

1 SB294
2 199204-1
3 By Senators Orr, Shelnuttt, Stuttts and Barfoot
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 16-APR-19

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8 SYNOPSIS: This bill would further provide for
9 procedures for eligibility verification and
10 limitations for various public assistance programs
11 administered by the Department of Human Resources
12 and the Medicaid Agency.

13 This bill would preclude the department from
14 granting categorical eligibility for Supplemental
15 Nutrition Assistance Program (SNAP) benefits and
16 would require individuals to cooperate with the
17 Child Support Enforcement Division in order to be
18 eligible for SNAP benefits.

19 This bill would provide a lifetime limit of
20 36 months for temporary cash payments under the
21 state Family Assistance Program administering the
22 Temporary Assistance for Needy Families Program
23 (TANF).

24 This bill would require the Department of
25 Human Resources to utilize best efforts to identify
26 purchases at points of sale outside this state
27 using cash benefits under the Temporary Assistance

1 for Needy Families Program (TANF) or SNAP benefits
2 and to establish a benchmark number of out-of-state
3 transactions using TANF benefits that will
4 automatically generate review of the recipient's
5 residency status by the department, as well as
6 review of frequent or large even-dollar purchases
7 by recipients.

8 This bill would require the Department of
9 Human Resources to monitor all requests for
10 replacement EBT cards, and upon the fourth request,
11 require an office visit by the recipient to alert
12 the recipient that his or her account would be
13 monitored for potential suspicious activity.

14 This bill would provide for the suspension
15 of cash payments under the TANF program when a
16 recipient fails to cooperate with an ongoing fraud
17 investigation and would require the department to
18 maintain sufficient fraud investigative staff.

19 This bill would also require the Medicaid
20 Agency and the Department of Human Resources to
21 implement certain eligibility and fraud detection
22 measures for SNAP and Medicaid benefits, would
23 require the referral of certain fraud cases to the
24 district attorney; and would require the agency and
25 the department to report certain information
26 relating to fraud to the Legislature.

1 This bill would also require the agency and
2 the department to implement certain practices
3 relating to semi-annual eligibility verification
4 for SNAP and Medicaid benefits and would establish
5 procedures for the dispute of findings by the
6 department or the agency.

7 This bill would also establish work
8 requirements for eligibility to participate in
9 Medicaid under certain conditions.

10
11 A BILL
12 TO BE ENTITLED
13 AN ACT

14
15 Relating to public assistance; to preclude the
16 Department of Human Resources from seeking, applying for,
17 accepting, or renewing any waiver of work requirements for
18 Supplemental Nutrition Assistance Program (SNAP) benefits; to
19 preclude the department from granting categorical eligibility
20 for SNAP benefits; to require recipients to participate in
21 work programs under certain conditions; to require individuals
22 to cooperate with the Child Support Enforcement Division in
23 order to be eligible for SNAP benefits; to provide a lifetime
24 limit of 36 months for temporary cash payments under the
25 Temporary Assistance for Needy Families program (TANF); to
26 require the department to utilize best efforts to identify
27 purchases using TANF or SNAP benefits at points of sale

1 outside this state; to require the department to establish a
2 benchmark number of out-of-state transactions using TANF
3 benefits that will automatically generate review of the
4 recipient's residency status; to require review of frequent,
5 large, even-dollar purchases using EBT cards; to require
6 review of multiple requests for replacement EBT cards and
7 investigation for suspicious activity under certain
8 conditions; to provide for the suspension of cash payments
9 under TANF when a recipient fails to comply with a fraud
10 investigation; to require the department to maintain
11 sufficient fraud investigative staff; and to provide
12 rulemaking authority; to require the Medicaid Agency and the
13 Department of Human Resources to implement certain eligibility
14 and fraud detection measures for Medicaid and SNAP benefits;
15 to require the referral of certain fraud cases to the district
16 attorney; to require the agency and the department to report
17 certain information relating to fraud to the Legislature; to
18 establish work requirements for eligibility to participate in
19 Medicaid; to authorize the agency to submit a state plan
20 amendment or waiver necessary to implement the work
21 requirements; and to provide rulemaking authority.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Unless expressly required by federal law,
24 categorical eligibility exempting households from the required
25 resource limit standards of the Supplemental Nutrition
26 Assistance Program (SNAP) may not be granted for any non-cash,
27 in-kind, or other benefit.

