

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 960 Session of 2011

INTRODUCED BY GINGRICH, AUMENT, BAKER, BARRAR, BEAR, BENNINGHOFF, BOBACK, BOYD, BROOKS, CAUSER, CLYMER, D. COSTA, CREIGHTON, CUTLER, DENLINGER, ELLIS, EVANKOVICH, EVERETT, FLECK, GABLER, GEIST, GIBBONS, GILLEN, GILLESPIE, GODSHALL, GOODMAN, GRELL, GROVE, HAHN, HALUSKA, HARHART, HARPER, HARRIS, HEFFLEY, HESS, HICKERNELL, HUTCHINSON, KAUFFMAN, M.K. KELLER, KNOWLES, KORTZ, KRIEGER, LAWRENCE, MAJOR, MARSHALL, MARSICO, MASSER, METCALFE, MILLARD, MILLER, MILNE, MOUL, MURT, MUSTIO, OBERLANDER, O'NEILL, PAYNE, PERRY, PETRI, PICKETT, PYLE, QUIGLEY, QUINN, RAPP, READSHAW, REED, REICHLEY, ROAE, ROCK, ROSS, SAYLOR, SCAVELLO, SCHRODER, K. SMITH, SONNEY, STERN, STEVENSON, STURLA, SWANGER, TALLMAN, TOBASH, TOEPEL, TOOHL, VULAKOVICH AND WATSON, MARCH 7, 2011

REFERRED TO COMMITTEE ON HEALTH, MARCH 7, 2011

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 fraud  
4 detection system and for income eligibility verification  
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 422.1. Fraud Detection System.--Within six months of  
12 the effective date of this section, the department shall  
13 establish uniform procedures for each county to use to identify,  
14 investigate and resolve potential cases of fraud,

1 misrepresentation or inadequate documentation prior to  
2 determining an applicant's eligibility for assistance. The  
3 procedures shall ensure that every case is reviewed. Each review  
4 shall include utilization of the income eligibility verification  
5 system established in section 432.23.

6 Section 432.23. Income Eligibility Verification System.--(a)  
7 The department shall establish a computerized income eligibility  
8 verification system in order to verify eligibility, eliminate  
9 duplication of assistance and deter fraud. Prior to awarding  
10 assistance under section 432.2(b) or continuing assistance under  
11 section 432.2(c), the department shall match the social security  
12 number of each applicant and recipient with the following:

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

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

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

20 (4) Immigration status information maintained by the  
21 Citizenship and Immigration Services.

22 (5) Death register information maintained by the Social  
23 Security Administration.

24 (6) Prisoner information maintained by the Social Security  
25 Administration.

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

28 (8) National fleeing felon information maintained by the  
29 Federal Bureau of Investigation.

30 (9) Wage reporting and similar information maintained by

1 states contiguous to this Commonwealth.

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

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

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

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

9 (14) State Data Exchange (SDX) database maintained by the  
10 Social Security Administration.

11 (15) Veterans Benefits and Veterans Medical (PARIS)  
12 maintained by the Department of Veterans Affairs with  
13 coordination through the Department of Health and Human  
14 Services.

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

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

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

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

24 (b) If a discrepancy results between the applicant's or a  
25 recipient's social security number and one or more of the  
26 databases set forth in subsection (a), the department shall  
27 review the applicant's or recipient's case using the following  
28 procedure:

29 (1) If the information discovered under subsection (a) does  
30 not result in ineligibility or modification of the amount or

1 type of assistance, the department shall take no further action.

2 (2) If the information discovered under subsection (a) would  
3 result in ineligibility or modification of the amount or type of  
4 assistance, the applicant or the recipient shall be given an  
5 opportunity to explain the discrepancy. The department shall  
6 provide written notice to the applicant or recipient which shall  
7 describe in sufficient detail the circumstances of the  
8 discrepancy, the manner in which the applicant or recipient may  
9 respond and the consequences of failing to take action. The  
10 applicant or recipient shall have ten business days to respond  
11 in an attempt to resolve the discrepancy. The explanation of the  
12 recipient or applicant shall be given in writing. After  
13 receiving the explanation, the department may request additional  
14 documentation if it determines that there is a substantial risk  
15 of fraud.

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

22 (4) If an applicant or recipient responds to the notice and  
23 disagrees with the findings of the match between his or her  
24 social security number and one or more database, the department  
25 shall reinvestigate the matter. If the department finds that  
26 there has been an error, the department shall take immediate  
27 action to correct it and no further action shall be taken. If,  
28 after investigation, the department determines that there is no  
29 error, the department shall determine the effect on the  
30 applicant's or recipient's case and take appropriate action.

1 Written notice of the department's action shall be given to the  
2 applicant or recipient.

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

9 (c) In no case shall the department discontinue or modify  
10 the amount or type of assistance as a result of a match between  
11 the applicant's or recipient's social security number and one or  
12 more database until the applicant or recipient has been given  
13 notice of the discrepancy and the opportunity to respond.

14 (d) No later than one year after the effective date of this  
15 section and every year thereafter, the department shall provide  
16 a written report to the Governor, the General Assembly and the  
17 Inspector General detailing the results achieved under this  
18 section and the amount of case closures and savings that  
19 resulted.

20 (e) As used in this section, the following words and phrases  
21 shall have the meanings given to them in this subsection:

22 "Discrepancy" means information regarding assets, income,  
23 resources or status of an applicant or recipient of assistance,  
24 derived from one or more of the database in subsection (a),  
25 which gives the department grounds to suspect that either:

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

28 (ii) the assets, income or resources of an applicant or  
29 recipient are at least, in terms of a dollar amount, ten percent  
30 greater than the dollar amount reflected in the information the

1 department possesses about the applicant or recipient with  
2 respect to the applicant's or recipient's assets, income or  
3 resources.

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

7 Section 2. This act shall take effect immediately.