AMENDMENT

OFFERED IN THE HOUSE
TO: HB 148

Page 1, line 1, following "measures;":

Insert "relating to verification of eligibility for public assistance programs administered by the Department of Health and Social Services;"

Page 2, following line 16:

Insert a new bill section to read:

"* Sec. 3. AS 47.05 is amended by adding new sections to article 1 to read:

Sec. 47.05.105. Computerized eligibility verification system. (a) The department shall establish a computerized income, asset, and identity eligibility verification system for the purposes of verifying eligibility, eliminating duplication of public assistance payments, and deterring waste and fraud in public assistance programs administered by the department under AS 47.05.010.

(b) The department shall enter into a competitively bid contract with a third-party vendor for the purpose of developing a system under this section for verifying an applicant's eligibility for public assistance before the payment of benefits and for periodically verifying eligibility between eligibility redeterminations and during eligibility redeterminations and reviews under AS 47.05.110 - 120. The department may also contract with a third-party vendor to provide information to facilitate reviews of recipient eligibility conducted by the department.

(c) A contract awarded under this section must

(1) require the vendor to ensure that annualized savings realized from implementation of the verification system exceed the total yearly cost to the state for implementing the verification system;
(2) provide a payment structure based on a per applicant rate and provide a performance bonus for achieving a rate of success in accurately identifying waste and fraud that is higher than a predetermined rate established by the department;

(3) require the vendor to include in its system the databases identified in AS 47.05.110.

(d) The third-party vendor selected under this section may not hold, bid on, or be awarded a contract to provide enrollment services to an agency of the state.

Sec. 47.05.110. Income and asset eligibility verification. (a) Before awarding public assistance and on a quarterly basis thereafter, to the extent permitted by federal or state law, and if the information is available to the department, the department shall compare the financial information of an applicant for and recipient of assistance with information from the following sources:

(1) earned and unearned income information maintained by the United States Internal Revenue Service;

(2) employer weekly, monthly, or quarterly reports of income and unemployment insurance payment information maintained by the Department of Labor and Workforce Development;

(3) earned income information maintained by the United States Social Security Administration;

(4) a nationwide public records data source of physical asset ownership such as real property, automobiles, watercraft, aircraft, and luxury vehicles, or any other vehicle owned by the applicant for or recipient of public assistance;

(5) national and local financial institutions;

(6) public housing and housing assistance payment information maintained by the United States Department of Housing and Urban Development;

(7) wage reporting and similar information maintained by states contiguous to this state;

(8) beneficiary records, earnings, and pension information maintained by the United States Social Security Administration;

(9) employment information maintained by the Department of Labor and Workforce Development;
(10) veterans' benefit information maintained by the United States Department of Health and Human Services, in coordination with the department and the Department of Military and Veterans' Affairs;

(11) child care services payment information maintained by the department;

(12) income, employment, and child support information maintained by the Department of Revenue under AS 25.27;

(13) income, employment, and child support information maintained by the United States Department of Health and Human Services under 42 U.S.C. 652 - 669b;

(14) utility payment information maintained by the department for the Alaska affordable heating program under AS 47.25.621 - 47.25.626 or the federal low-income home energy assistance program under 42 U.S.C. 8621 - 8629;

(15) emergency utility payment information maintained by the state or a municipality;

(16) information maintained by the state concerning a license, permit, or certificate issued by a state agency if the cost of the license exceeds $500;

(17) information maintained by the Department of Administration concerning pension payments made under AS 14.25, AS 26.05.222 - 26.05.229, AS 39.35, and former AS 39.37;

(18) a database of individuals receiving public assistance or other benefits in another state;

(19) any other database or other source that provides current and accurate information concerning the income and assets of applicants for and recipients of public assistance.

(b) Notwithstanding the requirements of this section, an application for public assistance shall be processed before a deadline set by federal or state law or regulation.

Sec. 47.05.115. Identity verification process. (a) Before awarding public assistance, the department shall require an applicant for public assistance to prove the applicant's identity by requiring the applicant to answer a series of questions about the applicant's personal and financial information that the department can verify
independently. The department shall provide a means to verify the financial history of an applicant without bank records or a credit history.

(b) The department shall permit an applicant to provide the answers to the questions posed under (a) of this section electronically, in person, or by telephone.

(c) Before awarding assistance, and on a quarterly basis, the department shall, to the extent permitted by federal or state law and if the information is available to the department, match identity information of an applicant for or recipient of public assistance against, at a minimum, the following public records:

1. immigration status information maintained by the United States Department of Homeland Security, Citizenship and Immigration Services;
2. death register information maintained by the United States Social Security Administration;
3. prisoner information maintained by the United States Social Security Administration;
4. national fleeing felon information maintained by the Federal Bureau of Investigation;
5. a nationwide public records data source of incarcerated individuals;
6. a nationwide best-address and driver's license data source to verify that individuals are residents of the state;
7. a comprehensive public records database that identifies potential identity fraud or identity theft that can closely associate name, social security number, date of birth, telephone number, and address information;
8. outstanding default or arrest warrant information maintained by the Department of Public Safety under AS 12.62; and
9. any other database or other source that provides current and accurate information concerning the identification of individuals.

