

**HOUSE . . . . . No. 109**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Shaunna L. O'Connell and Robert L. Hedlund***

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to strengthening public assistance programs.

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PETITION OF:

| NAME:                       | DISTRICT/ADDRESS:                     | DATE ADDED:      |
|-----------------------------|---------------------------------------|------------------|
| <i>Shaunna L. O'Connell</i> | <i>3rd Bristol</i>                    | <i>1/16/2015</i> |
| <i>Robert L. Hedlund</i>    | <i>Plymouth and Norfolk</i>           | <i>2/3/2015</i>  |
| <i>Leah Cole</i>            | <i>12th Essex</i>                     | <i>2/1/2015</i>  |
| <i>David F. DeCoste</i>     | <i>5th Plymouth</i>                   | <i>2/4/2015</i>  |
| <i>Marcos A. Devers</i>     | <i>16th Essex</i>                     | <i>1/31/2015</i> |
| <i>Geoff Diehl</i>          | <i>7th Plymouth</i>                   | <i>1/28/2015</i> |
| <i>James R. Miceli</i>      | <i>19th Middlesex</i>                 | <i>2/4/2015</i>  |
| <i>Richard J. Ross</i>      | <i>Norfolk, Bristol and Middlesex</i> | <i>2/2/2015</i>  |

**HOUSE . . . . . No. 109**

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By Representative O’Connell of Taunton and Senator Hedlund, a joint petition (accompanied by bill, House, No. 109) of Shaunna L. O’Connell and others relative to strengthening public assistance programs. Children, Families and Persons with Disabilities.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**  
\_\_\_\_\_

An Act relative to strengthening public assistance programs.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. (a) For the purposes of this act, the following terms shall have the following  
2 meaning:

3 “department,” the department of transitional assistance, established under section  
4 1 of chapter 18 of the General Laws;

5 “division,” the division of medical assistance, established under section 2 of  
6 chapter 118E of the General Laws.

7 (b) The department and the division shall each establish a computerized income,  
8 asset, and identity eligibility verification system in order to verify eligibility, eliminate the  
9 duplication of assistance, and deter fraud within each respective assistance program administered  
10 by the department or the division.

11

12 (1) The department and division may each enter into a contract with a third-party  
13 vendor for the purposes of developing a system by which to verify the income, asset, and identity  
14 eligibility of applicants to prevent fraud, misrepresentation, and inadequate documentation when  
15 determining an applicant's eligibility for assistance prior to the distribution of benefits and  
16 during eligibility redeterminations and reviews, as prescribed in this section. The department and  
17 division may also contract with a vendor to provide information to facilitate reviews of recipient  
18 eligibility conducted by the department or the division.

19 (2) If the department or division enters into a contract with a third-party vendor  
20 for the purposes of carrying out this section, the vendor shall be required by contract to establish  
21 annualized savings realized from implementation of the verification system and savings shall  
22 exceed the total yearly cost to the state for implementing the verification system.

23 (c) Prior to awarding or continuing assistance, the department and division shall,  
24 to the extent such data bases are available to the department and division, match the social  
25 security number of each respective applicant and recipient of assistance from the department or  
26 division against the following:

27 (1) unearned income information maintained by the Internal Revenue Service;

28 (2) employer weekly, monthly, and/or quarterly reports of income and  
29 unemployment insurance payment information maintained by the department of labor and  
30 workforce development;

31 (3) earned income information maintained by the Social Security  
32 Administration;

- 33 (4) immigration status information maintained by the U.S. Citizenship and  
34 Immigration Services;
- 35 (5) death register information maintained by the Social Security Administration;
- 36 (6) prisoner information maintained by the Social Security Administration;
- 37 (7) public housing and Section 8 Housing Assistance payment information  
38 maintained by the Department of Housing and Urban Development;
- 39 (8) national fleeing felon information maintained by the Federal Bureau of  
40 Investigation;
- 41 (9) wage reporting and similar information maintained by states contiguous to  
42 this State;
- 43 (10) beneficiary records and earnings information maintained by the Social  
44 Security Administration in its Beneficiary and Earnings Data Exchange (BENDEX) database;
- 45 (11) earnings and pension information maintained by the Social Security  
46 Administration in its Beneficiary Earnings Exchange Record System (BEERS) database;
- 47 (12) employment information maintained by the department of labor and  
48 workforce development;
- 49 (13) employment information maintained by the U.S. Department of Health and  
50 Human Services in its National Directory of New Hires database;
- 51 (14) supplemental Security Income information maintained by the Social  
52 Security Administration in its SSI State Data Exchange (SDX) database;

