

House File 429 - Introduced

HOUSE FILE 429

BY WATTS

A BILL FOR

1 An Act addressing fraud and abuse in public welfare programs.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 217.35, Code 2013, is amended to read as
2 follows:

3 **217.35 Fraud and recoupment activities.**

4 1. Notwithstanding the requirement for deposit of recovered
5 moneys under section 239B.14, recovered moneys generated
6 through fraud and recoupment activities are appropriated to the
7 department of ~~human services~~ inspections and appeals to be used
8 for additional fraud and recoupment activities performed by ~~the~~
9 ~~department of human services~~ or the department of inspections
10 and appeals. The department of ~~human services~~ inspections and
11 appeals may use the recovered moneys appropriated to add not
12 more than five full-time equivalent positions, in addition
13 to those funded by annual appropriations. The appropriation
14 of the recovered moneys is subject to both of the following
15 conditions:

16 ~~1.~~ a. The director of ~~human services~~ the department of
17 inspections and appeals determines that the investment can
18 reasonably be expected to increase recovery of assistance paid
19 in error, due to fraudulent or nonfraudulent actions, in excess
20 of the amount recovered in the previous fiscal year.

21 ~~2.~~ b. The amount expended for the additional fraud and
22 recoupment activities shall not exceed the amount of the
23 projected increase in assistance recovered.

24 2. a. For the purposes of this subsection, "public welfare
25 programs" means welfare programs for persons with low income
26 that are wholly or partially funded by the federal government,
27 including but not limited to food programs administered under
28 section 234.12, state child care assistance administered under
29 section 237A.13, the family investment program and PROMISE-JOBS
30 program administered under chapter 239B, and the medical
31 assistance program administered under chapter 249A. The term
32 also includes programs with state-only funding directed to the
33 populations participating in the public welfare programs.

34 b. The authority granted to the department of human services
35 by federal or state statute or administrative rule to engage

1 in program evaluation, ensure program integrity, identify
2 or prevent fraud or abuse, address fraud or abuse, or other
3 related efforts in relation to public welfare programs shall
4 be deemed to extend to the department of inspections and
5 appeals. The department of human services shall collaborate
6 and coordinate with the department of inspections and appeals
7 in exercising this authority.

8 Sec. 2. Section 234.12A, Code 2013, is amended by adding the
9 following new subsections:

10 NEW SUBSECTION. 4. The same card or other benefit transfer
11 instrument used under the electronic benefits transfer program
12 for food assistance program benefits shall also be used to
13 provide family investment program cash assistance.

14 NEW SUBSECTION. 5. The department of human services'
15 requirements for the electronic benefits transfer program
16 used to provide food assistance and family investment
17 program cash assistance shall require cancellation of a
18 card or other benefit transfer instrument that is lost or
19 stolen. The department shall implement an efficient process
20 for a cardholder to replace a lost or stolen card or other
21 instrument.

22 NEW SUBSECTION. 6. The department of human services'
23 requirements for the electronic benefits transfer program used
24 to provide food assistance and family investment program cash
25 assistance shall provide that if the card or other benefit
26 transfer instrument may be used by more than one member of a
27 family or household, the card or other instrument shall bear
28 the name of each user.

29 Sec. 3. WELFARE FRAUD TASK FORCE.

30 1. A welfare fraud task force is created to review the
31 state laws, policies, procedures, and processes applied to
32 prevent and address fraud and abuse in public welfare programs
33 and make recommendations for improvements, including proposed
34 legislation. Staffing for the task force shall be provided
35 by the department of inspections and appeals. The provisions

1 considered by the task force may include but are not limited
2 to all of the following:

3 a. A review of the penalties for applicants or vendors
4 who provide false information and for any fraudulent use of
5 benefits.

6 b. A review of the current processes for information sharing
7 and data matching between the department of human services,
8 department of inspections and appeals, other relevant agencies
9 in this state, and comparable agencies of neighboring states.

10 c. A review of the potential for fraud and abuse that may be
11 caused by categorical eligibility provisions and of the methods
12 available to reduce that potential.

13 d. Identification of options for requiring a periodic
14 audit or other review to improve program integrity and program
15 processes.

16 2. The voting membership of the task force shall include all
17 of the following:

18 a. The director of the department of inspections and appeals
19 or the director's designee.

20 b. The auditor of state or the auditor's designee.

21 c. The director of human services or the director's
22 designee.

23 d. The commissioner of public safety or the commissioner's
24 designee.

25 e. A public member appointed by the director of the
26 department of inspections and appeals.

27 f. Other members with appropriate expertise appointed by
28 the task force.

29 3. The following members of the general assembly shall serve
30 in a nonvoting, ex officio capacity:

31 a. A member of the senate appointed by the majority leader
32 of the senate.

33 b. A member of the senate appointed by the minority leader
34 of the senate.

35 c. A member of the house of representatives appointed by the

1 speaker of the house of representatives.

2 d. A member of the house of representatives appointed by the
3 minority leader of the house of representatives.

4 4. The task force shall submit a final report to the
5 governor and general assembly on or before December 15, 2013,
6 making findings and recommendations.

7 5. For the purposes of this section, "public welfare
8 programs" means welfare programs for persons with low income
9 that are wholly or partially funded by the federal government,
10 including but not limited to food programs administered under
11 section 234.12, state child care assistance administered under
12 section 237A.13, the family investment program and PROMISE-JOBS
13 program administered under chapter 239B, and the medical
14 assistance program administered under chapter 249A. The term
15 also includes programs with state-only funding directed to the
16 populations participating in the public welfare programs.

17

EXPLANATION

18 This bill addresses fraud and abuse in public welfare
19 programs.

20 Code section 217.35, appropriating moneys recovered through
21 efforts to address fraud and recoupment activities, is amended
22 to provide the moneys are appropriated to the department of
23 inspections and appeals instead of the department of human
24 services and that authority granted to the department of human
25 services to engage in program evaluation, ensure program
26 integrity, identify or prevent fraud or abuse, address fraud or
27 abuse, or related efforts is deemed to extend to the department
28 of inspections and appeals. The two departments are required
29 to collaborate and coordinate in exercising this authority.

30 Code section 234.12A, relating to the electronic benefits
31 transfer program maintained by DHS for the food assistance
32 programs, is amended. The bill requires the electronic
33 benefits transfer program card or other benefit transfer
34 instrument utilized to provide food assistance program benefits
35 to also be used to provide family investment program cash

1 assistance. If a card or other benefit transfer instrument
2 used for the program is lost or stolen, the instrument must be
3 canceled. If a card or other benefit transfer instrument may
4 be used by more than one member of a family or household, the
5 card or other instrument is required to bear the name of each
6 user.

7 A welfare fraud task force is created to review the state
8 laws, policies, procedures, and processes applied to prevent
9 and address fraud and abuse in public welfare programs
10 for persons with low income and make recommendations for
11 improvements. Staffing for the task force is to be provided
12 by the department of inspections and appeals. The task force
13 is required to report to the governor and general assembly in
14 December 2013. The task force membership includes members of
15 the general assembly.