Sec. 47.05.120. Discrepancies and case review. (a) If there is a discrepancy between the information received from an applicant for or recipient of public assistance and the results of the review conducted under AS 47.05.110 and 47.05.115, the department shall

1. take no further action if the discrepancy does not affect the
eligibility of the applicant or recipient;

(2) undertake a further investigation under (b) - (e) of this section if the discrepancy indicates that an applicant or recipient is or has become ineligible for assistance.

(b) The department shall provide written notice to an applicant or recipient of a discrepancy under (a)(2) of this section. The notice must describe the discrepancy and set out the reasons the discrepancy requires a redetermination of eligibility, the manner in which the applicant or recipient may respond, and the consequences of failing to respond.

(c) The applicant or recipient shall respond to a notice under (b) of this section within 10 business days. The applicant or recipient shall respond in writing.

(d) After receiving the applicant's or recipient's response, the department

(1) may request that the applicant or recipient provide additional information;

(2) shall, if the applicant or recipient disputes the accuracy of the information in a database, disputes the effect of a discrepancy on eligibility for assistance, or provides an explanation for the discrepancy, reinvestigate the discrepancy and its effect on the applicant's or recipient's eligibility.

(e) In reviewing information under this section, the department shall independently verify information provided solely by the applicant or recipient.

(f) If the department finds that the report of a discrepancy is inaccurate, that the discrepancy has been satisfactorily explained, or that the discrepancy does not affect the eligibility of the applicant or recipient, the department shall approve or continue eligibility for the relevant public assistance program.

(g) If the department finds that the information provided by the applicant or recipient is inaccurate, and that the inaccurate information affects the applicant's or recipient's eligibility, it shall promptly redetermine eligibility. If the department determines that an applicant or recipient is not eligible for assistance, the department shall provide written notice of the determination to the applicant or recipient, along with notice of the applicant's or recipient's right to a fair hearing under AS 47.05.010.

(h) If the applicant or recipient does not respond to the notice, the department
shall deny or discontinue assistance for failure to cooperate. Eligibility for assistance may not be established or reestablished until the discrepancy or change has been resolved. The department shall provide written notice of the denial or discontinuation to the applicant or recipient, along with notice of the applicant's or recipient's right to a fair hearing under AS 47.05.010.

(i) The department shall adopt regulations to implement this section.

Sec. 47.05.125. Referrals for fraud, misrepresentation, or inadequate documentation. (a) The department shall refer suspected cases of fraud, including identity fraud, to the attorney general for criminal prosecution, recovery of improper payments, and collection of civil penalties.

(b) The department shall refer suspected cases of fraud, misrepresentation, or inadequate documentation to other state agencies and programs for review.

Sec. 47.05.130. Reporting. The department shall, on a quarterly basis, deliver to the senate secretary and the chief clerk of the house of representatives and notify the legislature of the availability of a report detailing the effectiveness and general findings of the eligibility verification system, including the number of cases reviewed, the number of case closures, the number of referrals for criminal prosecution, the recovery of improper payment, the outcomes of cases referred to the attorney general, and the savings that have resulted from the system.

Sec. 47.05.135. Provider payments. (a) To the extent permitted by federal and state law, the department shall make available to the public an annual report of

(1) the names, office locations, and national provider identifier under 42 U.S.C. 1396 - 1396p (Title XIX of the Social Security Act) of health care providers receiving payments under a public assistance program administered by the department; and

(2) for each health care provider, the number and types of services provided under a public assistance program, average submitted charges for each type of service, average allowed amount, average medical assistance payment, the common procedure coding system compiled by the United States Department of Health and Human Services for the services provided by the physician, and whether the services were performed in a facility or office setting.
(b) Notwithstanding (a) of this section, the department may not release information under this section if the information would disclose, directly or indirectly, the identity and medical condition of a patient of the health care provider, or could reasonably be expected to constitute an unwarranted invasion of the personal privacy of the patient.

Sec. 47.05.150. Definitions. In AS 47.05.105 - 47.05.150,

(1) "department" means the Department of Health and Social Services;

(2) "health care provider" means a person or facility approved by the department to provide health care services to a recipient of public assistance administered by the department;

(3) "identity information" includes the full name, aliases, date of birth, address, social security number, or other information identifying an applicant for or recipient of an assistance program administered by the department under AS 47.05.010."

Renumber the following bill sections accordingly.

Page 9, line 12, following the first occurrence of "Act,":
Insert "AS 47.05.105 - 47.05.150, enacted by sec. 3 of this Act,"
Delete "sec. 10"
Insert "sec. 11"

Page 9, lines 16 - 17:
Delete "secs. 1 and 10"
Insert "secs. 1, 3, and 11"

Page 9, line 23:
Delete "Sections 13 and 14"
Insert "Sections 14 - 16"

Page 9, following line 23:
Insert new bill sections to read:

"* Sec. 18. AS 47.05.130, enacted by sec. 3 of this Act, takes effect July 1, 2016.
* Sec. 19. Except as provided in sec. 18 of this Act, sec. 3 of this Act takes effect January 1, 2016."

Page 9, line 24:
Delete "by sec. 16"
Insert "in secs. 17 - 19"