

Senate File 2370 - Introduced

SENATE FILE 2370
BY COMMITTEE ON LABOR AND
BUSINESS RELATIONS

(SUCCESSOR TO SSB 3193)

A BILL FOR

1 An Act relating to public assistance program oversight and
2 including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 217.41C Public assistance programs
2 — verification of applicant eligibility — residency.

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 of human services may contract with a
27 third-party vendor to provide the information specified in
28 subsection 1. Any such contract shall include a provision
29 that ensures that annualized savings to the state exceed the
30 contract's total annual cost 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. The department of human services shall require that an
3 applicant for a public assistance program demonstrate residency
4 in the state for at least one year prior to submission of the
5 application. The department shall require that the applicant
6 specify the county in which the applicant has resided,
7 the length of residence in the state, and state that the
8 maintenance of the residence has been in good faith and not for
9 the purposes of obtaining public assistance benefits only. An
10 individual who fails to demonstrate residency in the state for
11 at least one year prior to submission of an application for
12 public assistance benefits shall be ineligible to receive such
13 benefits.

14 6. For the purposes of this section, "public assistance
15 program" shall include but is not limited to the Medicaid
16 program, the family investment program (FIP), and the
17 supplemental nutrition assistance program (SNAP).

18 Sec. 2. NEW SECTION. 217.41D Public assistance programs —
19 real-time eligibility monitoring.

20 1. At least quarterly, the department of human services
21 shall obtain and review all of the following information and
22 sources to determine ongoing eligibility of an enrollee in a
23 public assistance program:

24 a. Earned and unearned income.

25 b. Employment status and changes in employment.

26 c. Residency status.

27 d. Enrollment status in other state-administered public
28 assistance programs.

29 e. Financial resources.

30 f. Incarceration status.

31 g. Death records.

32 h. Lottery winnings.

33 i. Enrollment status in public assistance programs outside
34 of the state.

35 2. The department of human services shall enter into a

1 memorandum of understanding with any department, division,
2 bureau, section, unit, or any other subunit of a department to
3 obtain the information specified in subsection 1.

4 3. The department of human services may contract with a
5 third-party vendor to provide the information specified in
6 subsection 1. Any such contract shall include a provision that
7 ensures that any annualized savings to the state exceed the
8 contract's total annual cost to the state.

9 4. The department of human services shall explore
10 opportunities to join existing multistate collaborations to
11 identify individuals who are also enrolled in public assistance
12 programs outside of the state, including the national accuracy
13 clearinghouse.

14 5. Nothing in this section shall preclude the department
15 of human services from receiving or reviewing additional
16 information related to the eligibility of an individual
17 not specified in this section or from contracting with a
18 third-party vendor to provide additional information not
19 specified in this section.

20 6. If the department of human services receives information
21 about an enrollee in a public assistance program that indicates
22 a potential change or discrepancy in circumstances that may
23 affect the individual's eligibility for that public assistance
24 program, the department shall review the individual's
25 circumstances and respond appropriately, as follows:

26 a. If the review does not result in the department
27 confirming any discrepancy or change in an individual's
28 circumstances that may affect eligibility, the department shall
29 take no further action.

30 b. If the review results in the department finding
31 a potential discrepancy or change in the individual's
32 circumstances that may affect eligibility, the department shall
33 promptly notify the individual.

34 (1) The department shall provide written notice to the
35 enrollee, which shall describe in sufficient detail the

1 circumstances of the potential discrepancy or change, the
2 manner in which the enrollee may respond, and the consequences
3 of failing to take action. However, a self-declaration of an
4 enrollee alone shall not be accepted as verification to refute
5 the information.

6 (2) The enrollee shall have ten business days, or the
7 minimum required by federal or state law, to respond to the
8 department in writing, to provide information to refute and
9 resolve the potential discrepancy or change. After receiving
10 the enrollee's written response, the department may request
11 additional documentation if the department determines that
12 the documentation is inadequate or that a risk of fraud or
13 misrepresentation exists. A self-declaration of an enrollee
14 refuting the information shall not, alone, constitute a
15 refutation of the potential discrepancy or change.

16 (3) If the enrollee does not respond to the written
17 notice in a timely manner, the department shall provide
18 notice to terminate the individual's enrollment, based upon
19 the individual's failure to cooperate, and shall terminate
20 the individual's enrollment in any applicable public
21 assistance program. The individual's eligibility shall not be
22 reestablished until the discrepancy or change is resolved.

