

**House Study Bill 666 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
HUMAN RESOURCES BILL BY  
CHAIRPERSON FRY)

**A BILL FOR**

- 1 An Act relating to public assistance program oversight.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. PUBLIC ASSISTANCE PROGRAMS — VERIFICATION OF  
2 APPLICANT ELIGIBILITY.

3 1. The department of human services shall implement an  
4 eligibility verification system for public assistance programs  
5 to verify the eligibility of an individual who is an applicant  
6 for any such program. The information to be verified and  
7 sources to be examined for each individual shall include but  
8 are not limited to all of the following:

- 9 a. Earned and unearned income.
- 10 b. Employment status and changes in employment.
- 11 c. Immigration status.
- 12 d. Residency status, including a nationwide best-address  
13 source to verify that individuals are residents of the state.
- 14 e. Enrollment status in other state-administered public  
15 assistance programs.
- 16 f. Incarceration status.
- 17 g. Death records.
- 18 h. Enrollment status in public assistance programs outside  
19 of this state.
- 20 i. Records of any potential identity fraud or identity  
21 theft.

22 2. The department of human services shall enter into a  
23 memorandum of understanding with any department, division,  
24 bureau, section, unit, or any other subunit of a department, as  
25 necessary, to obtain the information specified in subsection 1.

26 3. The department may contract with a third-party vendor to  
27 provide the information specified in subsection 1. Any such  
28 contract shall include a provision that ensures that annualized  
29 savings to the state exceed the contract's total annual cost  
30 to the state.

31 4. Nothing in this section shall preclude the department  
32 of human services from receiving, reviewing, or verifying  
33 additional information related to the eligibility of an  
34 individual not specified in this section or from contracting  
35 with a third-party vendor to provide additional information not

1 specified in this section.

2 5. For the purposes of this section, "public assistance  
3 program" shall include but is not limited to the Medicaid  
4 program, the family investment program (FIP), and the  
5 supplemental nutrition assistance program (SNAP).

6 Sec. 2. PUBLIC ASSISTANCE PROGRAMS — REAL-TIME ELIGIBILITY  
7 MONITORING.

8 1. At least quarterly, the department of human services  
9 shall obtain and review all of the following information and  
10 sources to determine ongoing eligibility of an enrollee in a  
11 public assistance program:

12 a. Earned and unearned income.

13 b. Employment status and changes in employment.

14 c. Residency status.

15 d. Enrollment status in other state-administered public  
16 assistance programs.

17 e. Financial resources.

18 f. Incarceration status.

19 g. Death records.

20 h. Lottery winnings.

21 i. Enrollment status in public assistance programs outside  
22 of the state.

23 2. The department of human services shall enter into a  
24 memorandum of understanding with any department, division,  
25 bureau, section, unit, or any other subunit of a department to  
26 obtain the information specified in subsection 1.

27 3. The department may contract with a third-party vendor  
28 to provide the information specified in subsection 1. Any  
29 such contract shall include a provision that ensures that any  
30 annualized savings to the state exceed the contract's total  
31 annual cost to the state.

32 4. The department shall explore opportunities to join  
33 existing multistate collaborations to identify individuals who  
34 are also enrolled in public assistance programs outside of the  
35 state, including the national accuracy clearinghouse.

1 5. Nothing in this section shall preclude the department  
2 of human services from receiving or reviewing additional  
3 information related to the eligibility of an individual  
4 not specified in this section or from contracting with a  
5 third-party vendor to provide additional information not  
6 specified in this section.

7 6. If the department receives information about an enrollee  
8 in a public assistance program that indicates a potential  
9 change or discrepancy in circumstances that may affect the  
10 individual's eligibility for that public assistance program,  
11 the department shall review the individual's circumstances and  
12 respond appropriately, as follows:

13 a. If the review does not result in the department  
14 confirming any discrepancy or change in an individual's  
15 circumstances that may affect eligibility, the department shall  
16 take no further action.

17 b. If the review results in the department finding  
18 a potential discrepancy or change in the individual's  
19 circumstances that may affect eligibility, the department shall  
20 promptly notify the individual.

