

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1903

5 By: Representative Bentley  
6

## For An Act To Be Entitled

8 AN ACT REGARDING FRAUD PREVENTION WITH THE ARKANSAS  
9 MEDICAID PROGRAM AND THE SUPPLEMENTAL NUTRITION  
10 ASSISTANCE PROGRAM, FORMERLY KNOWN AS FOOD STAMPS; TO  
11 CREATE THE ENHANCED ELIGIBILITY AND AUTHENTICATION  
12 ACT; AND FOR OTHER PURPOSES.  
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## Subtitle

15 TO CREATE THE ENHANCED ELIGIBILITY AND  
16 AUTHENTICATION ACT.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code Title 20, Chapter 76, is amended to add an  
23 additional subchapter to read as follows:

24 Subchapter 8 – Enhanced Eligibility and Authentication Act

25  
26 20-76-801. Title.

27 This subchapter shall be known and may be cited as the "Enhanced  
28 Eligibility and Authentication Act".  
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30 20-76-802. Enhanced eligibility verification.

31 (a) Before awarding assistance under the Arkansas Medicaid Program or  
32 the Supplemental Nutrition Assistance Program, formerly known as food stamps,  
33 the Department of Human Services shall verify the eligibility information of  
34 an applicant.

35 (b) The eligibility information verified under subsection (a) of this  
36 section shall include without limitation:



- 1           (1) Earned and unearned income;
- 2           (2) Employment status and changes in employment;
- 3           (3) Immigration status;
- 4           (4) Residency status, which shall include a nationwide best  
 5 address source to verify that individuals are residents of the state;
- 6           (5) Enrollment status in other state-administered public  
 7 assistance programs;
- 8           (6) Financial resources;
- 9           (7) Incarceration status;
- 10          (8) Death records;
- 11          (9) Enrollment status in public assistance programs outside of  
 12 the state; and
- 13          (10) Potential identity fraud or identity theft.

14          (c) The department shall sign a memorandum of understanding with any  
 15 department, agency, or division to obtain the information detailed in  
 16 subsection (b) of this section.

17          (d)(1) The department may contract with one (1) or more independent  
 18 vendors to provide information detailed in subsection (b) of this section.

19                 (2) A contract entered into under subdivision (c)(1) of this  
 20 section shall establish annualized savings that exceed the total annual cost  
 21 of the contract to the state.

22          (e) This section does not prohibit the department from:

23                 (1) Receiving, reviewing, or verifying additional information  
 24 related to eligibility not detailed in this section; or

25                 (2) Contracting with one (1) or more independent vendors to  
 26 provide additional information not detailed in this section.

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28          20-76-803. Real-time eligibility monitoring.

29          (a) At least quarterly, the Department of Human Services shall receive  
 30 and review information concerning individuals who are enrolled in the  
 31 Arkansas Medicaid Program or the Supplemental Nutrition Assistance Program,  
 32 formerly known as food stamps, that indicates a discrepancy or change in  
 33 circumstances that may affect eligibility.

34          (b) The information provided to the department under this section  
 35 shall include without limitation:

- 36           (1) Earned and unearned income;

1           (2) Employment status and changes in employment;  
2           (3) Residency status;  
3           (4) Enrollment status in other state-administered public  
4 assistance programs;  
5           (5) Financial resources;  
6           (6) Incarceration status;  
7           (7) Death records;  
8           (8) Lottery winnings; and  
9           (9) Enrollment status in public assistance programs outside of  
10 the state.

11       (c) The department shall:

12           (1) Sign a memorandum of understanding with any department,  
13 agency, or division to obtain the information detailed in subsection (b) of  
14 this section; and

15           (2) Explore joining any multistate cooperative to identify  
16 individuals who are also enrolled in public assistance programs outside of  
17 the state, including the National Accuracy Clearinghouse.

18       (d)(1) The department may contract with one (1) or more independent  
19 vendors to provide information detailed in subsection (b) of this section.

20           (2) A contract entered into under subdivision (c)(1) of this  
21 section shall establish annualized savings that exceed the total annual cost  
22 of the contract to the state.

23       (e) This section does not prohibit the department from:

24           (1) Receiving, reviewing, or verifying additional information  
25 related to eligibility not detailed in this section; or

26           (2) Contracting with one (1) or more independent vendors to  
27 provide additional information not detailed in this section.

28       (f) If the department receives information concerning an individual  
29 who is enrolled in the Arkansas Medicaid Program or the Supplemental  
30 Nutrition Assistance Program, formerly known as food stamps, that indicates a  
31 change in circumstances that may affect eligibility, the department shall  
32 review the case using the following procedures:

33           (1) If the information does not result in the department's  
34 finding a discrepancy or change in the circumstances of the individual that  
35 may affect eligibility, the department shall take no further action; and

36           (2) If the information does result in the department's finding a

1 discrepancy or change in the circumstances of the individual that may affect  
2 eligibility, the department shall:

3 (A) Promptly redetermine eligibility after receiving the  
4 information; and

5 (B) Provide the individual with:

6 (i)(a) An opportunity to explain the discrepancy or  
7 change in circumstances in writing.

