11 adopting the rules, the department may consider the amount of funds appropriated by the legislature for
12 the Montana medicaid program.

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15

16 **NEW SECTION. Section 1. Demonstration project -- purpose.** (1) The department is authorized
17 to administer a demonstration project pursuant to section 1115 of the Social Security Act, 42 U.S.C. 1315,
18 to provide assistance under Title IV of that act, 42 U.S.C. 601, et seq., to families who are currently
19 receiving, eligible for, or at risk of becoming eligible for aid to families with dependent children benefits.
20 This demonstration project may be cited as the families achieving independence in Montana (FAIM) project.

21 (2) The purpose of the demonstration project is to promote self-sufficiency and responsibility of
22 participants by providing supports and incentives, such as child-care assistance, training, education, medical
23 assistance, and resource referrals, and to make procedures and requirements less complex and more
24 uniform in the aid to families with dependent children, food stamp, and medicaid programs.

25

26 **NEW SECTION. Section 2. Definitions.** As used in [sections 1 through 10], unless the context
27 requires otherwise, the following definitions apply:

28 (1) "Cash assistance" means monetary payments to a recipient of aid to families with dependent
29 children to meet basic needs, such as shelter, utilities, clothing, and personal needs.

30 (2) "Child-care assistance" means payments to or on behalf of the specified caretaker relative of

1 a dependent child to defray the cost of having a third party care for the child.

2 (3) "Department" means the department of social and rehabilitation services provided for in
3 2-15-2201.

4 (4) "FAIM project" means the families achieving independence in Montana project, including an aid
5 to families with dependent children part established in [section 3], a food stamp part administered under
6 the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to the Social
7 Security Act, 42 U.S.C. 1315.

8 (5) "JOBS program" means the job opportunities and basic skills training program established in
9 53-4-703.

10

11 **NEW SECTION. Section 3. FAIM project -- components.** (1) The aid to families with dependent
12 children part of the FAIM project consists of three components referred to as the job supplement program,
13 pathways, and the community services program.

14 (2) The job supplement program is an alternative to the components of the FAIM project that
15 provide cash assistance. An eligible family may receive assistance under the job supplement program
16 instead of receiving assistance under pathways or the community services program or may receive
17 assistance under the job supplement program either prior to or after receiving assistance under pathways
18 or the community services program.

19 (3) Services that may be provided to eligible individuals in the job supplement program include:

20 (a) full medicaid benefits for dependent children, as provided in 53-6-101, and basic medicaid
21 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
22 the secretary of the U.S. department of health and human services that permit limited benefits. However,
23 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

24 (b) child-care assistance, as provided in [section 8] and as specified by the department by rule;

25 (c) assistance in obtaining child support; and

26 (d) a one-time only cash payment to meet special employment-related needs of the family. In order
27 to receive a one-time cash payment, the family is required to agree not to apply for or receive cash
28 assistance for a period of time based on the size of the one-time cash payment received.

29 (4) (a) Pathways may provide eligible individuals with job training and education; resource referrals;
30 assistance in obtaining child support; one-time cash payments for special employment-related needs;

1 child-care assistance, as provided in [section 8] and as specified by department rule; cash assistance
2 payments; full medicaid benefits for dependent children, as provided in 53-6-101; and basic medicaid
3 benefits for specified caretaker relatives, as provided in 53-6-101, if waivers of federal law are granted by
4 the secretary of the U.S. department of health and human services that permit limited benefits. However,
5 a specified caretaker relative who is pregnant is entitled to full medicaid benefits.

6 (b) A specified caretaker relative in a single-parent family may receive assistance under pathways
7 for a maximum of 24 months. The 24 months do not need to be consecutive.

8 (c) Specified caretaker relatives in a two-parent family may receive assistance under pathways for
9 a maximum of 18 months. The 18 months do not need to be consecutive.

10 (5) In the community services program, a specified caretaker relative who has received the
11 maximum number of months of assistance allowable under pathways may continue to receive assistance
12 for the specified caretaker relative's needs if the specified caretaker relative performs community service
13 work as required by the department. A specified caretaker relative who performs community service work
14 as required is entitled to cash assistance for the specified caretaker relative's needs and basic medicaid
15 benefits, as provided in 53-6-101, if waivers of federal law are granted by the secretary of the U.S.
16 department of health and human services that permit limited benefits. However, a specified caretaker
17 relative who is pregnant is entitled to full medicaid benefits. Job training and education, resource referrals,
18 and assistance in obtaining child support may also be provided if determined by the department to be
19 appropriate. Child-care assistance may be provided as set forth in [section 8] and as specified by
20 department rule.

21 (6) Failure of a caretaker relative to participate in community service work as required must result
22 in the needs of the specified caretaker relative being removed from the cash assistance payment.

23 (7) A dependent child who meets all eligibility requirements for aid to families with dependent
24 children may receive assistance under any component of the FAIM project without any time limits.

25 (8) THE DEPARTMENT SHALL FURNISH WORKERS' COMPENSATION COVERAGE, AS PROVIDED
26 IN 39-71-118, FOR RECIPIENTS IN ANY COMPONENT OF THE FAIM PROJECT WHO PERFORM
27 COMMUNITY SERVICE WORK OR WHO PARTICIPATE IN A WORK EXPERIENCE PROGRAM.