23 (4) If the enrollee responds to the written notice in a
24 timely manner and disagrees with the findings, the department
25 shall reevaluate the enrollee's situation. If the department
26 determines through the reevaluation that the information upon
27 which the discrepancy or change was based is in error, the
28 department shall take immediate action to correct the error and
29 no further action on the enrollee's eligibility status shall be
30 taken. If the department affirms through the reevaluation that
31 a discrepancy or change exists, the department shall determine
32 the effect on the enrollee's eligibility and take appropriate
33 action. Written notice of the results of the department's
34 reevaluation and the actions to be taken shall be provided to
35 the individual.

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

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

10 Sec. 3. NEW SECTION. 217.41E Supplemental nutrition
11 assistance program — resource limitations — child support
12 cooperation as a condition of eligibility — work requirements.

13 1. The department of human services shall not establish
14 resource limits for the supplemental nutrition assistance
15 program (SNAP) that exceed the resource limitations specified
16 in 7 U.S.C. §2014(g)(1), unless specifically required under
17 federal law. Additionally, categorical eligibility shall not
18 exempt households from these resource limits for any noncash,
19 in-kind, or other benefit, unless expressly required by federal
20 law.

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

26 3. a. The department of human services shall not seek,
27 apply for, accept, or renew any waiver of the work requirements
28 applicable to an individual to be eligible for SNAP pursuant to
29 7 U.S.C. §2015(o).

30 b. The department of human services shall assign an
31 individual who is subject to the work requirements specified
32 in 7 U.S.C. §2015(d)(1), but who is exempt from the work
33 requirements pursuant to 7 U.S.C. §2015(o), to participate in
34 an employment and training program established pursuant to 7
35 U.S.C. §2015(d)(4).

1 Sec. 4. NEW SECTION. 217.41F Work requirements — Medicaid
2 program.

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

7 *a.* Work twenty hours or more per week, averaged on a monthly
8 basis.

9 *b.* Participate in and comply with the requirements of a work
10 program for twenty hours or more per week, as determined by the
11 department.

12 *c.* Volunteer twenty hours or more per week, as determined
13 by the department.

14 *d.* Meet a combination of work and work program participation
15 requirements for a total of twenty hours or more per week, as
16 determined by the department.

17 *e.* Participate in and comply with the PROMISE JOBS program
18 pursuant to chapter 239B.

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

21 *a.* An individual under the age of nineteen.

22 *b.* An individual over the age of sixty-four.

23 *c.* An individual medically certified as physically or
24 mentally unfit for employment.

25 *d.* An individual who is pregnant.

26 *e.* A parent or caretaker responsible for the care of a
27 dependent child under one year of age.

28 *f.* A parent or caretaker personally providing the care for a
29 dependent child with a serious medical condition or disability,
30 as determined by the department.

31 *g.* An individual receiving unemployment compensation
32 and complying with work requirements of the federal or state
33 unemployment compensation system.

34 *h.* An individual participating in a drug or alcohol
35 treatment and rehabilitation program.

1 Sec. 5. NEW SECTION. 217.41G Drug testing for applicants.

2 1. For the purposes of this section, unless the context
3 otherwise requires:

4 *a.* "Confirmed positive test result" means the results of a
5 urine, hair, or sweat test in which the level of drugs or their
6 metabolites in the sample analyzed meets or exceeds nationally
7 accepted standards for determining the detectable levels of
8 drugs as adopted by the federal substance abuse and mental
9 health services administration.

10 *b.* "Drug" means the same as defined in section 730.5.

11 *c.* "Licensed substance abuse treatment program" means an
12 inpatient or outpatient substance abuse treatment program
13 licensed by the department of public health under chapter 125.

14 *d.* "Sample" means a sample from the human body capable of
15 revealing the presence of drugs, or their metabolites, which
16 shall include urine, hair, or sweat.

17 2. *a.* As a condition of eligibility for an applicant
18 to receive benefits under a public assistance program, the
19 applicant shall agree to participate in drug testing in
20 accordance with this section.

21 *b.* Dependent children under the age of eighteen years are
22 exempt from the drug testing requirements of this section.

23 *c.* The department shall require a drug test that is similar
24 to a drug test as a condition of employment under section 730.5
25 to screen the individuals subject to this section for the
26 presence of drugs. The individual is responsible for the cost
27 of the individual's drug test.

28 3. *a.* An individual who is subject to this section is
29 ineligible to receive benefits under a public assistance
30 program if the individual does not participate in the required
31 drug testing.

32 *b.* An individual who is subject to this section is
33 ineligible to receive benefits under a public assistance
34 program under this section if the individual has a confirmed
35 positive test result for the presence of either of the

1 following:

2 (1) A substance listed in schedule I under section 124.204.

