

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1270

By: Hall

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to welfare; creating the Act to
10 Restore Hope, Opportunity and Prosperity for Everyone
11 or the HOPE Act; directing Oklahoma Health Care
12 Authority and Department of Human Services to verify
13 eligibility prior to awarding assistance; listing
14 information to be verified; mandating memorandum of
15 understanding for information; authorizing
16 contracting with independent vendors; requiring
17 annualized savings to exceed cost; allowing
18 verification of additional information; requiring
19 eligibility information review at least quarterly;
20 listing types of information for review; directing
21 memorandum of understanding for information;
22 permitting contracting with independent vendors;
23 directing exploration of joining a multistate
24 cooperative; authorizing review of additional
information; describing procedures when there is a
change in circumstances; requiring applicants to
complete an identity authentication process;
providing description of authentication process;
directing dissemination of information for cases of
suspected fraud; mandating Authority and Department
to promulgate rules; requiring publication of written
report; providing for frequency of report; listing
contents of report; amending 56 O.S. 2011, Section
241.3, as amended by Section 1, Chapter 178, O.S.L.
2013 (56 O.S. Supp. 2016, Section 241.3), which
relates to the Supplemental Nutrition Assistance
Program; prohibiting Department from seeking,
applying for, accepting or renewing any specified
waiver requirements; proscribing resource-limit

standards that exceed specified federal standards;
disallowing gross income standards that are higher
than specified federal standards; requiring
individuals to cooperate with the Department as a
condition of eligibility; providing for codification;
and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 246 of Title 56, unless there is
created a duplication in numbering, reads as follows:

A. Sections 1 through 5 of this act shall be known and may be
cited as the "Act to Restore Hope, Opportunity and Prosperity for
Everyone" or the "HOPE Act".

B. Prior to awarding assistance under Medicaid or the
Supplemental Nutrition Assistance Program, the Oklahoma Health Care
Authority and the Department of Human Services shall verify
eligibility information of each applicant.

C. The information verified by the Authority and the Department
shall include, but is not limited to:

1. Earned and unearned income;
2. Employment status and changes in employment;
3. Immigration status;
4. Residency status, including a nationwide best-address source
to verify individuals are residents of the state;

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

3 6. Financial resources;

4 7. Incarceration status;

5 8. Death records;

6 9. Enrollment status in public assistance programs outside of
7 this state; and

8 10. Potential identity fraud or identity theft.

9 D. The Authority and the Department shall sign a memorandum of
10 understanding with any department, agency or division for
11 information detailed in subsection C of this section.

12 E. The Authority and the Department may contract with one or
13 more independent vendors to provide information detailed in
14 subsection C of this section. Any contract entered under this
15 subsection shall establish annualized savings that exceed the
16 contract's total annual cost to the state.

17 F. Nothing in this section shall preclude the Authority or the
18 Department from receiving, reviewing or verifying additional
19 information related to eligibility not detailed in this section or
20 from contracting with one or more independent vendors to provide
21 additional information not detailed in this section.

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 247 of Title 56, unless there is
24 created a duplication in numbering, reads as follows:

1 A. On at least a quarterly basis, the Oklahoma Health Care
2 Authority and the Department of Human Services shall receive and
3 review information concerning individuals enrolled in Medicaid and
4 the Supplemental Nutrition Assistance Program that indicates a
5 change in circumstances that may affect eligibility.

6 B. The information provided to the Authority and the Department
7 shall include, but is not limited to:

- 8 1. Earned and unearned income;
- 9 2. Employment status and changes in employment;
- 10 3. Residency status;
- 11 4. Enrollment status in other state-administered public
12 assistance programs;
- 13 5. Financial resources;
- 14 6. Incarceration status;
- 15 7. Death records;
- 16 8. Lottery winnings; and
- 17 9. Enrollment status in public assistance programs outside of
18 this state.

19 C. The Authority and the Department shall sign a memorandum of
20 understanding with any department, agency or division for
21 information detailed in subsection B of this section.

