

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1903

By: Representative Bentley

For An Act To Be Entitled

AN ACT REGARDING FRAUD PREVENTION WITH THE ARKANSAS
MEDICAID PROGRAM AND THE SUPPLEMENTAL NUTRITION
ASSISTANCE PROGRAM, FORMERLY KNOWN AS FOOD STAMPS; TO
CREATE THE ENHANCED ELIGIBILITY AND AUTHENTICATION
ACT; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ENHANCED ELIGIBILITY AND
AUTHENTICATION ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 20, Chapter 76, is amended to add an additional subchapter to read as follows:

Subchapter 8 – Enhanced Eligibility and Authentication Act

20-76-801. Title.

This subchapter shall be known and may be cited as the "Enhanced Eligibility and Authentication Act".

20-76-802. Enhanced eligibility verification.

(a) Before awarding assistance under the Arkansas Medicaid Program or the Supplemental Nutrition Assistance Program, formerly known as food stamps, the Department of Human Services shall verify the eligibility information of an applicant.

(b) The eligibility information verified under subsection (a) of this section shall include without limitation:



- (1) Earned and unearned income;
- (2) Employment status and changes in employment;
- (3) Immigration status;
- (4) Residency status, which shall include a nationwide best address source to verify that individuals are residents of the state;
- (5) Enrollment status in other state-administered public assistance programs;
- (6) Financial resources;
- (7) Incarceration status;
- (8) Death records;
- (9) Enrollment status in public assistance programs outside of the state; and
- (10) Potential identity fraud or identity theft.

(c) The department shall sign a memorandum of understanding with any department, agency, or division to obtain the information detailed in subsection (b) of this section.

(d)(1) The department may contract with one (1) or more independent vendors to provide information detailed in subsection (b) of this section.

(2) A contract entered into under subdivision (c)(1) of this section shall establish annualized savings that exceed the total annual cost of the contract to the state.

(e) This section does not prohibit the department from:

(1) Receiving, reviewing, or verifying additional information related to eligibility not detailed in this section; or

(2) Contracting with one (1) or more independent vendors to provide additional information not detailed in this section.

20-76-803. Real-time eligibility monitoring.

(a) At least quarterly, the Department of Human Services shall receive and review information concerning individuals who are enrolled in the Arkansas Medicaid Program or the Supplemental Nutrition Assistance Program, formerly known as food stamps, that indicates a discrepancy or change in circumstances that may affect eligibility.

(b) The information provided to the department under this section shall include without limitation:

- (1) Earned and unearned income;

(2) Employment status and changes in employment;
(3) Residency status;
(4) Enrollment status in other state-administered public assistance programs;
(5) Financial resources;
(6) Incarceration status;
(7) Death records;
(8) Lottery winnings; and
(9) Enrollment status in public assistance programs outside of the state.

(c) The department shall:

(1) Sign a memorandum of understanding with any department, agency, or division to obtain the information detailed in subsection (b) of this section; and

(2) Explore joining any multistate cooperative to identify individuals who are also enrolled in public assistance programs outside of the state, including the National Accuracy Clearinghouse.

(d)(1) The department may contract with one (1) or more independent vendors to provide information detailed in subsection (b) of this section.

(2) A contract entered into under subdivision (c)(1) of this section shall establish annualized savings that exceed the total annual cost of the contract to the state.

(e) This section does not prohibit the department from:

(1) Receiving, reviewing, or verifying additional information related to eligibility not detailed in this section; or

(2) Contracting with one (1) or more independent vendors to provide additional information not detailed in this section.

(f) If the department receives information concerning an individual who is enrolled in the Arkansas Medicaid Program or the Supplemental Nutrition Assistance Program, formerly known as food stamps, that indicates a change in circumstances that may affect eligibility, the department shall review the case using the following procedures:

(1) If the information does not result in the department's finding a discrepancy or change in the circumstances of the individual that may affect eligibility, the department shall take no further action; and

(2) If the information does result in the department's finding a

discrepancy or change in the circumstances of the individual that may affect eligibility, the department shall:

(A) Promptly redetermine eligibility after receiving the information; and

(B) Provide the individual with:

(i)(a) An opportunity to explain the discrepancy or change in circumstances in writing.

