

House Study Bill 502 - Introduced

HOUSE FILE _____

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

A BILL FOR

1 An Act relating to verification and authentication systems for
2 public assistance programs.

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

1 Section 1. NEW SECTION. 239.1 Definitions.

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

4 1. "*Applicant*" means an individual who is applying for
5 public assistance benefits in the state.

6 2. "*Asset*" means all assets of the members of the
7 applicant's household, including all of the following:

8 a. All bank accounts, excluding retirement accounts of
9 members of the household.

10 b. All cash, excluding the first two thousand dollars of
11 members of the household.

12 c. All lottery and gambling income of the household whether
13 received as a lump sum or installment payments.

14 d. All real estate, excluding the primary household
15 residence and surrounding lot.

16 e. All other personal property excluding personal
17 belongings, household goods, and one vehicle.

18 3. "*Department*" means the department of human services.

19 4. "*Public assistance*" means SNAP (the supplemental
20 nutrition assistance program), the Medicaid program, FIP (the
21 family investment program), and CHIP (the children's health
22 insurance program).

23 5. "*Real-time system*" means real-time electronic access
24 to a system that allows verification of all applicable public
25 assistance program eligibility information based on the
26 most recent information available to the department through
27 nonmodeled earned and unearned income, such as commercially
28 available wage data.

29 6. "*Recipient*" means an individual who is receiving public
30 assistance benefits in the state.

31 Sec. 2. NEW SECTION. 239.2 Verification and authentication
32 systems — public assistance programs.

33 1. By July 1, 2023, the department shall redesign an
34 existing system; establish a new computerized income, asset,
35 and identity eligibility verification system; or contract with

1 a third-party vendor to provide for identity verification,
2 identity authentication, asset verification, and dual
3 enrollment prevention in order to deter waste, fraud, and
4 abuse in each public assistance program administered by the
5 department.

6 2. The department may contract with a third-party vendor to
7 develop or provide a service for a real-time system that allows
8 the department to verify or authenticate income, assets, and
9 identity eligibility of applicants and recipients to prevent
10 fraud, misrepresentation, and inadequate documentation when
11 determining eligibility for public assistance programs. The
12 system shall be accessed prior to determining eligibility,
13 periodically between eligibility redeterminations, and during
14 eligibility redeterminations and reviews. The department may
15 also contract with a third-party vendor to provide information
16 to facilitate reviews of recipient eligibility conducted by
17 the department. Specifically, the department may contract
18 with a third-party consumer reporting agency, as defined by
19 the federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for
20 the purpose of obtaining real-time employment and income
21 information.

22 3. A contract entered into under this section shall provide,
23 at a minimum, for all of the following:

24 a. The establishment of the annual savings amount from
25 utilization of the system or service, and a provision that the
26 contract may be terminated contingent upon the savings not
27 exceeding the total yearly cost to the state for utilization of
28 the system or service.

29 b. That the contract shall not preclude the department
30 from continuing to conduct additional eligibility verification
31 or authentication processes, to receive, review, or verify
32 additional information related to the eligibility of an
33 individual, or from contracting with a third-party vendor to
34 provide additional eligibility authentication or verification
35 information.

1 4. The department shall seek federal approval as necessary
2 to implement and administer this section.

3 5. The department shall adopt rules pursuant to chapter 17A
4 to administer this chapter.

5 6. The department may contract with multiple third-party
6 vendors to administer this Act.

7 EXPLANATION

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

10 This bill requires that by July 1, 2023, the department
11 of human services (DHS) shall redesign an existing system;
12 establish a new computerized income, asset, and identity
13 eligibility verification system; or contract with a third-party
14 vendor to provide for identity verification, identity
15 authentication, asset verification, and dual enrollment
16 prevention in each public assistance program administered by
17 DHS. DHS may contract with a third-party vendor to develop
18 or provide a real-time system to verify or authenticate
19 income, assets, and identity eligibility of applicants and
20 recipients. The system shall be accessed prior to determining
21 eligibility, periodically between eligibility redeterminations,
22 and during eligibility redeterminations and reviews. DHS may
23 contract with a third-party vendor to provide information to
24 facilitate reviews of recipient eligibility conducted by DHS.
25 A contract entered into to provide a system or service must
26 establish the annual savings amount from utilization of the
27 system or service, and include a provision that the contract
28 may be terminated contingent upon the savings not exceeding
29 the total yearly cost to the state for utilization of the
30 system or service. The contract does not preclude DHS from
31 continuing to conduct additional eligibility verification
32 or authentication processes to receive, review, or verify
33 additional information related to the eligibility of an
34 individual; or from contracting with a third-party vendor to
35 provide additional eligibility authentication or verification

1 information. DHS shall seek federal approval as necessary to
2 implement and administer this provision of the bill. The bill
3 requires DHS to adopt administrative rules to administer the
4 bill and authorizes DHS to contract with multiple third-party
5 vendors to administer the bill.