8 (b) However, self-declarations by the  
9 individual shall not be accepted as verification.

10 (c) After the department receives an  
11 explanation, the department may request additional documentation if the  
12 department determines a risk of fraud, misrepresentation, or inadequate  
13 documentation; and

14 (ii)(a) Written notice that shall describe in  
15 sufficient detail the discrepancy or change in circumstances, the manner in  
16 which the individual may respond, and the consequences of failing to action.

17 (b) An individual shall have ten (10) business  
18 days or the minimum amount of time required by state or federal law to  
19 resolve the discrepancy or change in circumstances.

20 (c)(1) If the individual does not respond to  
21 the notice described in subdivision (f)(2)(B)(ii)(a) of this section, the  
22 department shall discontinue assistance for failure to cooperate and provide  
23 notice of intent to discontinue assistance.

24 (2) Eligibility for assistance shall not  
25 be established or reestablished until the discrepancy or change in  
26 circumstances has been resolved.

27 (d)(1) If the individual responds to the  
28 notice described in subdivision (f)(2)(B)(ii)(a) of this section and  
29 disagrees with the findings, the department shall reinvestigate the  
30 discrepancy or change in circumstances.

31 (2) After the reinvestigation, if the  
32 department determines that an error occurred, the department shall take  
33 immediate action to correct the error and take no further action.

34 (3) After the reinvestigation, if the  
35 department determines that no error occurred, the department shall determine  
36 the effect on the case of the individual and take appropriate action that

1 shall include written notice of the action to the individual.

2 (e) If the individual responds to the notice  
3 described in subdivision (f)(2)(B)(ii)(a) of this section and agrees with the  
4 findings, the department shall determine the effect on the case of the  
5 individual and take appropriate action that shall include written notice of  
6 the action to the individual.

7 (g) The department shall not discontinue assistance upon a finding of  
8 a discrepancy or change in circumstances until the individual has been given  
9 notice of the discrepancy and the opportunity to respond as required by  
10 subsection (f) of this section.

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12 20-76-804. Enhanced authentication.

13 (a) Before awarding assistance under the Arkansas Medicaid Program or  
14 the Supplemental Nutrition Assistance Program, formerly known as food stamps,  
15 the Department of Human Services shall require applicants to complete an  
16 identity authentication process to confirm that the applicant owns or is the  
17 identity presented in the application.

18 (b) The identity authentication process shall be:

19 (1)(A) Conducted through a knowledge-based quiz consisting of  
20 financial or personal questions, or both.

21 (B) The quiz shall attempt to accommodate unbanked or  
22 underbanked applicants who do not have an established credit history; and

23 (2) Available to be submitted through multiple channels,  
24 including online, in person, and via telephone.

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26 20-76-805. Fraud reporting.

27 The Department of Human Services shall provide information obtained  
28 under this subchapter to the following entities for cases of suspected fraud:

29 (1) The Office of Medicaid Inspector General; and

30 (2) The office of the Attorney General.

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32 20-78-806. Limits under the Supplemental Nutrition Assistance Program.

33 (a) The Department of Human Services shall utilize:

34 (1) Resource limit standards of the Supplemental Nutrition  
35 Assistance Program, formerly known as food stamps, that do not exceed the  
36 standards specified under 7 U.S.C. § 2014(g)(1), as existing on January 1,

1 2017, unless expressly required by federal law; or

2 (2) Gross income standards of the Supplemental Nutrition  
 3 Assistance Program, formerly known as food stamps, that do not exceed the  
 4 standards specified under 7 U.S.C. § 2014(c), as existing on January 1, 2017,  
 5 unless expressly required by federal law.

6 (b) The department shall not grant any noncash, in-kind, or other  
 7 benefit based on an exemption from either the resource limit standards or the  
 8 gross income standards unless expressly required by federal law.

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 10 20-76-807. Implementation and reporting.

11 (a) The Department of Human Services shall promulgate rules necessary  
 12 to implement this subchapter.

13 (b) Within six (6) months of the effective date of this subchapter,  
 14 and annually thereafter, the department shall publish a written report  
 15 detailing the impact of this subchapter, including without limitation:

16 (1) The number of cases reviewed;

17 (2) The number of cases closed;

18 (3) The number of fraud investigation referrals; and

19 (4) The amount of savings and cost avoidance that have resulted  
 20 from implementation.

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