

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

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

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

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

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

11 (4) Immigration status information maintained by the  
12 Citizenship and Immigration Services.

13 (5) Death register information maintained by the Social  
14 Security Administration.

15 (6) Prisoner information maintained by the Social Security  
16 Administration.

17 (7) Public housing and section 8 payment information  
18 maintained by the Department of Housing and Urban Development.

19 (8) National fleeing felon information maintained by the  
20 Federal Bureau of Investigation.

21 (9) Wage reporting and similar information maintained by  
22 states contiguous to this Commonwealth.

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

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

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

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

30 (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

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

6 (5) If the applicant or recipient agrees with the findings  
7 of the match between the applicant's or recipient's social  
8 security number and one or more database, the department shall  
9 determine the effect on the applicant's or recipient's case and  
10 take appropriate action. Written notice of the department's  
11 action shall be given to the applicant or recipient.

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

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

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

26 (i) The department shall establish a single Statewide toll-  
27 free telephone number and call center to be used by applicants  
28 and recipients in order to resolve discrepancies. The call  
29 center shall have sufficient capacity and staff to promptly  
30 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.