21 (1) The department shall provide written notice to the  
22 enrollee, which shall describe in sufficient detail the  
23 circumstances of the potential discrepancy or change, the  
24 manner in which the enrollee may respond, and the consequences  
25 of failing to take action. However, a self-declaration of an  
26 enrollee alone shall not be accepted as verification to refute  
27 the information.

28 (2) The enrollee shall have ten business days, or the  
29 minimum required by federal or state law, to respond to the  
30 department in writing, to provide information to refute and  
31 resolve the potential discrepancy or change. After receiving  
32 the enrollee's written response, the department may request  
33 additional documentation if the department determines that  
34 the documentation is inadequate or that a risk of fraud or  
35 misrepresentation exists. A self-declaration of an enrollee

1 refuting the information shall not, alone, constitute a  
2 refutation of the potential discrepancy or change.

3 (3) If the enrollee does not respond to the written  
4 notice in a timely manner, the department shall provide  
5 notice to terminate the individual's enrollment, based upon  
6 the individual's failure to cooperate, and shall terminate  
7 the individual's enrollment in any applicable public  
8 assistance program. The individual's eligibility shall not be  
9 reestablished until the discrepancy or change is resolved.

10 (4) If the enrollee responds to the written notice in a  
11 timely manner and disagrees with the findings, the department  
12 shall reevaluate the enrollee's situation. If the department  
13 determines through the reevaluation that the information upon  
14 which the discrepancy or change was based is in error, the  
15 department shall take immediate action to correct the error and  
16 no further action on the enrollee's eligibility status shall be  
17 taken. If the department affirms through the reevaluation that  
18 a discrepancy or change exists, the department shall determine  
19 the effect on the enrollee's eligibility and take appropriate  
20 action. Written notice of the results of the department's  
21 reevaluation and the actions to be taken shall be provided to  
22 the individual.

23 (5) If the enrollee responds to the written notice in a  
24 timely manner and agrees with the findings, the department  
25 shall determine the effect on the enrollee's circumstances and  
26 take appropriate action. Written notice of the actions to be  
27 taken by the department shall be provided to the individual.

28 7. For the purposes of this section, "public assistance  
29 program" shall include but is not limited to Medicaid, the  
30 family investment program (FIP), and the supplemental nutrition  
31 assistance program (SNAP).

32 Sec. 3. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM —  
33 RESOURCE LIMITATIONS — CHILD SUPPORT COOPERATION AS A  
34 CONDITION OF ELIGIBILITY — WORK REQUIREMENTS.

35 1. The department of human services shall not establish

1 resource limits for the supplemental nutrition assistance  
2 program (SNAP) that exceed the resource limitations specified  
3 in 7 U.S.C. §2014(g)(1), unless specifically required under  
4 federal law. Additionally, categorical eligibility shall not  
5 exempt households from these resource limits for any noncash,  
6 in-kind, or other benefit, unless expressly required by federal  
7 law.

8 2. The department of human services shall require, as a  
9 condition of eligibility for SNAP, that an individual cooperate  
10 with the child support recovery unit in establishing and  
11 enforcing a child support order pursuant to 7 C.F.R. §273.11(o)  
12 and (p).

13 3. a. The department of human services shall not seek,  
14 apply for, accept, or renew any waiver of the work requirements  
15 applicable to an individual to be eligible for SNAP pursuant to  
16 7 U.S.C. §2015(o).

17 b. The department of human services shall assign an  
18 individual who is subject to the work requirements specified  
19 in 7 U.S.C. §2015(d)(1), but who is exempt from the work  
20 requirements pursuant to 7 U.S.C. §2015(o), to participate in  
21 an employment and training program established pursuant to 7  
22 U.S.C. §2015(d)(4).

23 Sec. 4. WORK REQUIREMENTS — MEDICAID PROGRAM.

24 1. The department of human services shall require that,  
25 unless an individual is exempt pursuant to subsection 2, as a  
26 condition of eligibility for Medicaid, a recipient shall do one  
27 of the following:

28 a. Work twenty hours or more per week, averaged on a monthly  
29 basis.

