



# House of Representatives

General Assembly

**File No. 63**

February Session, 2022

House Bill No. 5226

*House of Representatives, March 22, 2022*

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT LIMITING STATE RECOVERY OF PUBLIC ASSISTANCE PAYMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-93 of the 2022 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2022*):

4 (a) If a beneficiary of aid under the state supplement program,  
5 medical assistance program, aid to families with dependent children  
6 program, temporary family assistance program or state-administered  
7 general assistance program has or acquires property of any kind or  
8 interest in any property, estate or claim of any kind, except moneys  
9 received for the replacement of real or personal property, the state of  
10 Connecticut shall have a claim subject to subsections (b) and (c) of this  
11 section, which shall have priority over all other unsecured claims and  
12 unrecorded encumbrances, against such beneficiary for the amount  
13 paid, subject to the provisions of section 17b-94, as amended by this act,  
14 to the beneficiary or on the beneficiary's behalf under said programs but

15 only to the extent that the state is required to recover such amount under  
16 federal law. [; and, in] In addition thereto, the parents of an aid to  
17 dependent children beneficiary, a state-administered general assistance  
18 beneficiary or a temporary family assistance beneficiary shall be liable  
19 to repay, subject to the provisions of section 17b-94, as amended by this  
20 act, to the state the full amount of any such aid paid to or on behalf of  
21 either parent, his or her spouse, and his or her dependent child or  
22 children, as defined in section 17b-75, but only to the extent that the state  
23 is required to recover such amount under federal law. The state of  
24 Connecticut shall have a lien against property of any kind or interest in  
25 any property, estate or claim of any kind of the parents of an aid to  
26 dependent children, temporary family assistance or state administered  
27 general assistance beneficiary, in addition and not in substitution of any  
28 other state claim, for amounts owing under any order for support of any  
29 court or any family support magistrate, including any arrearage under  
30 such order, provided household goods and other personal property  
31 identified in section 52-352b, real property pursuant to section 17b-79,  
32 as long as such property is used as a home for the beneficiary and money  
33 received for the replacement of real or personal property, shall be  
34 exempt from such lien.

35 (b) Any person who received cash benefits under the aid to families  
36 with dependent children program, the temporary family assistance  
37 program or the state-administered general assistance program, when  
38 such person was under eighteen years of age, shall not be liable to repay  
39 the state for such assistance.

40 (c) No claim, except a claim required to be made under federal law,  
41 shall be made, or lien applied, against any payment made pursuant to  
42 chapter 135, any payment made pursuant to section 47-88d or 47-287,  
43 any moneys received as a settlement or award in a housing or  
44 employment or public accommodation discrimination case or in any  
45 action brought by a tenant or occupant or former tenant or occupant  
46 against an owner or lessor of a residential premises or manufactured  
47 mobile home park, any court-ordered retroactive rent abatement,  
48 including any made pursuant to subsection (e) of section 47a-14h or

49 section 47a-4a, 47a-5 or 47a-57, or any security deposit refund pursuant  
50 to subsection (d) of section 47a-21 paid to a beneficiary of assistance  
51 under the state supplement program, medical assistance program, aid  
52 to families with dependent children program, temporary family  
53 assistance program or state-administered general assistance program or  
54 paid to any person who has been supported wholly, or in part, by the  
55 state, in accordance with section 17b-223, in a humane institution.

56 (d) Notwithstanding any provision of the general statutes, whenever  
57 funds are collected pursuant to this section or section 17b-94, as  
58 amended by this act, and the person who otherwise would have been  
59 entitled to such funds is subject to a court-ordered current or arrearage  
60 child support payment obligation in a IV-D support case, such funds  
61 shall first be paid to the state for reimbursement of Medicaid funds  
62 granted to such person for medical expenses incurred for injuries related  
63 to a legal claim by such person which was the subject of the state's lien  
64 and such funds shall then be paid to the Office of Child Support Services  
65 for distribution pursuant to the federally mandated child support  
66 distribution system implemented pursuant to subsection (j) of section  
67 17b-179. The remainder, if any, shall be paid to the state for payment of  
68 previously provided assistance through the state supplement program,  
69 medical assistance program, aid to families with dependent children  
70 program, temporary family assistance program or state-administered  
71 general assistance program but only to the extent that the state is  
72 required to recover such assistance under federal law.

73 (e) The Commissioner of Social Services shall adopt regulations, in  
74 accordance with chapter 54, establishing criteria and procedures for  
75 adjustment of the claim of the state of Connecticut under subsection (a)  
76 of this section. The purpose of any such adjustment shall be to  
77 encourage the positive involvement of noncustodial parents in the lives  
78 of their children and to encourage noncustodial parents to begin making  
79 regular support payments.

