

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 16, 2015

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations Committee

FROM: Sharon M. Tso *KEK for*
Chief Legislative Analyst Council File No.: 15-0002-S46
Assignment No.: 15-06-0434

SUBJECT: Resolution to support AB 474 (Brown and Thurmond) relative to State Supplementary Payment amounts.

CLA RECOMMENDATION: That the City Council adopt the attached Resolution (Koretz – Krekorian) to include in the City's 2015-16 State Legislative Program SUPPORT for AB 474 (Brown and Thurmond) which would require that State Supplementary Payment amounts to elderly, blind, and/or disabled individuals to be readjusted and increased annually.

SUMMARY

Resolution (Koretz – Krekorian), introduced on May 5, 2015, states that the State Supplementary Payment program assists blind, disabled, and elderly individuals and supplements the federal Supplemental Security Income program. The Resolution further states that State supplementary Payment amounts are adjusted based on living arrangement, marital status, status as a minor, and other factors. According to the Resolution, the cost of living adjustment for the State Supplementary Payment was eliminated as part of the Fiscal Year 2009-10 State Budget process.

The Resolution states that many individuals who depend on this grant as a source of income cannot meet their basic needs. The Resolution indicates that before the Legislature is AB 474 (Brown and Thurmond) which would require that the maximum State Supplementary Payment amount for individuals be increased annually to ensure that the State Supplementary Payment and federal Supplemental Security Income payments equal 112 percent of the federal poverty level. According to the Resolution, AB 474 will increase the ability of vulnerable residents to meet basic needs and is consistent with existing City policies and programs which assist elderly and/or disabled individuals.

The Resolution requests that the City support AB 474.

BACKGROUND

The State Supplementary Payment (SSP) program provides monthly cash payments to needy aged, blind, and disabled individuals and couples to meet basic living expenses such as food, clothing, and shelter which is supported by the State General Fund. The federal government supplements State funds through the Supplemental Security Income (SSI) program. In California, the federal Social Security Administration administers both the SSP and SSI programs and distributes funds to recipients in a single payment.

The Assembly Committee on Budget reports that approximately 1.53 million recipients throughout the State receive benefits under SSI/SSP, an increase of 0.6 percent over Fiscal Year 2014-15. The caseload consists of 71 percent disabled, 27 percent aged, and 2 percent blind

persons. A recipient must meet certain income and resource requirements to be eligible for SSP and SSI.

The California Department of Finance (Finance) states that the federal government provides an annual cost-of-living adjustment to the SSI portion of the grant. In addition, Finance indicates that the State last provided a cost-of-living adjustment to the SSP portion in April 2005. Finance further reports that the State reduced the individual SSP grant to 1983 levels in Fiscal Year 2011-12 to meet minimum requirements to receive federal Medicaid funds.

The Assembly Committee on Budget states that the Fiscal Year 2015-16 Proposed State Budget includes a proposal to set the maximum grant amount for individuals to \$900 per month (\$156 SSP funds and \$744 SSI funds) which equates to 91.8 percent of the federal poverty level for individuals and \$10,800 annually. In addition, the Fiscal Year 2015-16 Proposed State Budget sets the maximum grant amount for couples to \$1,512 per month (\$396 SSP funds and \$1,116 SSI funds) which equates to 113.9 percent of the federal poverty level for couples and \$18,144 annually. The Assembly Committee on Budget indicates that the SSP grant amount was reduced from Fiscal Year 2000-01 levels when the maximum SSP grant amount for individuals and couples was \$181 per month and \$469 per month, respectively.

AB 474, introduced on April 7, 2015, would require the maximum SSP amount for individuals to be increased annually to ensure that the combined State Supplementary Payment and federal Supplemental Security Income payments equal 112 percent of the federal poverty level. The Assembly Committee on Budget states that the individual maximum individual SSP grant amount would increase from \$156 per month to \$354 per month, an increase of \$198. This change would increase the individual combined SSP/SSI grant amounts from \$10,800 to \$13,176 per year.

The Assembly Committee on Budget states that the 2015-16 Proposed State Budget currently includes \$10.1 billion for the SSI/SSP program which is comprised of \$7.3 billion in federal funds and \$2.8 billion in State General Funds. The Assembly Committee on Budget states that the State General Fund will incur additional costs in the amount of \$2.5 billion annually beginning in Fiscal Year 2015-16, if AB 474 is enacted. We note that couples will not receive increased monthly grant amounts under AB 474, as AB 474 is restricted to individuals and couples currently receive a combined grant amount that exceeds 112 percent of the federal poverty level.

The Los Angeles Department of Aging and the Department on Disability support AB 474. The City has long prioritized policies and programs that assist elderly and/or disabled individuals.

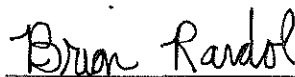
Departments Notified

Aging

Disability

Bill Status

March 5 Referred to Committees on Aging and Long-Term Care and Health.
April 7 From Committee Chair, with author's amendments: Amend, and re-refer to Committee on Aging and Long-Term Care. Read second time and amended.
April 8 Re-referred to Committee on Aging and Long-Term Care.
April 9 Re-referred to Committee on Rules pursuant to Assembly Rule 96.
April 13 From Committee: Be re-referred to Committees on Human Services and Budget (11 Ayes, 0 Noes) Re-referred to Committee on Human Services.
April 29 From Committee: Do pass and re-refer to Committee on Budget. (7 Ayes, 0 Noes). (April 28) Re-referred to Committee on Budget.



