

HOUSE BILL No. 1351

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-13-5-15; IC 12-14-30; IC 12-15-1; IC 12-15-2-20.

Synopsis: SNAP and Medicaid matters. Provides additional eligibility verification, monitoring, and authentication requirements for the federal Supplemental Nutrition Assistance Program (SNAP) and Medicaid program. Requires reporting to the legislative council concerning the implementation and impact of these requirements. Prohibits waivers of work requirements for the SNAP, and requires individuals to participate in child support enforcement activities as a condition of receiving SNAP benefits. Requires submission of evidence to a prosecuting attorney in the case of SNAP and the Medicaid fraud control unit in the case of Medicaid when the office of the secretary of family and social services has reasonable grounds to suspect that an applicant for the program has committed fraud or another crime.

Effective: Upon passage; July 1, 2018.

Frizzell

January 16, 2018, read first time and referred to Committee on Family, Children and Human Affairs.



Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1351

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 12-13-5-15 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2018]: **Sec. 15. (a) Before October 1 of each year, the secretary**
4 **shall prepare and submit a report to the legislative council in an**
5 **electronic format under IC 5-14-6 that documents and analyzes the**
6 **progress in implementing and the impact of implementing the**
7 **eligibility verification, eligibility monitoring, and authentication**
8 **requirements under the following:**
9 (1) **The following provisions for SNAP:**
10 (A) **IC 12-14-30-3.**
11 (B) **IC 12-14-30-3.5.**
12 (C) **IC 12-14-30-5.**
13 (2) **IC 12-15-1-23 through IC 12-15-1-25 for the Medicaid**
14 **program.**
15 (b) **The report must including the following for each program:**
16 (1) **The number of cases reviewed.**
17 (2) **The number of cases closed.**



1 **(3) The number of fraud investigation referrals.**

2 **(4) The amount of savings and cost avoidance that resulted**
 3 **from implementation.**

4 SECTION 2. IC 12-14-30-3 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2018]: **Sec. 3. (a) Except as otherwise provided by state or**
 7 **federal law, before awarding assistance under SNAP, the division**
 8 **or a contractor of the division shall verify eligibility information of**
 9 **each applicant and, as appropriate, the applicant's household.**

10 **(b) To the extent that the following affect SNAP eligibility**
 11 **determinations, the verified information must include review of the**
 12 **following:**

13 **(1) Earned and unearned income.**

14 **(2) Employment status and changes in employment.**

15 **(3) Immigration status.**

16 **(4) Residency status, including a nationwide best address**
 17 **source to verify individuals are residents of Indiana.**

18 **(5) Enrollment status in:**

19 **(A) other Indiana administered public assistance**
 20 **programs; and**

21 **(B) public assistance programs outside Indiana.**

22 **(6) Financial resources and other assets.**

23 **(7) Incarceration status.**

24 **(8) Death records.**

25 **(9) Potential identity fraud or identity theft.**

26 **(c) The secretary shall enter into a memorandum of**
 27 **understanding with any department, agency, or division as**
 28 **necessary or appropriate to obtain information described in**
 29 **subsection (b).**

30 **(d) The secretary or the division may contract with persons as**
 31 **necessary or appropriate to obtain information described in**
 32 **subsection (b). Any contract entered into under this subsection**
 33 **must achieve annualized savings that exceed the contract's total**
 34 **annual cost to the state.**

35 **(e) This section does not preclude:**

36 **(1) the secretary;**

37 **(2) the division;**

38 **(3) a county office; or**

39 **(4) another entity making eligibility determinations on behalf**
 40 **of the secretary or the division;**

41 **from receiving, reviewing, or verifying additional information**
 42 **related to eligibility not described in this section or from**



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

3 (f) The secretary shall implement this section as soon as
4 practicable after the later of:

5 (1) July 1, 2018; or

6 (2) the date all necessary federal approvals related to these
7 procedures are obtained.

8 SECTION 3. IC 12-14-30-3.5 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2018]: **Sec. 3.5. (a) Except as otherwise**
11 **provided by federal or state law, before awarding assistance under**
12 **SNAP, the division or a contractor of the division making eligibility**
13 **determinations shall require applicants to complete an identity**
14 **authentication process to confirm that the applicant owns the**
15 **identity stated in the application.**

16 (b) The division or contractor of the division shall conduct the
17 identity authentication process through a knowledge based quiz
18 consisting of any of the following:

19 (1) Financial questions.

20 (2) Personal questions.

