HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 6 BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION

CHAPTER 680

ELIGIBILITY AND BENEFIT DETERMINATION

Subchapter 1 General Provisions

§17-680-1 Purpose
§17-680-2 Definitions
§§17-680-3 to 17-680-5 (Reserved)

Subchapter 2 Financial Assistance Provisions

§17-680-6 Definitions
§17-680-7 General requirements
§17-680-8 Gross income limit
§17-680-9 Net income limit
§17-680-10 Repealed
§17-680-10.1 Prospective eligibility for all financial assistance households
§17-680-11 Repealed
§17-680-11.1 Prospective budgeting for all financial assistance households
§17-680-11.2 Financial assistance households subject to simplified reporting
§17-680-11.3 Financial assistance households subject to change reporting
§17-680-12 Benefit determination
§17-680-13 Processing changes in family size
§17-680-14 Budgeting of lump sum income
§17-680-15 Processing split payments
§17-680-16 Changes in reporting requirements
§§17-680-17 to 17-680-20 (Reserved)

Subchapter 3 Food Stamp Provisions

§17-680-21 Definitions

§17-680-22 Determining eligibility prospectively
§17-680-23 Households subject to prospective budgeting
§17-680-24 Repealed
§17-680-25 Gross income eligibility standard
§17-680-26 Net income eligibility standard
§17-680-27 Month of application
§17-680-28 Eligibility and benefit determination
§17-680-29 Repealed
§17-680-30 Household responsibility to report changes
§17-680-31 Department action on changes
§17-680-32 Repealed
§17-680-32.1 Processing changes reported by simplified reporting households
§17-680-33 Repealed
§17-680-33.1 Processing changes reported by change reporting households
§17-680-34 Changes in household composition
§17-680-35 Changes in resources
§17-680-36 Households that change their reporting status
§17-680-37 Households with a decrease in income due to failure to comply
§17-680-38 Repealed
§17-680-39 Thrifty food plan
§§17-680-40 to 17-680-44 (Reserved)

Subchapter 4 Medical Assistance Provisions

§17-680-45 Repealed
§17-680-46 Repealed
§17-680-47 Repealed
§17-680-48 Repealed
§17-680-49 Repealed
§17-680-50 Repealed

Historical Note: This chapter is based substantially on sections 17-621-44, 17-621-45, 17-621-46 [Eff 12/24/84, am 8/29/85; am 7/14/86; am 10/11/87; am 12/16/88; am 3/28/89; am 6/12/90; R 3/19/93] §§17-626-2, 17-626-3, 17-626-8, 17-626-9, 17-626-19 [Eff

7/19/82; am 11/16/82; am 2/15/83; am 6/6/83; am 11/12/83; am 12/24/84; am 8/29/85; am 7/14/86; am 5/2/87; am 8/15/87; am 1/28/88; am 4/15/89; am 6/12/90; am 10/4/90; am 2/11/91; R 3/19/93] §§17-716-2, 17-716-57 [Eff 7/19/82; am 4/1/83; am 10/1/83; am 7/23/84; am 8/16/86; am 12/27/86; am 10/26/87; am 12/30/88; am 10/19/89; am 7/20/91; am 8/30/91; am 1/27/92; R 3/19/93] §§17-718.1-2, 17-718.1-3, 17-718.1-5, 17-718.1-8, 17-718.1-9, 17-718.1-11, 17-718.1-12, 17-718.1-18, 17-718.1-19, 17-718.1-20, 17-718.1-21 [Eff 12/27/86; am 10/23/87; am 4/28/88; 5/4/89; am 6/1/89; am 7/24/89; am 8/25/90; R 3/19/93] §§17-719-2, 17-719-10, 17-719-11, 17-719-12, 17-719-12.1, 17-719-12.2, 17-719-12.3, 17-719-13 [Eff 7/19/82; am 10/2/82; am 10/1/83; am 6/8/84; am 7/23/84; am 3/1/85; am 7/14/86; am 9/2/86; am 10/6/89; am 12/27/86; am 8/31/87; am 4/28/88; am 6/27/88; am 7/24/89; am 10/19/89; am 8/25/90; am 7/20/91; R 3/19/93] §§17-744-3, 17-744-47, 17-744-48.1, 17-744-48.2, 17-744-64, 17-744-68, 17-744-71 [Eff 7/19/82; am 3/28/83; am 8/23/84; am 2/22/88; am 6/11/88; am 8/15/88; am 1/1/89; am 3/28/89; am 7/20/89; am 10/1/89; am 10/4/90; R 3/19/93]

SUBCHAPTER 1

GENERAL PROVISIONS

§17-680-1 Purpose. The purpose of this chapter is to establish how eligibility and the amount of benefits will be determined for the financial and food stamps assistance programs. [Eff 3/19/93; am 8/1/94; comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §346-14)

§17-680-2 Definitions. As used in this chapter:

"Payment month" means the calendar month for which the department shall issue or provide benefits.

"Prospective budgeting" means the department's best estimate of the income and circumstances which will exist in a current or future calendar month. This estimate shall be based on the department's reasonable expectation and knowledge of current, past, or future circumstances.

"Report month" means any calendar month in which a change must be reported or in which a six month report is due.

"Verified upon receipt" means information that is complete and accurate and does not require any further verification. This includes payment information provided by the income source such as, but not limited to, the Social Security Administration regarding social security and SSI benefits, the Department of Labor and Industrial Relations (DLIR) regarding unemployment insurance benefits (UIB), and the Child Support Enforcement Agency (CSEA) regarding child support income or payments. Verified upon receipt also includes information provided by an originating source such as, but not limited to, the household reporting a member has left the household or one of the department's work programs recommending sanction of a household member. [Eff 3/19/93; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §346-14; 7 C.F.R. §271.2; 45 C.F.R. §233.31)

§§17-680-3 to 17-680-5 (Reserved).