1 Section 2. (a) Unless expressly required by federal
2 law, the Department of Human Resources may not do either of
3 the following:

4 (1) Seek, apply for, accept, or renew any waiver of
5 work requirements for Supplemental Nutrition Assistance
6 Program (SNAP) benefits established under 7 U.S.C. § 2015(o),
7 except for a county where the unemployment rate is 10 percent
8 or greater as determined pursuant to rules adopted by the
9 department.

10 (2) Grant categorical eligibility under 7 U.S.C. §
11 2014(a) or 7 C.F.R § 273.2(j) (2) (iii) for any non-cash,
12 in-kind, or other Supplemental Nutrition Assistance Program
13 (SNAP) benefit.

14 (b) The department shall assign individuals subject
15 to requirements under 7 U.S.C. § 2015(d) (1), but not subject
16 to requirements established under 7 U.S.C. § 2015(o) or not
17 otherwise participating in an employment and training program
18 established under 7 U.S.C. § 2015(d) (4), to a workfare program
19 established under 7 U.S.C. § 2029.

20 Section 3. Unless expressly prohibited by federal
21 law, the Department of Human Resources shall do both of the
22 following with regard to benefits under the Supplemental
23 Nutrition Assistance Program (SNAP):

24 (1) Disqualify recipients of benefits under SNAP for
25 failure to perform actions required by the Temporary
26 Assistance for Needy Families (TANF) program.

1 (2) Require individuals to cooperate with the Child
2 Support Enforcement Division as a condition of eligibility for
3 SNAP benefits, pursuant to 7 C.F.R § 273.11(o) and 7 C.F.R. §
4 273.11(p).

5 Section 4. (a) Except as provided in subsection (b)
6 and beginning on the effective date of this act, the lifetime
7 limit temporary cash payments under the Temporary Assistance
8 for Needy Families Program (TANF) shall be 36 months.

9 (b) The lifetime limit in subsection (a) does not
10 apply to the exceptions set forth in 42 U.S.C. § 608(a)(7).

11 Section 5. The Department of Human Resources shall
12 do all of the following:

13 (1) Utilize best efforts to identify purchases using
14 cash benefits under the Temporary Assistance for Needy
15 Families Program (TANF) and Supplemental Nutrition Assistance
16 Program (SNAP) benefits at points of sale outside this state.

17 (2) Establish a benchmark number of out-of-state
18 transactions using TANF and SNAP benefits that will generate
19 automatic review of the recipient's residency status by the
20 department.

21 (3) Use best efforts to identify frequent or large
22 even-dollar purchases by recipients using EBT cards and
23 establish a benchmark that will generate automatic review of
24 the recipient's use of the cash benefits under TANF or SNAP to
25 identify fraudulent use of benefits.

26 (4) Monitor all requests for replacement electronic
27 benefits transfer cards (EBT) and, upon the fourth request in

1 a 12-month period, require an office visit in which the
2 recipient is alerted that his or her account is being
3 monitored for suspicious activity. If a recipient makes an
4 additional request for replacement EBT cards subsequent to the
5 notice required in this subdivision, the department shall
6 automatically review the recipient's use of the card to
7 identify fraudulent purchases or use.

8 (5) Adopt rules relating to cash benefits under TANF
9 and SNAP benefits to provide that any individual who has
10 failed to cooperate with a fraud investigation is ineligible
11 to participate in the TANF program until the department
12 determines that the person is reasonably cooperating with the
13 fraud investigation.