28
29 NEW SECTION. Section 4. Requirements for eligibility. (1) Eligibility for aid to families with
30 dependent children benefits under the FAIM project with regard to income, resources, and all other factors

1 of eligibility must be determined in accordance with the waivers granted by the U.S. secretary of health and
2 human services under section 1115 of the Social Security Act, 42 U.S.C. 1315.

3 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
4 human services, two-parent families applying for or receiving aid to families with dependent children
5 benefits under the FAIM project based on the unemployment of one parent may not be required to meet
6 the special eligibility requirements of section 407 of the Social Security Act, 42 U.S.C. 607.

7 (3) (a) As a condition of eligibility for assistance under pathways and the community services
8 program, all specified caretaker relatives shall enter into a family investment agreement with the department
9 and shall comply with the terms of that agreement. Entering into an agreement is not a condition of
10 eligibility for the job supplement program.

11 (b) The family investment agreement must set forth the mutual obligations of the specified
12 caretaker relative and the department to help the family achieve the goal of self-sufficiency. The agreement
13 may contain provisions:

14 (i) regarding actions to be taken by the specified caretaker relative and by the department to secure
15 child support;

16 (ii) requiring that the immunization and health-screening requirements of the early and periodic
17 screening, diagnosis, and treatment program be met for all children in the family; and

18 (iii) specifying other services and activities appropriate for the specified caretaker relative or family.

19 (c) An individual who is required to enter into a family investment agreement and who fails without
20 good cause to do so or fails without good cause to comply with the individual's obligations under the
21 agreement is ineligible, as provided in [section 6], for aid to families with dependent children benefits.

22 (4) As a condition of eligibility for the community service program, a specified caretaker relative
23 shall perform community service work as required by the department.

24

25 **NEW SECTION. Section 5. Exemptions from time limitations in pathways.** (1) Recipients of aid
26 to families with dependent children under the FAIM project may be exempted from the time limitations on
27 assistance under pathways contained in [section 3] as provided by the department by rule.

28 (2) In establishing categories of individuals who are exempt from the time limitations on assistance
29 under pathways, the department may take into consideration factors that may delay an individual's
30 attainment of self-sufficiency, including but not limited to the following:

1 (a) The individual has a verifiable illness, injury, or physical or mental impairment, handicap, or
2 disability.

3 (b) The individual is of advanced age.

4 (c) The individual does not have child care available.

5 (d) The individual is attending high school or is working toward a graduate equivalency diploma,
6 if the individual is under 20 years of age.

7 (e) The individual is the parent of a child under 1 year of age.

8 (f) The individual is providing care to a household member with a disability who requires special
9 care.

10 (g) The individual is a teenage parent participating in activities pursuant to a family investment
11 agreement.

12 (h) The department failed to substantially comply with its obligations under the family investment
13 agreement.

14 (I) THE INDIVIDUAL IS A HOMELESS PERSON.

15 (J) THE INDIVIDUAL IS A VICTIM OF DOMESTIC VIOLENCE.

16

17 **NEW SECTION. Section 6. Ineligibility because of failure to comply with terms of agreement.** If
18 an individual is required to enter into a family investment agreement pursuant to [section 4] and fails
19 without good cause either to enter into an agreement or to comply with the individual's obligations under
20 the agreement, the individual is ineligible for aid to families with dependent children benefits and the needs
21 of the individual may not be taken into consideration in determining the assistance unit's amount of cash
22 assistance. However, the family of an ineligible individual is entitled to assistance for its own needs if it
23 is otherwise eligible. The income and resources of the individual must be considered in determining the
24 family's eligibility for assistance during the period of ineligibility.

25

26 **NEW SECTION. Section 7. Categorical eligibility for other assistance.** All recipients of aid to
27 families with dependent children under a component of the FAIM project are categorically eligible for food
28 stamp benefits and the low-income energy assistance program, regardless of whether they would otherwise
29 meet all the eligibility requirements for those programs, unless otherwise prohibited by federal law.

30

1 **NEW SECTION. Section 8. Child-care assistance.** (1) In the job supplement program component
2 of the FAIM project, the department shall provide child-care assistance to all single-parent families if child
3 care is necessary to allow the parent to engage in paid employment. Child-care assistance may, at the
4 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
5 parents to engage in paid employment.

6 (2) In the pathways component of the FAIM project, the department shall provide child-care
7 assistance to all single-parent families if child care is necessary to allow the parent to participate in an
8 activity required by the family investment agreement. However, child-care assistance for single-parent
9 families to enable the parent to participate in postsecondary education is not guaranteed and may be
10 provided only if funding is available. Child-care assistance may, at the department's discretion, be provided
11 to two-parent families if child care is necessary to allow either or both of the parents to participate in an
12 activity required by the family investment agreement.

13 (3) In the community services program component of the FAIM project, the department shall
14 provide child-care assistance to all single-parent families if child care is necessary to allow the parent to
15 participate in an activity required by the family investment agreement. Child-care assistance may, at the
16 department's discretion, be provided to two-parent families if child care is necessary to allow either or both
17 of the parents to participate in an activity required by the family investment agreement.