3 (2) A substance listed in schedule II, III, or IV under
4 chapter 124 that was not prescribed for the individual.

5 4. The department shall do all of the following in
6 implementing this section:

7 a. (1) Provide notice of drug testing to each individual
8 who is subject to this section at the time of application. The
9 notice must advise the individual that drug testing will be
10 conducted as a condition for receiving benefits under a public
11 assistance program and that the individual must bear the cost
12 of the drug testing. If the individual's drug test results in
13 a confirmed positive test result, the cost of the drug test
14 shall not be reimbursed. If the individual's drug test does
15 not result in a confirmed positive test result, the cost of the
16 drug test shall be reimbursed by being added to the benefits
17 disbursed pursuant to rules adopted by the department. The
18 applicant shall be advised that the required drug testing may
19 be avoided if the applicant does not complete or withdraws the
20 application for assistance.

21 (2) Advise each individual to be tested, before the test
22 is conducted, that the individual may, but is not required to,
23 advise the agent administering the test of any prescription or
24 over-the-counter medication the individual is taking.

25 (3) Require each individual to be tested to sign a written
26 acknowledgment that the individual has received and understood
27 the notice and advice provided under this paragraph "a".

28 b. Ensure that each individual being tested has a reasonable
29 degree of dignity while producing and submitting a sample for
30 drug testing, consistent with the department's need to ensure
31 the reliability of the sample.

32 c. Adopt rules specifying circumstances under which an
33 individual with a confirmed positive test result has the right
34 to retake the drug test.

35 d. Inform an individual who has a confirmed positive

1 test result and is deemed ineligible for assistance that the
2 individual may not reapply for assistance for one year after
3 the date of the confirmed positive test result unless the
4 individual meets the requirements of paragraph "f". If the
5 individual has a subsequent confirmed positive test result,
6 the individual shall be ineligible to receive assistance for
7 three years after the date of the subsequent result unless the
8 individual meets the requirements of paragraph "f".

9 e. Provide any individual with a confirmed positive test
10 result with a list of licensed substance abuse treatment
11 programs available in the area in which the individual resides.
12 Neither the department nor the state is responsible for
13 providing or paying for substance abuse treatment as part of
14 the drug testing conducted under this section.

15 f. An individual with a confirmed positive test result
16 who is denied benefits under this section may reapply for
17 assistance after six months if the individual can document the
18 successful completion of a licensed substance abuse treatment
19 program. An individual who has met the requirements of this
20 paragraph and reapplies for assistance must also pass the
21 initial drug test required under subsection 2. Any drug test
22 conducted while the individual is undergoing substance abuse
23 treatment must meet the requirements for a drug test under
24 subsection 2. The cost of any drug testing or substance
25 abuse treatment provided under this subsection shall be the
26 responsibility of the individual being tested or receiving
27 treatment. An individual with a confirmed positive test result
28 from the drug test required under subsection 2 may reapply for
29 assistance under this paragraph only once.

30 5. a. If an applicant is deemed ineligible for assistance
31 as a result of having a confirmed positive test result from a
32 drug test conducted under this section, the eligibility of the
33 applicant's dependent child for assistance is not affected.

34 b. An appropriate protective payee shall be designated
35 to receive assistance on behalf of the dependent child.

1 The parent may choose to designate an individual as the
2 protective payee. The individual designated by the parent as
3 the protective payee must be a specified relative or other
4 immediate family member unless such family member is not
5 available or the family member declines the designation. In
6 such a case, another individual, approved by the department,
7 shall be designated as the protective payee. The individual
8 must also undergo drug testing before being approved to be
9 the protective payee. If the designated individual has a
10 confirmed positive test result, the designated individual shall
11 be ineligible to be the protective payee.

12 6. For the purposes of this section, "*public assistance*
13 *program*" shall include but not be limited to the Medicaid
14 program, the family investment program (FIP), and the
15 supplemental nutrition assistance program (SNAP).

16 Sec. 6. NEW SECTION. 217.41H Reporting of fraud.

17 If, through the activities of the department of human
18 services under this subchapter, the department discovers
19 potential fraudulent activity, the department shall report its
20 findings and any supportive information to the office of the
21 attorney general for review.

22 Sec. 7. NEW SECTION. 217.41I Reporting.

23 The department of human services shall submit a report to
24 the governor and the general assembly by January 15, 2019, and
25 by January 15 annually thereafter, detailing the impact of
26 verification of applicant eligibility for public assistance
27 programs and real-time eligibility monitoring of recipients
28 of public assistance programs as provided in this subchapter.
29 The initial report shall provide information for the period
30 beginning July 1, 2018, and ending December 31, 2018. The
31 reports shall include the number of cases reviewed, the number
32 of cases closed, the number of fraud investigation referrals
33 made, and the amount of savings and cost avoidance realized
34 from the provisions of the subchapter.