21 The quiz must attempt to accommodate applicants who do not have
22 an established credit history.

23 (c) The identity authentication process must be available to be
24 completed through multiple channels, including:

25 (1) online;

26 (2) in person; and

27 (3) by telephone.

28 (d) The secretary shall implement this section as soon as
29 practicable after the later of:

30 (1) July 1, 2018; or

31 (2) the date all necessary federal approvals related to these
32 procedures are obtained.

33 SECTION 4. IC 12-14-30-5 IS ADDED TO THE INDIANA CODE
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
35 1, 2018]: **Sec. 5. (a) On at least a quarterly basis, the division shall**
36 **receive and review information concerning individuals enrolled in**
37 **SNAP that indicates a change in circumstances that may affect**
38 **eligibility.**

39 (b) To the extent that the following affect eligibility
40 determinations, the information provided to the division must
41 include the following:

42 (1) Earned and unearned income.



- 1 **(2) Employment status and changes in employment.**
 2 **(3) Immigration status.**
 3 **(4) Residency status, including a nationwide best address**
 4 **source to verify individuals are residents of Indiana.**
 5 **(5) Enrollment status in:**
 6 **(A) other state-administered public assistance programs;**
 7 **and**
 8 **(B) public assistance programs outside Indiana.**
 9 **(6) Financial resources and other assets.**
 10 **(7) Incarceration status.**
 11 **(8) Death records.**
 12 **(9) Potential identity fraud or identity theft.**
 13 **(c) The secretary shall enter into a memorandum of**
 14 **understanding with any department, agency, or division as**
 15 **necessary or appropriate to obtain information described in**
 16 **subsection (b).**
 17 **(d) The secretary or the division may contract with persons as**
 18 **necessary or appropriate to provide information described in**
 19 **subsection (b). Any contract entered into under this subsection**
 20 **must achieve annualized savings that exceed the contract's total**
 21 **annual cost to the state.**
 22 **(e) The secretary or division shall explore joining any multistate**
 23 **cooperative to identify individuals who are also enrolled in public**
 24 **assistance programs outside Indiana, including the National**
 25 **Accuracy Clearinghouse.**
 26 **(f) This section does not preclude:**
 27 **(1) the secretary;**
 28 **(2) the division;**
 29 **(3) a county office; or**
 30 **(4) another entity making eligibility determinations on behalf**
 31 **of the secretary or the division;**
 32 **from receiving, reviewing, or verifying additional information**
 33 **related to eligibility not described in this section or from**
 34 **contracting with vendors to provide additional information not**
 35 **detailed in this section.**
 36 **(g) If the division receives information concerning an individual**
 37 **enrolled in SNAP that indicates a change in circumstances that**
 38 **may affect eligibility, the division shall review the individual's case**
 39 **using the hearing and appeal procedures applicable to SNAP**
 40 **determinations.**
 41 **(h) The secretary shall implement this section as soon as**
 42 **practicable after the later of:**



- 1 **(1) July 1, 2018; or**
 2 **(2) the date all necessary federal approvals related to these**
 3 **procedures are obtained.**

4 SECTION 5. IC 12-14-30-6 IS ADDED TO THE INDIANA CODE
 5 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 6 **1, 2018]: Sec. 6. If the division has reasonable grounds to suspect**
 7 **that a SNAP applicant has committed welfare fraud or another**
 8 **crime, the division shall certify the evidence of the suspected**
 9 **activity to a prosecuting attorney in a county with jurisdiction over**
 10 **the offense.**

11 SECTION 6. IC 12-14-30-7 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 13 **UPON PASSAGE]: Sec. 7. After March 31, 2018, the office and the**
 14 **division:**

- 15 **(1) may not seek, apply for, accept, or renew any waiver of**
 16 **work requirements established under 7 U.S.C. 2015(o); and**
 17 **(2) shall, as funding allows, assign individuals who are:**

18 **(A) subject to work requirements established under 7**
 19 **U.S.C. 2015(d)(1); and**

20 **(B) not subject to requirements established under 7 U.S.C.**
 21 **2015(o);**

22 **to participate in an employment and training program**
 23 **established under 7 U.S.C. 2015(d)(4).**

