HOUSE DOCKET, NO. 1166 FILED ON: 1/18/2017

HOUSE . . . . . No. 105

The Commonwealth of Massachusetts

PRESENTED BY:

Shaunna L. O'Connell and Ryan C. Fattman

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:
Shaunna L. O'Connell	*3rd Bristol*	*1/18/2017*
Ryan C. Fattman	*Worcester and Norfolk*	*1/20/2017*
Kate D. Campanale	*17th Worcester*	*2/3/2017*
William L. Crocker, Jr.	*2nd Barnstable*	*1/25/2017*
David F. DeCoste	*5th Plymouth*	*1/24/2017*
Angelo L. D'Emilia	*8th Plymouth*	*2/1/2017*
Geoff Diehl	*7th Plymouth*	*2/3/2017*
Shawn Dooley	*9th Norfolk*	*1/24/2017*
James J. Dwyer	*30th Middlesex*	*1/26/2017*
Colleen M. Garry	*36th Middlesex*	*2/2/2017*
Kevin J. Kuros	*8th Worcester*	*2/3/2017*
Richard J. Ross	*Norfolk, Bristol and Middlesex*	*1/24/2017*

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HOUSE . . . . . No. 105

By Representative O'Connell of Taunton and Senator Fattman, a joint petition (accompanied by bill, House, No. 105) of Shaunna L. O'Connell, Ryan C. Fattman and others relative to strengthening public assistance programs. Children, Families and Persons with Disabilities.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *109* OF 2015-2016.]

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

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:

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

"department," the department of transitional assistance, established under section 1 of chapter 18 of the General Laws;

"division," the division of medical assistance, established under section 2 of chapter 118E of the General Laws.

(b) The department and the division shall each establish a computerized income, asset, and identity eligibility verification system in order to verify eligibility, eliminate the

duplication of assistance, and deter fraud within each respective assistance program administered by the department or the division.

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

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

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

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

(2) employer weekly, monthly, and/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 Social Security Administration;

(4) immigration status information maintained by the U.S. Citizenship and Immigration Services;

(5) death register information maintained by the Social Security Administration;

(6) prisoner information maintained by the Social Security Administration;

(7) public housing and Section 8 Housing Assistance payment information maintained by the Department of Housing and Urban Development;

(8) national fleeing felon information maintained by the Federal Bureau of Investigation;

(9) wage reporting and similar information maintained by states contiguous to this State;

(10) beneficiary records and earnings information maintained by the Social Security Administration in its Beneficiary and Earnings Data Exchange (BENDEX) database;

(11) earnings and pension information maintained by the Social Security Administration in its Beneficiary Earnings Exchange Record System (BEERS) database;

(12) employment information maintained by the department of labor and workforce development;

(13) employment information maintained by the U.S. Department of Health and Human Services in its National Directory of New Hires database;

(14) supplemental Security Income information maintained by the Social Security Administration in its SSI State Data Exchange (SDX) database;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) if the information discovered under paragraph (c) and (d) results in the department or division finding the applicant or recipient ineligible for assistance under this section, the applicant or recipient shall be given an opportunity to explain the discrepancy; provided, however, that self-declarations by applicants or recipients shall not be accepted as verification of categorical and financial eligibility during eligibility evaluations and reevaluations. Recipients and applicants who are present in the United States under 1 of the eligible noncitizen statuses as described in 106 CMR 203.675(A) or 106 CMR 320.620(A) shall have three months to provide a valid social security number; provided that recipients and

applicants who are victims of domestic violence, less than 4 months old, asylees, or adopted within the previous year shall have 3 months to provide a valid social security number. Failure to provide a valid social security number within 3 months shall result in the suspension of benefits until a valid social security number is provided and verified by the department, unless under lawfully protected status.

The department and division, whichever applies, shall provide written notice to said applicant or recipient, which shall describe in sufficient detail the circumstances of the discrepancy, the manner in which the applicant or recipient may respond, and the consequences of failing to take action. The applicant or recipient shall have 15 business days to respond in an attempt to resolve the discrepancy. The explanation provided by the recipient or applicant shall be given in writing. After receiving the explanation, the department or division, whichever applies, may request additional documentation if it determines that there is a substantial risk of fraud;

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

(4) If an applicant or recipient responds to the notice and disagrees with the findings of the match between his or her social security number and one or more databases or information tools listed under this section, the department or division, whichever applies, shall reinvestigate the matter. If the department or division finds that there has been an error, the

department or division shall take immediate action to correct it and no further action shall be taken. If, after an investigation, the department or division determines that there is no error, the department or division shall determine the effect on the applicant's or recipient's case and take appropriate action. Written notice of the respective department or division's action shall be given to the applicant or recipient.

(5) If the applicant or recipient agrees with the findings of the match between the applicant's or recipient's social security number and one or more databases or information tools listed under this chapter, the department or the division, whichever applies, shall determine the effect on the applicant or recipient's case and take appropriate action. Written notice of the department or division's action shall be given to the applicant or recipient. In no case shall the department or division discontinue assistance as a result of a match between the applicant's or recipient's social security number and one more databases or information tools listed under this chapter until the applicant or recipient has been given notice of the discrepancy and the opportunity to respond.

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

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

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

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

SECTION 2. (a) After reviewing changes or discrepancies that may affect program eligibility, the Department or Division shall refer suspected cases of fraud to the bureau of special investigations, the Attorney General, or other agency responsible for prosecuting eligibility fraud, for criminal prosecution, recovery of improper payments, and collection of civil penalties.

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

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

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

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

SECTION 4. Sections 1, 2, and 3 shall take effect on or before September 30, 2018.

SECTION 5. Six months following the implementation of sections 1, 2, and 3, and annually thereafter, the department and the division shall each file with the clerks of the house and senate, a report detailing the effectiveness and general findings of each respective computerized income, asset, and identity eligibility verification system, as well as which databases or information tools listed under paragraph (c) and (d) were accessed by the system during eligibility determinations and redeterminations.