

**ACT 207**

S.B. NO. 1028

A Bill for an Act Relating to a Representative Payee System.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the current method of supporting people disabled by addiction requires modification. Direct cash welfare payments to alcohol and other drug addicted persons can result in money being spent on alcohol and other drugs instead of on day-to-day living expenses. Requiring professional representative payees who are not personal friends or relatives of the clients to disburse welfare checks to clients would alleviate this problem.

The purpose of this Act is to ensure that direct cash welfare payments are used for day-to-day living expenses rather than for the purchase of alcohol and other drugs.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§346- Representative payee.** (a) Persons determined to be eligible under section 346-71 because they have a primary diagnosis of substance abuse shall have their benefits issued through a representative payee. The representative payee shall be designated by the department of health.

(b) Persons whose eligibility is not determined until after December 1, 1995, shall have their benefits issued through a representative payee. Persons whose eligibility has been determined prior to December 1, 1995, shall have their benefits issued through a representative payee when recertified.”

SECTION 3. Section 334-13, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established a representative payee program within the department of health, to be administered by the director of health, to provide representative payee services to “mentally ill persons,” [as defined in section 334-1, and] “persons suffering from substance abuse,” [as defined in section 334-1, who are unable to manage their personal financial resources.] and persons referred from the department of human services who receive financial assistance and have a primary medical diagnosis of substance abuse.”

SECTION 4. Only an amount that is necessary to cover the costs of funding the representative payee system, not to exceed one per cent of the moneys appropriated under HMS 204 in the General Appropriations Act of 1995, or so much thereof as may be necessary for fiscal year 1995-1996, and a similar amount for fiscal year 1996-1997, shall be transferred to the department of health to be used for the purposes of this Act.

SECTION 5. The department of health shall submit annual reports to the legislature no later than twenty days prior to the convening of each regular session, detailing the money expended during the year on the representative payee program and providing general demographic data, such as age, ethnicity, gender, and geographic residence, of the people served by the program.

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 7. This Act shall take effect on July 1, 1995.

(Approved June 19, 1995.)

**Note**

1. Edited pursuant to HRS §23G-16.5.