A BILL FOR

An Act relating to public assistance program oversight, and
ingcluding effective date provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
DIVISION I

DATA MATCHING — PREVENTION OF MULTIPLE ISSUANCES OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) BENEFITS

Section 1. DATA MATCHING — PREVENTION OF MULTIPLE ISSUANCES OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) BENEFITS. By October 1, 2020, the department of human services shall request any federal waiver or approval necessary from the food and nutrition service of the United States department of agriculture in order to comply with section 4011 of the federal Agriculture Improvement Act of 2018, Pub. L. No. 115-334, and the regulations adopted under the Act. Upon receipt of any necessary federal waiver or approval, the department shall contract with a third-party vendor to conduct national accuracy clearinghouse matches and corresponding actions in accordance with the federal law and regulations to provide real-time prevention of duplicate participation upon a potential beneficiary’s application for SNAP benefits.

Sec. 2. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

INCOME AND IDENTITY VERIFICATION — PUBLIC ASSISTANCE PROGRAMS

Sec. 3. NEW SECTION. 239.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Applicant" means an individual who is applying for public assistance benefits in the state.

2. "Asset" or "asset test" means all assets of the members of the applicant's household, including all of the following:

   a. All bank accounts, excluding retirement accounts of members of the household.

   b. All cash, excluding the first two thousand dollars of members of the household.

   c. All lottery and gambling income of the household whether received as a lump sum or installment payments.

   d. All real estate, excluding the primary household

1 residence and surrounding lot.
2  e. All other personal property excluding personal
3 belongings, household goods, and one vehicle.
4  3. "Department" means the department of human services.
5  4. "Public assistance" means SNAP (the supplemental
6 nutrition assistance program), the Medicaid program, FIP (the
7 family investment program), and CHIP (the children’s health
8 insurance program).
9  5. "Real-time system" means real-time electronic access
10 to a system that allows verification of all applicable public
11 assistance program eligibility information based on the
12 most recent information available to the department through
13 nonmodeled earned and unearned income, such as commercially
14 available wage data.
15  6. "Recipient" means an individual who is receiving public
16 assistance benefits in the state.
17  Sec. 4. NEW SECTION. 239.2 Asset test for supplemental
18 nutrition assistance program.
19  1. For the purposes of determining eligibility for receipt
20 of SNAP benefits, the department shall conduct an asset test
21 on all members of the applicant’s household. The allowable
22 financial resources to be included in or excluded from a
23 determination of eligibility for SNAP shall be those specified
25  2. Prior to determining eligibility for SNAP benefits,
26 the department shall access, at a minimum, for every member
27 of the applicant’s household, the following information from
28 the following federal, state, and miscellaneous sources, or
29 successor sources:
30  a. Federal sources and information:
31  (1) Earned and unearned income information maintained by
32 the internal revenue service.
33  (2) The following sources and information maintained by the
34 United States social security administration:
35  (a) Earned income information.
1 (b) Death register information.
2 (c) Prisoner or incarceration status information.
3 (d) Supplemental security income information maintained in
4 the state data exchange database.
5 (e) Beneficiary records and earnings information maintained
6 in the beneficiary and earnings data exchange database.
7 (f) Earnings and pension information maintained in the
8 beneficiary earnings exchange record system database.
9 (3) The following sources and information maintained by the
10 United States department of health and human services:
11 (a) Income and employment information maintained in the
12 national directory of new hires database by the office of child
13 support enforcement of the administration for children and
14 families.
15 (b) Other federal data sources maintained by the office of
16 child support enforcement of the administration for children
17 and families.
18 b. State sources and information:
19 (1) The department’s sources and information including but
20 not limited to all of the following:
21 (a) Income and employment information maintained by the
22 child support recovery unit.
23 (b) Child care assistance information maintained by the
24 division of child and family services.
25 (c) Enrollment status in other public assistance programs.
26 (2) The department of workforce development sources and
27 information including all of the following:
28 (a) Employment information.
29 (b) Employer weekly, monthly, and quarterly reports of
30 income and unemployment insurance payments.
31 (3) The Iowa public employees’ retirement system for
32 earnings and pension information.
33 c. Miscellaneous sources:
34 (1) Any existing real-time database of persons currently
35 receiving benefits in other states, such as the national
1 accuracy clearinghouse.
2   (2) Any databases maintained by the Iowa lottery
3 commission.
4   (3) Any existing real-time eligibility system that includes
5 employment and income information maintained by a consumer
6 reporting agency, as defined by the federal Fair Credit
7 Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining
8 real-time employment and income information.
9 3. Prior to determining eligibility for SNAP benefits, the
10 department shall access information for every member of the
11 applicant's household from the following public records:
12   a. A nationwide public records data source of physical asset
13 ownership. The data source may include but is not limited to
14 real property, automobiles, watercraft, aircraft, and luxury
15 vehicles, or any other vehicle owned by the applicant.
16   b. National and state financial institutions in order
17 to locate undisclosed depository accounts or verify account
18 balances of disclosed accounts.
19 4. The department shall enter into a memorandum of
20 understanding with any department, division, bureau, section,
21 unit, or any other subunit of a department to obtain the
22 information specified in this section.
23 5. The provisions of this section shall not apply if every
24 member of the applicant's household receives supplemental
25 security income.
26 Sec. 5. NEW SECTION. 239.3 Cooperation with child support
27 enforcement — supplemental nutrition assistance program
28 eligibility.
29 An applicant for SNAP benefits shall be required to
30 cooperate with the child support recovery unit as a condition
31 of eligibility as specified in 7 C.F.R. §273.11(o).
32 Sec. 6. NEW SECTION. 239.4 Verification and authentication
33 systems — public assistance programs.
34 1. By July 1, 2021, the department shall redesign an
35 existing system; establish a new computerized income, asset,
and identity eligibility verification system; or contract with a third-party vendor to provide for identity verification, identity authentication, asset verification, and dual enrollment prevention in order to deter waste, fraud, and abuse in each public assistance program administered by the department.