53 (15) veterans' benefits information maintained by the U.S. Department of Health  
54 and Human Services, in coordination with the Massachusetts Department of Health and Human  
55 Services and Department of Veterans' Affairs, in the federal Public Assistance Reporting  
56 Information System (PARIS) database;

57 (16) child care services information maintained by the Department of Children  
58 and Families;

59 (17) utility payments information maintained by the Department of Housing and  
60 Community Development under the Low Income Home Energy Assistance Program;

61 (18) emergency utility payment information maintained by local cities and towns  
62 or councils on aging;

63 (19) Income and employment information maintained by the department of  
64 revenue and the U.S. Department of Health and Human Services' Office of Child Support  
65 Enforcement;

66 (20) Earnings and pension information maintained by the {state pension board};

67 (21) Any existing real-time database of persons currently receiving benefits in  
68 other states, such as the National Accuracy Clearinghouse;

69 (22) a database which is substantially similar to or a successor of a database  
70 established in this section; and

71 (23) a database of all persons who currently hold a license, permit, or certificate  
72 from a State agency the cost of which exceeds \$1,000.

73 (d) Prior to awarding or continuing assistance, the department and division shall  
74 match the social security number of each respective applicant and recipient of assistance from  
75 the department or division, whichever applies, against, at minimum, the following public  
76 records:

77 (1) a nationwide public records data source of physical asset ownership such as  
78 real property, automobiles, watercraft, aircraft and luxury vehicles;

79 (2) a nationwide public records data source of incarcerated individuals;

80 (3) a nationwide best-address and driver's license data source to verify  
81 individuals are residents of the State;

82 (4) a comprehensive public records database that identifies potential Identity  
83 Fraud or Identity Theft that can closely associate name, social security number, date of birth,  
84 phone and address information;

85 (5) national and local financial institutions, in order to locate undisclosed  
86 depository accounts or verify account balances of disclosed accounts;

87 (6) outstanding default or arrest warrant information maintained by the criminal  
88 history systems board, the criminal justice information system, and the warrant management  
89 system; and

90 (7) S.A.V.E. or a similar database providing such information in order to verify  
91 legal permanent resident status information; and

92 (8) a database which is substantially similar to or a successor of a database  
93 established in this section.

94 (e) If a discrepancy results between an applicant or recipient's social security  
95 number and one or more of the databases or information tools listed under paragraph (c) and (d),  
96 the department and division shall review the respective applicant or recipient's case using the  
97 following procedures:

98 (1) if the information discovered does not result in the department or division  
99 finding the applicant or recipient ineligible for assistance under this section, the department or  
100 division shall take no further action;

101 (2) if the information discovered under paragraph (c) and (d) results in the  
102 department or division finding the applicant or recipient ineligible for assistance under this  
103 section, the applicant or recipient shall be given an opportunity to explain the discrepancy;  
104 provided, however, that self-declarations by applicants or recipients shall not be accepted as  
105 verification of categorical and financial eligibility during eligibility evaluations and  
106 reevaluations. Recipients and applicants who are present in the United States under 1 of the  
107 eligible noncitizen statuses as described in 106 CMR 203.675(A) or 106 CMR 320.620(A) shall  
108 have three months to provide a valid social security number; provided further that recipients and  
109 applicants who are victims of domestic violence, less than 4 months old, asylees, or adopted  
110 within the previous year shall have 3 months to provide a valid social security number. Failure  
111 to provide a valid social security number within 3 months shall result in the suspension of  
112 benefits until a valid social security number is provided and verified by the department.