18
19 **NEW SECTION. Section 9. Extended child care and medical assistance benefits.** A family receiving
20 aid to families with dependent children benefits under a component of the FAIM project that loses eligibility
21 for assistance because of increased income from any source may receive extended child care and medical
22 assistance benefits if funding is available, provided that the family's income does not exceed a percentage
23 of the federal poverty level specified by the department by rule.

24
25 **NEW SECTION. Section 10. JOBS program.** (1) In cases in which the department determines that
26 participation in the JOBS program would be appropriate for a participant in pathways, the participant may
27 be required to participate in the JOBS program as one of the conditions of the participant's family
28 investment agreement.

29 (2) If waivers of federal law are granted by the secretary of the U.S. department of health and
30 human services, the exemptions from participation in the JOBS program provided in section 201 of the

1 federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), may not apply to recipients of aid to families
 2 with dependent children benefits who are participating in the FAIM employment and training demonstration
 3 project.

4
 5 **NEW SECTION. Section 11. Administration of food stamp program -- rulemaking authority.** (1)

6 The department is authorized to administer the food stamp program.

7 (2) The department shall adopt rules that are necessary and desirable for the administration of the
 8 food stamp program.

9 (3) The department shall adopt rules that may include but are not limited to rules concerning:

10 (a) eligibility for assistance, including income and resource limitations, income and resource
 11 exclusions, and transfers of resources;

12 (b) amounts of assistance and methods for determining benefit amount;

13 (c) certification periods;

14 (d) reporting requirements;

15 (e) work registration, employment, and training requirements and exemptions from those
 16 requirements;

17 (f) procedures and policies of the employment and training program;

18 (g) disqualification because of intentional program violations, for voluntarily quitting a job without
 19 good cause, or for any other violation of program rules; AND

20 (h) penalties applicable to recipients of aid to families with dependent children who have been
 21 sanctioned because of failure to meet any requirement of the aid to families with dependent children
 22 program; ~~and,~~

23 ~~(i) special requirements or criteria applicable to participants in the FAIM project, including but not~~
 24 ~~limited to income and resource exclusions and penalties for failure to comply with any requirement of the~~
 25 ~~aid to families with dependent children program.~~

26
 27 **NEW SECTION. Section 12. Definitions.** As used in [sections 11 through 14], the following
 28 definitions apply:

29 (1) "Child support pass-through payments" means child support received for a dependent child or
 30 children in a family receiving aid to families with dependent children, up to \$50 a month, that is paid or

1 "passed through" to the family pursuant to section 402 of the Social Security Act, 42 U.S.C.
2 602(a)(8)(A)(vi).

3 (2) "Department" means the department of social and rehabilitation services provided in Title 2,
4 chapter 15, part 22.

5 (3) "Employment and training demonstration project" means the employment and training program
6 for recipients of aid to families with dependent children who are participating in the FAIM project.

7 (4) "FAIM project" means the families achieving independence in Montana project, including the
8 aid to families with dependent children part established in [section 3], a food stamp part administered
9 pursuant to the Food Stamp Act of 1977, 7 U.S.C. 2026, and a medicaid part administered pursuant to
10 the Social Security Act, 42 U.S.C. 1315.

11 (5) "Food stamp program" means the provision of coupons that can be used to purchase food to
12 low-income persons pursuant to the Food Stamp Act Amendments of 1980, 7 U.S.C. 2011, et seq.

13 (6) "JOBS program" means the job opportunities and basic skills training program for recipients of
14 aid to families with dependent children that is conducted in accordance with the requirements of section
15 201 of the federal Family Support Act of 1988, 42 U.S.C. 602(a)(19), 681 through 686.

16

17 **NEW SECTION. Section 13. Employment and training program.** The department shall establish
18 and administer an employment and training program for food stamp recipients that is in compliance with
19 federal requirements. For purposes of the FAIM project, if waivers of federal law are granted by the food
20 and nutrition service of the U.S. department of agriculture, the department may merge its food stamp
21 program employment and training program with its JOBS program or may modify the rules and requirements
22 of the food stamp program employment and training program as necessary to make them consistent with
23 those of the employment and training demonstration project.

24

25 **NEW SECTION. Section 14. Income and resource exclusions -- FAIM participants.** If waivers of
26 federal law are granted by the food and nutrition service of the U.S. department of agriculture, the
27 department may by rule establish special income and resource exclusions to be applied to participants of
28 the FAIM project in determining their eligibility for food stamps and in determining the benefit amount.
29 Exclusions that may be established include but are not limited to exclusions for one-time only cash
30 payments for special employment-related needs as provided in [section 3] and child support pass-through

1 payments of up to \$50 a month in determining the recipients' eligibility for food stamps and determining
2 the benefit amount.

3

4 **Section 15.** Section 53-2-105, MCA, is amended to read:

5 **"53-2-105. Misuse of public assistance information unlawful.** Except as provided in 53-2-211, it
6 is unlawful for ~~any~~ a person, body, association, firm, corporation, or other agency to solicit, disclose,
7 receive, or make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of any
8 lists or names for commercial or political purposes of any nature or for any purpose not directly connected
9 with the administration of public assistance. However, the department may, to the extent permitted by
10 federal law, disclose public assistance information to an agency of the state or to any other organization
11 if the information is used solely for purposes directly connected with the administration of a program or
12 purpose of the agency."

