

**Testimony for Public Hearing on the FY 2014 Budget of the
Department of Human Services**

**Council of the District of Columbia Committee on Human Services
April 19, 2013 at 11:00am**

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The District is in a time of cautious growth, where agencies must carefully consider how best to use resources and make important decisions about where to allocate additional funds. While Legal Aid is encouraged by the injection of additional funds into the Fiscal Year 2014 budget for the Department of Human Services (DHS), we have concerns regarding the allocation of those funds and believe that certain areas require additional attention and financial support. The testimony of my colleague, Westra Miller, addresses the Temporary Assistance for Needy Families (TANF), POWER, and Interim Disability Assistance (IDA) programs. My testimony will focus on the areas of health reform and Alliance recertification.

I. The Council should provide DHS with increased funding to hire and train staff dedicated to administering eligibility for health programs.

The Department of Human Services played a central role in soliciting the funding and additional support to establish the District of Columbia Health Benefit Exchange (Exchange) Authority. Now that the Exchange is operational, the District is moving quickly to implement health reform. DHS has been involved in this process by, among other activities, maintaining a presence on the Exchange Executive Board and leading the Medicaid Expansion & Eligibility Subcommittee Meetings of the Health Reform Implementation Committee. With regard to the Medicaid Expansion & Eligibility Subcommittee Meetings, Legal Aid would especially like to acknowledge DHS's Economic Security Administration (ESA) for its efforts to solicit and respond to the feedback of various stakeholders, including Legal Aid. ESA has responded positively to many of our concerns regarding changes to the Medicaid Program, and Legal Aid looks forward to continuing to collaborate with ESA to prevent individuals and families from losing coverage as a result of federally-mandated changes to the Medicaid Program.

¹ Sponsored by the Norflet Progress Fund.

² The Legal Aid Society of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." For more than 80 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid has been practicing in the area of public benefits for a number of years, representing clients with Medicaid, DC Health Care Alliance, Qualified Medicare Beneficiary, and other medical assistance cases.

DHS's involvement in health reform implementation is an encouraging sign of its commitment to ensuring the ultimate success of the Exchange; however, this commitment is not fully demonstrated in DHS's FY 2014 budget. Specifically, while the budget includes funding for over 50 new DHS staff, our understanding is that none of these new employees will be assigned to work solely on administering health program eligibility.

The Affordable Care Act (ACA) incorporates some significant changes to the rules governing the Medicaid Program and the way in which individuals and small business obtain health coverage. One change is that income and household composition rules for the Medicaid Program will be based on tax filings. While we are working closely with ESA to prevent currently eligible Medicaid recipients from losing coverage once the rules go into effect, at this time, we anticipate that ESA may see an increase in individuals in FY 2014 who are adversely affected by these new rules.

Another change will be the number of District residents eligible for some form of financial assistance to obtain health care coverage. Under the ACA, individuals and families with income at or below 400% of the Federal Poverty Level will be eligible for some form of financial assistance to obtain health care coverage. Those above the income limits for Medicaid will receive other subsidies that lower the cost of health care, such as advance payment of premium tax credits to purchase private insurance within the Exchange.

The Exchange will create a single, streamlined application that will allow individuals to apply for whichever form of financial assistance they are eligible, including Medicaid, premium tax credits, and other subsidies. The ACA institutes a "no wrong door" policy, which means that individuals can apply for Medicaid or enroll in plans through the Exchange at either the state Medicaid agency or directly through the Exchange. Since ESA is responsible for determining eligibility for medical assistance programs in the District, the agency's staff will be required to assist individuals and families applying for medical coverage through the Exchange as well as Medicaid and the Alliance. This means that more individuals of a wider income range may seek application assistance at ESA service centers, and ESA will need sufficient staff to serve this new population.

Added to this new responsibility is fact that ESA will be using a new software system for eligibility determination – the District of Columbia Access System, or DCAS. DCAS will replace the current system that ESA uses to make eligibility determinations and will integrate the Medicaid and Exchange eligibility systems and eventually incorporate the District's other public benefits programs. ESA staff will require training on DCAS, and, while eventually its implementation will make the eligibility determination process more efficient, the time required to get staff up to speed may cause delays in processing applications for medical assistance.