SUBCHAPTER 2

FINANCIAL ASSISTANCE PROVISIONS

§17-680-6 Definitions. As used in this subchapter:

"Assistance unit" means persons whose needs, income, and assets are considered in determining eligibility and the amount of assistance.

"Change in circumstance" means any event, reported or unreported to the department, which alters or changes the conditions on which eligibility for or the amount of assistance was last determined. Changes in circumstance shall include, but not be limited to, changes in household composition, employment, educational or training status, rehabilitation status, the source of income, the amount of income, the recipient's needs, residence, or the severity of a disability or blindness.

"Disregarded income" means that portion of the individual's earned or unearned income which the department shall not budget or consider in determining eligibility for or the amount of the financial assistance payment.

"Family" means any person or persons requesting or receiving assistance.

"Lump sum income" means income received or available to be received by an individual that would not normally be repeated. Lump sum income may be paid in one or several payments, provided there is a set amount owed to the individual, the purpose of the payments is to liquidate the amount owed, and the payments are never intended to be of a continuous nature. Examples of lump sum income include, but shall not be limited to annual tax refunds defined as income, retroactive social security benefits, retroactive earned income, insurance settlements, or intermittent income. [Eff 3/19/93; am 01/22/02; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §346-14; 45 C.F.R. §§233.10, 233.20, 233.31)

§17-680-7 General Requirements. (a) Prospective eligibility shall be used to determine eligibility for financial assistance which shall include the department's best estimate of the family's standard of assistance, standard of need, monthly assistance allowance, family's assets, family's income, and other eligibility factors in the payment month.

(b) The family shall be ineligible for assistance in any payment month the department prospectively determines the family's income equals or exceeds the family's standard of assistance, the equity value of the family's assets exceeds the family's personal reserve standard, or when the family fails to meet other eligibility conditions.

(c) The monthly assistance allowance, standard of need, and standard of assistance under chapter 17-678 shall apply in determining eligibility and the amount of the financial assistance.

(d) The financial assistance payment shall be rounded down to the next lower whole dollar.

(e) The minimum monthly financial assistance payment shall be $10:

(1) When the monthly financial assistance payment is less than $10, no payment shall be made; and

(2) The family shall be considered a financial assistance recipient for all other purposes, including eligibility for medical assistance.

(f) Recipients shall report all changes as specified in chapter 17-650. [Eff 3/19/93, am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§233.10, 233.20, 233.33, 233.34, 233.36)

§17-680-8 Gross income limit. An assistance unit shall be ineligible for financial assistance when the assistance unit's total gross income exceeds one hundred eighty-five per cent of the family's standard of need. When the department determines that:

(1) An applicant's gross income will be in excess of the one hundred eighty-five per cent limit, the applicant shall be ineligible for that payment month; and

(2) The recipient's gross income expected in a current or future payment month will be in excess of the one hundred eighty-five per cent limit or the recipient's gross income received in a current or prior payment month exceeds the one hundred eighty-five per cent limit, the recipient shall be ineligible for that payment month. [Eff 3/19/93; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§233.20, 233.34)

§17-680-9 Net income limit. An assistance unit shall be ineligible for financial assistance when the assistance unit's total net income exceeds the family's standard of assistance. When the department determines that:

(1) An applicant's net income will be in excess of the standard of assistance, the applicant shall be ineligible for that payment month; and

(2) The recipient's net income expected in a current or future payment month will be in excess of the standard of assistance or the recipient's net income received in a prior or current payment month exceeds the recipient's standard of assistance, the recipient shall be ineligible for that payment month. [Eff 3/19/93; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§233.20, 233.34)

§17-680-10 REPEALED. [R 11/09/06]

§17-680-10.1 Prospective eligibility for all financial assistance households. (a) Eligibility is determined prospectively based on the department's best estimate of the household's composition, countable income and assets, and other eligibility factors that are expected to exist in a current month and future month.

(b) Ineligibility shall be determined as follows:

(1) For simplified reporting households the household shall be ineligible:

(A) In the month the household's income is anticipated to exceed the gross income limit or the net income limit or there is a change in household composition which results in ineligibility; or

(B) The month following the month other eligibility factors become known to the department and results in ineligibility.

(2) For change reporting households the household shall be ineligible for financial assistance in the month the household's income exceeds the gross income limit or net income limit, the household's assets exceed the retention limit, or the household does not meet other eligibility factors.

(c) Action shall not be taken if the household will not continue to be ineligible in future months.

(d) In the month of application, a household's eligibility shall be determined for the month of application by considering the household's circumstances for the entire month of application. [Eff and comp 11/09/06] (Auth: HRS §§346-14, 346-29, 346-53) (Imp: 45 C.F.R. §233.34)

§17-680-11 REPEALED. [R 11/09/06]

§17-680-11.1 Prospective budgeting for all financial assistance households. (a) A household's financial assistance benefits shall be determined using the household composition and the best estimate of the household's countable income that will exist in the payment month.

(b) The best estimate of income shall be determined as specified in chapter 17-676. [Eff and comp 11/09/06] (Auth: HRS §§346-14, 346-29, 346-53) (Imp: HRS §§346-14, 346-29, 346-53, 42 U.S.C. §601-610)

§17-680-11.2 Financial assistance households subject to simplified reporting. (a) For changes reported on the six month report, any change of monthly gross income in excess of one hundred per cent of the federal poverty limit, and any change in household composition:

(1) All information shall be verified.
(2) Changes which result in an increase or decrease of benefits shall take effect the month following the month the change is verified.
(3) Changes which result in prospective ineligibility shall be effective the month the change occurs.
(4) Action shall not be taken on changes that will not continue in future months.

