SENATE FLOOR VERSION
April 10, 2017

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1270 By: Hall of the House

and

Leewright and Brecheen of the Senate

COMMITTEE SUBSTITUTE

[welfare - Act to Restore Hope, Opportunity and Prosperity for Everyone or the HOPE Act - verify eligibility - codification - 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. 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, the Oklahoma Health Care Authority shall verify eligibility information of each applicant, excluding those applicants who would be eligible under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and

excluding those applicants with intellectual disabilities receiving Home and Community Based Medicaid waiver and state-funded services.

C. The information verified by the Authority 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;

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

6. Financial resources;

7. Incarceration status;

8. Death records;

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

10. Potential identity fraud or identity theft.

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

E. The Authority shall contract with one or more independent vendors to provide information detailed in subsection C of this section. Any contract entered under this subsection shall establish

annualized savings that exceed the contract's total annual cost to the state.

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

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

A. On a quarterly basis, the Oklahoma Health Care Authority shall receive and review information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect eligibility, excluding those individuals who would be eligible under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and excluding those individuals with intellectual disabilities receiving Home and Community Based Medicaid waiver and state-funded services.

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

1. Earned and unearned income;

2. Employment status and changes in employment;

3. Residency status;

4. Enrollment status in other state-administered public assistance programs;

5. Financial resources;

6. Incarceration status;

7. Death records;

8. Lottery winnings; and

9. Enrollment status in public assistance programs outside of this state.

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

D. The Authority shall contract with one or more independent vendors to provide information detailed in subsection B of this section. Any contract entered under this subsection shall establish annualized savings that exceed the contract's total annual cost to the state.

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

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

G. If the Authority receives information concerning an individual enrolled in Medicaid that indicates a change in circumstances that may affect eligibility, the Authority shall review the individual's case using the following procedures:

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

2. If the information results in the Authority finding a discrepancy or change in an individual's circumstances that may affect eligibility, the Authority shall promptly redetermine eligibility after receiving such information;

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

4. The Authority shall provide written notice to the individual which shall describe in sufficient detail the circumstances of the discrepancy or change, the manner in which the applicant or recipient may respond, and the consequences of failing to take action. The applicant or recipient shall have ten (10) business days to respond in an attempt to resolve the discrepancy or change. The explanation provided by the recipient or applicant shall be given in writing. After receiving the explanation, the Authority

may request additional documentation if it determines that there is risk of fraud, misrepresentation or inadequate documentation;

5. If the individual does not respond to the notice, the Authority shall discontinue assistance for failure to cooperate, in which case the Authority shall provide notice of intent to discontinue assistance. Eligibility for assistance shall not be established or reestablished until the discrepancy or change has been resolved;

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

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

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

A. Prior to awarding assistance under Medicaid, the Oklahoma Health Care Authority shall require applicants to complete an identity authentication process to confirm that the applicant owns the identity presented in the application.

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

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

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

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

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

A. The Oklahoma Health Care Authority shall promulgate all rules and regulations necessary for the purposes of carrying out the HOPE Act.

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

SECTION 6. This act shall become effective November 1, 2017.

COMMITTEE REPORT BY: COMMITTEE ON HEALTH AND HUMAN SERVICES
April 10, 2017 - DO PASS AS AMENDED