

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 812 Session of 2009

INTRODUCED BY GINGRICH, BARRAR, CAUSER, D. COSTA, CUTLER, DENLINGER, EVERETT, FAIRCHILD, GEIST, GIBBONS, GRELL, GROVE, HALUSKA, HARRIS, HENNESSEY, HESS, HICKERNELL, HUTCHINSON, M. KELLER, MARSICO, MILLARD, MILLER, MOUL, MUSTIO, OBERLANDER, O'NEILL, PAYNE, PEIFER, PETRI, PICKETT, REED, SAYLOR, S. H. SMITH, STERN, STEVENSON, TRUE, TURZAI, VULAKOVICH AND WHEATLEY, MARCH 9, 2009

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES, MARCH 9, 2009

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," providing for income
4 eligibility verification system and for fraud detection
5 system.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
9 as the Public Welfare Code, is amended by adding sections to
10 read:

11 Section 414.1. Income Eligibility Verification System.--(a)
12 The department shall establish a computerized income eligibility
13 verification system in order to eliminate duplication of
14 assistance and deter fraud.

15 (b) The department shall require that as a condition of
16 receiving assistance applicants and recipients supply their

social security numbers. The department shall match the social security number of each applicant and recipient with the following:

(1) Unearned income information maintained by the Internal Revenue Service.

(2) Employer quarterly reports of income and unemployment insurance benefit payment information maintained by the State Wage Information Collection Agency.

(3) Earned income information maintained by the Social Security Administration.

(4) Immigration status information maintained by the 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 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 Commonwealth.

(10) Beneficiary Data Exchange (BENDEX) Title H database maintained by the Social Security Administration.

(11) Beneficiary Earnings Exchange Report (BEER) database maintained by the Social Security Administration.

(12) State New Hire database maintained by the Commonwealth.

(13) National New Hire database maintained by the Federal Government.

(14) State Data Exchange (SDX) database maintained by the

1 Social Security Administration.

2 (15) Veterans Benefits and Veterans Medical (PARIS)
3 maintained by the Department of Veterans Affairs with
4 coordination through the Department of Health and Human
5 Services.

6 (16) Day care subsidy payments maintained by the
7 Commonwealth.

8 (17) Low-Income Energy Assistance Program Reporting Utility
9 Expenses maintained by the Commonwealth.

10 (18) A database which is substantially similar to or a
11 successor of a database set forth in this subsection.

12 (19) The database of all persons who currently hold a
13 license, permit or certificate from a Commonwealth agency the
14 cost of which exceeds one thousand dollars (\$1,000).

15 (c) Notwithstanding any provision of law to the contrary,
16 the income eligibility verification system shall be utilized for
17 an applicant at the time of application for assistance and for a
18 recipient on a quarterly basis.

19 (d) The department shall notify each applicant and recipient
20 of the requirement of providing a social security number at the
21 time of application for assistance and as otherwise required
22 under the provisions of this section.

23 (e) If a significant discrepancy results between the
24 applicant's or a recipient's social security number and one or
25 more of the databases set forth in subsection (b), the
26 department shall review the applicant's or recipient's case, as
27 appropriate, and shall investigate the circumstances to confirm
28 eligibility of the applicant or recipient utilizing the
29 procedure set forth in subsection (f).

30 (f) The department shall institute the following procedure

1 to investigate the circumstances of a significant discrepancy:

2 (1) If the information discovered under subsection (b) does
3 not result in ineligibility or modification of the amount or
4 type of assistance, the department shall take no further action.

5 (2) If paragraph (1) does not apply and a significant
6 discrepancy results from the match between the applicant's or
7 recipient's social security number and one or more of the
8 databases in subsection (b), the applicant or the recipient, as
9 appropriate, shall be given an opportunity to explain the
10 discrepancy. The department shall provide written notice to the
11 applicant or recipient which shall describe in sufficient detail
12 the circumstances of the discrepancy, the opportunity to resolve
13 it, the manner in which it may be resolved and the consequences
14 of failing to take action. The explanation of the recipient or
15 applicant may be given over the telephone, as set forth in
16 subsection (i), in person or in writing. After receiving the
17 explanation, the department may request additional documentation
18 if it determines that there is a substantial risk of fraud.

19 (3) If the applicant or recipient, as appropriate, does not
20 respond to the notice, the department may deny assistance for
21 failure to cooperate, in which case the department shall provide
22 notice of intent to discontinue assistance. Eligibility for
23 assistance shall not be reestablished until the significant
24 discrepancy has been resolved.

25 (4) If an applicant or recipient disagrees with the findings
26 of the match between his or her social security number and one
27 or more database, the department shall reinvestigate the matter,
28 and if the department finds that there has been an error, the
29 department shall take immediate action to correct it and no
30 further action shall be taken. If, after investigation, the

department determines that there is no error, the department shall determine the effect on the applicant's or recipient's case and take appropriate action. Written notice of the department'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 database, the department shall determine the effect on the applicant's or recipient's case and take appropriate action. Written notice of the department's action shall be given to the applicant or recipient.

(6) If the findings of a match between the applicant's or recipient's social security number and one or more database result in no change in eligibility or overpayment, the department shall take no further action.

(g) The department may review and investigate a case when there is a match between the social security number and one or more database which does not result in a significant discrepancy. In such a case, the department shall utilize the procedure in subsection (f).

(h) In no case shall the department discontinue or modify the amount or type of assistance solely as a result of a match between the applicant's or recipient's social security number and one or more database. Nothing in this subsection shall be construed to limit the right of appeal provided by law.

(i) The department shall establish a single Statewide toll-free telephone number and call center to be used by applicants and recipients in order to resolve discrepancies. The call center shall have sufficient capacity and staff to promptly handle incoming telephone calls, and the department shall assign

1 sufficient numbers of case workers to enable the department to
2 make prompt eligibility determinations under this section.

3 (j) No later than one year after the effective date of this
4 section and every year thereafter, the department shall provide
5 a written report to the Governor, the General Assembly and the
6 Inspector General detailing the results achieved under this
7 section and the amount of case closures and savings that
8 resulted.

9 (k) As used in this section, the following words and phrases
10 shall have the meanings given to them in this subsection:

11 "Significant discrepancy" means information regarding
12 assets, income, resources or status of an applicant or recipient
13 of assistance, derived from one or more of the databases in
14 subsection (b), which gives the department grounds to suspect
15 that either:

16 (i) an applicant or recipient is ineligible to receive
17 assistance under Federal or State law; or

18 (ii) the assets, income or resources of an applicant or
19 recipient are at least, in terms of a dollar amount, twenty-five
20 percent greater than the dollar amount reflected in the
21 information the department possesses about the applicant or
22 recipient with respect to the applicant's or recipient's assets,
23 income or resources.

24 "Status" means the applicant or recipient is in the United
25 States illegally, is no longer living, is an inmate in a prison
26 or jail or is a fleeing felon.

27 Section 422.1. Fraud Detection System.--Within one year of
28 the effective date of this section, each county shall establish
29 procedures to identify, investigate and resolve potential cases
30 of fraud, misrepresentation or inadequate documentation prior to

1 determining an applicant's eligibility for assistance and submit
2 to the department a plan describing its antifraud procedures.
3 The plan shall ensure that every case is reviewed and include
4 utilization of the income eligibility verification system
5 established in section 414.1.
6 Section 2. This act shall take effect immediately.