



# Public Assistance Oversight (PAO) Legislative Report

January 2026



## **Introduction**

This report is being submitted pursuant to Iowa Code Section 239.10 (2023 Iowa Acts, Senate File 494), which requires the Iowa Department of Health and Human Services (Iowa HHS) to submit a report to the Governor and General Assembly by January 15, 2025, and by January 15 annually thereafter through January 15, 2030, detailing the impact of the verification and authentication measures taken under this chapter.

The report shall include data for all affected public assistance programs, including the number of cases reviewed, the number of cases closed, the number of fraud investigation referrals made, and the amount of savings and cost avoidance realized from the provisions of this chapter. This information will be provided in future reports as Iowa HHS progresses with the implementation of Senate File 494 (SF 494).

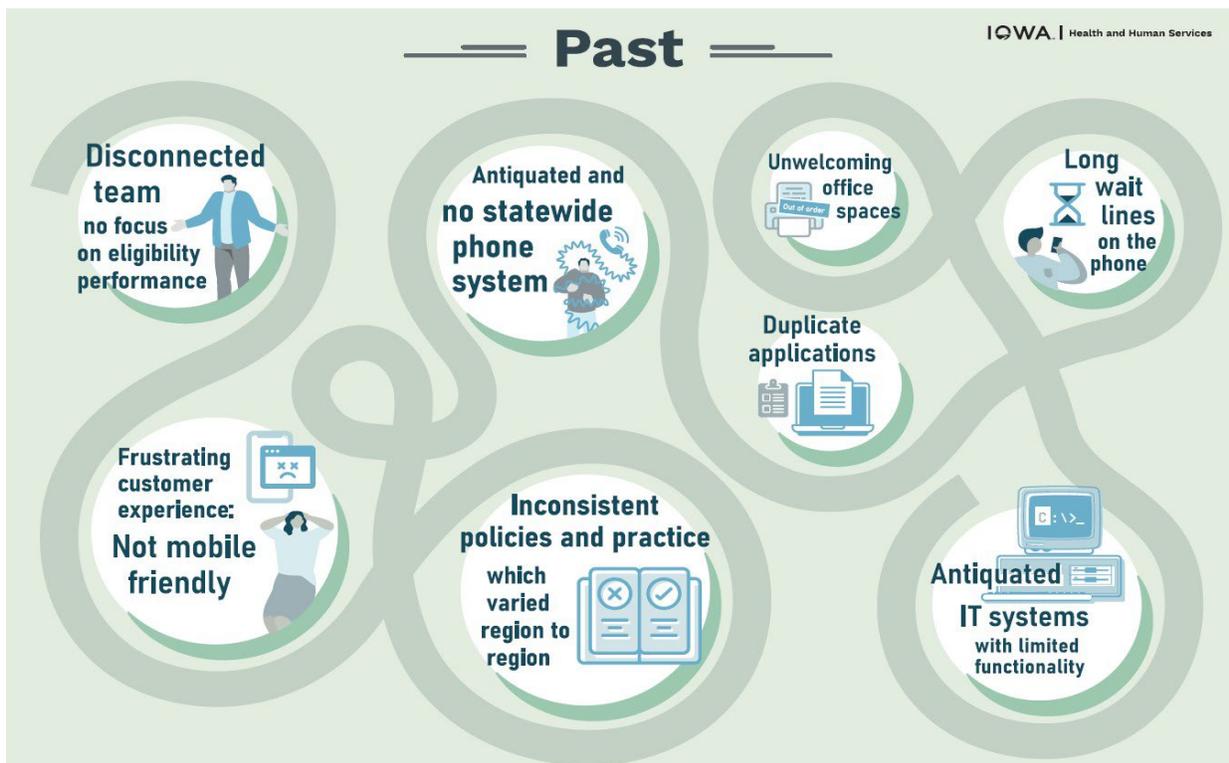
The legislation requires Iowa HHS to implement tools and strategies to increase oversight of public assistance eligibility determinations. Specifically, the bill requires the implementation of identity authentication, a SNAP (Supplemental Nutrition Assistance Program) asset test, the establishment of new computerized verification systems, checks against new data sources, and child support cooperation from Medicaid applicants and recipients.