2. The department may contract with a third-party vendor to develop or provide a service for a real-time eligibility system that allows the department to verify or authenticate income, assets, and identity eligibility of applicants and recipients to prevent fraud, misrepresentation, and inadequate documentation when determining eligibility for public assistance programs. The system shall be accessed prior to determining eligibility, periodically between eligibility redeterminations, and during eligibility redeterminations and reviews. The department may also contract with a third-party vendor to provide information to facilitate reviews of recipient eligibility conducted by the department. Specifically, the department may contract with a third-party consumer reporting agency, as defined by the federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining real-time employment and income information.

3. A contract entered into under this section shall provide, at a minimum, for all of the following:

a. The establishment of the annual savings amount from utilization of the system or service, and a provision that the contract may be terminated contingent upon the savings not exceeding the total yearly cost to the state for utilization of the system or service.

b. That the contract shall not preclude the department from continuing to conduct additional eligibility verification or authentication processes, to receive, review, or verify additional information related to the eligibility of an individual, or from contracting with a third-party vendor to provide additional eligibility authentication or verification.
1 information.
2 4. The department shall seek federal approval as necessary
3 to implement and administer this section.
4 Sec. 7. NEW SECTION. 239.5 Public assistance programs —
5 applicant and recipient eligibility verification.
6 1. All applications for initial public assistance
7 program benefits and all determinations of ongoing recipient
8 eligibility shall be processed through a system as specified
9 in this section. Complete initial applications shall be
10 processed within the minimum period required by federal law.
11 Prior to determining initial eligibility of an applicant for,
12 or ongoing eligibility of a recipient of, public assistance,
13 the department shall access information for every applicant or
14 recipient from the following federal, state, and other sources:
15 a. Federal sources and information:
16 (1) Earned and unearned income information maintained by
17 the internal revenue service.
18 (2) The following sources and information maintained by the
19 United States social security administration:
20 (a) Earned income information.
21 (b) Death register information.
22 (c) Prisoner or incarceration status information.
23 (d) Supplemental security income information maintained in
24 the state data exchange database.
25 (e) Beneficiary records and earnings information maintained
26 in the beneficiary and earnings data exchange database.
27 (f) Earnings and pension information maintained in the
28 beneficiary earnings exchange record system database.
29 (3) The following sources and information maintained by the
30 United States department of health and human services:
31 (a) Income and employment information maintained in the
32 national directory of new hires database by the office of child
33 support enforcement of the administration for children and
34 families.
35 (b) Other federal data sources maintained by the office of
child support enforcement of the administration for children and families.

