

**House Study Bill 503 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
HUMAN RESOURCES BILL BY  
CHAIRPERSON MEYER)

**A BILL FOR**

- 1 An Act relating to public assistance program fraud.
- 2 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. "*Department*" means the department of human services.

7 3. "*Public assistance*" means SNAP (the supplemental  
8 nutrition assistance program), the Medicaid program, FIP (the  
9 family investment program), and CHIP (the children's health  
10 insurance program).

11 4. "*Recipient*" means an individual who is receiving public  
12 assistance benefits in the state.

13 Sec. 2. NEW SECTION. 239.2 Referrals for public assistance  
14 fraud, misrepresentation, or inadequate documentation — rules  
15 — reports.

16 1. Following a review of a public assistance applicant's  
17 or recipient's eligibility under this chapter, the department  
18 shall refer cases of suspected fraud along with any supportive  
19 information to the department of inspections and appeals for  
20 review.

21 2. In cases of substantiated fraud, upon conviction, the  
22 state shall review all appropriate legal options including  
23 but not limited to removal of a recipient from other public  
24 assistance programs and garnishment of wages or state income  
25 tax refunds until the department recovers an equal amount of  
26 benefits fraudulently claimed.

27 3. The department shall refer suspected cases of fraud,  
28 misrepresentation, or inadequate documentation relating to  
29 initial or continued eligibility to appropriate state agencies,  
30 divisions, or departments for review of eligibility issues in  
31 programs providing public benefits other than public assistance  
32 benefits.

33 4. The department of human services shall adopt rules  
34 pursuant to chapter 17A to administer this chapter.

35 5. The department shall submit a report to the governor



1 benefits programs.

2 Under the bill, DHS shall adopt administrative rules to  
3 administer the Code chapter. DHS shall submit a report to the  
4 governor and the general assembly by January 15, 2024, and  
5 by January 15 annually thereafter through January 15, 2029,  
6 detailing the impact of the measures taken under the bill. The  
7 report shall include data for all affected public assistance  
8 programs including the number of cases reviewed, the number of  
9 cases closed, the number of fraud investigation referrals made,  
10 and the amount of savings and cost avoidance realized from the  
11 provisions of the bill.

12 DHS shall request federal approval including for any state  
13 plan amendment or waiver necessary to administer the bill, and  
14 the provisions of the bill requiring federal approval shall  
15 be implemented upon receipt of such federal approval. The  
16 provisions of the bill that do not require federal approval  
17 shall be implemented no later than July 1, 2023. DHS may  
18 contract with multiple third-party vendors to administer the  
19 bill.