Brian Randol
Analyst

Attachments: 1. Resolution (Koretz – Krekorian)
2. Text of AB 474

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the State Supplementary Payment program assists blind, disabled, and elderly individuals and supplements the federal Supplemental Security Income program; and

WHEREAS, State Supplementary Payment amounts are adjusted based on living arrangement, marital status, status as a minor, and other factors; and

WHEREAS, the current State Supplementary Payment amount has not kept pace with the increased cost of living, including such items as housing, food, health care, and transportation; and

WHEREAS, the cost of living adjustment for the State Supplementary Payment was eliminated as part of the Fiscal Year 2009-10 State Budget; and

WHEREAS, many individuals who depend on this grant as a source of income cannot meet their basic needs and are forced to make painful decisions regarding which goods and services they should purchase; and

WHEREAS, before the Legislature is AB 474 (Brown and Thurmond), which would require that the maximum State Supplementary Payment amount for individuals be increased annually to ensure that the State Supplementary Payment and federal Supplemental Security Income payments equal 112 percent of the federal poverty level; and

WHEREAS, AB 474 will increase the ability of vulnerable residents in our communities to meet basic needs; and

WHEREAS, AB 474 is consistent with existing City policies and programs which assist elderly and/or disabled individuals;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-16 State Legislative Program SUPPORT for AB 474 (Brown and Thurmond) which would require that State Supplementary Payment amounts to elderly, blind, and/or disabled individuals to be readjusted and increased annually.

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PRESENTED BY: *Paul Koretz*
PAUL KORETZ
Councilmember, 5th District

SECONDED BY: *Paul Roberson*

ORIGINAL

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 474

**Introduced by Assembly Member Brown Members Brown and
Thurmond**

(Principal coauthor: Assembly Member Cristina Garcia)

(Principal coauthor: Senator Liu)

(Coauthor: Assembly Member Chu)

February 23, 2015

~~An act to amend Section 1432 of the Health and Safety Code, relating to health facilities.~~ *An act to add Section 12201.02 to the Welfare and Institutions Code, relating to public social services, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 474, as amended, Brown. ~~Health facilities: antiretaliation protections.~~ *Public social services: SSI/SSP.*

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement Supplemental Security Income (SSI) payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under the SSP are calculated by establishing the maximum level of nonexempt income and federal SSI and state SSP benefits for each category of eligible recipient. The state SSP payment is the amount, when added to the nonexempt income and SSI benefits available to the recipient, which would be required to provide the maximum benefit payment.

This bill, for the 2015–16 fiscal year, and annually thereafter, would require the state maximum SSP grant for individuals to be readjusted and increased so that the state SSP payment and federal SSI payment, when combined, equal 112% of the federal poverty level. By increasing the amount of SSP payments, which are expended from a continuously appropriated fund, the bill would make an appropriation.

~~Existing law prohibits a licensee of a long-term health care facility from discriminating or retaliating in any manner against a complainant, or a patient or employee in its facility, based on the presentation of a grievance or complaint or activities related to a specified investigation or proceeding at the facility. Existing law makes the willful violation of these provisions punishable as a crime.~~

~~This bill would expand the antiretaliation protections to apply to all health care workers of a long-term health care facility. The bill would increase the civil penalties and criminal penalties that apply to licensees who violate the provisions. The bill would also specify that a complainant who has been discriminated against may recover attorney's fees and other legal costs.~~

~~Because this bill would expand the scope of a crime, it would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority ²/₃. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: ~~yes~~-no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12201.02 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 12201.02. Notwithstanding any other law, for the 2015–16
- 4 fiscal year, and annually thereafter, the state maximum SSP grant
- 5 for individuals shall be readjusted and increased so that the state
- 6 SSP payment and federal SSI payment, when combined, shall equal
- 7 112 percent of the federal poverty level.
- 8 SECTION 1. ~~Section 1432 of the Health and Safety Code is~~
- 9 amended to read:

1 ~~1432. (a) (1) A licensee shall not discriminate or retaliate in~~
2 ~~any manner against a complainant, patient, employee, member of~~
3 ~~the medical staff, or any other health care worker of the long-term~~
4 ~~health care facility, on the basis or for the reason that the person~~
5 ~~has done either of the following:~~

6 ~~(A) Presented a grievance, complaint, or report to the facility;~~
7 ~~to an entity or agency responsible for accrediting or evaluating the~~
8 ~~facility or the medical staff of the facility, or to any other~~
9 ~~governmental entity.~~

10 ~~(B) Initiated, participated, or cooperated in an investigation or~~
11 ~~administrative proceeding related to the quality of care, services,~~
12 ~~or conditions at the facility that is carried out by an entity or agency~~
13 ~~responsible for accrediting or evaluating the facility or its medical~~
14 ~~staff, or any other governmental entity.~~