22 D. The Authority and the Department may contract with one or
23 more independent vendors to provide information detailed in
24 subsection B of this section. Any contract entered under this

1 subsection shall establish annualized savings that exceed the
2 contract's total annual cost to the state.

3 E. The Authority and the Department shall explore joining any
4 multistate cooperative to identify individuals who are also enrolled
5 in public assistance programs outside of this state, including the
6 National Accuracy Clearinghouse.

7 F. Nothing in this section shall preclude the Authority or the
8 Department from receiving or reviewing additional information
9 related to eligibility not detailed in this section or from
10 contracting with one or more independent vendors to provide
11 additional information not detailed in this section.

12 G. If the Authority or the Department receives information
13 concerning an individual enrolled in Medicaid or the Supplemental
14 Nutrition Assistance Program that indicates a change in
15 circumstances that may affect eligibility, the Authority and the
16 Department shall review the individual's case using the following
17 procedures:

18 1. If the information does not result in the Authority or the
19 Department finding a discrepancy or change in an individual's
20 circumstances that may affect eligibility, the Authority or the
21 Department shall take no further action;

22 2. If the information results in the Authority or the
23 Department finding a discrepancy or change in an individual's
24 circumstances that may affect eligibility, the Authority or the

1 Department shall promptly redetermine eligibility after receiving
2 such information;

3 3. If the information results in the Authority or the
4 Department finding a discrepancy or change in an individual's
5 circumstances that may affect eligibility, the individual shall be
6 given an opportunity to explain the discrepancy; provided, however,
7 that self-declarations by applicants or recipients shall not be
8 accepted as verification;

9 4. The Authority or the Department shall provide written notice
10 to the individual which shall describe in sufficient detail the
11 circumstances of the discrepancy or change, the manner in which the
12 applicant or recipient may respond, and the consequences of failing
13 to take action. The applicant or recipient shall have ten (10)
14 business days to respond in an attempt to resolve the discrepancy or
15 change. The explanation provided by the recipient or applicant
16 shall be given in writing. After receiving the explanation, the
17 Authority or the Department may request additional documentation if
18 it determines that there is risk of fraud, misrepresentation or
19 inadequate documentation;

20 5. If the individual does not respond to the notice, the
21 Authority or the Department shall discontinue assistance for failure
22 to cooperate, in which case the Authority or the Department shall
23 provide notice of intent to discontinue assistance. Eligibility for
24

1 assistance shall not be established or reestablished until the
2 discrepancy or change has been resolved;

3 6. If an individual responds to the notice and disagrees with
4 the findings, the Authority or the Department shall reinvestigate
5 the matter. If the Authority or the Department finds that there has
6 been an error, the Authority or the Department shall take immediate
7 action to correct it and no further action shall be taken. If,
8 after an investigation, the Authority or the Department determines
9 that there is no error, the Authority or the Department shall
10 determine the effect on the individual's case and take appropriate
11 action. Written notice of the Authority or the Department action
12 shall be given to the individual; and

13 7. If the individual agrees with the findings, the Authority or
14 the Department shall determine the effect on the individual's case
15 and take appropriate action. Written notice of the Authority or the
16 Department action shall be given to the individual. In no case
17 shall the Authority or the Department discontinue assistance upon
18 finding a discrepancy or change in circumstances until the
19 individual has been given notice of the discrepancy and the
20 opportunity to respond as required under the HOPE Act.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 248 of Title 56, unless there is
23 created a duplication in numbering, reads as follows:

1 A. Prior to awarding assistance under Medicaid or the
2 Supplemental Nutrition Assistance Program, the Oklahoma Health Care
3 Authority or the Department of Human Services shall require
4 applicants to complete an identity authentication process to confirm
5 that the applicant owns the identity presented in the application.

6 B. The identity authentication process shall be conducted
7 through a knowledge-based quiz consisting of financial and personal
8 questions. The quiz shall attempt to accommodate unbanked or under-
9 banked applicants who do not have an established credit history.

10 C. The identity authentication process shall be available to be
11 submitted through multiple channels including online, in-person and
12 via phone.

