

House File 2030 - Introduced

HOUSE FILE 2030

BY WILLS

A BILL FOR

1 An Act relating to public assistance program oversight and
2 verification of income eligibility.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 2490.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "*Department*" means the department of human services.

5 2. "*Fleeing felon*" means a person who is a fleeing felon
6 pursuant to 7 C.F.R. 273.11.

7 3. "*Public assistance*" shall include but is not limited to
8 the Medicaid program, the family investment program, and the
9 supplemental nutrition assistance program.

10 4. "*Significant discrepancy*" means information regarding
11 the assets, income, resources, or status of an applicant or
12 recipient of public assistance, derived from one or more of the
13 databases as specified in this chapter, which provides grounds
14 for the department to suspect either of the following:

15 a. An applicant or recipient is ineligible to receive public
16 assistance, under federal or state law, due to the applicant's
17 or recipient's status.

18 b. The assets, income, or resources of an applicant
19 or recipient are at least, in terms of a dollar amount,
20 twenty-five percent greater than the dollar amount reflected in
21 the information the department possesses about the applicant
22 or recipient with respect to the applicant's or recipient's
23 assets, income, or resources.

24 5. "*Status*" means whether the applicant or recipient is in
25 the United States illegally, is no longer living, is an inmate
26 in a prison or jail, or is a fleeing felon.

27 Sec. 2. NEW SECTION. 2490.2 Public Assistance Programs —
28 **Verification of Eligibility.**

29 1. The department shall implement a computerized income
30 eligibility verification system for public assistance programs
31 in order to eliminate duplication in the provision of public
32 assistance and to deter fraud.

33 2. The department shall require that as a condition of
34 receiving public assistance, an applicant or a recipient supply
35 the social security number of the applicant or recipient to the

1 department. The department shall match the social security
2 number of all applicants and recipients with the following
3 databases, or with databases that are substantially similar to,
4 or are successors of, the following databases:

5 *a.* Unearned income information maintained by the federal
6 internal revenue service.

7 *b.* Employer quarterly reports of income and unemployment
8 insurance benefit payment information maintained by the
9 department of workforce development.

10 *c.* Earned income information maintained by the United States
11 social security administration.

12 *d.* Immigration status information maintained by the United
13 States citizenship and immigration services.

14 *e.* Death register information maintained by the United
15 States social security administration.

16 *f.* Prisoner information maintained by the United States
17 social security administration.

18 *g.* Public housing and United States department of housing
19 and urban development section 8 guidelines payment information
20 maintained by the United States department of housing and urban
21 development.

22 *h.* National fleeing felon information maintained by the
23 United States federal bureau of investigation.

24 *i.* Wage reporting and similar information maintained by
25 contiguous states.

26 *j.* The beneficiary earnings and data exchange database
27 maintained by the United States social security administration.

28 *k.* The beneficiary earnings exchange record system database
29 maintained by the United States social security administration.

30 *l.* The new hire database maintained by the department of
31 workforce development.

32 *m.* The new hire database maintained by the federal
33 government.

34 *n.* The state data exchange interface maintained by the
35 United States social security administration.

1 o. The public assistance reporting information system
2 maintained by the administration of children and families of
3 the United States department of health and human services.

4 p. The state child care assistance database maintained by
5 the state.

6 q. The low-income home energy assistance program database
7 maintained by the state.

8 3. The department shall enter into a memorandum of
9 understanding with any department or any subunit of a
10 department, as necessary, to obtain the information specified
11 in subsection 1.

12 4. Notwithstanding any provision of law to the contrary, the
13 income eligibility verification system shall be utilized for an
14 applicant at the time of application for assistance, and for a
15 recipient on a quarterly basis.

16 5. The department shall notify applicants and recipients of
17 the requirement of providing a social security number at the
18 time of application for assistance and as needed thereafter and
19 pursuant to the provisions of this chapter.

20 Sec. 3. NEW SECTION. 2490.3 Significant discrepancy.

21 1. If, as the result of a match between an applicant's
22 or recipient's social security number and one or more of the
23 databases specified in this chapter, the department determines
24 that a potential significant discrepancy exists, the department
25 shall review the applicant's or recipient's information
26 and shall investigate the circumstances of the potential
27 significant discrepancy in order to determine eligibility of
28 the applicant or recipient.