80 (f) On and after July 1, [2021] 2022, the state shall not recover cash  
81 assistance or medical assistance from a lien filed on any real property,

82 or a claim filed against property, a property interest or estate or claim of  
83 any kind, unless the state is required to recover such assistance under  
84 federal law or the provisions of this section. Any lien on real property  
85 or state claim against property, a property interest or estate or claim of  
86 any kind filed under this section by or on behalf of the state prior to July  
87 1, [2021] 2022, shall be deemed released by the state if the recovery of  
88 such assistance is not required under federal law or the provisions of  
89 this section. As used in this subsection, "cash assistance" means  
90 payments made to a beneficiary of the aid to families with dependent  
91 children program, the state-administered general assistance program,  
92 the state supplement program or the temporary family assistance  
93 program.

94 Sec. 2. Section 17b-94 of the 2022 supplement to the general statutes  
95 is repealed and the following is substituted in lieu thereof (*Effective July*  
96 *1, 2022*):

97 (a) In the case of causes of action of beneficiaries of aid under the state  
98 supplement program, medical assistance program, aid to families with  
99 dependent children program, temporary family assistance program or  
100 state-administered general assistance program, subject to subsections  
101 (b) and (c) of section 17b-93, as amended by this act, or of a parent liable  
102 to repay the state under the provisions of section 17b-93, as amended by  
103 this act, the claim of the state shall be a lien against the proceeds  
104 therefrom in the amount of the assistance paid but only to the extent that  
105 the state is required to recover such assistance under federal law, or, in  
106 the case of a parent subject to any order for support of any court or any  
107 family support magistrate, including any arrearage under such order,  
108 liable to repay the state under the provisions of section 17b-93, as  
109 amended by this act, whose proceeds from the cause of action are not  
110 subject to recovery under federal law, fifty per cent of the proceeds  
111 received by such parent or the amount owed by such parent after  
112 payment of all expenses connected with the cause of action, whichever  
113 is less, for repayment under section 17b-93, as amended by this act, and  
114 shall have priority over all other claims except attorney's fees for said  
115 causes, expenses of suit, costs of hospitalization connected with the

116 cause of action by whomever paid over and above hospital insurance or  
117 other such benefits, and, for such period of hospitalization as was not  
118 paid for by the state, physicians' fees for services during any such period  
119 as are connected with the cause of action over and above medical  
120 insurance or other such benefits. The proceeds of such causes of action  
121 shall be assignable to the state for payment of the amount due under  
122 this section and section 17b-93, as amended by this act, irrespective of  
123 any other provision of law. Upon presentation to the attorney for the  
124 beneficiary of an assignment of such proceeds executed by the  
125 beneficiary or his conservator or guardian, such assignment shall  
126 constitute an irrevocable direction to the attorney to pay the  
127 Commissioner of Administrative Services in accordance with its terms,  
128 except if, after settlement of the cause of action or judgment thereon, the  
129 Commissioner of Administrative Services does not inform the attorney  
130 for the beneficiary of the amount of lien which is to be paid to the  
131 Commissioner of Administrative Services within forty-five days of  
132 receipt of the written request of such attorney for such information, such  
133 attorney may distribute such proceeds to such beneficiary and shall not  
134 be liable for any loss the state may sustain thereby.

135 (b) In the case of an inheritance of an estate by a beneficiary of aid  
136 under the state supplement program, medical assistance program, aid  
137 to families with dependent children program, temporary family  
138 assistance program or state-administered general assistance program,  
139 subject to subsections (b) and (c) of section 17b-93, as amended by this  
140 act, or [by a parent] by the parent of such beneficiary, liable to repay the  
141 state under the provisions of section 17b-93, as amended by this act, the  
142 amount of such assets equal to the amount of assistance paid but only  
143 to the extent that the state is required to recover such amount under  
144 federal law, or in the case of a parent subject to any order for support of  
145 any court or any family support magistrate, including any arrearage  
146 under such order, and liable to repay the state under the provisions of  
147 section 17b-93, as amended by this act, whose inheritance is not subject  
148 to recovery under federal law, fifty per cent of the assets of the estate  
149 payable to such parent, or the amount owed by such parent, whichever  
150 is less, shall be assignable to the state for payment of the amount due

151 under section 17b-93, as amended by this act. The state shall have a lien  
152 against such assets in the applicable amount specified in this subsection.  
153 The Court of Probate shall accept any such assignment executed by the  
154 beneficiary or parent or any such lien notice if such assignment or lien  
155 notice is filed by the Commissioner of Administrative Services with the  
156 court prior to the distribution of such inheritance, and to the extent of  
157 such inheritance not already distributed, the court shall order  
158 distribution in accordance with such assignment or lien notice. If the  
159 Commissioner of Administrative Services receives any assets of an  
160 estate pursuant to any such assignment, the commissioner shall be  
161 subject to the same duties and liabilities concerning such assigned assets  
162 as the beneficiary or parent.