13

14 **Section 16.** Section 53-2-211, MCA, is amended to read:

15 **"53-2-211. Department to share eligibility data.** (1) The department shall make available to the
16 unemployment compensation program of the department of labor and industry all information contained in
17 its files and records pertaining to eligibility of persons for medicaid, aid to families with dependent children,
18 and food stamps. The information made available must include information on the amount and source of
19 an applicant's income. The information received from the department must be used by the department of
20 labor and industry for the purpose of determining fraud, abuse, or eligibility for benefits under the
21 unemployment compensation program of the state and for no other purpose.

22 (2) The department shall make available to the unemployment compensation and the workers'
23 compensation programs of the department of labor and industry all information contained in its files and
24 records pertaining to eligibility of persons for low-income energy assistance, weatherization, and general
25 relief. The information made available must include information on the amount and source of an applicant's
26 income. The information received from the department must be used by the department of labor and
27 industry for the purpose of determining fraud, abuse, or eligibility for benefits under the unemployment
28 compensation and workers' compensation programs of the state.

29 (3) (a) Subject to federal restrictions, the department may request information from the department
30 of labor and industry pertaining to unemployment, workers' compensation, and occupational disease

1 benefits. If the department of labor and industry discovers evidence relating to fraud or abuse for
 2 unemployment, workers' compensation, or occupational benefits, the department of labor and industry may
 3 request information from the department of revenue pertaining to income as provided in 15-30-303(8)(c).

4 (b) The information must be used by the department for the purpose of determining fraud, abuse,
 5 or eligibility for benefits.

6 (4) The department may, to the extent permitted by federal law, make available to an agency of
 7 the state or to any other organization information contained in its files and records pertaining to the
 8 eligibility of persons for medicaid, aid to families with dependent children, food stamps, low-income energy
 9 assistance, weatherization, or other public assistance. The information may be disclosed only for purposes
 10 directly connected with the administration of a program or purpose of the agency and may not be used by
 11 the agency for any other purpose."

12
 13 **Section 17.** Section 53-4-201, MCA, is amended to read:

14 **"53-4-201. Definitions.** As used in this part and in [sections 1 through 10], the following
 15 definitions apply:

16 (1) The term "aid to families with dependent children" means money payments made on behalf of
 17 a dependent child pursuant to Title IV of the federal Social Security Act (42 U.S.C. 601, et seq.), ~~including~~
 18 and may include payments to meet the needs of a specified caretaker relative with whom the dependent
 19 child is living. The term also includes emergency assistance to families with children as provided by the
 20 federal Social Security Act.

21 (2) "Department" means the department of social and rehabilitation services provided for in Title
 22 2, chapter 15, part 22.

23 (3) (a) The term "dependent child", for public assistance purposes, means:

24 (i) a child under the age of 18; or

25 (ii) a person under the age of 19 who is a student under the regulations prescribed by the
 26 department.

27 (b) The child ~~{described in subsection (3)(a)(i) or (3)(a)(ii) above}~~ must be deprived of parental
 28 support or care by reason of the death, continued absence from the home, continued unemployment, or
 29 physical or mental incapacity of a parent and be living with a specified caretaker relative, as defined in rules
 30 adopted by the department.

1 (4) "FAIM project" means the families achieving independence in Montana project as established
 2 in [section 1].

3 (5) "Federal poverty level" means the measure of indigence established annually by the U.S. office
 4 of management and budget.

5 ~~{4}{6}~~ "Public assistance" or "assistance" means ~~any~~ a type of monetary or other assistance
 6 furnished under this title to a person by a state or county agency, regardless of the original source of the
 7 assistance.

8 (7) "Specified caretaker relative" means a person within a degree of kinship to the dependent child,
 9 as specified by department rule, who lives with the child and exercises care and control over the child."
 10

11 **Section 18.** Section 53-4-202, MCA, is amended to read:

12 **"53-4-202. Aid to families with dependent children to be in effect in all counties.** It is ~~hereby~~
 13 mandatory and required that the state plan and operation of aid to families with dependent children ~~shall~~
 14 must be in effect in each ~~and every~~ county of the state, and the administration and supervision of aid to
 15 families with dependent children ~~shall~~ must be uniform throughout the ~~several~~ counties of the state.
 16 However, the department may administer demonstration programs pursuant to section 1115 of the federal
 17 Social Security Act, 42 U.S.C. 1315, or any other provision of that act that permits the states to administer
 18 experimental, pilot, or demonstration projects."
 19

20 **Section 19.** Section 53-4-212, MCA, is amended to read:

21 **"53-4-212. Department to make rules.** (1) The department shall make ~~such~~ rules and take ~~such~~
 22 action as ~~may be~~ necessary or desirable for ~~carrying out the provisions of this part~~ the administration of
 23 the aid to families with dependent children program, including the FAIM project.

