

Senate Study Bill 1131 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON LABOR AND BUSINESS
RELATIONS BILL BY
CHAIRPERSON SCHULTZ)

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. REPORTING OF FRAUD. If, through the department's
33 activities under this Act, the department discovers potential
34 fraudulent activity, the department shall report its findings
35 and any supportive information to the office of the attorney

1 general for review.

2 Sec. 4. ADMINISTRATION — REPORTING.

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

5 2. The department shall submit a report to the governor
6 and the general assembly by January 15, 2020, and by January
7 15 annually thereafter, detailing the impact of verification
8 of applicant eligibility for public assistance programs and
9 real-time eligibility monitoring of recipients of public
10 assistance programs as provided in this Act. The initial
11 report shall provide information for the period beginning July
12 1, 2019, and ending December 31, 2019. The reports shall
13 include the number of cases reviewed, the number of cases
14 closed, the number of fraud investigation referrals made, and
15 the amount of savings and cost avoidance realized from the
16 provisions of the Act.

17 3. The department of human services shall submit, to the
18 centers for Medicare and Medicaid services (CMS) of the United
19 States department of health and human services any Medicaid
20 state plan amendment or waiver request necessary to administer
21 this Act.

22 Sec. 5. IMPLEMENTATION.

23 1. The provisions of this Act requiring approval of a
24 Medicaid state plan amendment or waiver shall be implemented
25 upon receipt of such federal approval.

26 2. The provisions of this Act not requiring approval of a
27 Medicaid state plan amendment or waiver shall be implemented
28 on January 1, 2020.

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 public assistance program oversight.
33 For purposes of the bill, "public assistance program" includes
34 but is not limited to the Medicaid program, the family
35 investment program, and the supplemental nutrition assistance

1 program.

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

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

1 or reviewing additional information related to the eligibility
2 of an individual not specified in the bill or from contracting
3 with a third-party vendor to provide additional information not
4 specified in the bill.

5 The bill provides that if DHS receives information about
6 an individual enrolled in a public assistance program that
7 indicates a potential change or discrepancy in circumstances
8 that may affect the enrollee's eligibility for that
9 public assistance program, DHS shall review the enrollee's
10 circumstances and respond appropriately. The bill delineates
11 the appropriate response based upon the response of the
12 enrollee following notice.

13 The bill provides that if, through the department's
14 activities under the bill, the department discovers potential
15 fraudulent activity, the department shall report its
16 findings and any supportive information to the office of the
17 attorney general for review. The bill requires DHS to adopt
18 administrative rules to administer the bill.

19 The bill requires DHS to submit a report to the governor and
20 the general assembly by January 15, 2020, and by January 15
21 annually thereafter, detailing the impact of the provisions of
22 the bill relating to verification of applicant eligibility for
23 public assistance programs and real-time eligibility monitoring
24 of recipients of public assistance programs. The initial
25 report must include information for the period beginning July
26 1, 2019, and ending December 31, 2019. The reports shall
27 include the number of cases reviewed, the number of cases
28 closed, the number of fraud investigation referrals made, and
29 the amount of savings and cost avoidance resulting from the
30 provisions of the bill.

31 The bill requires DHS to submit, to the centers for Medicare
32 and Medicaid services of the United States department of health
33 and human services, any Medicaid state plan amendment or waiver
34 request necessary to administer the bill.

35 A provision of the bill requiring approval of a Medicaid

S.F. _____

1 state plan amendment or waiver is to be implemented upon
2 receipt of such federal approval. A provision of the bill not
3 requiring approval of a Medicaid state plan amendment or waiver
4 is to be implemented on January 1, 2020.