163 (c) On and after July 1, [2021] 2022, the state shall not recover cash  
164 assistance or medical assistance from a claim filed on any property,  
165 property interest, proceeds from a cause of action or estate, unless the  
166 state is required to recover such assistance under federal law or the  
167 provisions of section 17b-93, as amended by this act. Any claim filed  
168 under this section by or on behalf of the state on such property, property  
169 interest, proceeds from a cause of action or estate prior to July 1, [2021]  
170 2022, shall be released by the state if the recovery of such assistance is  
171 not required under federal law or the provisions of section 17b-93, as  
172 amended by this act. As used in this subsection, "cash assistance" means  
173 payments made to a beneficiary of the aid to families with dependent  
174 children program, the state-administered general assistance program,  
175 the state supplement program or the temporary family assistance  
176 program.

177 Sec. 3. Section 17b-95 of the 2022 supplement to the general statutes  
178 is repealed and the following is substituted in lieu thereof (*Effective July*  
179 *1, 2022*):

180 (a) Subject to the provisions of subsection (b) of this section, upon the  
181 death of a parent of a child who has, at any time, been a beneficiary  
182 under the program of aid to families with dependent children, the  
183 temporary family assistance program or the state-administered general

184 assistance program, or upon the death of any person who has at any  
185 time been a beneficiary of aid under the state supplement program,  
186 medical assistance program, aid to families with dependent children  
187 program, temporary family assistance program or state-administered  
188 general assistance program, except as provided in subsection (b) of  
189 section 17b-93, as amended by this act, the state shall have a claim  
190 against such parent's or person's estate for all amounts paid on behalf of  
191 each such child but only to the extent that the state is required to recover  
192 such amounts under federal law, or the provisions of section 17b-93, as  
193 amended by this act, or for the support of either parent or such child or  
194 such person under the state supplement program, medical assistance  
195 program, aid to families with dependent children program, temporary  
196 family assistance program or state-administered general assistance  
197 program for which the state has not been reimbursed and that the state  
198 is required to recover under federal law or the provisions of section 17b-  
199 93, as amended by this act, to the extent that the amount which the  
200 surviving spouse, parent or dependent children of the decedent would  
201 otherwise take from such estate is not needed for their support.  
202 Notwithstanding the provisions of this subsection, effective for services  
203 provided on or after January 1, 2014, no state claim pursuant to this  
204 section shall be made against the estate of a recipient of medical  
205 assistance under the Medicaid Coverage for the Lowest Income  
206 Populations program, established pursuant to Section  
207 1902(a)(10)(A)(i)(VIII) of the Social Security Act, as amended from time  
208 to time, except to the extent required by federal law.

209 (b) In the case of any person dying after October 1, 1959, the claim for  
210 medical payments, even though such payments were made prior  
211 thereto, shall be restricted to medical disbursements actually made for  
212 care of such deceased beneficiary.

213 (c) Claims pursuant to this section shall have priority over all  
214 unsecured claims against such estate, except (1) expenses of last sickness  
215 not to exceed three hundred seventy-five dollars, (2) funeral and burial  
216 expenses in accordance with sections 17b-84 and 17b-131, and (3)  
217 administrative expenses, including probate fees and taxes, and

218 including fiduciary fees not exceeding the following commissions on the  
219 value of the whole estates accounted for by such fiduciaries: On the first  
220 two thousand dollars or portion thereof, five per cent; on the next eight  
221 thousand dollars or portion thereof, four per cent; on the excess over ten  
222 thousand dollars, three per cent. Upon petition by any fiduciary, the  
223 Probate Court, after a hearing thereon, may authorize compensation in  
224 excess of the above schedule for extraordinary services. Notice of any  
225 such petition and hearing shall be given to the Commissioner of  
226 Administrative Services in Hartford at least ten days in advance of such  
227 hearing. The allowable funeral and burial payment herein shall be  
228 reduced by the amount of any prepaid funeral arrangement. Any  
229 amount paid from the estate under this section to any person which  
230 exceeds the limits provided herein shall be repaid to the estate by such  
231 person, and such amount may be recovered in a civil action with interest  
232 at six per cent from the date of demand.