## Iowa HHS Vision

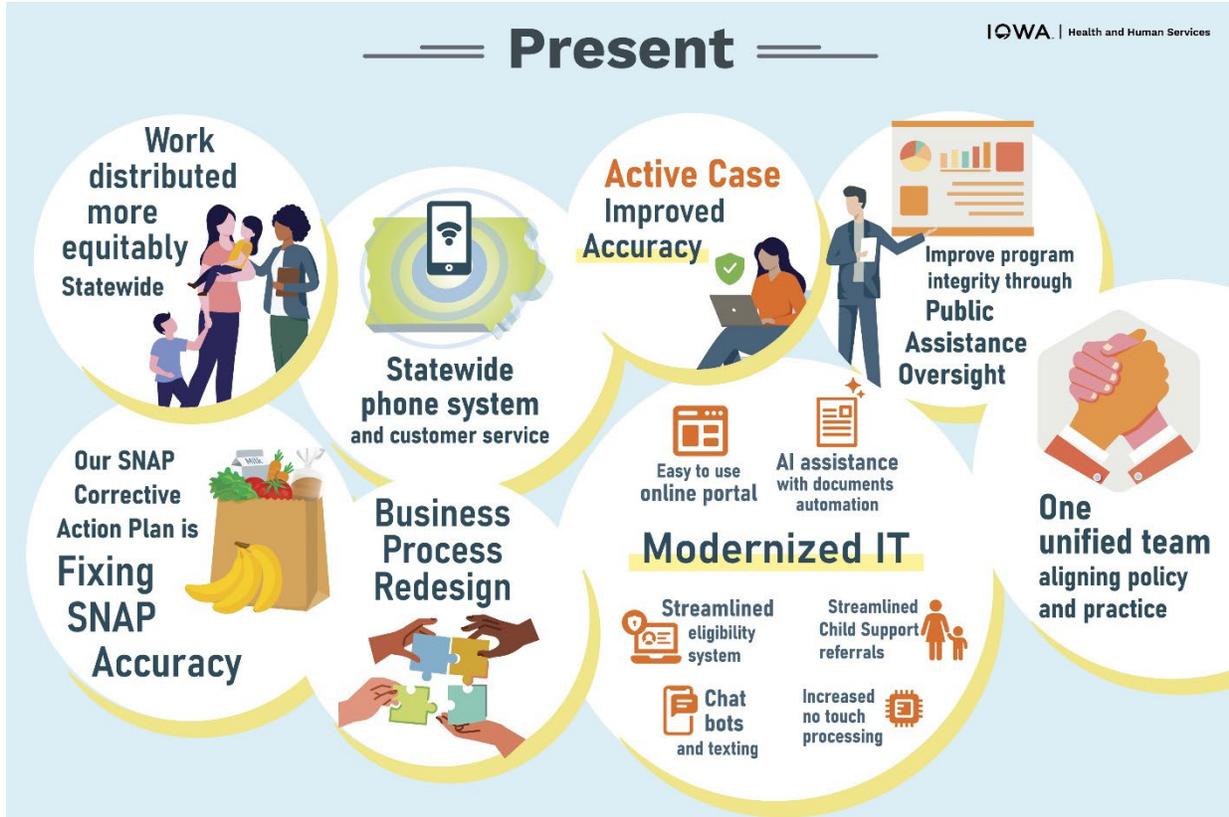
One of the requirements of SF 494 is to create a modern eligibility process that is accurate and timely with transparent accountability, efficient eligibility determinations, and reliable service. To successfully achieve the legislation's goals, HHS must first build a modern IT and business-process framework. Iowa HHS has established a roadmap that moves the agency from its antiquated legacy practices to a more streamlined and effective model.

In the past, eligibility determinations were conducted by disconnected teams throughout the state, reporting to siloed supervisors in four different divisions of the agency.