(b) For changes not required to be reported that become known to the department outside of the six month report:

(1) The department shall act on changes which are verified or which are considered verified upon receipt.
   (A) Changes which result in an increase or decrease of benefits shall take effect the month following the month the change is verified.
   (B) Changes which result in prospective ineligibility shall be effective the month the change occurs.
   (C) Action shall not be taken on changes that will not continue in future months.
(2) If the household has not provided verification and the change will result in a decrease in benefits, the department shall not request verification and shall not act on the change.
(3) If the household has not provided verification and the change will result in an increase in benefits, the department shall request the household submit the missing verification within ten days.
   (A) If the household provides verification within ten days, the department shall take action on the change as specified in paragraph (1) of this subsection.
   (B) If the missing verification is not received within ten days or if the verification is still incomplete, the department shall not act on the change.
   (C) If the household fails to provide the required verification within ten days but does provide verification at a later date, the department shall take action on the reported change from the date the verification is received.

(c) When the household voluntarily requests that its case be closed, the termination shall be effective the month following the month of the request.

(d) When the department has information about the household's circumstances that are considered verified upon receipt, the change shall be effective the month following the month of report.

(e) In the month of eligibility redetermination, changes in circumstances shall take effect the month

following the month the eligibility redetermination is due, provided the change was not required to be reported.

(f) An overpayment shall occur in the month the action should have been taken when a change that is required to be reported is not reported and that change results in ineligibility or a decrease in benefits. [Eff and comp 11/09/06] (Auth: HRS §§346-14, 346-29, 346-53) (Imp: HRS §§346-14, 346-29, 346-53, 42 U.S.C. §601-610)

§17-680-11.3 Financial assistance households subject to change reporting. (a) For changes required to be reported by change reporting households and other changes that become known to the department, the department shall:

(1) Act on the change, even if it results in a decrease in benefits if the household has provided verification of the change or if the information is considered verified upon receipt.

(2) Request the household submit the missing verification within ten days if the household has not provided verification.

(A) If the household provides verification within ten days, the department shall take action to increase or decrease benefits based on the verified information.

(B) If the missing verification is not received within ten days or if the verification is still incomplete, the department shall terminate benefits based on the household's failure to comply.

(b) Changes which result in an increase or decrease of benefits shall take effect the month following the month the change is verified.

(c) Action shall not be taken on changes that will not continue in future months.

(d) In the month of eligibility redetermination, changes in circumstances shall take effect the month following the month the eligibility redetermination is

due, provided the change was not required to be reported.

(e) An overpayment shall occur in the month the action should have been taken when a change that is required to be reported is not reported and that change results in ineligibility or a decrease in benefits. [Eff and comp 11/09/06] (Auth: HRS §§346-14, 346-29, 346-53) (Imp: HRS §§346-14, 346-29, 346-53; 42 U.S.C. §601-610)

§17-680-12 Benefit determination. (a) The monthly financial assistance payment for individuals, who are prospectively determined eligible, shall be determined by subtracting the monthly net income from the monthly standard of assistance regardless of the date of application.

(b) The monthly financial assistance payment shall be provided as follows:

(1) Recipients shall be provided the full monthly financial assistance payment;

(2) Applicants shall be provided the full monthly financial assistance payment when they apply on the first of the month; or

(3) Applicants shall be provided a prorated initial monthly financial assistance payment when they apply between the second to the end of the month as follows:

(A) When the family meets all conditions of eligibility, financial assistance shall be provided from the date of application;

(B) The department shall use a standard thirty-day month in determining the amount of the financial assistance payment. Any family applying on the thirty-first of a month shall be treated as though it applied on the thirtieth of the month;

(C) The department shall multiply the amount of the monthly financial assistance by the ratio of thirty-one minus the calendar day the family applied to a standard thirty-day month. The department shall take the decimal

quotient, obtained in calculating the ratio, to an accuracy of four decimal places and drop the remaining decimals. For example, the prorated financial assistance payment for a family applying on the twelfth of a month whose monthly financial assistance amount is $300 shall be calculated as follows: 31 - 12 = 19 ÷ 30 = .6333 x $300 = $189; and

(D) The prorated financial assistance payment shall be rounded down to the next lower whole dollar. The family who is eligible for a payment between $.01 and $9.99 prior to rounding down shall not receive a payment but shall be considered a financial assistance recipient for all other purposes. [Eff 3/19/93; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§206.10, 233.10, 233.20)

§17-680-13 Processing changes in family size.

(a) When an application is made to include an individual and the individual is prospectively determined eligible to be added to the assistance unit, the department shall determine the amount of financial assistance as follows:

(1) Determine the new standard of assistance which includes the needs of the existing family members and the individual being added;

(2) Include the income prospectively of the individual being added pursuant to sections 17-676-51 and 17-680-10.1;

(3) Determine the amount of the full month's financial assistance entitlement the family is eligible to receive which includes the needs and income of the individual being added for the month the individual is added;

(4) Determine the difference between the amount obtained in paragraph (3) and the amount of the full month's financial assistance entitlement the family received or was

eligible to receive prior to the individual being added; and

(5) Determine the amount of the corrective payment or overpayment by multiplying the amount obtained in paragraph (4) by the ratio of thirty-one minus the calendar day the individual is eligible to be added, divided by a standard thirty day month. The department shall take the decimal quotient, obtained in calculating the ratio, to an accuracy of four decimal places and drop the remaining decimals. For example, when an individual is added on the tenth of a month and the difference obtained in paragraph (4) is $40, the corrective payment or overpayment would be $28 (31 minus 10 = 21 divided by 30 = .7000 x $40 = $28).