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 249 of Title 56, unless there is
15 created a duplication in numbering, reads as follows:

16 A. The Oklahoma Health Care Authority shall provide information
17 obtained under Sections 1 through 3 of the HOPE Act to the Medicaid
18 fraud control unit of the Office of the Attorney General for cases
19 of suspected Medicaid fraud.

20 B. The Department of Human Services shall provide information
21 obtained under Sections 1 through 3 of the HOPE Act to the district
22 attorney for cases of suspected fraud in the Supplemental Nutrition
23 Assistance Program.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 250 of Title 56, unless there is
3 created a duplication in numbering, reads as follows:

4 A. The Oklahoma Health Care Authority and the Department of
5 Human Services shall promulgate all rules and regulations necessary
6 for the purposes of carrying out the HOPE Act.

7 B. On May 1, 2018, and annually thereafter, the Oklahoma Health
8 Care Authority and the Department of Human Services shall publish a
9 written report detailing the impact of Sections 1 through 3 of the
10 HOPE Act, including the number of cases reviewed, the number of
11 cases closed, the number of fraud investigation referrals and the
12 amount of savings and cost avoidance that have resulted from
13 implementation.

14 SECTION 6. AMENDATORY 56 O.S. 2011, Section 241.3, as
15 amended by Section 1, Chapter 178, O.S.L. 2013 (56 O.S. Supp. 2016,
16 Section 241.3), is amended to read as follows:

17 Section 241.3 A. Except as otherwise provided by law or
18 waiver, all able-bodied recipients eighteen (18) years of age to
19 fifty (50) years of age, who are not disabled or raising minor
20 children, may receive food stamps for only three (3) months in each
21 thirty-six-month period except in months in which such recipients
22 are employed for at least twenty (20) or more hours per week. The
23 Department of Human Services shall enforce the provisions of this
24 section and any approved waivers or other provisions pursuant to law

1 in effect for this state as of the effective date of this act in
2 designated areas and populations.

3 B. 1. A family applying for food stamps after the fifteenth
4 (15th) day of each month shall be eligible to receive the total
5 amount of their initial allotment and their regular first allotment.

6 2. A household allotment of food stamps may be reduced by up to
7 twenty-five percent (25%) if a family is sanctioned in another
8 program established pursuant to the Statewide Temporary Assistance
9 Responsibility System.

10 3. An individual in a treatment center shall designate the
11 treatment center as the recipient of such individual's food stamp
12 allotment.

13 4. Operating procedures for the food stamp programs in local
14 offices may vary to reflect local differences.

15 5. The Department is authorized to use the amount of a
16 household food stamp allotment to subsidize a job under a work
17 supplementation or support program.

18 C. Beginning October 1, 2013, the Department of Human Services
19 shall not request a waiver to provide Supplemental Nutrition
20 Assistance Program services to able-bodied adults without
21 dependents.

22 D. Beginning November 1, 2017, the Department of Human Services
23 shall not seek, apply for, accept or renew any waiver of
24 requirements established under 7 U.S.C., Section 2015(o).

1 E. In no case shall the resource-limit standards of the
2 Supplemental Nutrition Assistance Program exceed the standards
3 specified in 7 U.S.C., Section 2014(g)(1), unless expressly required
4 by federal law. In no case shall categorical eligibility exempting
5 households from these resource limits be granted for any noncash,
6 in-kind or other benefit, unless expressly required by federal law.

7 F. The Department of Human Services shall not apply gross
8 income standards for food assistance higher than the standards
9 specified in 7 U.S.C., Section 2014(c), unless expressly required by
10 federal law. In no case shall categorical eligibility exempting
11 households from this income standard be granted for any noncash, in-
12 kind or other benefit, unless expressly required by federal law.

13 G. The Department of Human Services shall require individuals
14 to cooperate with the Department as a condition of eligibility
15 pursuant to 7 C.F.R., Section 273.11(o) and 7 C.F.R., Section
16 273.11(p).

17 SECTION 7. This act shall become effective November 1, 2017.

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19 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 03/01/2017 - DO PASS,
20 As Amended.