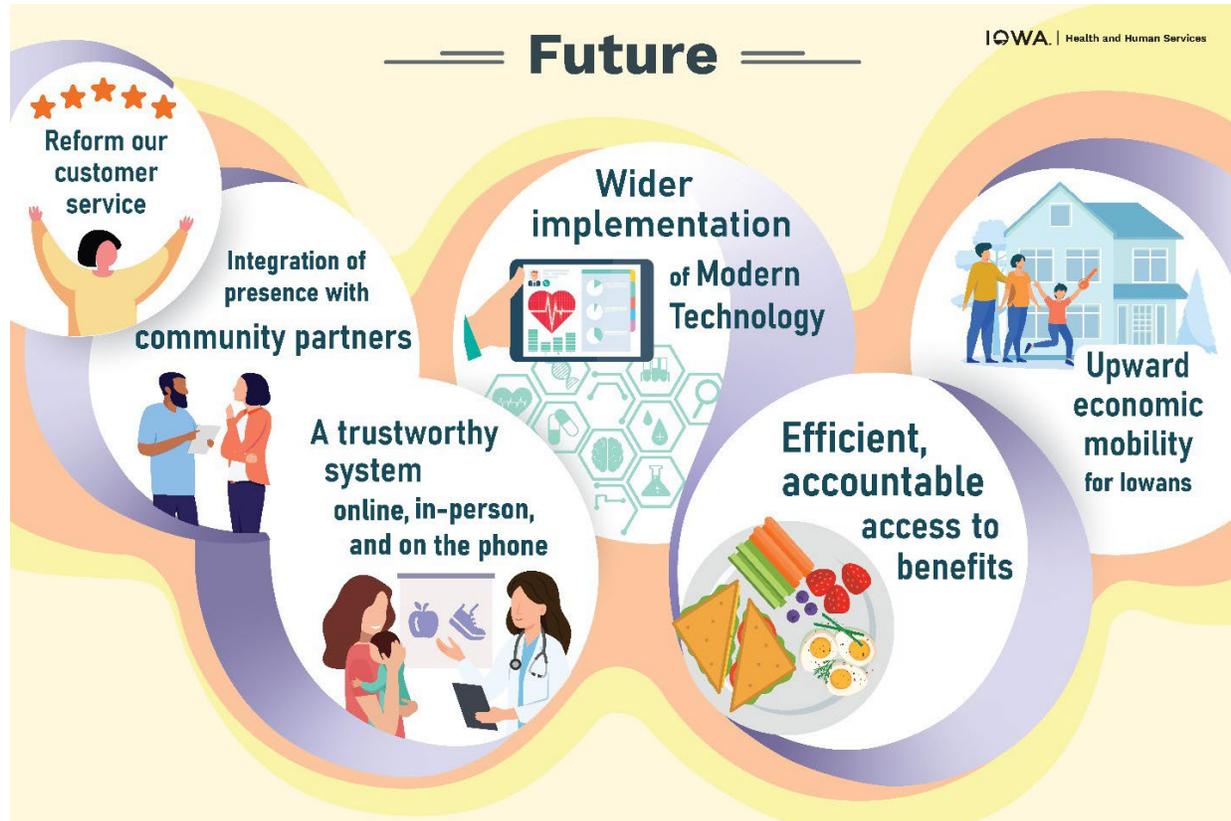
Inconsistent practices and policies, and a lack of a unified vision, compounded the significant barriers of old IT systems that have not kept pace with modern needs.



Through the Governor’s vision for state agency alignment, Iowa HHS centers eligibility determinations policy and practice under one team, working equitably to improve benefit accuracy and timeliness. The highest priority is to increase efficiency, reduce significant manual work by automating workflows, and improve customer communication.



Iowa's benefits delivery system is well-positioned to become a highly efficient and effective process that reduces human error, improves customer service, and ensures Iowans have access to necessary benefits.



## **Progress to Date**

The HHS alignment has positively impacted the eligibility team and structure. Before the HHS alignment, the eligibility team was housed in three different legacy DHS divisions, and the field team reported to six different service area managers based on geographic boundaries. Today, the eligibility team is led by one leader and one division, and child support services are housed within the same division, which works closely with the eligibility team.

Iowa HHS has completed a restructuring of the benefits eligibility function into specialized teams. This restructuring is intended to improve efficiency for clients and the workforce, increase statewide consistency, and address process misalignments that existed under the former geographic model.