24 SECTION 7. IC 12-14-30-8 IS ADDED TO THE INDIANA CODE
 25 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 26 **1, 2018]: Sec. 8. (a) The secretary shall take all steps necessary or**
 27 **appropriate to exercise all of the state's options under 7 CFR**
 28 **273.11(o) and 7 CFR 273.11(p) to require individuals to cooperate**
 29 **with state child support agencies (as defined in 7 CFR 273.11(o)**
 30 **and 7 CFR 273.11(p)) as a condition of participating in SNAP. The**
 31 **secretary and the division shall enforce these eligibility conditions**
 32 **in accordance with 7 CFR 273.11(o) and 7 CFR 273.11(p).**

33 **(b) The secretary shall implement this section as soon as**
 34 **practicable after the later of:**

- 35 **(1) July 1, 2018; or**
 36 **(2) the date all necessary federal approvals related to these**
 37 **procedures are obtained.**

38 **(c) The secretary:**

39 **(1) shall consult with the department of child services; and**

40 **(2) may adopt rules under IC 4-22-2 necessary;**

41 **to implement this section.**

42 SECTION 8. IC 12-15-1-23 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2018]: **Sec. 23. (a) Except as otherwise provided by federal or**
3 **state law, before awarding assistance under the Medicaid program,**
4 **the office, the division, a county office, or a contractor that makes**
5 **Medicaid eligibility determinations shall verify eligibility**
6 **information of each applicant and, as appropriate, the applicant's**
7 **household.**

8 **(b) To the extent that the following affect eligibility**
9 **determinations, the verified information must include the**
10 **following:**

- 11 (1) **Earned and unearned income.**
- 12 (2) **Employment status and changes in employment.**
- 13 (3) **Immigration status.**
- 14 (4) **Residency status, including a nationwide best address**
15 **source to verify individuals are residents of Indiana.**
- 16 (5) **Enrollment status in:**
 - 17 (A) **other state-administered public assistance programs;**
 - 18 **and**
 - 19 (B) **public assistance programs outside Indiana.**
- 20 (6) **Financial resources and other assets.**
- 21 (7) **Incarceration status.**
- 22 (8) **Death records.**
- 23 (9) **Potential identity fraud or identity theft.**

24 **(c) The secretary shall enter into a memorandum of**
25 **understanding with any department, agency, or division as**
26 **necessary or appropriate to obtain information described in**
27 **subsection (b).**

28 **(d) The secretary, the division, or the office may contract with**
29 **persons as necessary or appropriate to provide information**
30 **described in subsection (b). Any contract entered into under this**
31 **subsection must achieve annualized savings that exceed the**
32 **contract's total annual cost to the state.**

33 **(e) This section does not preclude the secretary, the division, the**
34 **office, a county office, or contractor making eligibility**
35 **determinations from receiving, reviewing, or verifying additional**
36 **information related to eligibility not detailed in this section or from**
37 **contracting with vendors to provide additional information not**
38 **detailed in this section.**

39 **(f) The secretary shall implement this section as soon as**
40 **practicable after the later of:**

- 41 (1) **July 1, 2018; or**
- 42 (2) **the date all necessary federal approvals related to these**



- 1 **procedures are obtained.**
- 2 SECTION 9. IC 12-15-1-24 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
- 4 1, 2018]: **Sec. 24. (a) Except as otherwise provided by federal or**
- 5 **state law, before awarding assistance under the Medicaid program,**
- 6 **the office, the division, or a contractor designated to make**
- 7 **Medicaid eligibility determinations shall require applicants to**
- 8 **complete an identity authentication process to confirm that the**
- 9 **applicant owns the identity presented in the application.**
- 10 **(b) The office, the division, or a contractor making Medicaid**
- 11 **eligibility determinations shall conduct the identity authentication**
- 12 **process through a knowledge based quiz consisting of any of the**
- 13 **following:**
- 14 **(1) Financial questions.**
- 15 **(2) Personal questions.**
- 16 **The quiz must attempt to accommodate applicants who do not have**
- 17 **an established credit history.**
- 18 **(c) The identity authentication process must be available to be**
- 19 **completed through multiple channels, including:**
- 20 **(1) online;**
- 21 **(2) in person; and**
- 22 **(3) by telephone.**
- 23 **(d) The secretary shall implement this section as soon as**
- 24 **practicable after the later of:**
- 25 **(1) July 1, 2018; or**
- 26 **(2) the date all necessary federal approvals related to these**
- 27 **procedures are obtained.**
- 28 SECTION 10. IC 12-15-1-25 IS ADDED TO THE INDIANA
- 29 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
- 30 [EFFECTIVE JULY 1, 2018]: **Sec. 25. (a) On at least a quarterly**
- 31 **basis, the office shall receive and review information concerning**
- 32 **individuals enrolled in the Medicaid program that indicates a**
- 33 **change in circumstances that may affect eligibility.**
- 34 **(b) To the extent that the following affect eligibility**
- 35 **determinations, the information provided to the office must include**
- 36 **the following:**
- 37 **(1) Earned and unearned income.**
- 38 **(2) Employment status and changes in employment.**
- 39 **(3) Immigration status.**
- 40 **(4) Residency status, including a nationwide best address**
- 41 **source to verify individuals are residents of Indiana.**
- 42 **(5) Enrollment status in:**