(A) When the amount obtained in paragraph (3) is greater than the amount of the full month's financial assistance entitlement the family received or was eligible to receive prior to the individual being added, the family shall be eligible to receive a corrective payment.

(B) When the amount obtained in paragraph (3) is less than the amount of the full month's financial assistance entitlement the family received or was eligible to receive prior to the individual being added, the family shall be considered overpaid.

(b) The department shall not continue to deem the income of an individual living in the same home and not included in the financial assistance payment effective the month the individual is included in the financial assistance payment. The department shall follow the rules in subsection (a) to determine the family's eligibility and amount of financial assistance payment for the month the individual is added.

(c) When an individual leaves the assistance unit, the department shall:

(1) Include the recipient's needs in the financial assistance payment the month the individual leaves the assistance unit

provided the recipient was eligible on the first of the payment month.

(2) Exclude the individual's needs when the individual is not a member of the assistance unit on the first of the month; and

(3) Exclude the individual's income when the individual's income is not used to determine eligibility for the payment month.

[Eff 3/19/93; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§233.34, 233.35)

§17-680-14 Budgeting of lump sum income. (a) The gross earned lump sum income shall be added to all other nonexempt gross monthly earned income of the assistance unit and applicable categorical disregards shall be applied in determining the monthly net earned income. When the individual receives a lump sum or retroactive earned income, the earned income disregards shall be allowed for the period during which the income is earned rather than when it is paid.

(b) The gross unearned lump sum income shall be added to the nonexempt gross monthly unearned income of the assistance unit in determining the monthly gross unearned income.

(c) The monthly net earned income shall be added to the monthly gross unearned income in determining the total monthly net income.

(d) When the assistance unit's total monthly net income exceeds the standard of need because of receipt of earned or unearned lump sum income, the following shall apply:

(1) The assistance unit shall be ineligible for financial assistance for the number of months derived by dividing the total monthly net income by the standard of need applicable to the assistance unit in the month the lump sum income is received. The standard of need shall include the needs of the family receiving financial assistance and any other individual whose lump sum income is counted;

(2) All income remaining after this calculation shall be counted as income available in the first month following the period of

ineligibility and shall be added to the total net monthly income; and

(3) The period of ineligibility shall begin as follows:

(A) The month the lump sum income is received when the individual who received the lump sum income is an applicant; or

(B) The month following the month the lump sum income is received when the individual who received the lump sum income is a recipient.

(e) The department shall shorten the remaining period of ineligibility when the family submits an application and:

(1) The lump sum income or a portion thereof becomes unavailable to the family due to:

(A) A loss or theft which shall be verified by the police or other law enforcement officials. If the individual or family recovers the total or a portion of the total lump sum income, the department shall consider that amount a lump sum income and shall budget that amount as provided in subsection (d); or

(B) The individual with control over the lump sum income leaves the home with the total or a portion of the lump sum income:

(i) The individual who left the family shall remain ineligible during the period of ineligibility; and

(ii) If the individual returns to the family during the period of ineligibility, the department shall reinstate the period of ineligibility effective the month the individual returned to the family;

(2) The family incurs and pays for medical expenses authorized under the department's medical assistance program;

(3) The standard of need increases due to a cost of living adjustment or an addition to the family unit:

(A) The maximum amount the department shall consider is specified in chapter 17-678; and

(B) The following procedure shall be used to redetermine the period of ineligibility:

(i) Determine changes in the standard of need between the initial period of ineligibility up through the month of application;

(ii) Subtract the amount determined in clause (i) from the initial lump sum or the subsequent revised balance amount; and

(iii) Divide the amount obtained in clause (ii) by the new standard of need in effect the month the individual applies to determine the number of months of disqualification from the initial or subsequent redetermination, whichever is the most current; or

(4) The family incurs and pays for funeral or burial expense for a spouse, a son, a daughter, or a parent.

(f) Other changes in circumstances, not included in subsection (e), shall not alter the period of ineligibility or the income that is considered available in the first month following the period of ineligibility.

(g) The lump sum income received by a nonrecipient stepparent shall be deemed available to the family and considered under chapter 17-676.When the family is determined ineligible due to the nonrecipient stepparent's lump sum income, subsection (d) shall not apply.

(h) The lump sum income received by an individual required to be included in the standard filing unit under chapter 17-647 shall be considered available to the entire standard filing unit.

(i) When lump sum income is received by a member of the assistance unit who is not required to be included in the standard filing unit, the lump sum income shall be considered available to all the members of the assistance unit, except as follows:

(1) If the individual requests that he or she and other members of the household for whom the individual is legally responsible, be terminated from financial assistance, the lump sum income shall not be attributed to the remaining members of the assistance unit beginning with the first month that the individual is not included; or

(2) If the individual and other members of the household for whom the individual is legally responsible, are terminated from financial assistance prior to the month of receipt of the lump sum income, the eligibility of the other members of the assistance unit shall not be affected. [Eff 03/19/93; am 3/14/94; am 12/15/95; am 9/26/97; am 7/16/99; am 01/22/01; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §233.20)

§17-680-15 Processing split payments. (a) When an assistance unit is composed of individuals categorically eligible to receive assistance under the federally funded AFDC program and individuals receiving Supplemental Security Income (SSI), the department shall determine financial eligibility and the amount of the assistance payment separately for the AFDC program and the state AABD program.

