

HOUSE No. 109

The Commonwealth of Massachusetts

PRESENTED BY:

Shaunna L. O'Connell and Robert L. Hedlund

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.

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

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.

The Commonwealth of Massachusetts

**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.