Information technology modernization efforts are underway and progressing as planned. Iowa HHS has engaged Deloitte to support the development of a new eligibility system for SNAP and Cash Assistance, and the modernization project has formally commenced. As part of these efforts, Iowa HHS has engaged AWS Solutions to build a new customer service phone system. The phone system has been implemented as a modernized, statewide solution. This system now provides a single phone number, call routing through a standardized phone tree, and enhanced functionality to improve customer service and operational efficiency.

Additional modernization initiatives are focused on automating processes and workflows to reduce manual workload, improve accuracy and timeliness, and enhance communication with clients. Iowa HHS is deploying enhancements to the online self-service portal (SSP), automating batch processes to reduce worker touch, and expanding the use of chatbot and texting solutions. Chatbot use cases have been developed and continue to be refined. Iowa HHS is also implementing an Intelligent Document Processing (IDP) solution to extract data from Medicaid renewal forms, reducing manual data entry and administrative burden.

In addition to these modernization efforts, Iowa HHS continues to make progress in implementing the requirements of SF 494. The SF 494/PAO data sources Request for Proposal (RFP) has been published, representing a key milestone toward compliance. The table below outlines Iowa HHS's compliance status to date with SF 494 requirements.

## SF 494 Work Completed to Date

Deliverable	SF 494 Section	Definition
Accessing Lottery Database	Section 4.2.c.(2)	Any lottery winner database is maintained by the Iowa Lottery.
U.S. Citizenship and Immigration Services – Systematic Alien Verification Entitlements (USCIS SAVE) Data	Section 6.1.a.(4)	Information maintained by the United States Citizenship and immigration services of the United States Department of Homeland Security.
Childcare Assistance Provider Payment Web Service	Section 4.2.b.(1).(b)/6.1.b.(1).b	Section 4 states: Childcare assistance information is maintained by the department.
	Section 4.2.b.(2).(a-b)/6.1.b.(2).(a) & 6.1.b.(2).(b)	Section 6 states: Childcare assistance information is maintained by the department.
Fleeing Felon	Section 6.1.a.(5)	National fleeing felon information is maintained by the United States Federal Bureau of Investigation.  <b>Note:</b> An Informational Memo was signed by the Director based on the FBI's response, stating that there is no national public records data source of fleeing felons.
Incarcerated Individuals	Section 6.2.	A nationwide public records data source of incarcerated individuals.
NDNH SNAP (quarterly)	Section 4.2.a.(3).(a)/6.1.a.(3).(a)	A nationwide public records data source of physical asset ownership.

Deliverable	SF 494 Section	Definition
SNAP 160% Eligibility	Section 2 - Complete	Supplemental nutrition assistance program—income eligibility. The department shall establish the gross countable monthly income threshold for the Supplemental Nutrition Assistance Program at less than or equal to 160% of the federal poverty level for the household size.
IRS Data for SNAP and FIP	Section 4.2.a.(1) and 6.1.a.(1)	<p>Prior to determining eligibility for SNAP benefits, the department shall access, at a minimum, for every member of the applicant's household, the following information from the following federal, state, and miscellaneous sources or successor sources:</p> <p>Federal sources and information:</p> <ul style="list-style-type: none"> <li>Earned and unearned income information is maintained by the Internal Revenue Service.</li> </ul> <p>The following sources and information are maintained by the United States Social Security Administration</p> <ul style="list-style-type: none"> <li>Earned income information.</li> <li>Death register information.</li> <li>Prisoner or incarceration status information.</li> <li>Supplemental security income information is maintained in the state data exchange database.</li> <li>Beneficiary records and earnings information are maintained in the beneficiary and earnings data exchange database.</li> <li>Earnings information is maintained in the beneficiary earnings exchange record system database.</li> </ul>
SSA Income - for SNAP and FIP	Section 4.2.a.(2).(d)	
SSA Data for SNAP and FIP	Section 4.2.a.(2) and 6.1.a.(2).(d)	
SSA Earned Income for SNAP and FIP	Section 4.2.a.(2).(a) and 6.1.a.(2).(a)	
SSA Death Register Information for SNAP and FIP	Section 4.2.a.(2).(b) and 6.1.a.(2).(b)	
SSA Pups for SNAP and FIP	Section 4.2.a.(2).(c) and 6.1.a.(2).(c)	
SSA BENDEX for SNAP and FIP	Section 4.2.a.2.(e), (f) and 6.1.a.(2).(f)	
Iowa Child Support Income and Employment information*	Section 4.2.b.(a) and 6.b.(1).(a)	<p>State sources and information:</p> <ul style="list-style-type: none"> <li>Income and employment information is maintained by child support services.</li> <li>Enrollment status in other public assistance programs.</li> </ul>