(b) A single financial assistance payment shall be required in the following case situations:

(1) When an assistance unit consists of a couple who are eligible to receive financial assistance in the state GA or AABD program, the department shall determine financial eligibility and the amount of the assistance payment as a couple;

(2) When an assistance unit is composed of individuals categorically eligible to receive assistance under the state funded AFDC program and other individuals eligible for financial assistance under the state AABD program, the department shall determine financial eligibility as one assistance unit; and

(3) When an assistance unit is composed of individuals categorically eligible to receive assistance under the AFDC program, the department shall determine financial eligibility as one assistance unit. [Eff 03/19/93; am 3/14/94; am 9/26/97; am 7/16/99; am 01/22/02; comp 11/09/06] (Auth: HRS §346-14) (Imp: HRS §§346-14, 346-53; 45 C.F.R. §§233.10, 233.20, 233.90)

§17-680-16 Changes in reporting requirements. When a household reports a change or the department becomes aware of a change that results in a change in the household's reporting requirements the department shall take the following steps:

(1) Inform the household of the new reporting requirements as a simplified reporting or change reporting household and the consequences of failing to comply with the new requirements; and
(2) Inform the household the new reporting requirement will take effect the month following the month the change was reported or the month following the month the department became aware of the change.
(3) If the household will change to a simplified reporting household, mail a six month report form to the household if a system generated six month report cannot be mailed to the household.
(4) If the household will change to a change reporting household, mail a change report form to the household. [Eff and comp 11/09/06] (Auth: HRS §§346-14, 346-29, 346-53) (Imp: HRS §346-14, 346-29, 346-53; 42 U.S.C. §601-610)

§§17-680-17 to 17-680-20 (Reserved).

SUBCHAPTER 3

FOOD STAMP PROVISIONS

§17-680-21 Definitions. As used in this subchapter:

"Allotment" means the total value of coupons a household is authorized to receive each month or during another time period.

"Disabled member" means any member of the household who:

(1) Receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under titles I, II, XIV, or XVI of the Social Security Act; or

(2) Is a veteran with a service-connected or nonservice connected disability rated or paid as total by the Veterans Administration or is considered in need of regular aid and attendance or permanently housebound; or

(3) Is a surviving spouse of a veteran and considered in need of aid and attendance or permanently housebound; or

(4) Is a surviving child of a veteran and considered to be permanently incapable of self-support by the Veterans Administration; or

(5) Is a surviving spouse or child of a veteran and entitled to compensation for a service-connected death or pension benefits for non-service-connected death by the Veterans Administration and has permanent disability. As used in this definition, "entitled" refers to those veterans' surviving spouses and surviving children who are receiving the compensation or pension benefits stated or have been approved for such payments but are not yet receiving them; or

(6) Receives federally or state-administered supplemental benefits under section 1616(a) of the Social Security Act provided that the eligibility to receive the benefits is based upon the disability or blindness criteria used under title XVI of the Social Security Act; or

(7) Receives federally or state-administered supplemental benefits under section 212(a) of Pub. L. No. 93-66 (42 U.S.C. §1382); or

(8) Receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act; or
(9) Received an annuity payment under section 2(a)(1)(iv) of the Railroad Retirement Act of 1974 and is determined to be eligible to receive medicare by the railroad retirement board; or
(10) Receives an annuity payment under section 2(a)(1)(v) of the Railroad Retirement Act of 1974 and is determined to be disabled based upon the criteria used under title XVI of the Social Security Act; or
(11) Is a recipient of disability related medical assistance under title XIX of the Social Security Act.

"Elderly member" means a member of a household who is sixty years of age or older or who is fifty-nine years old on the date of application but who will become sixty before the end of the month of application.

"Initial month" means the first month for which a household is certified for participation in the food stamp program following any period of more than one calendar month during which the household was not certified for participation.

"Minimum benefit" means the least amount of benefits that an eligible one or two member household can receive. The minimum benefit shall be equal to 8 percent of the maximum thrifty food plan allotment for a one member household, as specified in section 17-680-39.

"Month of application" means the calendar month in which a household submits its application to the department to obtain food stamps. [Eff 3/19/93; am 10/16/95; am and comp 11/09/06; am 11/22/08] (Auth: HRS §346-14) (Imp: 7 C.F.R. §271.2)

§17-680-22 Determining eligibility prospectively. (a) Eligibility for food stamp benefits shall be prospectively determined based on the branch's best estimate of the household composition, countable

assets, income, and other eligibility factors which will exist in the payment month.

(b) With the exception of categorically eligible households as specified in section 17-663-143, the household shall be ineligible for food stamp benefits in any payment month the department determines that the household's income exceeds the household's gross or net income limit, asset retention limit, or when the household fails to meet other eligibility factors. except when the household is suspended under section 17-680-29. [Eff 3/19/93; am 2/7/94; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.21(f))

§17-680-23 Households subject to prospective budgeting. All food stamp households shall have their eligibility and benefits prospectively determined. These households are to be budgeted prospectively throughout their certification period. [Eff 3/19/93; am and comp 11/09/06] (Auth: §346-14) (Imp: 7 C.F.R. §273.2(b))

§17-680-24 REPEALED. [R 11/09/06]

§17-680-25 Gross income eligibility standard. (a) The gross income eligibility standard shall be used to determine eligibility for all households except households with an elderly or disabled member or households which are categorically eligible as provided in chapter 17-663.

(b) The gross income eligibility standard for the State shall be one hundred thirty per cent of the Office of Management and Budget's (OMB) nonfarm income poverty guideline prescribed for Hawaii.

(c) The department shall adjust the gross income eligibility standard in accordance with USDA figures without a public hearing. [Eff 3/19/93; comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.9(a))

§17-680-26 Net income eligibility standard. (a) The net income eligibility standard shall be used to determine eligibility for all households except households which are categorically eligible as provided in chapter 17-663.

(b) The net income eligibility standard for the State shall be the OMB nonfarm income poverty guideline prescribed for Hawaii.

(c) The department shall adjust the net income eligibility standard in accordance with USDA figures without a public hearing. [Eff 3/19/93; comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.9(a))

§17-680-27 Month of application. (a) A household's eligibility shall be determined for the month of application by considering the household's circumstances for the entire month of application. Most households shall have the eligibility determination based on circumstances for the entire calendar month in which the household filed its application.