These various health reform-related changes underscore the importance of adequate ESA staffing. Without hiring additional staff who are specifically dedicated to administering eligibility for health programs, ESA may become overwhelmed with Exchange applications, issues with Medicaid changes, and a new eligibility IT system. DHS's FY 2014 budget does not address this concern. Legal Aid supports the decision to enhance DHS's manpower, but urges this Committee and DHS to dedicate funding for new staff committed to solely to health reform.

II. DHS Should Dedicate Additional Staff to Alliance Recertification Processing.

The Alliance Program is unique from other medical assistance programs in the District in that it requires that recipients recertify in-person every 6 months. This rule has placed an enormous burden on ESA staff, and ESA does not currently have adequate capacity to handle the increased workload associated with this new requirement. As a result, many Alliance beneficiaries report not being able to complete recertification requirements in the time required and have lost coverage. Since the adoption of the 6-month, in-person recertification rule, Legal Aid has met with an increasing number of applicants who have been terminated from the Alliance program for failure to comply with this requirement. Other applicants have attempted to recertify but were turned away by ESA on the date of their interview and told to come back another day. Unsurprisingly, reports on Alliance enrollment show an alarming downward trend—a loss of over 4,000 enrollees in just the last year.

To properly address this troubling pattern, ESA must increase the number of staff who are responsible for recertifying Alliance recipients. These employees should focus on ensuring that clear recertification notices are provided to Alliance recipients in their language of choice, reducing the time that Alliance beneficiaries spend waiting for a recertification interview, and guaranteeing that every Alliance beneficiary that shows up for a scheduled interview is able to complete an interview that same day. Currently, DHS's FY 2014 budget does not include any provision for additional Alliance recertification staff. In order to reverse the disturbing decline in Alliance enrollment and provide eligible District residents with access to health care, DHS must allocate funding for additional Alliance enrollment and recertification staff.

III. Conclusion

DHS is the first agency with which most District residents interact when applying for health coverage, and it plays an important role in ensuring that District residents have continuous access to quality care. DHS cannot fulfill its duty to District residents unless it is adequately staffed. Legal Aid fears that DHS's FY 2014 budget does not provide for sufficient staffing for the successful implementation of health reform and proper functioning the Alliance program. We urge this Committee and DHS to revise its budget to provide the resources needed in both areas. Legal Aid appreciates the opportunity to submit comments on the DHS FY 2014 budget, and looks forward to continuing to work with this Committee and DHS on these important issues.



Testimony for Public Hearings on the “Fiscal Year 2014 and the Fiscal Year 2014 Budget Request Act of 2013”

**District of Columbia Council Committee on Human Services
April 19, 2013**

**Westra Miller
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Legal Aid Society of the District of Columbia¹**

In the last two years, the Department of Human Services (DHS) has made significant steps in its redesign of the Temporary Assistance for Needy Families (TANF) program. Programmatic changes to TANF have come at a time when families most need additional help to gain the skills to become self-sufficient. The economic good fortunes of this region have not been distributed evenly throughout the District. In light of this, we applaud the Administration and the Council for investing in the TANF redesign—and in local families—by acting to improve and coordinate services while extending the timeline for the reduction of the benefits of those on TANF for 60 months or more. We also thank the agency for its work to improve other programs that serve individuals with disabilities, such as the Program on Work, Employment, and Responsibility (POWER) and Interim Disability Assistance (IDA).

We are pleased that the Mayor’s proposed budget does not overlook these programs. However, the proposed budget fails to fund, or consigns to a revenue contingency list, certain program elements that we believe are essential. I will focus my testimony on our concerns related to the proposed funding outlined in the Mayor’s budget for TANF, POWER, and IDA. As the Committee is aware, these three programs serve some of the most vulnerable in our city: single parents with children and individuals with disabilities.

I. The Council Should Explicitly Fund Exemptions to the TANF Time Limits and Provide Funding to Support All TANF Families’ Access to Redesigned Services.

The Mayor’s budget includes some key proposals regarding TANF, such as a \$6 million increase in TANF funding which will be used to delay the timing on an additional benefit cut for families who have received TANF for more than 60 months.² We are pleased that the Administration has recognized that more time is needed so that additional families can receive comprehensive assessments and be referred to a TANF employment services provider. As the Committee is aware, those most in need of the assistance that improved TANF services would provide—families who have barriers preventing them from finding stable employment—would be least able to benefit due to the hardship imposed by the parallel implementation of 60-month

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² See Department of Human Services, 2014 Budget presentation, April 18, 2013, at 6; see also D.C. Fiscal Policy Institute, What’s in the Mayor’s Proposed FY 2014 Budget for TANF?, April 12, 2013, at 2.

lifetime limits on the receipt of benefits. We thank the Council for supporting prior delays and the Mayor for including the additional delay in his proposed budget.