24 (2) The department shall adopt rules that may include but are not limited to rules concerning:

25 (a) eligibility requirements, including gross and net income limitations, resource limitations, and
 26 income and resource exclusions;

27 (b) amounts of assistance and methods for computing benefit amounts;

28 (c) what constitutes deprivation of parental support or care sufficient to qualify a child as
 29 dependent;

30 (d) the degree of kinship required for a person to qualify as a specified caretaker relative in order

1 to be eligible for assistance;

2 (e) requirements for participation in the JOBS program and exemptions from those requirements;

3 (f) procedures and policies of the JOBS program;

4 (g) special requirements or criteria applicable to participants in the FAIM project, such as:

5 (i) community service requirements for specified caretaker relatives participating in the community
6 services program, including the number of hours of community service work per ~~week~~ MONTH and other
7 terms of performance;

8 (ii) eligibility for and terms and conditions of child-care assistance for FAIM project participants,
9 including maximum amounts of assistance payable and amounts of copayments required by specified
10 caretaker relatives;

11 (iii) maximum amounts of one-time only cash payments for special employment-related needs and
12 the length of time that a family is required to remain off cash assistance after a payment is received;

13 (iv) exemptions from time limits in pathways;

14 (v) terms of a specified caretaker relative's ineligibility for assistance because of failure to enter
15 into a family investment agreement or to comply with the specified caretaker relative's obligations under
16 the agreement, including the length of the period of ineligibility;

17 (vi) requirements, if any, for participation in and exemptions from participation in and procedures
18 and policies of the employment and training demonstration project; and

19 (vii) eligibility for and terms and conditions of extended child-care and medical assistance benefits;

20 (h) reporting requirements; and

21 (i) sanctions, disqualification, or other penalties for failure to comply with the program rules or
22 requirements."

23

24 **Section 20.** Section 53-4-241, MCA, is amended to read:

25 **"53-4-241. Amount of assistance determined by department rules.** The amount of aid to families
26 with dependent children granted in any case ~~shall~~, including cases in which the recipient is participating in
27 the FAIM project, must be determined according to the rules and standards of assistance established by
28 the department, as required by the federal Social Security Act."

29

30 **Section 21.** Section 53-4-702, MCA, is amended to read:

1 **"53-4-702. Definitions.** As used in this part, unless the context requires otherwise, the following
2 definitions apply:

3 (1) "Aid to families with dependent children" has the same meaning as provided in 53-4-201.

4 (2) "Department" means the department of social and rehabilitation services provided for in Title
5 2, chapter 15, part 22.

6 (3) "FAIM project" means the families achieving independence in Montana project as established
7 in [section 1].

8 (4) "Family Support Act of 1988" means the federal Family Support Act of 1988, Public Law
9 100-485, as amended.

10 ~~(4)~~(5) "JOBS program" or "program" means the job opportunities and basic skills training program
11 established in 53-4-703."

12

13 **Section 22.** Section 53-4-706, MCA, is amended to read:

14 **"53-4-706. Participation requirements.** (1) Except as otherwise provided in this section and
15 53-4-707, the department may require individuals to participate in the JOBS program as a condition of their
16 eligibility for aid to families with dependent children.

17 (2) To the extent that the program is available and that state resources permit, the department
18 shall:

19 (a) require recipients of aid to families with dependent children who are not participating in the
20 FAIM project and with respect to whom the state guarantees child care in accordance with section 402(g)
21 of the Social Security Act (42 U.S.C. 602(g)) to participate in the program; ~~and~~

22 (b) require recipients of aid to families with dependent children who are participating in either the
23 pathways or community service program component of the FAIM project to participate in the program if
24 the department determines that it is an appropriate activity for the recipient and includes participation as
25 a condition of the recipient's family investment agreement; and

26 (c) allow applicants for and recipients of aid to families with dependent children who are not
27 required under subsection (2)(a) to participate in the program to do so on a voluntary basis."

28

29 **Section 23.** Section 53-4-707, MCA, is amended to read:

30 **"53-4-707. Exemptions.** (1) ~~An individual may not be required to participate~~ Recipients of aid to

1 families with dependent children must be exempted from participation in the JOBS program if the individual:
 2 as provided by department rule.

3 (2) The department shall establish, by rule, categories of individuals who are exempt from
 4 participation in the JOBS program in accordance with the requirements of section 201 of the federal Family
 5 Support Act of 1988, 43 U.S.C. 602(a)(19)(C)(i) through (a)(19)(C)(vii). In establishing the exemptions,
 6 the department shall take into consideration whether the individual:

7 (a) is ill, incapacitated, or of advanced age;

8 (b) is needed in the home because of the illness or incapacity of another member of the household;

9 (c) is the parent or other relative who is personally providing care for a child ~~under 3 years of age,~~
 10 ~~except as otherwise provided in administrative rules adopted by the department~~ of a very young age;

11 (d) is employed ~~for 30 or more hours a week;~~

12 (e) is a child who is under the age of 16 or attends an elementary, secondary, or vocational school
 13 on a full-time basis;

14 (f) is pregnant ~~and it has been medically verified that the child is expected to be born in the month~~
 15 ~~in which participation in the program would otherwise be required. Such individual may not be required to~~
 16 ~~participate in the program within the 6 month period immediately following that month.;~~

17 (g) resides in an area of the state where the program is not available; or

18 (h) is for any other reason exempt from participating in the program pursuant to state or federal
 19 regulations.