30 b. Participate in and comply with the requirements of a work  
31 program for twenty hours or more per week, as determined by the  
32 department.

33 c. Volunteer twenty hours or more per week, as determined  
34 by the department.

35 d. Meet a combination of work and work program participation

1 requirements for a total of twenty hours or more per week, as  
2 determined by the department.

3 e. Participate in and comply with the PROMISE JOBS program  
4 pursuant to chapter 239B.

5 2. The following individuals shall be exempt from the  
6 requirements specified in subsection 1:

7 a. An individual under the age of nineteen.

8 b. An individual over the age of sixty-four.

9 c. An individual medically certified as physically or  
10 mentally unfit for employment.

11 d. An individual who is pregnant.

12 e. A parent or caretaker responsible for the care of a  
13 dependent child under one year of age.

14 f. A parent or caretaker personally providing the care for a  
15 dependent child with a serious medical condition or disability,  
16 as determined by the department.

17 g. An individual receiving unemployment compensation and  
18 complying with work requirements of the federal or state  
19 unemployment compensation system.

20 h. An individual participating in a drug or alcohol  
21 treatment and rehabilitation program.

22 Sec. 5. REPORTING OF FRAUD. If, through the department's  
23 activities under this Act, the department discovers potential  
24 fraudulent activity, the department shall report its findings  
25 and any supportive information to the office of the attorney  
26 general for review.

27 Sec. 6. ADMINISTRATION — REPORTING.

28 1. The department of human services shall adopt rules  
29 pursuant to chapter 17A to administer this Act.

30 2. The department shall submit a report to the governor  
31 and the general assembly by January 15, 2019, and by January  
32 15 annually thereafter, detailing the impact of verification  
33 of applicant eligibility for public assistance programs and  
34 real-time eligibility monitoring of recipients of public  
35 assistance programs as provided in this Act. The initial

1 report shall provide information for the period beginning July  
2 1, 2018, and ending December 31, 2018. The reports shall  
3 include the number of cases reviewed, the number of cases  
4 closed, the number of fraud investigation referrals made, and  
5 the amount of savings and cost avoidance realized from the  
6 provisions of the Act.

7 3. The department of human services shall submit, to the  
8 centers for Medicare and Medicaid services (CMS) of the United  
9 States department of health and human services any Medicaid  
10 state plan amendment or waiver request necessary to administer  
11 this Act.

12 Sec. 7. IMPLEMENTATION.

13 1. The provisions of this Act requiring approval of a  
14 Medicaid state plan amendment or waiver shall be implemented  
15 upon receipt of such federal approval.

16 2. The provisions of this Act not requiring approval of a  
17 Medicaid state plan amendment or waiver shall be implemented  
18 on January 1, 2019.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill relates to public assistance program oversight.  
23 For purposes of the bill, "public assistance program" includes  
24 but is not limited to the Medicaid program, the family  
25 investment program (FIP), and the supplemental nutrition  
26 assistance program (SNAP).

27 The bill provides for verification of a public assistance  
28 program applicant's eligibility. The department of human  
29 services (DHS) is required to implement an eligibility  
30 verification system for public assistance programs to verify  
31 the eligibility of an individual who is an applicant for  
32 any such program. The bill specifies the information to  
33 be verified; requires DHS to enter into a memorandum of  
34 understanding with any department or subunit of a department,  
35 as necessary, to obtain the information specified; and

1 authorizes DHS to contract with a third-party vendor to  
2 provide the information specified, subject to a provision  
3 in the contract that ensures that annualized savings to the  
4 state exceed the contract's total annual cost to the state.  
5 The bill does not preclude DHS from receiving, reviewing, or  
6 verifying additional information related to the eligibility of  
7 an individual not specified in the bill or from contracting  
8 with a third-party vendor to provide additional information not  
9 specified in the bill.