29 2. The department shall institute the following procedure
30 to review and investigate the circumstances of a potential
31 significant discrepancy:

32 a. If the review and investigation does not result in the
33 department confirming a significant discrepancy that may affect
34 eligibility, the department shall take no further action.

35 b. If the review and investigation results in the department

1 confirming a potential significant discrepancy that may affect
2 eligibility, the applicant or recipient shall be given an
3 opportunity to explain the potential significant discrepancy.
4 The department shall provide written notice to the applicant
5 or recipient which shall describe in sufficient detail the
6 circumstances of the potential significant discrepancy, the
7 opportunity and manner by which to resolve the potential
8 significant discrepancy, and the consequences of failing to
9 respond to the notice or to resolve the potential significant
10 discrepancy. The applicant's or recipient's response may be
11 provided telephonically, in person, or in writing. After
12 receiving the explanation from the applicant or recipient, the
13 department may request additional documentation in person or
14 in writing if the department determines the documentation is
15 inadequate or that a substantial risk of fraud exists.

16 (1) If the applicant or recipient does not respond to
17 the notice in a timely manner, the department shall provide
18 notice to terminate the applicant's or recipient's application
19 or enrollment, based upon the applicant's or recipient's
20 failure to cooperate, and shall terminate the applicant's or
21 recipient's application for or enrollment in any applicable
22 public assistance program. The applicant's or recipient's
23 eligibility for such public assistance program shall not be
24 reestablished until the potential significant discrepancy is
25 resolved.

26 (2) If the applicant or recipient responds to the notice
27 in a timely manner and disagrees with the notice of potential
28 significant discrepancy, the department shall reevaluate the
29 circumstances and make a determination regarding whether the
30 position of the applicant or recipient is valid. If, after
31 reevaluation, the department finds that the department is in
32 error, the department shall take immediate action to correct
33 the error, and no further action regarding the applicant's
34 or recipient's eligibility shall be taken. If, through the
35 reevaluation, the department affirms that the applicant's or

1 recipient's position is invalid, the department shall determine
2 the effect on the applicant's or recipient's eligibility and
3 take appropriate action. Written notice of the department's
4 reevaluation and the actions taken shall be provided to the
5 applicant or recipient.

6 (3) If the applicant or recipient responds to the notice
7 in a timely manner and agrees with the notice of potential
8 significant discrepancy, the department shall determine the
9 effect on the applicant's or recipient's eligibility and
10 take appropriate action. Written notice of the department's
11 determination and actions shall be provided to the applicant
12 or recipient.

13 3. The department may, in the department's discretion,
14 review and investigate an applicant's or recipient's
15 circumstances when there is a match between the social security
16 number of the applicant or recipient and one or more of the
17 databases specified in this chapter that does not otherwise
18 constitute a significant discrepancy. Under such circumstance,
19 the department shall utilize the procedure applicable to the
20 review and investigation of a potential significant discrepancy
21 as specified in this chapter.

22 4. The department shall establish a single statewide
23 toll-free telephone number and call center to be used by
24 applicants and recipients in resolving potential significant
25 discrepancies subject to review and investigation under this
26 chapter. The call center shall have sufficient capacity
27 and staff to promptly handle incoming telephone calls. In
28 addition, the department shall assign sufficient staff to
29 make determinations regarding eligibility pursuant to this
30 chapter. The call center shall use available technology to
31 route and track the calls. The department may issue a request
32 for proposals to operate the call center.

33 **Sec. 4. NEW SECTION. 2490.4 Reporting fraud.**

34 If, through the department's activities under this chapter,
35 the department discovers potential fraudulent activity,

1 the department shall report its findings and any supportive
2 information to the department of inspections and appeals for
3 review.

4 Sec. 5. NEW SECTION. 2490.5 Administration — reporting.

5 1. The department shall adopt rules pursuant to chapter 17A
6 to administer this chapter.

7 2. The department shall submit a report to the governor and
8 the general assembly by January 15, 2021, and by January 15,
9 annually, thereafter, detailing the results of the verification
10 system established in this chapter, including the number of
11 cases reviewed, the number of cases closed, and the amount of
12 savings and cost avoidance realized from the provisions of this
13 chapter.

