

**DEPARTMENT OF MENTAL HEALTH**

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March 17, 1998

DMH INFORMATION NOTICE NO.: 98-05

TO : LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: AMENDMENTS TO THE SOCIAL SECURITY ACT REGARDING THE  
EFFECTIVE DATE OF APPLICATIONS FOR SUPPLEMENTAL  
SECURITY INCOME (SSI) BENEFITS

This notice provides information regarding a change in SSI eligibility requirements brought about by The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law (P.L. 104-193) signed into law on August 22, 1996. This federal welfare reform legislation made numerous changes in the nation's welfare system, including changes to SSI benefits. This notice is specific to the amendments' changing the effective date of eligibility for SSI benefits (enclosed) and the potential impact to consumers and providers of mental health services.

Section 1611 (c) (7) of the Social Security Act (enclosed) is amended to provide that SSI payments to an individual could only begin as of the first day of the month following the date on which the application is filed or on which the individual first becomes eligible, whichever is later. Therefore, for applications filed on or after August 22, 1996, the earliest possible date for which benefits can begin is September 1, 1996. The change in the law establishes a new point at which SSI payments can begin and is called the "application effective date." The amendment, in effect, eliminates prorated payments for the month of application.

This law makes SSI applications ineffective until the first day of the following month, which could result in otherwise disabled and eligible persons being disallowed payment for as long as 30 days. This law is applicable to individuals applying for SSI benefits who either currently reside in the community or are being discharged from a jail or other institution (e.g., state hospital) and returning to the community. The law could impact local mental health programs, residential care home providers, and consumers.

The Department of Health Services will be sending an information notice explaining any changes this law may have on Medi-Cal eligibility.

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## Part A--Determination of Benefits

# ELIGIBILITY FOR AND AMOUNT OF BENEFITS<sup>[3]</sup>

## Definition of Eligible Individual

SEC. 1611. *[42 U.S.C. 1382]* (a)(1) Each aged, blind, or disabled individual who does not have an eligible spouse and--

(A) whose income, other than income excluded pursuant to section [1612\(b\)](#), is at a rate of not more than \$1,752 (or, if greater, the amount determined under section [1617](#)) for the calendar year 1974 or any calendar year thereafter, and

(B) whose resources, other than resources excluded pursuant to section [1613\(a\)](#), are not more than (i) in case such individual has a spouse with whom he is living, the applicable amount determined under paragraph (3)(A), or (ii) in case such individual has no spouse with whom he is living, the applicable amount determined under paragraph (3)(B),

shall be an eligible individual for purposes of this title.

(2) Each aged, blind, or disabled individual who has an eligible spouse and--

(A) whose income (together with the income of such spouse), other than income excluded pursuant to section [1612\(b\)](#), is at a rate of not more than \$2,628 (or, if greater, the amount determined under section [1617](#)) for the calendar year 1974, or any calendar year thereafter, and

(B) whose resources (together with the resources of such spouse), other than resources excluded pursuant to section [1613\(a\)](#), are not more than the applicable amount determined under paragraph (3)(A),

shall be an eligible individual for purposes of this title.

(3)(A) The dollar amount referred to in clause (i) of paragraph (1)(B), and in paragraph (2)(B), shall be \$2,250 prior to January 1, 1985, and shall be increased to \$2,400 on January 1, 1985, to \$2,550 on January 1, 1986, to \$2,700 on January 1, 1987, to \$2,850 on January 1, 1988, and to \$3,000 on January 1, 1989.

(B) The dollar amount referred to in clause (ii) of paragraph (1)(B), shall be \$1,500 prior to January 1, 1985, and shall be increased to \$1,600 on January 1, 1985, to \$1,700 on January 1, 1986, to \$1,800 on January 1, 1987, to \$1,900 on January 1, 1988, and to \$2,000 on January 1, 1989.

## Amounts of Benefits<sup>[4]</sup>

(b)(1) The benefit under this title for an individual who does not have an eligible spouse shall be payable at the rate of \$1,752 (or, if greater, the amount determined under section [1617](#)) for the calendar year 1974 and any calendar year thereafter, reduced by the amount of income, not excluded pursuant to section [1612\(b\)](#), of such individual.