14 Section 6. (a) To the extent allowed by federal law
15 and regulations, and subject to Centers for Medicare and
16 Medicaid Services ("CMS") approval of the Alabama Medicaid
17 Agency's eligibility verification plan relating to the
18 Medicaid Agency, prior to awarding assistance for Supplemental
19 Nutrition Assistance Program (SNAP) benefits or Medicaid
20 benefits and completing enrollment, the Department of Human
21 Resources and the Medicaid Agency shall verify eligibility
22 information of each applicant.

23 (b) The information verified by the agency shall
24 include, but is not limited to, all of the following, provided
25 such information is related to the eligibility criteria for
26 the Medicaid eligibility group or SNAP benefits for which the
27 applicant is applying:

1 (1) Earned and unearned income.

2 (2) Employment status and changes in employment.

3 (3) Immigration status.

4 (4) Residency status, including a nationwide
5 best-address source to verify individuals are residents of
6 this state.

7 (5) Enrollment status in other state-administered
8 public assistance programs.

9 (6) Financial resources.

10 (7) Incarceration status.

11 (8) Death records.

12 (9) Enrollment status in public assistance programs
13 outside of this state.

14 (10) Potential identity fraud or identity theft.

15 (c) The agency and the department shall sign a
16 memorandum of understanding with any other state department,
17 agency, or division for information detailed in subsection
18 (b).

19 (d) The agency and the department may contract with
20 one or more independent vendors to provide information
21 detailed in subsection (b). Except for a contract which is
22 required by federal law, including but not limited to a
23 contract to implement the asset verification program required
24 by 42 U.S.C. § 1396w as amended, any contract entered under
25 this subsection shall establish annualized savings that exceed
26 the contract's total annual cost to the state.

1 (e) Nothing in this section shall preclude the
2 agency or department from receiving or reviewing additional
3 information related to eligibility not detailed in this
4 section or from contracting with one or more independent
5 vendors to provide additional information not detailed in this
6 section.

7 Section 7. (a) To the extent allowed by federal law
8 and regulations, and subject to CMS approval of the agency's
9 eligibility verification plan with regard to the Medicaid
10 Agency, on at least a semi-annual basis after initial
11 enrollment, the Medicaid Agency and the Department of Human
12 Resources shall receive and review eligibility-related
13 information concerning individuals enrolled to receive
14 Medicaid or Supplemental Nutrition Assistance Program (SNAP)
15 benefits.

16 (b) The information provided to the agency and the
17 department shall include, but is not limited to, all of the
18 following, provided such information is related to the
19 eligibility criteria for the Medicaid eligibility group or
20 SNAP benefits for which the individual is currently eligible:

21 (1) Earned and unearned income.

22 (2) Employment status and changes in employment.

23 (3) Immigration status.

24 (4) Residency status, including a nationwide
25 best-address source to verify individuals are residents of
26 this state.

1 (5) Enrollment status in other state-administered
2 public assistance programs.

3 (6) Financial resources.

4 (7) Incarceration status.

5 (8) Death records.

6 (9) Enrollment status in public assistance programs
7 outside of this state.

8 (10) Potential identity fraud or identity theft.

9 (c) The agency and the department shall sign a
10 memorandum of understanding with any state department, agency,
11 or division for information detailed in subsection (b).

12 (d) The agency and the department may contract with
13 one or more independent vendors to provide information
14 detailed in subsection (b). Except for a contract which is
15 required by federal law, including but not limited to a
16 contract to implement the asset verification program required
17 by 42 U.S.C. § 1396w as amended, any contract entered under
18 this subsection shall establish annualized savings that exceed
19 the contract's total annual cost to the state.

20 (e) The agency and the department shall explore
21 joining any multi-state cooperative to identify individuals
22 who are also enrolled in public assistance programs outside of
23 this state, including the National Accuracy Clearinghouse.

24 (f) Nothing in this section shall preclude the
25 agency or the department from receiving or reviewing
26 additional information related to eligibility not detailed in
27 this section or from contracting with one or more independent

1 vendors to provide additional information not detailed in this
2 section.