20 (2) If a family is eligible for aid to families with dependent children because of the unemployment
 21 of the parent who is the principal wage earner, ~~subsection (1)(e) applies to only one parent~~ may be
 22 exempted to provide care for a very young child.

23 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
 24 human services, recipients of aid to families with dependent children participating in the FAIM project may
 25 not be exempted from participation in the employment and training demonstration project."

26

27 **Section 24.** Section 53-4-717, MCA, is amended to read:

28 **"53-4-717. Sanctions.** An (1) Except as provided in subsection (2), an individual who without
 29 good cause fails to participate in the JOBS program as required or who without good cause refuses to
 30 accept suitable employment shall lose eligibility for aid to families with dependent children as provided in

1 42 U.S.C. 602(a)(19)(G).

2 (2) If an individual receiving aid to families with dependent children under the FAIM project is
3 required to participate in the JOBS program as a condition of the individual's family investment agreement
4 and fails without good cause to participate, the individual must be sanctioned in accordance with rules
5 established by the department."

6

7 **Section 25.** Section 53-6-101, MCA, is amended to read:

8 **"53-6-101. Montana medicaid program -- authorization of services.** (1) There is a Montana
9 medicaid program established for the purpose of providing necessary medical services to eligible persons
10 who have need for medical assistance. The Montana medicaid program is a joint federal-state program
11 administered under this chapter and in accordance with Title XIX of the federal Social Security Act, {42
12 U.S.C. 1396, et seq.}, as may be amended. The department of social and rehabilitation services shall
13 administer the Montana medicaid program.

14 (2) Medical assistance provided by the Montana medicaid program includes the following services:

15 (a) inpatient hospital services;

16 (b) outpatient hospital services;

17 (c) other laboratory and x-ray services, including minimum mammography examination as defined
18 in 33-22-132;

19 (d) skilled nursing services in long-term care facilities;

20 (e) physicians' services;

21 (f) nurse specialist services;

22 (g) early and periodic screening, diagnosis, and treatment services for persons under 21 years of
23 age;

24 (h) ambulatory prenatal care for pregnant women during a presumptive eligibility period, as
25 provided in 42 U.S.C. 1396a(a)(47) and 42 U.S.C. 1396r-1;

26 (i) targeted case management services, as authorized in 42 U.S.C. 1396n(g), for high-risk pregnant
27 women;

28 (j) services that are provided by physician assistants-certified within the scope of their practice and
29 that are otherwise directly reimbursed as allowed under department rule to an existing provider;

30 (k) health services provided under a physician's orders by a public health department; and

- 1 (l) federally qualified health center services, as defined in 42 U.S.C. 1396d(l)(2).
- 2 (3) Medical assistance provided by the Montana medicaid program may, as provided by department
3 rule, also include the following services:
- 4 (a) medical care or any other type of remedial care recognized under state law, furnished by
5 licensed practitioners within the scope of their practice as defined by state law;
- 6 (b) home health care services;
- 7 (c) private-duty nursing services;
- 8 (d) dental services;
- 9 (e) physical therapy services;
- 10 (f) mental health center services administered and funded under a state mental health program
11 authorized under Title 53, chapter 21, part 2;
- 12 (g) clinical social worker services;
- 13 (h) prescribed drugs, dentures, and prosthetic devices;
- 14 (i) prescribed eyeglasses;
- 15 (j) other diagnostic, screening, preventive, rehabilitative, chiropractic, and osteopathic services;
- 16 (k) inpatient psychiatric hospital services for persons under 21 years of age;
- 17 (l) services of professional counselors licensed under Title 37, chapter 23;
- 18 (m) hospice care, as defined in 42 U.S.C. 1396d(o);
- 19 (n) case management services as provided in 42 U.S.C. 1396d(a) and 1396n(g), including targeted
20 case management services for the mentally ill;
- 21 (o) inpatient psychiatric services for persons under 21 years of age, as provided in 42 U.S.C.
22 1396d(h), in a residential treatment facility, as defined in 50-5-101, that is licensed in accordance with
23 50-5-201; and
- 24 (p) any additional medical service or aid allowable under or provided by the federal Social Security
25 Act.
- 26 (4) Services for persons qualifying for medicaid under the medically needy category of assistance
27 as described in 53-6-131 may be more limited in amount, scope, and duration than services provided to
28 others qualifying for assistance under the Montana medicaid program. The department is not required to
29 provide all of the services listed in subsections (2) and (3) to persons qualifying for medicaid under the
30 medically needy category of assistance.

1 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
 2 human services, the department of social and rehabilitation services may implement limited medicaid
 3 benefits, to be known as basic medicaid, for recipients who are eligible because they are receiving aid to
 4 families with dependent children as the specified caretaker relative of a dependent child under the FAIM
 5 project and for all adult recipients of medical assistance only who are covered under a group related to aid
 6 to families with dependent children. Basic medicaid benefits consist of all mandatory services listed in
 7 subsections (2)(a) through (2)(l) but may include those optional services listed in subsection (3)(a) through
 8 (3)(p) that the department in its discretion specifies by rule. The department, in exercising its discretion,
 9 may consider the amount of funds appropriated by the legislature for the FAIM project and whether the
 10 provision of a particular service is commonly covered by private health insurance plans. However, a
 11 recipient who is pregnant is entitled to full medicaid coverage.