Deliverable	SF 494 Section	Definition
IWD/UIB*	Section 4.2.b.(2)(a) and 4.2.b.(2)(b)	<p>The Department of Workforce Development sources and information include the following:</p> <ul style="list-style-type: none"> <li>• Employment information.</li> <li>• Employer weekly, monthly, and quarterly reports of income and unemployment insurance payments.</li> </ul>
National Accuracy Clearinghouse (NAC)	Section 4.2.c.(1) and 6.1.c.(1)	Any existing real-time database of persons currently receiving benefits in other states, such as the National Accuracy Clearinghouse.
Credit Bureau	Section 4.2.c.(3), 6.1.c.(4), 5.2 and 6.3	Any existing real-time eligibility system that includes employment and income information maintained by a consumer reporting agency, as defined by the federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining real-time employment and income information.
Third-Party Agreement	Section 6.4	A third-party consumer reporting agency, as defined by the Federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining real-time employment and income information.
Federal OCSS	Section 4.2.a.(3).(b) and 6.1.b.(1).(b)	The following sources and information are maintained by the United States Department of Health and Human Services. Other federal data sources are maintained by the Office of Child Support Enforcement of the Administration for Children and Families.
State of Iowa Sources Enrollment status in other public assistance programs	Section 4.2.b(1).(c) and 6.1.b.(1).(c)	Enrollment status in other public assistance programs.

<p>Case Review of Applicant and Recipient Information</p>	<p>Section 7</p>	<p>If the information obtained from a review of an applicant's or recipient's information under this chapter does not result in the department finding a discrepancy or a change in an individual's circumstances that affects eligibility, the department shall take no further action.</p> <p>If the information obtained from a review of the applicant's or recipient's information under this chapter results in the department finding a discrepancy or change in the individual's circumstances affecting eligibility, the department shall respond in accordance with the provisions of sections 239.8 and 239.9.</p>
<p>Notice and Right to be Heard</p>	<p>Section 8</p>	<p>An applicant for, or recipient of, public assistance shall be provided written notice and the opportunity to explain any issues identified in a review performed under this chapter for initial eligibility or redetermination of eligibility.</p>
<p>Referrals for /fraud, misrepresentation, or Inadequate documentation</p>	<p>Section 9</p>	<p>Following a review of an applicant's or recipient's eligibility under this chapter, the department may refer cases of suspected fraud, along with any supportive information, to the Department of Inspections and Appeals for review.</p> <p>In cases of substantiated fraud, upon conviction, the state shall review all appropriate legal options, including but not limited to removal of a recipient from other public assistance programs and garnishment of wages or state income tax refunds until the department recovers an equal amount of benefits fraudulently claimed.</p> <p>The department may refer suspected cases of fraud, misrepresentation, or inadequate documentation relating to initial or continued eligibility to appropriate state agencies, divisions, or departments for review of eligibility issues in programs providing public benefits other than those defined in this chapter.</p>

## Next Steps

Next steps will ensure we optimize opportunities for automation and accuracy. Throughout the next three years, Iowa HHS intends to:

- Iowa HHS has procured a new SNAP/TANF eligibility system, and the modernization project is underway with Deloitte. The Department is continuing the system build, including configuration, integration with the existing Medicaid eligibility system, and validation of business rules to support streamlined and accurate eligibility determinations. Iowa HHS will continue automating business processes and workflows across eligibility and related programs to reduce manual workload, improve accuracy and timeliness, and enhance program integrity. These efforts include expanding automated batch processing, reducing worker touchpoints, and leveraging modern tools to improve efficiency and consistency.
- Modernize the Child Support Services IT system to efficiently incorporate changes needed to accept Medicaid referrals.
- Procure solutions to integrate the remaining required data sources into the modernized eligibility systems.
- Fully implement remaining SF 494 requirements alongside modernized solutions for optimal efficiencies.