(4) Information maintained by the United States citizenship and immigration services of the United States department of homeland security.

(5) Payment information for public housing and section 8 housing assistance guidelines maintained by the United States department of housing and urban development.

(6) National fleeing felon information maintained by the United States federal bureau of investigation.

b. State sources and information:

(1) The department’s sources and information including but not limited to all of the following:

(a) Income and employment information maintained by the child support recovery unit.

(b) Child care assistance information maintained by the division of child and family services.

(c) Enrollment status in other public assistance programs.

(2) The department of workforce development sources and information including all of the following:

(a) Employment information.

(b) Employer weekly, monthly, and quarterly reports of income and unemployment insurance payments.

(3) The Iowa public employees’ retirement system for earnings and pension information.

(c) Other sources including all of the following:

(1) Any existing real-time database of persons currently receiving benefits in other states, such as the national accuracy clearinghouse.

(2) An available database of persons who currently hold a license, permit, or certificate from any state agency, the cost of which exceeds five hundred dollars.

(3) Wage reporting and similar information maintained by states contiguous to Iowa.

(4) A third-party consumer reporting agency, as defined
by the federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining real-time employment and income information.

2. Prior to determining the initial eligibility of an applicant for, or the ongoing eligibility of a recipient of, public assistance benefits, the department shall access information for every applicant or recipient from, at a minimum, the following public records:

a. A nationwide public records data source of physical asset ownership. The data source may include but is not limited to real property, automobiles, watercraft, aircraft, and luxury vehicles, or any other vehicle owned by the applicant for or recipient of assistance.

b. A nationwide public records data source of incarcerated individuals.

c. A nationwide best address and driver's license data source to verify that individuals are residents of the state.

d. A comprehensive public records database from which the department may identify potential identity fraud or identity theft that is capable of closely associating name, social security number, date of birth, phone, and address information.

e. National and local financial institutions in order to locate undisclosed depository accounts or verify account balances of disclosed accounts.

f. Outstanding default or arrest warrant information.

3. The state may contract with a third-party consumer reporting agency, as defined by the federal Fair Credit Reporting Act, 15 U.S.C. §1681a, for the purpose of obtaining real-time employment and income information under this section.

Sec. 8. NEW SECTION. 239.6 Identity authentication.

Unless otherwise prohibited by federal law or regulation, prior to the department awarding public assistance benefits, an applicant shall complete a computerized identity authentication process to confirm the identity of the applicant. Identity authentication shall be accomplished through a knowledge-based
questionnaire consisting of financial and personal questions. The questionnaire shall contain questions tailored to assist persons without a bank account or those who have poor access to financial and banking services or who do not have an established credit history. The questionnaire may be submitted by the applicant online, in person, or via telephone.

Sec. 9. NEW SECTION. 239.7 Case review of applicant and recipient information.

1. If the information obtained from a review of an applicant’s or recipient’s information under this chapter does not result in the department finding a discrepancy or change in an individual’s circumstances affecting eligibility, the department shall take no further action.