35 Sec. 8. NEW SECTION. 234.13A Eligible food items.

1 1. The department of human services shall maintain a list of
2 eligible food and food items for the food assistance program
3 utilizing a numeric-based code assigned to the food item
4 wherever the food item is sold throughout the state.

5 2. A retailer shall not allow a food assistance program
6 recipient to use a benefit transfer instrument to purchase food
7 and food items that are not included on the eligible food item
8 list.

9 3. The department of human services shall assess a civil
10 penalty against a retailer who violates this section of not
11 more than one thousand dollars for a first violation, two
12 thousand dollars for a second violation occurring within five
13 years from the date of the first violation, or five thousand
14 dollars for any subsequent violations.

15 4. For purposes of this section, "*retailer*" means the same
16 as defined in section 234.12A.

17 Sec. 9. FOOD ASSISTANCE PROGRAM — AUTHORITY TO RESTRICT
18 USE OF BENEFITS. The department of human services shall submit
19 a request to the United States department of agriculture
20 for authorization for a five-year waiver, pilot project, or
21 other approach for restricting the use of food assistance
22 benefits, as administered by the state under the federal
23 supplemental nutrition assistance program for food and food
24 items with a low nutritional value that cost more than eight
25 dollars per pound or that purport to provide an additional
26 potential health benefit or reduce a potential adverse health
27 effect to consumers when compared to less expensive food
28 items. The request shall include a proposal for a thorough
29 process evaluation to document how the restrictions will be
30 implemented by both the state and retailers, with a study
31 design that includes counterfactual data indicating the
32 effects of the absence of such restrictions on food assistance
33 program recipients, and a full cost estimate that addresses
34 both federal and state costs and savings associated with
35 such restrictions. The request shall be submitted within

1 ninety days of the effective date of this section of this Act.
2 The department shall regularly report on the status of the
3 request to the chairpersons and ranking members of the general
4 assembly's standing committees on commerce and the legislative
5 services agency.

6 Sec. 10. ADMINISTRATION AND IMPLEMENTATION.

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

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

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

17 4. The section of this Act enacting section 234.13A is
18 contingent upon receipt of approval from the United States
19 department of agriculture for a five-year waiver, pilot
20 project, or other approach for restricting the use of certain
21 food assistance benefits. The department of human services
22 shall notify the Code editor upon the receipt of such approval.

23 5. The provisions of this Act not requiring approval of a
24 Medicaid state plan amendment or waiver or approval from the
25 United States department of agriculture shall be implemented
26 on January 1, 2019.

27 Sec. 11. DIRECTIVE TO CODE EDITOR. The Code editor shall
28 codify the provisions of this Act enacting sections 217.41C,
29 217.41D, 217.41E, 217.41F, 217.41G, 217.41H, and 217.41I as
30 chapter 217, subchapter III.

31 Sec. 12. EFFECTIVE DATE. The section of this Act directing
32 the department of human services to submit a request for a
33 five-year waiver, pilot project, or other approach to the
34 United States department of agriculture, being deemed of
35 immediate importance, takes effect upon enactment.

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EXPLANATION

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

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

The bill provides for verification of a public assistance program applicant's eligibility. The department of human services (DHS) is required to implement an eligibility verification system for public assistance programs to verify the eligibility of an individual who is an applicant for any such program. The bill specifies the information to be verified; requires DHS to enter into a memorandum of understanding with any department or subunit of a department, as necessary, to obtain the information specified; and authorizes DHS to contract with a third-party vendor to provide the information specified, subject to a provision in the contract that ensures that annualized savings to the state exceed the contract's total annual cost to the state. The bill does not preclude DHS from receiving, reviewing, or verifying additional information related to the eligibility of an individual not specified in the bill or from contracting with a third-party vendor to provide additional information not specified in the bill.

The bill requires DHS to require that an applicant for a public assistance program demonstrate residency in the state for at least one year prior to submission of the application. The department shall require that the applicant specify the county in which the applicant has resided, the length of residence in the state, and state that the maintenance of the residence has been in good faith and not for the purposes of obtaining public assistance benefits only. An individual who fails to demonstrate residency in the state for at least

1 one year prior to submission of an application for public
2 assistance benefits shall be ineligible to receive such
3 benefits.

