

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 148

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

2 Insert "**relating to verification of eligibility for public assistance programs**
3 **administered by the Department of Health and Social Services;**"
4

5 Page 2, following line 16:

6 Insert a new bill section to read:

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

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

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

20 (c) A contract awarded under this section must

21 (1) require the vendor to ensure that annualized savings realized from
22 implementation of the verification system exceed the total yearly cost to the state for
23 implementing the verification system;

1 (2) provide a payment structure based on a per applicant rate and
2 provide a performance bonus for achieving a rate of success in accurately identifying
3 waste and fraud that is higher than a predetermined rate established by the department;

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

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

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

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

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

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

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

23 (5) national and local financial institutions;

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

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

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

30 (9) employment information maintained by the Department of Labor
31 and Workforce Development;

1 (10) veterans' benefit information maintained by the United States
2 Department of Health and Human Services, in coordination with the department and
3 the Department of Military and Veterans' Affairs;

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

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

8 (13) income, employment, and child support information maintained by
9 the United States Department of Health and Human Services under 42 U.S.C. 652 -
10 669b;

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

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

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

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

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

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

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

28 **Sec. 47.05.115. Identity verification process.** (a) Before awarding public
29 assistance, the department shall require an applicant for public assistance to prove the
30 applicant's identity by requiring the applicant to answer a series of questions about the
31 applicant's personal and financial information that the department can verify

1 independently. The department shall provide a means to verify the financial history of
2 an applicant without bank records or a credit history.

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

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

9 (1) immigration status information maintained by the United States
10 Department of Homeland Security, Citizenship and Immigration Services;

11 (2) death register information maintained by the United States Social
12 Security Administration;

13 (3) prisoner information maintained by the United States Social
14 Security Administration;

15 (4) national fleeing felon information maintained by the Federal Bureau
16 of Investigation;

17 (5) a nationwide public records data source of incarcerated individuals;

18 (6) a nationwide best-address and driver's license data source to verify
19 that individuals are residents of the state;

20 (7) a comprehensive public records database that identifies potential
21 identity fraud or identity theft that can closely associate name, social security number,
22 date of birth, telephone number, and address information;

23 (8) outstanding default or arrest warrant information maintained by the
24 Department of Public Safety under AS 12.62; and

25 (9) any other database or other source that provides current and
26 accurate information concerning the identification of individuals.

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

31 (1) take no further action if the discrepancy does not affect the

1 eligibility of the applicant or recipient;

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

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

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

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

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

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

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

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

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

31 (h) If the applicant or recipient does not respond to the notice, the department

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

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

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

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

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

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

22 (1) the names, office locations, and national provider identifier under
23 42 U.S.C. 1396 - 1396p (Title XIX of the Social Security Act) of health care providers
24 receiving payments under a public assistance program administered by the
25 department; and

26 (2) for each health care provider, the number and types of services
27 provided under a public assistance program, average submitted charges for each type
28 of service, average allowed amount, average medical assistance payment, the common
29 procedure coding system compiled by the United States Department of Health and
30 Human Services for the services provided by the physician, and whether the services
31 were performed in a facility or office setting.

1 (b) Notwithstanding (a) of this section, the department may not release
 2 information under this section if the information would disclose, directly or indirectly,
 3 the identity and medical condition of a patient of the health care provider, or could
 4 reasonably be expected to constitute an unwarranted invasion of the personal privacy
 5 of the patient.

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

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

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

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

15
 16 Renumber the following bill sections accordingly.

17
 18 Page 9, line 12, following the first occurrence of "Act,":

19 Insert "AS 47.05.105 - 47.05.150, enacted by sec. 3 of this Act,"

20 Delete "sec. 10"

21 Insert "sec. 11"

22
 23 Page 9, lines 16 - 17:

24 Delete "secs. 1 and 10"

25 Insert "secs. 1, 3, and 11"

26
 27 Page 9, line 23:

28 Delete "Sections 13 and 14"

29 Insert "Sections 14 - 16"

30
 31 Page 9, following line 23:

1 Insert new bill sections to read:

2 **** Sec. 18.** AS 47.05.130, enacted by sec. 3 of this Act, takes effect July 1, 2016.

3 *** Sec. 19.** Except as provided in sec. 18 of this Act, sec. 3 of this Act takes effect January 1,
4 2016."

5

6 Page 9, line 24:

7 Delete "by sec. 16"

8 Insert "in secs. 17 - 19"