233 (d) For purposes of this section, all sums due on or after July 1, 2003,  
234 to any individual after the death of a public assistance beneficiary  
235 pursuant to the terms of an annuity contract purchased at any time with  
236 assets of a public assistance beneficiary, shall be deemed to be part of  
237 the estate of the deceased beneficiary and shall be payable to the state  
238 by the recipient of such annuity payments to the extent necessary to  
239 achieve full reimbursement of any public assistance benefits paid to, or  
240 on behalf of, the deceased beneficiary but only to the extent that the state  
241 is required to recover such benefits under federal law or for support  
242 payments due from parents under the provisions of section 17b-93, as  
243 amended by this act, irrespective of any provision of law. The recipient  
244 of beneficiary payments from any such annuity contract shall be solely  
245 liable to the state of Connecticut for reimbursement of public assistance  
246 benefits paid to, or on behalf of, the deceased beneficiary but only to the  
247 extent that the state is required to recover such benefits under federal  
248 law or for support payments due from parents under the provisions of  
249 section 17b-93, as amended by this act, to the extent of any payments  
250 received by such recipient pursuant to the annuity contract.

251 (e) On and after July 1, [2021] 2022, the state shall not recover cash



252 assistance or medical assistance from a claim filed on any property,  
 253 property interest, proceeds from a cause of action or estate, unless the  
 254 state is required to recover such assistance under federal law or the  
 255 provisions of section 17b-93, as amended by this act. Any claim filed  
 256 under this section by or on behalf of the state on such property, property  
 257 interest, proceeds from a cause of action or estate prior to July 1, [2021]  
 258 2022, shall be released by the state if the recovery of such assistance is  
 259 not required under federal law or the provisions of section 17b-93, as  
 260 amended by this act. As used in this subsection, "cash assistance" means  
 261 payments made to a beneficiary of the aid to families with dependent  
 262 children program, the state-administered general assistance program,  
 263 the state supplement program or the temporary family assistance  
 264 program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022</i>	17b-93
Sec. 2	<i>July 1, 2022</i>	17b-94
Sec. 3	<i>July 1, 2022</i>	17b-95

**HS**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Revenue Loss	up to \$8.5 million	up to \$8.5 million

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in a revenue loss of up to approximately \$8.5 million annually associated with limiting state recoveries of certain types of public assistance from liable parents of beneficiaries.<sup>1</sup> The bill limits collections to federally required recoveries under Aid to Families with Dependent Children (AFDC), Temporary Family Assistance, and State-Administered General Assistance (SAGA).

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to applicable recoveries.

<sup>1</sup> Based on historical recoveries from public assistance programs, per the Department of Social Services.

**OLR Bill Analysis****HB 5226*****AN ACT LIMITING STATE RECOVERY OF PUBLIC ASSISTANCE PAYMENTS.*****SUMMARY**

This bill generally limits the state's claim to recover certain types of public assistance from liable parents of beneficiaries to amounts federal law requires the state to recover.

Under current law, when children receive or have received cash assistance benefits under Aid to Families with Dependent Children (AFDC), Temporary Family Assistance (TFA, which replaced AFDC), or State-Administered General Assistance (SAGA), their parents are generally liable to the state for the full amount of aid paid to or on behalf of either parent, their spouses, and dependent children. Under the bill, parents are only liable for amounts federal law requires the state to recover. The bill makes conforming changes to the state's claim and ability to recover assistance (1) when parents receive windfalls through lawsuit proceeds or inheritances and (2) through annuity contracts when a beneficiary dies. Existing law, unchanged by the bill, also gives the state a claim for any child support these parents owe or any child support arrearage.

Beginning July 1, 2022, the bill prohibits the state from recovering cash and medical assistance from a lien filed on any property or property interest, including windfalls, unless the state is required to recover such assistance under federal law or for child support payments. The bill also requires the state to release any lien on real property or any claim previously filed to recover public assistance that is not required under the bill.

More broadly, when a beneficiary of aid under the State Supplement

Program, Medicaid, AFDC, TFA, or SAGA acquires property or interest in property, current law gives the state a claim for the amount of assistance paid that the state is required to recover under federal law. The bill clarifies that the state’s claim is only to the extent that federal law requires the state to recover the amount. The bill makes conforming changes in provisions on recovery of lawsuit proceeds and inheritances, estate recovery, and annuities.

EFFECTIVE DATE: July 1, 2022

**WINDFALLS**

Under current law, when a liable parent of an AFDC, TFA, or SAGA beneficiary receives a windfall from a lawsuit or inheritance, and the windfall is not subject to recovery under federal law, the state’s claim for both public assistance recoveries and child support payments is capped at (1) 50% of the lawsuit proceeds or inheritance received by the parent or (2) the amount the parent owes, whichever is less. The bill limits this provision to only apply to the state’s claim for child support payments.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable  
Yea 19 Nay 1 (03/08/2022)