(b) Applicant households consisting of residents of a public institution who apply jointly for SSI and food stamps prior to release from the public institution in accordance with section 17-655-30 shall have their eligibility determined from the month in which the applicant household is released from the institution. The household's benefit level for the initial month of certification shall be based on the date of the month the household is released from the institution to the end of the month.

(c) A household's benefit level for the initial month of certification shall be based on the day of the month it applies for benefits and the household shall receive benefits prorated from the day of application to the end of the month unless the applicant household consists of residents of a public institution, or seasonal farmworkers.

(d) The department shall prorate a household's benefits by using a standard thirty day calendar or fiscal month. A household applying on the thirty-first of a month shall be treated as though it applied on the

thirtieth of the month. The department shall determine the amount of the prorated allotment as follows:

(1) Use either the appropriate food stamp allotment proration table provided by FNS or the following formula: the full month's benefits for the household times the difference between thirty-one days and the date of application, divided by thirty, equals the prorated allotment amount;

(2) After using the appropriate formula to determine the allotment, the department shall round the product down if it ends in 1 to 99 cents; and

(3) If the computation results in an allotment of less than $10, then no issuance shall be made for the initial month.

(e) Households which are certified using the expedited service procedures under chapter 17-647, and which apply for benefits after the fifteenth of the month, shall receive the prorated allotment for the initial month and the allotment for the next subsequent month at the same time in accordance with subsection 17-647-44.

(f) Eligibility and the level of benefits for recertifications shall be determined by prospectively determining eligibility and, if eligible, determining the level of benefits as specified in section 17-680-23.

(g) When a household is eligible for the month of application but ineligible in the subsequent month due to anticipated changes, the household shall be entitled to benefits for the month of application even if the processing of its application results in issuing benefits in the subsequent month.

(h) When a household is ineligible for the month of application but eligible for the subsequent month due to anticipated changes:

(1) The same application form shall be used to act on both the denial for the month of application and the determination of eligibility for the subsequent month;

(2) Benefits shall not be issued for the month prior to the start of the household's certification period. [Eff 3/19/93; am 8/18/94; am 10/28/96; am and comp

11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §§273.10, 273.21; Pub. L. No. 104-193 (1996))

§17-680-28 Eligibility and benefit determination. (a) Households shall have their net income compared to the monthly income eligibility standards for the appropriate household size to determine eligibility for the month.

(b) In addition to meeting the net income eligibility standards, households which do not contain an elderly or disabled member as defined in section 17-680-21 shall have their gross income compared to the gross monthly income standards for the appropriate household size to determine eligibility for the month.

(c) For households considered destitute under chapter 17-663, the branch shall determine the household's eligibility by computing its gross and net income according to chapter 17-663 and comparing, as appropriate, either the gross and net or net income to the corresponding income eligibility standard in accordance with subsections (a) and (b).

(d) Except as provided in subsection (e) and section 17-680-27(c) and (d), the household's monthly allotment shall be equal to the thrifty food plan for the household's size reduced by thirty per cent of the household's net monthly income as calculated under chapter 17-676. After multiplying the net income by thirty per cent, the branch shall round the product up if it ends in cents prior to subtracting that amount from the thrifty food plan. This rounding method shall be used in all determinations of allotments.

(e) All eligible one and two person households shall receive a minimum benefit as defined in section 17-680-21.

(f) With the exception of households whose benefit determination are based on the categorical eligibility requirements under chapter 17-663, a household with three or more members, which is eligible by the gross income test, but which is entitled to no benefits, except because of the proration requirements of section 17-680-27(c) and (d) and the provision precluding issuances of less than $10 in an initial month, the branch shall deny the household's application on the grounds that its net income exceeds

the level at which benefits are issued. This refers to situations when after the net monthly income computation is completed, the household's monthly allotment for the month of application is zero.

(g) For those eligible households which are entitled to no benefits in their initial month of application, in accordance with section 17-680-27(c) and (d), but are entitled to the benefits in the subsequent month, the department shall certify the households beginning with the month of application.

(h) When a household's circumstances change and it becomes entitled to a different income eligibility standard, the branch shall apply the different standard under section 17-680-34. [Eff 3/19/93; am and comp 11/09/06; am 11/22/08] (Auth: HRS §346-14) (Imp: 7 C. F.R. §§273.10(a), 273.10(e), 273.21)

§17-680-29 REPEALED. [R 11/09/06]

§17-680-30 <u>Household responsibility to report changes.</u> (a) Households not subject to simplified reporting shall be required to report changes as specified in section 17-650-26.

(b) Households subject to simplified reporting shall report changes as specified in sections 17-650-14 and 17-650-18.

(c) An applying household shall report all changes related to its food stamp eligibility and benefits at the certification interview. Changes, as provided in subsections (a) or (b), which occur after the interview but before the date of the notice of eligibility, shall be reported by the household as follows:

(1) On the six month report form for those subject to simplified reporting; or
(2) Within ten days of the date of the change for simplified reporting households required to report other changes as specified in section 17-650-18; or
(3) Within ten days of the date of the change for change reporting households as specified in section 17-650-27.

If the change is reported to the department prior to the disposition of the application, the department shall act upon the change in accordance with the procedures as stipulated in section 17-647-33(d).

(d) For change reporting households, changes may be reported in person, by telephone, or by mail. The department shall document the date a change is reported, which is the date the department receives the change report form or is advised of the change over the telephone or by a personal visit.