14 3. a. The department shall ensure that public assistance
15 staff maintain close contact with applicants and recipients.
16 Home visits shall be scheduled as frequently as required by
17 the circumstances of the applicant or recipient in order that
18 any treatment or service tending to restore the applicant
19 or recipient to a condition of self-support and to relieve
20 distress is rendered and in order that public assistance is
21 provided only in such an amount as necessary and as long as
22 necessary. The department may issue a request for proposals
23 to conduct home visits.

24 b. If public assistance staff identify inconsistencies or
25 gaps in information presented by an applicant or recipient, or
26 if circumstances indicate to a prudent individual that further
27 information is needed, the staff person shall seek additional
28 information.

29

EXPLANATION

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

32 This bill relates to verification of income eligibility for
33 public assistance programs.

34 The bill provides definitions for "department", "fleeing
35 felon", "public assistance", "significant discrepancy", and

1 "status".

2 The bill requires the department of human services (DHS)
3 to implement a computerized income eligibility verification
4 system for public assistance programs in order to eliminate
5 duplication in the provision of public assistance and to deter
6 fraud. The bill provides that DHS shall require that as a
7 condition of receiving public assistance, an applicant or
8 recipient supply the social security number of the applicant or
9 recipient to the department. The department shall match the
10 social security number of all applicants and recipients with
11 databases as specified in the bill. The bill directs DHS to
12 enter into a memorandum of understanding with any department
13 or any subunit of a department, as necessary, to obtain the
14 information specified. The income eligibility verification
15 system shall be utilized for an applicant at the time of
16 application for assistance, and for a recipient on a quarterly
17 basis. The bill requires DHS to notify applicants and
18 recipients of the requirement of providing a social security
19 number at the time of application for assistance and as needed
20 thereafter.

21 The bill provides the procedure to be followed by DHS if,
22 as the result of a match between an applicant's or recipient's
23 social security number and one or more of the databases
24 specified in the bill, DHS determines that a potential
25 significant discrepancy exists. In such a case, DHS shall
26 review the applicant's or recipient's information and shall
27 investigate the circumstances of the potential significant
28 discrepancy in order to determine eligibility of the applicant
29 or recipient, and proceed accordingly. In addition, DHS may
30 use the same procedure in the department's discretion to review
31 and investigate an applicant's or recipient's circumstances
32 when there is a match between the social security number of
33 the applicant or recipient and one or more of the databases
34 specified in the bill that does not otherwise constitute a
35 significant discrepancy.

1 The bill directs DHS to establish a single statewide
2 toll-free telephone number and call center to be used by
3 applicants and recipients in resolving potential significant
4 discrepancies subject to review and investigation under the
5 bill; requires the call center to have sufficient capacity
6 and staff to promptly handle incoming telephone calls; and
7 requires DHS to assign sufficient staff to make determinations
8 regarding eligibility under the bill. The call center shall
9 use available technology to route and track the calls and DHS
10 may issue a request for proposals to operate the call center.

11 The bill also provides that if, through activities under
12 the bill, DHS discovers potential fraudulent activity, DHS
13 shall report its findings and any supportive information to the
14 department of inspections and appeals for review.

15 The bill requires DHS to adopt administrative rules to
16 administer the bill; requires DHS to submit a report to the
17 governor and the general assembly by January 15, 2021, and by
18 January 15, annually, thereafter, detailing the results of the
19 verification system established in the bill; and requires DHS
20 to ensure that public assistance staff maintain close contact
21 with applicants and recipients provide home visits in order
22 that any treatment or service tending to restore the applicant
23 or recipient to a condition of self-support and to relieve
24 distress is rendered and in order that public assistance is
25 provided only in such an amount as necessary and as long as
26 necessary. The department may issue a request for proposals to
27 conduct home visits. The bill requires public assistance staff
28 to seek additional information from an applicant or recipient
29 when the public assistance staff identifies inconsistencies or
30 gaps in information presented by an applicant or recipient or
31 when circumstances indicate to a prudent person that further
32 information is needed.