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

24 The bill provides that if DHS receives information about
25 an individual enrolled in a public assistance program that
26 indicates a potential change or discrepancy in circumstances
27 that may affect the enrollee's eligibility for that
28 public assistance program, DHS shall review the enrollee's
29 circumstances and respond appropriately. The bill delineates
30 the appropriate response based upon the response of the
31 enrollee following notice.

32 The bill prohibits DHS from establishing resource limits
33 for the supplemental nutrition assistance program (SNAP) that
34 exceed the resource limitations specified in federal law,
35 unless specifically required under federal law. Additionally,

1 the bill provides that categorical eligibility shall not exempt
2 households from these resource limits for any noncash, in-kind,
3 or other benefit, unless expressly required by federal law.

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

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

17 The bill also requires DHS to require that, unless an
18 individual is exempt as specified in the bill, as a condition
19 of eligibility for Medicaid, a recipient shall work or
20 participate in a work program or a combination of both for
21 a certain number of hours, volunteer, or participate in the
22 PROMISE JOBS program.

23 The bill provides that if, through the department's
24 activities under the bill, the department discovers potential
25 fraudulent activity, the department shall report its
26 findings and any supportive information to the office of the
27 attorney general for review. The bill requires DHS to adopt
28 administrative rules to administer the bill.

29 The bill requires DHS to submit a report to the governor and
30 the general assembly by January 15, 2019, and by January 15
31 annually thereafter, detailing the impact of the provisions of
32 the bill relating to verification of applicant eligibility for
33 public assistance programs and real-time eligibility monitoring
34 of recipients of public assistance programs. The initial
35 report must include information for the period beginning July

1 1, 2018, and ending December 31, 2018. The reports shall
2 include the number of cases reviewed, the number of cases
3 closed, the number of fraud investigation referrals made, and
4 the amount of savings and cost avoidance resulting from the
5 provisions of the bill.

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

10 A provision of the bill requiring approval of a Medicaid
11 state plan amendment or waiver is to be implemented upon
12 receipt of such federal approval. A provision of the bill not
13 requiring approval of a Medicaid state plan amendment or waiver
14 is to be implemented on January 1, 2019.

15 The bill requires drug testing of applicants for public
16 assistance programs.

17 With the exception of dependent children under the age of
18 18 years, DHS is directed to require a drug test for each
19 individual who is an applicant for a public assistance program.
20 The individual is responsible for the cost of the drug test.

21 An applicant who does not participate in the required drug
22 testing is ineligible for public assistance. An individual who
23 has a confirmed positive test result shall be ineligible to
24 reapply for assistance for one year.

25 The bill specifies requirements for administering the drug
26 testing requirement. If a parent is deemed ineligible for
27 assistance as a result of having a confirmed positive test
28 result, the dependent child remains eligible for assistance and
29 a protective payee is to be designated by the parent to receive
30 the assistance on behalf of the child. If a specified relative
31 or other immediate family member declines to be designated, the
32 department must designate the protective payee. The protective
33 payee is then subject to drug testing before being approved to
34 receive benefits on behalf of the child. A protective payee
35 with a confirmed positive test result is ineligible to receive

1 assistance on behalf of the child.

2 The bill requires DHS to maintain a list of eligible
3 food and food items for the food assistance program using a
4 numeric-based code assignment (new Code section 234.13A). A
5 retailer shall not allow a food assistance program recipient
6 to use a benefit transfer instrument to purchase food and food
7 items that are not on the eligible food item list. The bill
8 provides civil penalties for a retailer who violates this
9 provision of the bill.

10 The bill requires DHS to submit a request to the United
11 States department of agriculture for a five-year waiver, pilot
12 project, or other approach for restricting the use of food
13 assistance benefits for food items with a low nutritional value
14 or that cost more than \$8 per pound. The bill requires the
15 request to include a proposal for a thorough process evaluation
16 to document how the restrictions will be implemented by both
17 the state and retailers, with a study design that includes
18 counterfactual data indicating the effects of the absence of
19 such restrictions on food assistance program recipients, and a
20 full cost estimate that addresses both federal and state costs
21 and savings associated with such restrictions. The department
22 is to submit the request within 90 days of the effective
23 date of the bill. The bill directs the department to submit
24 regular reports to the chairpersons and ranking members of
25 the general assembly's standing committees on commerce and to
26 the legislative services agency on the status of the request.
27 Implementation of the pilot program is contingent upon receipt
28 of approval from the United States department of agriculture.
29 The department of human services is required to notify the Code
30 editor upon receipt of the approval.

31 The directive to the department to submit a request for a
32 waiver, pilot project, or other approach restricting the use of
33 certain food assistance benefits takes effect upon enactment.