

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-5537

AN ACT CONCERNING DISCLOSURES OF FINANCIAL RECORDS TO THE

Title: COMMISSIONER OF SOCIAL SERVICES.

Vote Date: 3/7/2023

Vote Action: Joint Favorable

PH Date: 2/10/2023

File No.:

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SPONSORS OF BILL:

State Representative Kara Rochelle, 104th Assembly District.

REASONS FOR BILL:

Some banks are not sending necessary documents to the Department of Social Services in a timely manner for DSS to process so that Connecticut residents can get necessary services. Also some banks are charging unaffordable fees for copies of bank records.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Andrea Barton Reeves, Commissioner-Designate, Connecticut Department of Social Services](#) submitted written testimony stating that some banks will not provide necessary bank documents or charge unaffordable fees to DSS' clients, which can result in denial of services.

Commissioner Designate Barton Reeves stated "This bill would help mitigate this problem and help enable DSS to stay within standards of promptness. Ultimately, the proposal will provide additional tools to help the most vulnerable in our community access needed services more timely. For these reasons, DSS is in support of this bill."

[Mairead Painter, State Long-Term Care Ombudsperson, Department of Aging and Disability Services](#) submitted written testimony in support of this bill stating that "This measure could help expedite the Department of Social Services application review and decision-making process so eligible individuals would be approved for benefits more quickly."

NATURE AND SOURCES OF SUPPORT:

State Representative Kara Rochelle, 104th Assembly District testified in support of this bill. Representative Rochelle shared that a homebound constituent who does not have internet service was not able to print her bank documents for DSS. The constituent was told the bank

would charge \$5/per page for a 5 year look back. Representative Rochelle also shared that there was a 90-year-old woman with dementia's bank was going to charge her \$900 for paperwork for her DSS application. She stated that DSS reported that many times they do not receive documents in time to process paperwork for Connecticut residents.

[Mag Morelli, President of LeadingAge Connecticut](#) submitted written testimony in support of this bill. Ms. Morelli stated that this bill "would be of assistance to older adults and their families who are attempting to complete a Husky C Medicaid application to pay for long term services and supports."

[Deb Polun, Executive Director, Connecticut Association for Community Action, Inc. \(CAFCA\)](#) submitted written testimony in support of this bill "which would improve the process for customers to receive a bank statement when applying for social services." Ms. Polun indicated that "CAFCA does have two requests for additions to this bill: To ensure the bill applies to credit unions as well as banks; and, To broaden beyond the Department of Social Services. For example, the MyHomeCT program is operated by CHFA."

[Carol Scully, Director of Advocacy, The Arc of Connecticut, Inc.](#) submitted written testimony in support of this bill sharing that "These bank fees are also not guaranteed to be an accepted spend-down if the individual is over-income. Bank fees can also pose an undue financial burden on the vulnerable individual."

[Jeff Shaw, Senior Public Policy Advisor, CT Community Nonprofit Alliance \(The Alliance\)](#) submitted written testimony in support of this bill. Mr. Shaw stated that "Unfortunately, it is common for some banks not to respond in a timely manner to these requests, which frustrates the applicant, causes disruptions in paperwork processing at DSS and delays receipt of benefits. Additionally, such delays can even force applicants to have to start over the entire application process if they miss the common 30-day active application deadline."

NATURE AND SOURCES OF OPPOSITION:

[Tom Mongellow, Art Corey and Fritz Conway, Connecticut Bankers Association](#) submitted written testimony opposing this bill.

They stated "The bill requires a bank to a respond to a demand from the Department of Social Services (DSS) for the financial records of a customer who applies for social services benefits within 25 days (and be fined if they miss the deadline). This requirement is unnecessary as there already is a statute (Section 17b137) that requires any person or company, including financial institutions, to respond to DSS demands for such information."

"Finally, it appears that the proposed legislation will only apply to banks. The current law (17b-137) requires any person or company that holds the funds or property of a person applying for benefits to respond to DSS demands for information. It is unfair to single out banks in this legislation."

Reported by: Jeanie Phillips, Clerk

Date: March 9, 2023