However, more must be done to ensure that the District's TANF families are fully able to benefit from redesigned TANF services. We ask the Administration and the Council to recognize the urgent need for exemptions to the District's 60-month time limit policy. We also ask that more funding be allocated towards increasing the number of TANF parents who can be connected with services in a timely manner.

A. The Council Should Expand and Fully Fund the Exemptions from 60-Month Time Limits to Protect Families Experiencing Hardship.

Legal Aid has long opposed time-limiting TANF benefits for any reason. However, if the District must impose time limits, it should ensure that limits do not unfairly hurt parents who face severe barriers to getting off TANF. By delaying the series of benefits cuts planned for long-term TANF families, the Council and Administration have allowed many a brief reprieve. However, this delay does not address one particularly unfair aspect of our TANF program: the lack of exemptions for families facing hardship. Although the District recognizes that some parents will not be able to look for work while they are impacted by domestic violence or caring for an ill family member, these parents' benefits will be cut as a result of these time limits. Last year, as part of the FY 2013 Budget Support Act, the Council passed legislation that would have allowed certain exemptions to the 60-month time limits for families experiencing recognized situations that prevented employment. Unfortunately, these provisions were contingent on funding that was not available. Unfunded, the exemptions were never implemented.

Recommendation. The Council should ensure that TANF exemptions are implemented by creating and explicitly funding allowances for TANF recipients suffering particular hardships. TANF parents experiencing significant barriers to employment—such as minor parents who are enrolled in school or parents caring for a family member with a disability—should be permitted to “stop the clock” during the time that they are addressing their families' individual needs. The District already recognizes that these families are often not able to look for work by exempting them from work requirements. We should not penalize them for the time necessarily spent focusing on themselves and their families. Such exemptions would bring the District back in line with the majority of states. Research by the D.C. Fiscal Policy Institute (DCFPI) suggests that exemptions, when properly funded, would cost \$4 to \$7 million in FY 2014.³ This is a worthy investment in reducing the burdens those TANF families who are least likely to find work soon.

B. The Council Should Fund Job Services for All Eligible TANF Recipients.

The TANF program serves families with a range of experiences and histories. While some families need exemptions from work requirements, others could leave TANF for work if they received appropriate services. DHS is working to address these varied needs by contracting with vendors capable of serving customers across the spectrum of job readiness. DHS must have the necessary funding to connect those assigned parents with their vendors in a timely manner.

³ D.C. Fiscal Policy Institute, FY 2014 Budget Priorities, undated, at 1.

Our clients report delays in their assignments to vendors, with some waiting many months before they are finally assigned.

Recommendation. The Council should increase funds available for TANF job training slots so that all parents for whom it is appropriate have access to a vendor. The Mayor's proposed budget plans to maintain the same level of vendor capacity between FY 2013 and FY 2014.⁴ Without further funding, waitlists for the vendors will continue and parents will have no respite from long delays in the assignment process. Our clients express frustration that they cannot get started with a vendor as soon as they are assessed. We urge the Council to reward and encourage the excitement that is felt by many parents hoping to benefit from the TANF redesign by increasing vendor capacity.

II. The Council Should Improve POWER and IDA by Increasing These Programs' Reach and Providing Application Assistance.

In addition to TANF, DHS also administers two important programs for people with disabilities. The Program on Work, Employment, and Responsibility is available to parents who unable to work or complete TANF work requirements due to disabilities. Interim Disability Assistance is for childless adults appealing a denial of an application for federal disability benefits such as Supplemental Security Income (SSI). Although keeping funding for these programs steady in his proposed budget, the Mayor has indicated that both POWER and IDA are among his "wish list" priorities. Unfortunately, items from his priority list from FY 2013 remain unfunded. Therefore, we urge the Council to include them in the budget itself—not just on a wish list. Specifically, the Council should increase capacity in both programs and fund application assistance to help qualified beneficiaries obtain SSI.