(2) The benefit under this title for an individual who has an eligible spouse shall be payable at the rate of \$2,628 (or, if greater, the amount determined under section [1617](#)) for the calendar year 1974 and any calendar year thereafter, reduced by the amount of income, not excluded pursuant to section [1612\(b\)](#), of such individual and spouse.

by reason of section 1617 shall be used to determine the value of any in-kind support and maintenance required to be taken into account in determining the benefit payable under this title to an individual (and the eligible spouse, if any, of the individual) for the 1st 2 months for which the increase in benefits applies.

(7) For purposes of this subsection, an application of an individual for benefits under this title shall be effective on the later of--

- (A) the first day of the month following the date such application is filed, or
- (B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.<sup>[7]</sup>

(8) The Commissioner of Social Security may waive the limitations specified in subparagraphs (A) and (B) of subsection (e)(1) on an individual's eligibility and benefit amount for a month (to the extent either such limitation is applicable by reason of such individual's presence throughout such month in a hospital, extended care facility, nursing home, or intermediate care facility) if such waiver would promote the individual's removal from such institution or facility. Upon waiver of such limitations, the Commissioner of Social Security shall apply, to the month preceding the month of removal, or, if the Commissioner of Social Security so determines, the two months preceding the month of removal, the benefit rate that is appropriate to such individual's living arrangement subsequent to his removal from such institution or facility.

## Special Limits on Gross Income

(d) The Commissioner of Social Security may prescribe the circumstances under which, consistently with the purposes of this title, the gross income from a trade or business (including farming) will be considered **sufficiently** large to make an individual ineligible for benefits under this title. For purposes of this subsection, the term "gross income" has the same meaning as when used in chapter 1 of the Internal Revenue Code of 1954<sup>[8]</sup>.

## Limitation on Eligibility of Certain Individuals

(e)(1)(A) Except as provided in subparagraphs (B), (C), (D), (E), and (G), no person shall be an eligible individual or eligible spouse for purposes of this title with respect to any month if throughout such month he is an inmate of a public institution.

(B) In any case where an eligible individual or his eligible spouse (if any) is, throughout any month (subject to subparagraph (G)), in a medical treatment **facility**<sup>[9]</sup> receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, or an eligible individual is a child described in section 1614(f)(2)(B) or, in the case of an eligible individual who is a child under the age of 18, receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance<sup>[10]</sup> the benefit under this title for such individual for such month shall be payable (subject to subparagraph (E))--

- (i) at a rate not in excess of \$360 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who does not have an eligible spouse;
- (ii) in the case of an individual who has an eligible spouse, if only one of them is in such a <sup>[11]</sup> facility throughout such month, at a rate not in excess of the sum of--
  - (1) the rate of \$360 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such <sup>[12]</sup> facility), and
  - (II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and
- (iii) at a rate not in excess of \$720 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who has an eligible spouse, if both of them are in such a <sup>[13]</sup> facility throughout such month.

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## H.R.3734

### Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Enrolled Bill (Sent to President))

#### SEC. 204. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL- Subparagraphs (A) and (B) of section 161 l(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

‘(A) the first day of the month following the date such application is filed, or

‘(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.’.

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS- Section 163 1 (a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended--

(1) by inserting ‘for the month following the date the application is filed’ after ‘is presumptively eligible for such benefits’; and

(2) by inserting ‘, which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months’ before the semicolon.

(c) CONFORMING AMENDMENTS-

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended--

(A) by striking ‘or requests’ and inserting ‘, on the first day of the month following the date the application is filed, or, in any case in which either spouse requests’; and

(B) by striking ‘application or’.

(2) Section 163 1(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting ‘following the month’ after ‘beginning with the month’.

(d) EFFECTIVE DATE-

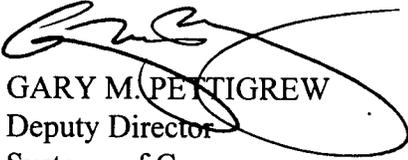
(1) IN GENERAL- The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI- For purposes of this subsection, the term ‘benefits

An additional amendment provides for the issuance of an emergency advance payment to an individual who is presumptively eligible and has a financial emergency in the month the application is filed (the month prior to the first month of the "application effective date"). It requires that the emergency advance payment be repaid through proportional reductions in benefits payable over a period of not more than six months.

If you need further clarification or information on a case-by-case basis, please contact your local Social Security Administration office.

Sincerely,

  
GARY M. PETTIGREW  
Deputy Director  
Systems of Care

Enclosures

cc: California Mental Health Planning Council  
Chief, Technical Assistance and Training