



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2354

PRINTERS NO. 4014

PRIME SPONSOR: Owlett

COST / (SAVINGS)

| FUND | FY 2019/20 | FY 2020/21 |
|--------------|------------|-------------------|
| General Fund | \$0 | See fiscal impact |

SUMMARY: House Bill 2354 amends Title 71 (State Government) to establish the Do-Not-Pay Initiative. Upon enactment, the bill shall take effect in 365 days.

ANALYSIS: This bill establishes the Do-Not-Pay Initiative in the PA Treasury Department to monitor improper payments across Commonwealth agencies, with operational assistance provided by the Governor's Budget Office. A searchable database of recipients who are not eligible to receive payment from the Commonwealth shall be provided as part of the initiative. The database shall be utilized by Commonwealth agencies, with assistance from the Governor's Budget Office, in order to determine eligibility for the awarding and disbursement of payments.

Commonwealth agencies shall provide all necessary information for the initiative to the Pennsylvania Treasury Department. An agency may not award payment to a recipient listed on the initiative's database unless the payment is determined to be necessary by the secretary of the agency and the payment is for services which cannot be provided, or provided in a timely manner, by another entity or recipient or the award or payment is required as a condition of receiving Federal money for programs jointly funded with Federal and Commonwealth money.

To verify eligibility, an agency must utilize the following databases:

- Death certificates maintained by the PA Dept. of Health.
- Death Master File of the Social Security Administration.
- The Debarment and Suspension List of the Dept. of General Services.
- The Credit Alert System or Credit Alert Interactive Voice Response System under the U.S. Dept. of Housing and Urban Development.
- The list of excluded individuals and entities under the Dept. of Human Services Medicare List.
- The list of individuals and entities under the Dept. of Revenue who are delinquent in payments owed to the Commonwealth.
- The central registry under 23 Pa.C.S. §4376 (relating to central registry).
- Databases used by the Federal Government for the initiative administered by the U. S. Dept. of the Treasury.

FISCAL IMPACT: The enactment of this legislation may result in increased administrative costs for the PA Treasury to operate the Do-Not-Pay Initiative. To the extent the initiative reduces improper payments, the Commonwealth may realize savings.

PREPARED BY: Casey Martin
House Appropriations Committee (R)

DATE: June 24, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.