12 (6) The department may implement, as provided for in Title XIX of the federal Social Security Act,
 13 {42 U.S.C. 1396, et seq.}, as may be amended, a program under medicaid for payment of medicare
 14 premiums, deductibles, and coinsurance for persons not otherwise eligible for medicaid.

15 ~~(6)~~(7) The department may set rates for medical and other services provided to recipients of
 16 medicaid and may enter into contracts for delivery of services to individual recipients or groups of
 17 recipients.

18 ~~(7)~~(8) The services provided under this part may be only those that are medically necessary and
 19 that are the most efficient and cost-effective.

20 ~~(8)~~(9) The amount, scope, and duration of services provided under this part must be determined
 21 by the department in accordance with Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et
 22 seq.}, as may be amended.

23 ~~(9)~~(10) Services, procedures, and items of an experimental or cosmetic nature may not be provided.

24 ~~(10)~~(11) If available funds are not sufficient to provide medical assistance for all eligible persons,
 25 the department may set priorities to limit, reduce, or otherwise curtail the amount, scope, or duration of
 26 the medical services made available under the Montana medicaid program.

27 ~~(11)~~(12) Community-based medicaid services, as provided for in part 4 of this chapter, must be
 28 provided in accordance with the provisions of this chapter and the rules adopted under this chapter.

29 ~~(12)~~(13) Medicaid payment for personal-care facilities may not be made unless the department
 30 certifies to the director of the governor's office of budget and program planning that payment to this type

1 of provider would, in the aggregate, be a cost-effective alternative to services otherwise provided."

2

3 **Section 26.** Section 53-6-113, MCA, is amended to read:

4 **"53-6-113. Department to adopt rules.** (1) The department of social and rehabilitation services
5 shall adopt appropriate rules necessary for the administration of the Montana medicaid program as provided
6 for in this part and as may be required by federal laws and regulations governing state participation in
7 medicaid under Title XIX of the federal Social Security Act, (42 U.S.C. 1396, et seq.), as amended.

8 (2) The department shall adopt rules as are necessary to further define for the purposes of this part
9 the services provided under 53-6-101 and to provide that services ~~utilized~~ being used are medically
10 necessary and that ~~these~~ the services are the most efficient and ~~cost-effective~~ cost-effective available. The
11 rules may establish the amount, scope, and duration of services provided under the Montana medicaid
12 program, including the items and components constituting the services.

13 (3) The department shall establish by rule the rates for reimbursement of services provided under
14 this part. The department may in its discretion set ~~such~~ rates of reimbursement ~~as~~ that it determines
15 necessary for the purposes of the program. In establishing rates of reimbursement, the department may
16 consider but is not limited to considering:

- 17 (a) the availability of appropriated funds;
- 18 (b) the actual cost of services;
- 19 (c) the quality of services;
- 20 (d) the professional knowledge and skills necessary for the delivery of services; and
- 21 (e) the availability of services.

22 (4) The department shall specify by rule those professionals who may deliver or direct the delivery
23 of particular services.

24 (5) The department may provide by rule for payment by a recipient of a portion of the
25 reimbursements established by the department for services provided under this part.

26 (6) The department may adopt rules consistent with this part to govern eligibility for the Montana
27 medicaid program. Rules may include but are not limited to financial standards and criteria for income and
28 resources, treatment of resources, nonfinancial criteria, family responsibilities, residency, application,
29 termination, definition of terms, and confidentiality of applicant and recipient information.

30 (7) The department may adopt rules limiting eligibility based on criteria more restrictive than that

1 provided in 53-6-131 if required by Title XIX of the federal Social Security Act, {42 U.S.C. 1396, et seq.},
 2 as may be amended, or if funds appropriated are not sufficient to provide medical care for all eligible
 3 persons.

4 (8) The department may adopt rules necessary for the administration of medicaid managed-care
 5 systems. Rules to be adopted may include but are not limited to rules concerning:

- 6 (a) participation in managed care;
- 7 (b) selection and qualifications for providers of managed care; and
- 8 (c) standards for the provision of managed care.

9 (9) (A) The department shall establish by rule income limits for eligibility for extended medical
 10 assistance of persons receiving aid to families with dependent children as participants of the FAIM project
 11 who lose eligibility because of increased income, as provided in 53-6-134, and shall also establish by rule
 12 the length of time for which extended medical assistance will be provided. The department, in exercising
 13 its discretion to set income limits and duration of assistance, may consider the amount of funds
 14 appropriated by the legislature for the FAIM project.