113

114 The department and division, whichever applies, shall provide written notice to said  
115 applicant or recipient, which shall describe in sufficient detail the circumstances of the

116 discrepancy, the manner in which the applicant or recipient may respond, and the consequences  
117 of failing to take action. The applicant or recipient shall have 10 business days to respond in an  
118 attempt to resolve the discrepancy. The explanation provided by the recipient or applicant shall  
119 be given in writing. After receiving the explanation, the department or division, whichever  
120 applies, may request additional documentation if it determines that there is a substantial risk of  
121 fraud;

122 (3) If the applicant or recipient does not respond to the notice, the department or  
123 division, whichever applies, shall deny assistance for failure to cooperate, in which case the  
124 department or division shall provide notice of intent to discontinue assistance. Eligibility for  
125 assistance shall not be reestablished until the significant discrepancy has been resolved.

126 (4) If an applicant or recipient responds to the notice and disagrees with the  
127 findings of the match between his or her social security number and one or more databases or  
128 information tools listed under this section, the department or division, whichever applies, shall  
129 reinvestigate the matter. If the department or division finds that there has been an error, the  
130 department or division shall take immediate action to correct it and no further action shall be  
131 taken. If, after an investigation, the department or division determines that there is no error, the  
132 department or division shall determine the effect on the applicant's or recipient's case and take  
133 appropriate action. Written notice of the respective department or division's action shall be given  
134 to the applicant or recipient.

135 (5) If the applicant or recipient agrees with the findings of the match between the  
136 applicant's or recipient's social security number and one or more databases or information tools  
137 listed under this chapter, the department or the division, whichever applies, shall determine the



138 effect on the applicant or recipient's case and take appropriate action. Written notice of the  
139 department or division's action shall be given to the applicant or recipient. In no case shall the  
140 department or division discontinue assistance as a result of a match between the applicant's or  
141 recipient's social security number and one more databases or information tools listed under this  
142 chapter until the applicant or recipient has been given notice of the discrepancy and the  
143 opportunity to respond.

144 (f) Prior to awarding assistance, applicants for benefits must complete a  
145 computerized identity authentication process that shall confirm the applicant owns the identity  
146 presented in the application. The Department and Division shall review the respective applicant  
147 or recipient's identity ownership using the following procedures:

148 (1) Provide a knowledge-based quiz consisting of out-of-wallet questions. The  
149 quiz must provide support for non-banked or under-banked applicants who do not have an  
150 established credit history.

151

152 (2) Require the quiz for applications submitted through all channels, including  
153 online, in-person, and via phone.

154 (g) The department and division shall each promulgate rules and regulations  
155 necessary for the purposes of carrying out this section.

156 SECTION 2. (a) After reviewing changes or discrepancies that may affect  
157 program eligibility, the Department or Division shall refer suspected cases of fraud to {the office

158 of the auditor, the Attorney General, or other agency responsible for prosecuting eligibility  
159 fraud} for criminal prosecution, recovery of improper payments, and collection of civil penalties.

160 (b) After reviewing changes or discrepancies that may affect program eligibility,  
161 the Department or Division shall refer suspected cases of identity fraud to {the Attorney General,  
162 or other agency responsible for prosecuting identity theft} for criminal prosecution.

163 (c) In cases of fraud substantiated by the Department or Division, the state should  
164 review all legal options to remove enrollees from other public programs, garnish wages, or state  
165 income tax refunds until the state recovers an equal amount of benefits fraudulently claimed.

166 (d) After reviewing changes or discrepancies that may affect program eligibility,  
167 the Department or Division shall refer suspected cases of fraud, misrepresentation or inadequate  
168 documentation to appropriate agencies, divisions or departments for review of eligibility  
169 discrepancies in other public programs. This should also include cases where an individual is  
170 determined to be no longer eligible for the original program.

171 SECTION 3. Nothing in this section shall preclude the department or division from  
172 continuing to conduct additional eligibility verification processes, not detailed in this act, that are  
173 currently in practice.

174 SECTION 4. Sections 1, 2, and 3 shall take effect on or before January 15, 2016.

175 SECTION 5. Six months following the implementation of sections 1, 2, and 3,  
176 and annually thereafter, the department and the division shall each file with the clerks of the  
177 house and senate, a report detailing the effectiveness and general findings of each respective  
178 computerized income, asset, and identity eligibility verification system, as well as which

179 databases or information tools listed under paragraph (c) and (d) were accessed by the system  
180 during eligibility determinations and redeterminations.