10 The bill provides for real-time monitoring of the  
11 eligibility of public assistance program enrollees. The  
12 bill requires DHS, as least quarterly, to obtain and review  
13 specified information to determine ongoing eligibility of  
14 an individual enrolled in a public assistance program. The  
15 bill requires DHS to enter into memoranda of understanding  
16 with any department or subunit of a department, as necessary,  
17 to obtain the information specified; authorizes DHS to  
18 contract with a third-party vendor to provide the information  
19 specified, subject to a provision in the contract that ensures  
20 that annualized savings to the state exceed the contract's  
21 total annual cost to the state; and requires DHS to explore  
22 opportunities to join existing multistate collaborations to  
23 identify individuals who are also enrolled in public assistance  
24 programs outside of the state, including the national accuracy  
25 clearinghouse. The bill does not preclude DHS from receiving  
26 or reviewing additional information related to the eligibility  
27 of an individual not specified in the bill or from contracting  
28 with a third-party vendor to provide additional information not  
29 specified in the bill.

30 The bill provides that if DHS receives information about  
31 an individual enrolled in a public assistance program that  
32 indicates a potential change or discrepancy in circumstances  
33 that may affect the enrollee's eligibility for that  
34 public assistance program, DHS shall review the enrollee's  
35 circumstances and respond appropriately. The bill delineates

1 the appropriate response based upon the response of the  
2 enrollee following notice.

3 The bill prohibits DHS from establishing resource limits  
4 for the supplemental nutrition assistance program (SNAP) that  
5 exceed the resource limitations specified in federal law,  
6 unless specifically required under federal law. Additionally,  
7 the bill provides that categorical eligibility shall not exempt  
8 households from these resource limits for any noncash, in-kind,  
9 or other benefit, unless expressly required by federal law.

10 The bill requires DHS to require, as a condition of  
11 eligibility for SNAP, that an individual cooperate with the  
12 child support recovery unit in establishing and enforcing a  
13 child support order pursuant to federal law.

14 The bill also prohibits DHS from seeking, applying for,  
15 accepting, or renewing any waiver of the work requirements  
16 applicable to an individual to be eligible for SNAP, unless  
17 the individual is exempt under federal law and requires DHS  
18 to assign an individual who would otherwise be subject to the  
19 work requirements under federal law, but meets the criteria for  
20 one of the exemptions under federal law, to participate in an  
21 employment and training program established as prescribed in  
22 federal law.

23 The bill also requires DHS to require that, unless an  
24 individual is exempt as specified in the bill, as a condition  
25 of eligibility for Medicaid, a recipient shall work or  
26 participate in a work program or a combination of both for  
27 a certain number of hours, volunteer, or participate in the  
28 PROMISE JOBS program.

29 The bill provides that if, through the department's  
30 activities under the bill, the department discovers potential  
31 fraudulent activity, the department shall report its  
32 findings and any supportive information to the office of the  
33 attorney general for review. The bill requires DHS to adopt  
34 administrative rules to administer the bill.

35 The bill requires DHS to submit a report to the governor and

1 the general assembly by January 15, 2019, and by January 15  
2 annually thereafter, detailing the impact of the provisions of  
3 the bill relating to verification of applicant eligibility for  
4 public assistance programs and real-time eligibility monitoring  
5 of recipients of public assistance programs. The initial  
6 report must include information for the period beginning July  
7 1, 2018, and ending December 31, 2018. The reports shall  
8 include the number of cases reviewed, the number of cases  
9 closed, the number of fraud investigation referrals made, and  
10 the amount of savings and cost avoidance resulting from the  
11 provisions of the bill.

12 The bill requires DHS to submit, to the centers for Medicare  
13 and Medicaid services (CMS) of the United States department of  
14 health and human services, any Medicaid state plan amendment or  
15 waiver request necessary to administer the bill.

16 A provision of the bill requiring approval of a Medicaid  
17 state plan amendment or waiver is to be implemented upon  
18 receipt of such federal approval. A provision of the bill not  
19 requiring approval of a Medicaid state plan amendment or waiver  
20 is to be implemented on January 1, 2019.