2. If the information obtained from a review of the applicant’s or recipient’s information under this chapter results in the department finding a discrepancy or change in the individual’s circumstances affecting eligibility, the department shall respond in accordance with the provisions of section 239.8.

Sec. 10. NEW SECTION. 239.8 Notice and right to be heard.

1. An applicant for, or recipient of, public assistance shall be provided written notice and the opportunity to explain any issues identified in a review performed under this chapter for initial eligibility or redetermination of eligibility. Unless otherwise prohibited by federal law or regulation, a self-declaration by an applicant or recipient shall not be accepted as verification of categorical and financial eligibility during such review.

2. The notice provided to the applicant or recipient shall describe in sufficient detail the circumstances of the issue identified, the manner in which the applicant or recipient may respond, and the consequences of failing to respond to the notice or resolve the issue identified. The applicant or recipient shall be provided ten days to respond to the notice. The department may request additional information as necessary.
1 to reach a decision.
2 3. An applicant or recipient may respond to the notice as follows:
4   a. By disagreeing with the findings of the department. If the applicant or recipient responds in a timely manner and disagrees with the findings of the department, the department shall reevaluate the circumstances to determine if the applicant's or recipient's position is valid. If, through reevaluation, the department finds that the department is in error, the department shall take immediate action to correct the error. If, through reevaluation, the department affirms that the applicant's or recipient's position is invalid, the department shall determine the effect on the applicant's or recipient's eligibility and take appropriate action. Written notice of the department's determination and the actions taken shall be provided to the applicant or recipient.
5   b. By agreeing with the findings of the department. If the applicant or recipient responds in a timely manner and agrees with the findings of the department, the department shall determine the effect on the applicant's or recipient's eligibility and take appropriate action. Written notice of the department's determination and actions taken shall be provided to the applicant or recipient.
6 4. If the applicant or recipient fails to respond to the notice in a timely manner, the department shall provide notice to terminate the applicant's application or to discontinue the recipient's enrollment for failure to cooperate, and shall terminate the applicant's application or discontinue the recipient's enrollment. The applicant's or recipient's eligibility for such public assistance shall not be established or reestablished until the issue has been resolved.
7 Sec. 11. NEW SECTION. 239.9 Referrals for fraud, misrepresentation, or inadequate documentation.
8   1. Following a review of an applicant's or recipient's eligibility under this chapter, the department may refer cases
of suspected fraud along with any supportive information to the
department of inspections and appeals for review.
2. In cases of substantiated fraud, upon conviction, the
state shall review all appropriate legal options including
but not limited to removal of a recipient from other public
assistance programs and garnishment of wages or state income
tax refunds until the department recovers an equal amount of
benefits fraudulently claimed.
3. The department may refer suspected cases of fraud,
misrepresentation, or inadequate documentation relating to
initial or continued eligibility to appropriate state agencies,
divisions, or departments for review of eligibility issues in
programs providing public benefits other than those as defined
in this chapter.

Sec. 12. NEW SECTION. 239.10 Administration — rules —
reporting.
1. The department of human services shall adopt rules
pursuant to chapter 17A to administer this chapter.
2. The department shall submit a report to the governor
and the general assembly by January 15, 2022, and by January
15 annually thereafter through January 15, 2027, detailing the
impact of the verification and authentication measures taken
under this chapter. The report shall include data for all
affected public assistance programs including the number of
cases reviewed, the number of cases closed, the number of fraud
investigation referrals made, and the amount of savings and
cost avoidance realized from the provisions of this chapter.

Sec. 13. IMPLEMENTATION.
1. The department of human services shall request federal
approval including for any state plan amendment or waiver
necessary to administer this division of this Act.
2. The provisions of this division of this Act requiring
federal approval shall be implemented upon receipt of such
federal approval.
3. The provisions of this division of this Act not requiring
1 federal approval shall be implemented as specified in this Act,
or if not specified in this Act, no later than July 1, 2021.

4. The department may contract with multiple third-party vendors to administer this division of this Act.