15 (B) NOTWITHSTANDING [SECTIONS 1 THROUGH 14], IT IS THE INTENT OF THE LEGISLATURE
 16 THAT RULES MAY NOT BE ADOPTED EXCEPT TO IMPLEMENT THE WAIVER GRANTED BY THE U.S.
 17 SECRETARY OF HEALTH AND HUMAN SERVICES UNDER SECTION 1115 OF THE SOCIAL SECURITY ACT,
 18 42 U.S.C. 1315, AND TO IMPLEMENT THE FAIM PROGRAM. RULES MAY NOT IMPLEMENT ANY OTHER
 19 PROGRAM OR PROGRAMS THAT MAY RESULT BECAUSE OF FEDERAL WELFARE REFORM UNLESS THE
 20 RULES ARE REQUIRED FOR COMPLIANCE WITH FEDERAL LAW."

21

22 **Section 27.** Section 53-6-131, MCA, is amended to read:

23 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
 24 may be granted to a person who is determined by the department of social and rehabilitation services, in
 25 its discretion, to be eligible as follows:

26 (a) The person receives or is considered to be receiving supplemental security income benefits
 27 under Title XVI of the federal Social Security Act, {42 U.S.C. 1381, et seq.}, or aid to families with
 28 dependent children under Title IV of the federal Social Security Act, {42 U.S.C. 601, et seq.}

29 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
 30 that person were to apply for that assistance.

1 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
2 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

3 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for
4 aid to families with dependent children, other than with respect to school attendance.

5 (e) The person is under 21 years of age and in foster care under the supervision of the state or was
6 in foster care under the supervision of the state and has been adopted as a hard-to-place child.

7 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
8 and:

9 (i) the person's income does not exceed the income level specified for federally aided categories
10 of assistance and the person's resources are within the resource standards of the federal supplemental
11 security income program; or

12 (ii) the person, while having income greater than the medically needy income level specified for
13 federally aided categories of assistance:

14 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
15 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
16 in cash to the department the amount by which the person's income exceeds the medically needy income
17 level specified for federally aided categories of assistance; and

18 (B) has resources that are within the resource standards of the federal supplemental security
19 income program.

20 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

21 (2) The department may establish income and resource limitations. Limitations of income and
22 resources must be within the amounts permitted by federal law for the medicaid program.

23 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
24 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
25 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
26 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
27 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

28 (a) has income that does not exceed income standards as may be required by the federal Social
29 Security Act; and

30 (b) has resources that do not exceed standards that the department determines reasonable for

1 purposes of the program.

2 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
3 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

4 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
5 human services, the department of social and rehabilitation services may grant eligibility for basic medicaid
6 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
7 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
8 assistance only who are covered under a group related to aid to families with dependent children. A
9 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

10 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
11 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social
12 Security Act, (42 U.S.C. 1396, et seq.), as may be amended, and not specifically listed in this part to
13 categories of persons that may be designated by the act for receipt of assistance.

14 ~~(6)~~(7) Notwithstanding any other provision of this chapter, medical assistance must be provided
15 to infants and pregnant women whose family income does not exceed 133% of the federal poverty
16 ~~threshold~~ level, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose
17 family resources do not exceed standards that the department determines reasonable for purposes of the
18 program.

19 ~~(7)~~(8) A person described in subsection ~~(6)~~ (7) must be provided continuous eligibility for medical
20 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7)."

21

22 **Section 28.** Section 53-6-134, MCA, is amended to read:

23 **"53-6-134. Extension of eligibility for medical assistance to persons terminated from aid to families**
24 **with dependent children.** (1) In accordance with section 1925 of Title XIX of the Social Security Act, (42
25 U.S.C. 1396r-6), the department of social and rehabilitation services shall provide for the extension of
26 eligibility for medical assistance to persons who lose eligibility for aid to families with dependent children
27 ~~due to~~ because of:

28 (a) increased hours or income from employment; or

29 (b) loss of federally prescribed earned income disregards.

30 (2) In providing for the extension of eligibility for medical assistance under subsection (1), the

1 department may provide for health insurance or other health coverage in accordance with subsections
2 1925(a)(4)(B) and 1925(b)(4)(C) of Title XIX of the Social Security Act, {42 U.S.C. 1396r-6(a)(4)(B) and
3 42 U.S.C. 1396r-6(b)(4)(C)}, and may exercise the other options contained in section 1925 of Title XIX of
4 the Social Security Act, {42 U.S.C. 1396r-6}, regarding the provision of medical assistance.

5 (3) If waivers of federal law are granted by the secretary of the U.S. department of health and
6 human services, the department of social and rehabilitation services may provide extended eligibility for
7 medical assistance for a period of time established by the department by rule for persons receiving aid to
8 families with dependent children under the job supplement program, pathways, or community services
9 program components of the FAIM project described in [section 3] who lose eligibility because of increased
10 income from any source, provided that the family's income does not exceed a percentage of the federal
11 poverty level established by the department by rule. The department, in exercising its discretion to
12 establish income standards and duration of extended medical assistance by rule, may consider the amount
13 of funds appropriated by the legislature for the FAIM project."

14

15 NEW SECTION. Section 29. Codification instruction. (1) [Sections 1 through 10] are intended
16 to be codified as an integral part of Title 53, chapter 4, and the provisions of Title 53, chapter 4, apply to
17 [sections 1 through 10].

18 (2) [Sections 11 through 14] are intended to be codified as an integral part of Title 53, and the
19 provisions of Title 53 apply to [sections 11 through 14].

20

-END-