(e) If the department discovers that a household failed to report a change as required and received benefits for which it was not entitled, a claim for the benefits for which it was not entitled shall be filed against the household by the department. If the discovery is made within the certification period, the household shall be entitled to the following notice requirements if benefits are reduced:

(1) Change reporting households shall be entitled to timely and adequate notice; and

(2) Simplified reporting households shall be entitled to:

(A) An adequate notice if the change in circumstances was discovered within the simplified reporting system; or

(B) Timely and adequate notice if the change in circumstances was discovered outside of the simplified reporting system.

(f) Individuals shall not be disqualified for failing to report a change without a determination of intentional program violation. However, an individual shall be disqualified in accordance with the intentional program violation disqualification under chapter 17-604.1 when found guilty of intentional program violation. A household shall not be held liable for a claim because of a change in household circumstances which it is not required to report under subsections (a) or (b).

(g) Reporting requirements other than those in subsections (a) and (b) shall not be imposed upon the household.

(1) A change report form shall be provided to newly certified households not subject to simplified reporting at the time of certification and at recertification if the

household needs a new form. A new form shall be sent to the household whenever a change report form is returned by the household.

(2) Although a household not subject to simplified reporting shall be encouraged to complete and return the change form when a change is being reported, changes reported over the telephone or in person by the household shall be acted upon in the same manner as those reported on the change report form.

(3) Households subject to simplified reporting shall be provided with a six month report form no later than six months from the end of the household's certification period. [Eff 3/19/93; am 10/13/95; am 12/18/95; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §§273.12(a), 273.12(b), 273.21)

§17-680-31 Department action on changes. (a) The department shall take prompt action on all changes to determine if the change affects the household's eligibility or allotment. However, during the certification period, the department shall not act on changes in the medical expenses of households eligible for the medical expense deduction which it learns of from a source other than the household and which, in order to take action, require the department to contact the household for verification. The department shall only act on those changes in medical expenses that it learns about from a source other than the household if those changes are verified upon receipt and do not necessitate contact with the household. The department shall document the date the change is reported, which is when the report form is actually received by the department or when the department was advised of the change by phone or by personal visit.

(b) For a household reporting anticipated changes, the change shall not be reflected in the household's food stamp allotment level prior to the month in which the reported change takes effect.

(c) Even if the reported change does not affect a household's eligibility or allotment level, the change shall be documented in the case file and another report

form shall be sent to the household. The household shall be notified of the receipt of the change form and effect of the change, if any, on its eligibility or allotment level.

(d) The department shall also advise the household of additional verification requirements, if any, and state that failure to provide verification shall result in the termination of assistance if the household's correct eligibility cannot be determined by the department.

(e) Restoration of lost allotment shall be provided to any household if the department fails to take action on a change which increases the level of household allotment as provided in sections 17-680-32.1 or 17-680-33.1. [Eff 3/19/93; am 10/13/95; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.12(c))

§17-680-32 REPEALED. [R 11/09/06]

§17-680-32.1 Processing changes reported by simplified reporting households. (a) Changes which result in an increase, decrease, or termination of benefits shall take effect not later than the first allotment issued ten days after the date the change was reported to the department.

(b) All information that is required to be reported on the six month report, as specified in section 17-650-14, shall be verified and the department shall take the appropriate action to increase, decrease or terminate benefits based on the reported change.

(c) Changes reported as specified in section 17-650-18 and other changes reported by the household or that become known to the department outside of the six month report, shall affect the household's benefits or eligibility as follows:

(1) If the household has provided verification or the change is considered verified upon receipt, the department shall act on the change, even if it results in a decrease in benefits.

(2) If the change will result in an increase in benefits, but the household has not provided

verification, the department shall advise the household to submit the missing verification within ten days.

(A) If the household provides verification within the ten day period, the department shall take action on the change as specified in subsection (a).

(B) If the missing verification is not received within the ten day filing period or if the verification is still incomplete, the department shall not act on the change.

(C) If the household fails to provide the required verification within the ten day filing period but does provide verification at a later date, the department shall take action on the reported change from the date the verification is received.

(3) If the change will result in a decrease in benefits, but the household has not provided verification, the department shall not request additional verification and shall not act on the change.

(4) If the change results in the household exceeding one hundred thirty percent of the federal poverty limit, further verification shall not be required and the department shall terminate benefits based on the reported or known change.

(d) The department shall not act on changes that would result in a decrease in benefits unless:

(1) The household has voluntarily requested that its case be closed in accordance with chapter 17-649;

(2) There has been a change in the household's financial assistance grant;

(3) The department has information about the household's circumstances that are considered verified upon receipt.

(e) If the household fails to provide verification regarding a deductible expense, the department shall advise the household that they have ten days to submit the required verification. If the household fails to provide the verification within the

extended filing period, the department will not terminate benefits to the household, but shall:

(1) Determine the household's benefits without regard to the new or increased deduction.

(2) Determine benefits using the last verified deduction. [Eff and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.12; 45 C.F.R. §§233.36, 233.37)

§17-680-33 REPEALED [R 11/09/06]

§17-680-33.1 Processing changes reported by change reporting households. (a) Changes which result in an increase, decrease, or termination of benefits shall take effect not later than the first allotment issued ten days after the date the change was reported to the department.

(b) For changes as specified in section 17-650-26 and other changes reported by the household or that become known to the department, the department shall determine the effect of the change on the household's benefits or eligibility as follows:

(1) If the household has provided verification of the change, the department shall act on the change.

(2) If the household has not provided verification of the change, the department shall advise the household to submit the missing verification within ten days.

(A) If the household submits the verification within the 10 day extended filing period, the department shall take action to increase, decrease, or terminate benefits based on the verified information.

(B) If the household fails to provide verification within the 10 day extended filing period, the department shall terminate benefits based on the household's failure to comply.