A. The Council Should Increase Capacity for Both POWER and IDA.

IDA and POWER both provide modest benefits to individuals with disabilities. The monthly IDA benefit is \$270 per month. The POWER benefit parallels TANF, by starting at \$270 and increasing by the number of children present in a parent's household. Both programs are underutilized. IDA is limited by a cap on the monthly number of participants. The Mayor's budget projects a maximum caseload of 825 people per month for FY 2014.⁵ Although this would represent an increase from the current reported caseload of 550,⁶ it does not match the need in the community. At its height, IDA served 2,800.⁷ We regularly meet with clients who have pending SSI appeals, but who scrape by with little or no income while waiting out the appeal process. The worry created by their financial situations can exacerbate already precarious mental or physical health conditions.

⁴ See DHS, 2014 Budget presentation, April 18, 2013, at 6; see also D.C. Fiscal Policy Institute, What's in the Mayor's Proposed FY 2014 Budget for TANF?, April 12, 2013, at 3.

⁵ DHS, 2014 Budget presentation, April 18, 2013, at 10.

⁶ D.C. Fiscal Policy Institute, What's in the Mayor's Proposed FY 2014 Budget for Interim Disability Assistance?, April 12, 2013, at 2. DHS has indicated that it plans to increase clear the current waitlist and increase the caseload to 825 in the near future. Although this immediate increase is welcomed, a greater need still exists.

⁷ D.C. Fiscal Policy Institute, What's in the Mayor's Proposed FY 2014 Budget for Interim Disability Assistance?, April 12, 2013, at 1.

The caseload for POWER is smaller, largely because the program only began to allow applications—as opposed to referrals from caseworkers—in 2012. DHS estimates that the POWER caseload is currently 300, with no parents currently being turned away. We expect that as DHS completes assessments of the entire TANF population, more POWER-eligible families will be identified. The Mayor identified increasing the capacity of POWER as an item on his priority list. DHS has also suggested that POWER funds could be used to assist both families with a parent with disabilities as well as other families who could qualify for a time limit exemption. For this to work, the Council must ensure that there are sufficient POWER funds to meet its original purpose (supporting families with parents with severe disabilities) as well as helping other families facing hardship.

Recommendation. The Council should increase funding for both IDA and POWER so that the programs can serve all those who qualify. Further investment in IDA will allow the program to address the needs of those single adults in our community who have no other income sources while waiting for their SSI appeals to be decided. Investment in POWER will allow expansion of the program to ensure that it can continue to accept all eligible parents, and, allow implementation of other time limit exemptions. We support allocating \$3.9 million for IDA and at least \$4 million for POWER, as part of the budget and not relegated to the Mayor’s priority list.⁸

B. The Council Should Provide Funding to Assist Qualified Beneficiaries Obtain SSI.

At the same time, the Council can strengthen the long-term viability of POWER and IDA by ensuring that individuals who qualify for federal disability benefits move off local benefits and onto SSI. The Mayor’s priority list includes funding for DHS staff to assist with this process.⁹ However, consigning this important programmatic change to the wish list will not serve our community. Applying for SSI can be a lengthy, seemingly opaque process. If an individual’s initial application for benefits is denied, she will face an appeal process that could last years while she either goes without assistance or receives scarce District funds.

Recommendation. The Council should invest in POWER and IDA beneficiaries by funding DHS staff to assist with application for federal disability benefits. These staff can explain the application process and assist with compiling medical and psychiatric documentation. Such staff should also be trained to connect beneficiaries with social and legal services providers, as appropriate. Helping POWER and IDA beneficiaries eventually obtain SSI will save the District money while also often increasing the actual amount of cash benefits received by individuals each month.

III. Conclusion.

We urge the District to recognize the economic difficulties faced by our most vulnerable residents—and the crucial role played by each of the aforementioned programs. We ask the Council to invest in TANF, POWER, and IDA to support both families facing severe barriers to

⁸ See D.C. Fiscal Policy Institute, FY 2014 Budget Priorities, undated, at 1; see also D.C. Fiscal Policy Institute, What’s in the Mayor’s Proposed FY 2014 Budget for TANF?, April 12, 2013, at 3.

⁹ DHS, 2014 Budget presentation, April 18, 2013, at 10.

work and those who could work with support. In the long run, getting parents and childless adults with disabilities on federal benefits more quickly and meeting the needs of parents who can work will save the District money and promote better outcomes.