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May 1, 2023

Senator Joseph Baldacci, Chair  
Representative Michelle Meyer, Chair  
Members, Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

Re: LD 1666, *An Act to Modernize the State Supplement to Supplemental Security Income by Updating the State Supplement and Removing Marriage Disincentives*

Senator Baldacci, Representative Meyer, and Members of the Joint Standing Committee on Health and Human Services:

Thank you for the opportunity to provide information regarding LD 1666, *An Act to Modernize the State Supplement to Supplemental Security Income by Updating the State Supplement and Removing Marriage Disincentives*. Given the general fund impact of this bill, the Department is opposed to its passage. Below is additional information for your consideration.

This bill would increase the minimum monthly state supplement payment from \$8 per month for an individual and \$12 per month for a couple to \$65 per month for an individual and \$130 per month for a couple. It also requires that the state supplemental income benefit must be indexed by the cost-of-living adjustment to the federal payment standard starting October 1, 2023.

This bill also establishes that, in determining any increase according to the US Consumer Price Index, consideration must be given to the goal of reaching, within a reasonable time, a benefit level equal to or consistent with the current budget at the lower level of living for an individual, rather than a retired couple, established by the US Department of Labor, Bureau of Labor Statistics, for Portland, Maine.

Finally, it requires the Department of Health and Human Services to ensure that eligible individuals residing in nursing homes have a monthly amount for personal needs equal to at least 3 times the amount of the state supplemental income benefit.

State Supplement benefits are cash payments provided to individuals who are receiving Supplement Security Income (SSI), or who would receive SSI but for excess income. They are meant to complement SSI and increase the income available to meet an individual's needs. States are required to provide minimum mandatory payments to maintain their eligibility for federal Medicaid matching funds. In order to maintain the federal Medicaid funding, states must continue making such payments and they must pass along the cost-of-living increase to the federal benefit rate. There are two methods by which a state can choose to ensure the cost-of-living increases are passed on to recipients: the payment level method or the total expenditure method. Maine uses the payment level method. State Supplement payments must be approved by the Social Security

Administration (SSA). The methodology used to determine the payments by living arrangement must also be approved the SSA. State Supplement payments are considered countable income for other programs, such as the Supplemental Nutrition Assistance Program (SNAP). Increasing these payments may reduce the amount of benefits received by other programs. It may also be counted as income against program benefits not administered by the Department.

The State Supplement payment is also used in calculating the member's cost of care in nursing or residential care facilities. Increasing this payment would increase the income available to the individual and as a result increase the amount they are expected to pay to the facility for their care. While this bill proposes to increase the personal needs allowance for individuals residing in nursing homes, which would reduce the cost of care, the personal needs allowance portion of this proposal contradicts the personal needs allowance methodology proposed in LD 587, *Resolve, to Automatically Increase a Residential Care or Nursing Facility Resident's Personal Needs Allowance Under the MaineCare Program When the Consumer Price Index Increase*.

The Department further notes that currently when an SSI recipient moves into a nursing facility, their Federal SSI amount decreases to \$30 per month. This, in addition to the current \$10 State Supplement benefit provides them \$40 per month as a personal needs allowance. This is the same allowance for all MaineCare members residing in a nursing facility. The proposed bill would provide a State Supplement of at least \$195 per month. This increase, if the benefit is unspent, may have the unintended consequence of putting the individual over the federal asset limit in order to continue receipt of SSI.

Changes to the State Supplement payment may also increase payments under Maine law that provides Supplemental Security Income to all Maine immigrants lawfully residing in the United States who would be eligible for assistance under the federal Supplemental Security Income program, except for the provisions of Sections 401, 402 and 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This is a State Supplement payment that is equal to the amount the individual would be eligible to receive under the federal Supplement Security Income program, plus the State Supplemental income payment.

Thank you for the opportunity to provide input to the Committee. Should you have any questions we will gladly be of assistance.

Sincerely,

A handwritten signature in blue ink that reads "Anthony Pelotte".

Anthony Pelotte  
Director  
Office for Family Independence