(c) If the household fails to provide verification regarding a deductible expense within the extended filing period, the department shall:

(1) Determine the household's benefits without regard to the new or increased deduction.
(2) Act on the change if the change would decrease the household's allotment or cause the household to be ineligible for food stamps.
(3) Determine benefits using the last verified deduction, provided residence or other circumstances related to the deduction have not changed.

(d) When the department takes action to decrease or terminate benefits to a household, the department shall provide a written notice to the household with specific information on how the department determined the household's benefits. This notice shall meet the definition of a timely and adequate notice. [Eff and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.12)

§17-680-34 Changes in household composition. (a) When the household reports a new member, the department shall:

(1) Prospectively determine the household's eligibility by considering the income, deductible expenses, and assets of the new member as well as other factors of eligibility;
(2) If the new member has met all the program requirements, the department shall include the new member in the household composition effective the month following the month in which the household reported the change.
(3) If the household failed to timely comply with the program requirements, the department shall include the new member in the household composition effective the month following the month in which the household finally complies.
(4) The department shall not give retroactive benefits for new members when the household delayed in reporting the new member's addition to the household;
(5) If the household delayed in reporting a new member and the delay results in an

overissuance, the department shall process a claim under chapter 17-683. The first month that the household would have been affected had the household reported timely shall be the first month of claim;

(6) The department shall add a previously excluded member who was disqualified for:

(A) An intentional program violation;

(B) Failing to comply with the department's work requirements;

(C) Failing to comply with the social security number requirements; or

(D) Being an ineligible alien; prospectively to the household the month after the disqualification period ends. All other previously excluded members shall be added in accordance with paragraph (2).

(b) When the household reports that a household member has left the household, the department shall:

(1) Prospectively determine the household's eligibility by considering the household composition, income, and resources for the first full issuance month that the former household member is no longer in the household, minus any income from the former household member;

(2) If the household remains eligible, the department shall prospectively budget income from the remaining household members for the first full issuance month that the former household member is no longer in the household;

(3) The department shall not give retroactive benefits for households who would otherwise have been eligible for increased benefits when the household delayed in reporting that a member left the household;

(4) If the household delayed in reporting that a member left the household and the delay results in an overissuance, the department shall process a claim under chapter 17-683. The first month of the claim shall be the first month the household would have been affected had the household reported timely. [Eff 3/19/93; am 2/7/94; am and comp

11/09/06] (Auth: HRS §346-14 (Imp: 7 C.F.R. §§273.18(b), 273.21(j))

§17-680-35 Changes in resources. When a household reports an increase in its assets which results in it exceeding the retention limit, the department shall determine whether the assets are projected to exceed the retention limit in the payment month following the month the change was reported.

(1) If the assets are projected to exceed the retention limit in the payment month following the month the change was reported, the household shall be ineligible for the next payment month.

(2) If the household is expected to dispose of the excess assets and not have countable excessive assets in the payment month following the month the excess assets were reported, the household shall be eligible for the payment month. [Eff 3/19/93; am 12/9/94; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §§273.12, 273.21)

§17-680-36 Households that change their reporting status. (a) When a change reporting household timely reports a change in its situation that results in the household losing its exemption from the simplified reporting requirements, the department shall take the following steps:

(1) Inform the household of its new reporting requirements and the consequences for failing to comply with its new requirements;

(2) Computer issue a six month report form to the household no later than six months prior to the end of the household's certification period.

(b) When a household becomes exempt from the simplified reporting requirements as specified in section 17-650-12, the department shall immediately notify the household of the following information within ten days of the date the department becomes aware of the change:

(1) The household is exempt from the simplified reporting requirements;
(2) The household is no longer required to file any future six month reports;
(3) The household is now required to report changes in the household's circumstance within ten days of when the change becomes known to the household; and
(4) The effective date the change in reporting requirements will take effect. [Eff 3/19/93; am 2/7/94; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §§273.12(c), 273.21(f))

§17-680-37 Households with a decrease in income due to failure to comply. (a) The department shall ensure that there is no increase in food stamp benefits to households on which a penalty resulting in a decrease in income has been imposed for failure to comply with a Federal or State welfare program which is means-tested and distributes publicly funded benefits.

(b) The procedures for determining food stamp benefits when there is such a decrease in income are as follows:

(1) When a recipient's benefits under a Federal or State means-tested program (such as but not limited to SSI, AFDC, GA) is decreased due to failure to comply, the department shall identify that portion of the decrease which is a penalty. The penalty shall be that portion of the decrease specifically attributed to the repayment of benefits overpaid as a result of the household's failure to comply.
(2) The department shall calculate the food stamp benefits using the benefit amount which would be issued by that program if no penalty had been deducted from the recipient's benefit. [Eff 3/19/93; am 10/28/96; am and comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §273.11(j); Pub. L. No. 104-193 (1996))

§17-680-38 REPEALED. [R 11/09/06]

§17-680-39 Thrifty food plan. (a) The thrifty food plan is the cost of the diet developed by the United States Department of Agriculture that includes specific food by quantity according to household size and income and is the basis for the allotment issued to eligible households.

(b) The department shall adjust the thrifty food plan in accordance with the USDA figures without a public hearing. [Eff 3/19/93; comp 11/09/06] (Auth: HRS §346-14) (Imp: 7 C.F.R. §§271.2, 273.10(e))

§§17-680-40 to 17-680-44 (Reserved).

SUBCHAPTER 4

MEDICAL ASSISTANCE PROVISIONS

§17-680-45 Repealed. [R 8/1/94]

§17-680-46 Repealed. [R 8/1/94]

§17-680-47 Repealed. [R 8/1/94]

§17-680-48 Repealed. [R 8/1/94]

§17-680-49 Repealed. [R 8/1/94]

§17-680-50 Repealed. [R 8/1/94]