- 1 (A) other state-administered public assistance programs;
2 and
3 (B) public assistance programs outside Indiana.
- 4 (6) Financial resources and other assets.
5 (7) Incarceration status.
6 (8) Death records.
7 (9) Potential identity fraud or identity theft.
- 8 (c) The secretary shall enter into a memorandum of
9 understanding with any department, agency, or division as
10 necessary or appropriate to obtain information described in
11 subsection (b).
- 12 (d) The secretary, the division, or the office may contract with
13 independent vendors as necessary or appropriate to provide
14 information described in subsection (b). Any contract entered
15 under this subsection must achieve annualized savings that exceed
16 the contract's total annual cost to the state.
- 17 (e) The secretary, the division, or the office shall explore joining
18 any multistate cooperative to identify individuals who are also
19 enrolled in public assistance programs outside Indiana, including
20 the National Accuracy Clearinghouse.
- 21 (f) This section does not preclude the secretary, the division, the
22 office, a county office, or a contractor making Medicaid eligibility
23 determinations from receiving, reviewing, or verifying additional
24 information related to eligibility not detailed in this section or from
25 contracting with independent vendors to provide additional
26 information not detailed in this section.
- 27 (g) If the office receives information concerning an individual
28 enrolled in the Medicaid program that indicates a change in
29 circumstances that may affect eligibility, the office shall review the
30 individual's case using the hearing and appeal procedures in
31 IC 12-15-28.
- 32 (h) The secretary shall implement this section as soon as
33 practicable after the later of:
34 (1) July 1, 2018; or
35 (2) the date all necessary federal approvals related to these
36 procedures are obtained.
- 37 SECTION 11. IC 12-15-2-20, AS AMENDED BY P.L.197-2013,
38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2018]: Sec. 20. (a) A person convicted of an offense under
40 IC 35-43-5 or IC 35-43-10 related to the application for or receipt of
41 Medicaid assistance is ineligible to receive Medicaid assistance under
42 this article for the following time:



- 1 (1) One (1) year if the conviction is for the person's first offense.
 2 (2) Two (2) years if the conviction is for the person's second
 3 offense.
 4 (3) Ten (10) years if the conviction is for the person's third or
 5 subsequent offense.
 6 (b) A person's ineligibility period for Medicaid assistance described
 7 in subsection (a) begins either:
 8 (1) on the date the person is sentenced, if the person's sentence
 9 does not include incarceration; or
 10 (2) on the date the individual is released from incarceration.
 11 (c) Upon receipt of substantiated evidence that a person has
 12 committed fraud concerning the application for or receipt of Medicaid
 13 assistance, the office may remove the person from receiving Medicaid
 14 assistance for one (1) year. If the office determines that a person
 15 receiving Medicaid assistance is to be removed from receiving
 16 Medicaid assistance under this subsection, the person may appeal the
 17 determination. An appeal under this subsection is subject to IC 4-21.5.
 18 **(d) If the division or office has reasonable grounds to suspect**
 19 **that a Medicaid applicant has committed Medicaid fraud or**
 20 **another crime, the office shall certify the evidence of the suspected**
 21 **activity to the state Medicaid fraud control unit established under**
 22 **IC 4-6-10.**
 23 ~~(e)~~ (e) The office may adopt rules under IC 4-22-2 to implement this
 24 section.
 25 SECTION 12. [EFFECTIVE UPON PASSAGE] **(a) The definitions**
 26 **in IC 12-7-2 apply throughout this SECTION.**
 27 **(b) The secretary shall take all steps necessary or appropriate**
 28 **to implement the amendments and additions to IC 12-14-30 and**
 29 **IC 12-15-1 by this act as soon as practicable after the passage of**
 30 **this act, including initiating any procedures necessary or**
 31 **appropriate to obtain federal approval for the implementation of**
 32 **any provision of this act.**
 33 **(c) This SECTION expires December 31, 2018.**
 34 SECTION 13. **An emergency is declared for this act.**