(b) However, self-declarations by the individual shall not be accepted as verification.

(c) After the department receives an explanation, the department may request additional documentation if the department determines a risk of fraud, misrepresentation, or inadequate documentation; and

(ii)(a) Written notice that shall describe in sufficient detail the discrepancy or change in circumstances, the manner in which the individual may respond, and the consequences of failing to action.

(b) An individual shall have ten (10) business days or the minimum amount of time required by state or federal law to resolve the discrepancy or change in circumstances.

(c)(1) If the individual does not respond to the notice described in subdivision (f)(2)(B)(ii)(a) of this section, the department shall discontinue assistance for failure to cooperate and provide notice of intent to discontinue assistance.

(2) Eligibility for assistance shall not be established or reestablished until the discrepancy or change in circumstances has been resolved.

(d)(1) If the individual responds to the notice described in subdivision (f)(2)(B)(ii)(a) of this section and disagrees with the findings, the department shall reinvestigate the discrepancy or change in circumstances.

(2) After the reinvestigation, if the department determines that an error occurred, the department shall take immediate action to correct the error and take no further action.

(3) After the reinvestigation, if the department determines that no error occurred, the department shall determine the effect on the case of the individual and take appropriate action that

shall include written notice of the action to the individual.

(e) If the individual responds to the notice described in subdivision (f)(2)(B)(ii)(a) of this section and agrees with the findings, the department shall determine the effect on the case of the individual and take appropriate action that shall include written notice of the action to the individual.

(g) The department shall not discontinue assistance upon a finding of a discrepancy or change in circumstances until the individual has been given notice of the discrepancy and the opportunity to respond as required by subsection (f) of this section.

20-76-804. Enhanced authentication.

(a) Before awarding assistance under the Arkansas Medicaid Program or the Supplemental Nutrition Assistance Program, formerly known as food stamps, the Department of Human Services shall require applicants to complete an identity authentication process to confirm that the applicant owns or is the identity presented in the application.

(b) The identity authentication process shall be:

(1)(A) Conducted through a knowledge-based quiz consisting of financial or personal questions, or both.

(B) The quiz shall attempt to accommodate unbanked or underbanked applicants who do not have an established credit history; and

(2) Available to be submitted through multiple channels, including online, in person, and via telephone.

20-76-805. Fraud reporting.

The Department of Human Services shall provide information obtained under this subchapter to the following entities for cases of suspected fraud:

(1) The Office of Medicaid Inspector General; and

(2) The office of the Attorney General.

20-78-806. Limits under the Supplemental Nutrition Assistance Program.

(a) The Department of Human Services shall utilize:

(1) Resource limit standards of the Supplemental Nutrition Assistance Program, formerly known as food stamps, that do not exceed the standards specified under 7 U.S.C. § 2014(g)(1), as existing on January 1,

2017, unless expressly required by federal law; or

(2) Gross income standards of the Supplemental Nutrition Assistance Program, formerly known as food stamps, that do not exceed the standards specified under 7 U.S.C. § 2014(c), as existing on January 1, 2017, unless expressly required by federal law.

(b) The department shall not grant any noncash, in-kind, or other benefit based on an exemption from either the resource limit standards or the gross income standards unless expressly required by federal law.

20-76-807. Implementation and reporting.

(a) The Department of Human Services shall promulgate rules necessary to implement this subchapter.

(b) Within six (6) months of the effective date of this subchapter, and annually thereafter, the department shall publish a written report detailing the impact of this subchapter, including without limitation:

- (1) The number of cases reviewed;
- (2) The number of cases closed;
- (3) The number of fraud investigation referrals; and
- (4) The amount of savings and cost avoidance that have resulted from implementation.