
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 971 Session of
2023

INTRODUCED BY GAYDOS, GROVE, ZIMMERMAN, KEEFER AND FLICK,
APRIL 24, 2023

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 24, 2023

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing for the assessment of
3 improper payments by Commonwealth agencies and for public
4 information on payments and programs of Commonwealth
5 agencies.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 71 of the Pennsylvania Consolidated
9 Statutes is amended by adding a part to read:

10 PART I

11 COMMONWEALTH AGENCIES

12 Chapter

13 1. Preliminary Provisions (Reserved)

14 3. Assessment of Improper Payments

15 CHAPTER 1

16 PRELIMINARY PROVISIONS

17 (Reserved)

18 CHAPTER 3

19 ASSESSMENT OF IMPROPER PAYMENTS

1 Sec.

2 301. Definitions.

3 302. Assessment of improper payments.

4 303. Public information on payments and programs of

5 Commonwealth agencies.

6 § 301. Definitions.

7 The following words and phrases when used in this chapter
8 shall have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Commonwealth agency." A board, commission or department of
11 the executive branch under the policy supervision and
12 jurisdiction of the Governor. The term does not include any of
13 the following:

14 (1) The Treasury Department.

15 (2) The Department of the Auditor General.

16 (3) The Office of Attorney General.

17 "Improper payment." A payment that should not have been made
18 by a Commonwealth agency or a contractor with a Commonwealth
19 agency under statutory, contractual, administrative or other
20 legal applicable requirements, including any of the following:

21 (1) An overpayment.

22 (2) An underpayment.

23 (3) A payment to an ineligible recipient.

24 (4) A payment for an ineligible service.

25 (5) A payment for a duplicative or redundant service.

26 (6) A payment for services not received.

27 (7) A payment for goods and services that does not
28 utilize or was not given available discounts.

29 "Payment." A payment, including a commitment for a future
30 payment, that is made by a Commonwealth agency or a contractor

1 with a Commonwealth agency and utilizes Federal or State funds.

2 § 302. Assessment of improper payments.

3 (a) Assessment.--No less than once every two years, a
4 Commonwealth agency shall conduct an assessment of improper
5 payments on any program which is not required under Federal law.

6 A Commonwealth agency shall conduct an initial assessment of
7 improper payments no later than 120 days after the effective
8 date of this section.

9 (b) Contents.--As part of the assessment under subsection
10 (a), a Commonwealth agency shall:

11 (1) Determine whether the programs operated by the
12 Commonwealth agency have a low, moderate or high risk of
13 resulting in improper payments based on each program's total
14 amount of improper payments in dollars and total improper
15 payments as a percentage of each program's total
16 expenditures.

17 (2) Explain the reasons why the programs operated by the
18 Commonwealth have been assessed as having a low, moderate or
19 high risk of resulting in improper payments.

20 (3) Discover and report the root causes of improper
21 payments within high-risk programs.

22 (4) Utilize statistical sampling and extrapolation to
23 calculate an improper payment error rate for high-risk
24 programs.

25 (5) Adopt a corrective action plan to reduce improper
26 payment error rates to no more than 3% for high-risk programs
27 for the next occurring biennial assessment.

28 (c) Copies.--A Commonwealth agency shall provide an
29 electronic copy of the assessment under subsection (a) to all of
30 the following:

- 1 (1) The Secretary of the Budget.
- 2 (2) The Office of the Inspector General.
- 3 (3) The Department of the Auditor General.
- 4 (4) The Independent Fiscal Office.
- 5 (5) Members of the General Assembly.

6 § 303. Public information on payments and programs of
7 Commonwealth agencies.

8 The Office of the Budget shall maintain a publicly accessible
9 Internet website and update the website to inform the public of,
10 at a minimum, all of the following information:

11 (1) Each Commonwealth agency's biennial improper payment
12 assessments.

13 (2) Each Commonwealth agency's total improper payments
14 in dollar value and total improper payment error rate.

15 (3) Each Commonwealth agency's high-risk program, the
16 dollar value of improper payments for each high-risk program
17 and the improper payment error rate percentage for each high-
18 priority program.

19 (4) Each Commonwealth agency's high-risk program
20 corrective action plan and a summary status of completing the
21 corrective action plan.

22 (5) The recovery of improper payments for each program
23 in total dollars and by percentage.

24 Section 2. This act shall take effect in 120 days.