

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 3677

By: Calvey

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6 AS INTRODUCED

7 An Act relating to welfare; creating the Act to
8 Restore Hope, Opportunity and Prosperity for Everyone
9 or the HOPE Act; directing Oklahoma Health Care
10 Authority and Department of Human Services to verify
11 eligibility prior to awarding assistance; listing
12 information to be verified; mandating memorandum of
13 understanding for information; authorizing
14 contracting with independent vendors; requiring
15 annualized savings to exceed cost; allowing
16 verification of additional information; requiring
17 eligibility information review at least quarterly;
18 listing types of information for review; directing
19 memorandum of understanding for information;
20 permitting contracting with independent vendors;
21 directing exploration of joining a multistate
22 cooperative; authorizing review of additional
23 information; describing procedures when there is a
24 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. 2017, 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

1 condition of eligibility; providing for codification;
2 and providing an effective date.

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

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

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

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

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

- 17 1. Earned and unearned income;
- 18 2. Employment status and changes in employment;
- 19 3. Immigration status;
- 20 4. Residency status, including a nationwide best-address source
21 to verify individuals are residents of the state;
- 22 5. Enrollment status in other state-administered public
23 assistance programs;
- 24 6. Financial resources;

1 7. Incarceration status;

2 8. Death records;

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

5 10. Potential identity fraud or identity theft.

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

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

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

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

22 A. On at least a quarterly basis, the Oklahoma Health Care
23 Authority and the Department of Human Services shall receive and
24 review information concerning individuals enrolled in Medicaid and

1 the Supplemental Nutrition Assistance Program that indicates a
2 change in circumstances that may affect eligibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 A. Prior to awarding assistance under Medicaid or the
23 Supplemental Nutrition Assistance Program, the Oklahoma Health Care
24 Authority or the Department of Human Services shall require

1 applicants to complete an identity authentication process to confirm
2 that the applicant owns the identity presented in the application.

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

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

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

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

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

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

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

4 B. On May 1, 2019, and annually thereafter, the Oklahoma Health
5 Care Authority and the Department of Human Services shall publish a
6 written report detailing the impact of Sections 1 through 3 of the
7 HOPE Act, including the number of cases reviewed, the number of
8 cases closed, the number of fraud investigation referrals and the
9 amount of savings and cost avoidance that have resulted from
10 implementation.

11 SECTION 6. AMENDATORY 56 O.S. 2011, Section 241.3, as
12 amended by Section 1, Chapter 178, O.S.L. 2013 (56 O.S. Supp. 2017,
13 Section 241.3), is amended to read as follows:

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

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1 B. 1. A family applying for food stamps after the fifteenth
2 (15th) day of each month shall be eligible to receive the total
3 amount of their initial allotment and their regular first allotment.

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

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

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

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

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

20 D. Beginning November 1, 2018, the Department of Human Services
21 shall not seek, apply for, accept or renew any waiver of
22 requirements established under 7 U.S.C., Section 2015(o).

23 E. In no case shall the resource-limit standards of the
24 Supplemental Nutrition Assistance Program exceed the standards

1 specified in 7 U.S.C., Section 2014(g) (1), unless expressly required
2 by federal law. In no case shall categorical eligibility exempting
3 households from these resource limits be granted for any noncash,
4 in-kind or other benefit, unless expressly required by federal law.

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

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

15 SECTION 7. This act shall become effective November 1, 2018.

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