15 ~~(2) An entity that owns or operates a long-term health care~~
16 ~~facility shall not discriminate or retaliate against a person because~~
17 ~~that person has taken an action described in this subdivision.~~

18 ~~(3) A violation of this section is subject to a civil penalty of not~~
19 ~~more than twenty-five thousand dollars (\$25,000). The civil penalty~~
20 ~~shall be assessed and recovered through the same administrative~~
21 ~~process set forth in Chapter 2.4 (commencing with Section 1417).~~

22 ~~(b) An attempt to expel a patient from a long-term health care~~
23 ~~facility, or any type of discriminatory treatment of a patient by~~
24 ~~whom, or upon whose behalf, a grievance or complaint has been~~
25 ~~submitted, directly or indirectly, to a governmental entity or~~
26 ~~received by a long-term health care facility administrator or any~~
27 ~~proceeding instituted under or related to this chapter within 180~~
28 ~~days of the filing of the complaint or the institution of the action,~~
29 ~~shall raise a rebuttable presumption that the action was taken by~~
30 ~~the licensee in retaliation for the filing of the complaint.~~

31 ~~(c) (1) An attempt to terminate the employment, or other~~
32 ~~discriminatory treatment, of an employee, complainant, patient,~~
33 ~~member of the medical staff, or any other health care worker who~~
34 ~~has presented a grievance or complaint or has initiated, participated,~~
35 ~~or cooperated in an investigation or proceeding of a governmental~~
36 ~~entity as specified in subdivision (a), where the facility or licensee~~
37 ~~had knowledge of the employee, complainant, patient, member of~~
38 ~~the medical staff, or any other health care worker's initiation,~~
39 ~~participation, or cooperation, shall raise a rebuttable presumption~~
40 ~~that the action was taken by the licensee in retaliation if it occurs~~

1 within 120 days of the filing of the grievance or complaint, or the
2 institution of the action.

3 (2) For purposes of this section, discriminatory treatment of an
4 employee, member of the medical staff, or any other health care
5 worker includes, but is not limited to, discharge, demotion,
6 suspension, or an unfavorable change in, or breach of, the terms
7 or conditions of a contract, employment, or privileges of the
8 employee, member of the medical staff, or any other health care
9 worker of the health care facility, or the threat of any of these
10 actions.

11 (d) Presumptions provided for in subdivisions (b) and (c) are
12 presumptions affecting the burden of producing evidence as
13 provided in Section 603 of the Evidence Code.

14 (e) If the civil penalty assessed is one thousand dollars (\$1,000)
15 or less, the violation shall be issued and enforced in the same
16 manner as a class "B" violation, except in no case shall the penalty
17 be trebled. If the civil penalty assessed is in excess of one thousand
18 dollars (\$1,000), the violation shall be issued and enforced in the
19 same manner as a class "A" violation, except in no case shall the
20 penalty be trebled.

21 (f) A person who willfully violates this section is guilty of an
22 infraction punishable by a fine of not more than twenty thousand
23 dollars (\$20,000).

24 (g) A licensee who violates this section is subject to a civil
25 penalty or a criminal fine, but not both.

26 (h) A long-term health care facility shall prominently post in
27 a facility location accessible to staff, patients, and visitors written
28 notice of the right to request an inspection pursuant to Section
29 1419, the procedure for doing so, including the right to remain
30 anonymous, and the prohibition against retaliation.

31 (i) (1) An employee who has been discriminated against in
32 employment pursuant to this section is entitled to reinstatement,
33 reimbursement for lost wages and work benefits caused by the acts
34 of the employer, and the legal costs associated with pursuing the
35 case, or to any remedy deemed warranted by the court pursuant to
36 this chapter or any other applicable provision of statutory or
37 common law.

38 (2) A health care worker who has been discriminated against
39 pursuant to this section is entitled to reinstatement, reimbursement
40 for lost income, and the legal costs associated with pursuing the

1 ease, or to any remedy deemed warranted by the court pursuant to
2 this chapter or any other applicable provision of statutory or
3 common law.

4 (3) A member of the medical staff who has been discriminated
5 against pursuant to this section is entitled to reinstatement,
6 reimbursement for lost income resulting from a change in the terms
7 or conditions of his or her privileges caused by the acts of the
8 facility or the entity that owns or operates the facility or any other
9 health facility that is owned or operated by that entity, and the
10 legal costs associated with pursuing the case, or to any remedy
11 deemed warranted by the court pursuant to this chapter or any
12 other applicable provision of statutory or common law.

13 (4) For purposes of this subdivision, "legal costs" means
14 attorney's fees, litigation costs, and expert witness fees incurred
15 in the litigation.

16 (j) For purposes of this section, "long-term health care facility"
17 means a facility defined under Section 1418, including, but not
18 limited to, the facility's administrative personnel, employees,
19 boards, and committees of the board, and medical staff.

20 (k) For purposes of this section, "complainant" means a person
21 who has filed a complaint, as defined in Section 1420.

22 (f) This section does not abrogate or limit any other theory of
23 liability or remedy otherwise available at law.

24 SEC. 2. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.