3 (g) If the agency or the department receives
4 information that may affect eligibility concerning an
5 individual enrolled to receive benefits, the agency or the
6 department shall review the individual's case using the
7 following procedures:

8 (1) If the information does not result in the agency
9 or department finding a discrepancy or change in an
10 individual's circumstances that may affect eligibility, the
11 agency or department shall take no further action.

12 (2) If the information results in the agency or
13 department finding a discrepancy or change in an individual's
14 circumstances that may affect eligibility, the agency or
15 department shall promptly evaluate the effect of the
16 information on the individual's eligibility after receiving
17 the information, consistent with the procedures in this
18 subsection.

19 (3) If the information results in the agency or
20 department finding a discrepancy or change in an individual's
21 circumstances that may affect eligibility, the individual
22 shall be given an opportunity to explain the discrepancy;
23 provided, however, that self-declarations of
24 eligibility-related information by applicants or recipients
25 shall only be accepted as verification when adequate
26 documentation does not exist or is not reasonably available.

1 (4) The agency or department shall provide written
2 notice to the individual, which shall describe in sufficient
3 detail the circumstances of the discrepancy or change, the
4 manner in which the applicant or recipient may respond, and
5 the consequences of failing to take action. The applicant or
6 recipient shall have a reasonable period to respond in an
7 attempt to resolve the discrepancy or change. The explanation
8 provided by the recipient or applicant shall be given in
9 writing. After receiving the explanation, the agency or
10 department may request additional documentation if it
11 determines that there is risk of fraud, misrepresentation, or
12 inadequate documentation. In no case shall the agency or
13 department discontinue assistance upon finding a discrepancy
14 or change in circumstances until the individual has been given
15 notice of the discrepancy and the opportunity to respond as
16 required under this act.

17 (5) If the individual does not respond to the
18 notice, the agency or department shall discontinue assistance
19 for failure to cooperate, in which case the agency or
20 department shall provide notice of intent to discontinue
21 assistance. Eligibility for assistance shall not be
22 established or reestablished until the discrepancy or change
23 has been resolved.

24 (6) If an individual responds to the notice and
25 disagrees with the agency's or department's finding of a
26 discrepancy, the agency or department shall reinvestigate the
27 matter. If the agency or department finds that there has been

1 an error regarding its finding of a discrepancy, the agency or
2 department shall take immediate action to correct it and no
3 further action shall be taken. If, after an investigation, the
4 agency or department determines that there is no error, the
5 agency or department shall determine the effect on the
6 individual's eligibility and take appropriate action. Written
7 notice of the agency's or department's action shall be
8 provided to the individual.

9 (7) If the individual agrees with the agency's or
10 department's finding of a discrepancy, the agency or
11 department shall determine the effect on the individual's
12 eligibility and take appropriate action. Written notice of the
13 agency's or department's action shall be given to the
14 individual.

15 Section 8. The Alabama Medicaid Agency and the
16 Department of Human Resources shall provide information
17 obtained under Sections 6 and 7, inclusive, of this act to the
18 appropriate district attorney for cases of suspected fraud.

19 Section 9. The Medicaid Agency shall submit a state
20 plan amendment or waiver needed to implement work requirements
21 for Medicaid eligibility.

22 Section 10. One year after the effective date of
23 this act, and annually thereafter, the Alabama Medicaid Agency
24 and the Department of Human Resources shall provide a written
25 report to the Governor, the President Pro Tempore of the
26 Senate, the Speaker of the House of Representatives, and the
27 Department of Finance detailing the effectiveness and general

1 findings of any eligibility verification measures utilized as
2 provided in this act, including the number of cases reviewed,
3 the number of case closures, the number of referrals for
4 criminal prosecution, recovery of improper payment, the
5 disposition of cases referred to the appropriate district
6 attorney, and any resulting savings that can accurately be
7 estimated by the agency.

8 Section 11. The Alabama Medicaid Agency and the
9 Department of Human Resources may adopt rules for the
10 implementation and administration of this act.

11 Section 12. This act shall become effective on the
12 first day of the third month following its passage and
13 approval by the Governor, or its otherwise becoming law.