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3 SENATE FR&ED COMMITTEE SUBSTITUTE FOR SB285  
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8 SYNOPSIS: This bill would further provide for  
9 procedures and limitations for various public  
10 assistance programs administered by the Department  
11 of Human Resources.

12 This bill would limit the resource limit  
13 standard for the Supplemental Nutrition Assistance  
14 Program (SNAP) to the federal asset limits, would  
15 further provide disqualification periods for  
16 violations of SNAP requirements, including a  
17 one-year disqualification period for the third  
18 instance of noncompliance with any SNAP  
19 requirement, would preclude the department from  
20 seeking, applying for, accepting, or renewing any  
21 waiver of work requirements for SNAP benefits, and  
22 would preclude the department from granting  
23 categorical eligibility for SNAP benefits.

24 This bill would require the Department of  
25 Human Resources to terminate benefits for any  
26 recipient of SNAP benefits upon a determination

1 that the recipient has failed to cooperate with  
2 child support enforcement requirements or the Child  
3 Support Enforcement Division of the department  
4 without good cause, or is delinquent on any  
5 court-ordered support payments, including arrears.

6 This bill would require the Department of  
7 Human Resources to place a photograph of the  
8 recipient on any electronic benefits transfer card  
9 (EBT card) issued by the department.

10 This bill would provide a lifetime limit of  
11 36 months for temporary cash payments under the  
12 state Family Assistance Program administering the  
13 Temporary Assistance for Needy Families Program  
14 (TANF) and would provide sanctions for violations  
15 of TANF requirements, including termination of  
16 benefits for the second instance of noncompliance  
17 with any TANF requirement.

18 This bill would require the Department of  
19 Human Resources to utilize best efforts to identify  
20 purchases at points of sale outside this state  
21 using cash benefits under the Temporary Assistance  
22 for Needy Families Program (TANF) and to establish  
23 a benchmark number of out-of-state transactions  
24 using TANF benefits that will automatically  
25 generate review of the recipient's residency status  
26 by the department.

1                   This bill would require the Alabama Medicaid  
2                   Agency to establish a computerized income, asset,  
3                   and identity eligibility verification system in  
4                   order to verify eligibility, eliminate the  
5                   duplication of assistance, and deter waste, fraud,  
6                   and abuse of benefits and would allow the agency to  
7                   contract with a third-party vendor if cost  
8                   effective.

9                   This bill would also require the Alabama  
10                  Medicaid Agency to implement certain practices  
11                  relating to identity verification and earnings and  
12                  asset verification of applicants for benefits and  
13                  to refer certain instances of fraud to the Attorney  
14                  General for civil or criminal prosecution.

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16                                   A BILL  
17                                   TO BE ENTITLED  
18                                   AN ACT

19  
20                   Relating to public assistance; to limit the resource  
21                   limit standard for the Supplemental Nutrition Assistance  
22                   Program (SNAP) to the federal asset limit; to preclude the  
23                   department from seeking, applying for, accepting, or renewing  
24                   any waiver of work requirements for SNAP benefits; to preclude  
25                   the department from granting categorical eligibility for SNAP  
26                   benefits; to further provide for sanctions for violations of

1 SNAP requirements; to require the Department of Human  
2 Resources to terminate SNAP benefits upon a recipient's  
3 failure to comply with certain child support obligations; to  
4 require the Department of Human Resources to place a  
5 photograph of the recipient on any electronic benefits  
6 transfer card issued by the department; to provide a lifetime  
7 limit of 36 months for temporary cash payments under the  
8 Temporary Assistance for Needy Families program (TANF); to  
9 provide full sanctions for violations of TANF requirements; to  
10 require the department to utilize best efforts to identify  
11 purchases using TANF benefits at points of sale outside this  
12 state; to require the department to establish a benchmark  
13 number of out-of-state transactions using TANF benefits that  
14 will automatically generate review of the recipient's  
15 residency status; to require the Alabama Medicaid Agency to  
16 establish a computerized income, asset, and identity  
17 eligibility verification system; to authorize the use of  
18 third-party vendors under certain conditions; to require the  
19 Alabama Medicaid Agency to implement certain practices  
20 relating to identity verification and earnings and asset  
21 verification of applicants for benefits; to require the  
22 referral of certain instances of identified fraud to the  
23 Attorney General; to require the agency to report to the  
24 Governor, the Legislature, and the Department of Finance; and  
25 to provide rulemaking authority.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. (a) Unless expressly required by federal  
2 law, the resource limit standards of the Supplemental  
3 Nutrition Assistance Program (SNAP) may not exceed the  
4 standards specified in 7 U.S.C. § 2014(g)(1).

5           (b) Unless expressly required by federal law,  
6 categorical eligibility exempting households from the required  
7 resource limits provided in subsection (a) may not be granted  
8 for any non-cash, in-kind, or other benefit.

9           Section 2. Unless expressly required by federal law,  
10 the Department of Human Resources may not do either of the  
11 following:

12           (1) Seek, apply for, accept, or renew any waiver of  
13 work requirements for Supplemental Nutrition Assistance  
14 Program (SNAP) benefits established under 7 U.S.C. § 2015(o).

15           (2) Grant categorical eligibility under 7 U.S.C. §  
16 2014(a) or 7 C.F.R § 273.2(j)(2)(iii) for any non-cash,  
17 in-kind, or other Supplemental Nutrition Assistance Program  
18 (SNAP) benefit.

19           Section 3. Unless expressly prohibited by federal  
20 law, the Department of Human Resources shall do all of the  
21 following with regard to benefits under the Supplemental  
22 Nutrition Assistance Program (SNAP):

23           (1)a. Set the following disqualification periods for  
24 all instances of noncompliance with any SNAP requirement:

1           1. Institute a three-month disqualification period  
2 for the first instance of noncompliance with any SNAP  
3 requirement.

4           2. Institute a six-month disqualification period for  
5 the second instance of noncompliance with any SNAP  
6 requirement.

7           3. Institute a one-year disqualification period for  
8 the third or subsequent instance of noncompliance with any  
9 SNAP requirement.

10           b. In its discretion, and upon consideration of the  
11 specific facts relating to the instance of noncompliance, the  
12 department may institute a full-household disqualification for  
13 the periods provided in paragraph a. for a second, third, or  
14 subsequent instance of noncompliance.

15           (2) Unless expressly prohibited by federal law,  
16 recipients of benefits under SNAP shall be subject to  
17 disqualification for failure to perform actions required by  
18 other federal, state, or local means-tested public assistance  
19 programs.

20           Section 4. (a) Unless expressly prohibited by  
21 federal law, the Department of Human Resources shall terminate  
22 benefits for any recipient of Supplemental Nutrition  
23 Assistance Program (SNAP) benefits upon a determination that  
24 the recipient has failed to cooperate with child support  
25 enforcement requirements or the Child Support Enforcement  
26 Division of the department without good cause, or is

1 delinquent on any court-ordered support payments, including  
2 arrears.

3 (b) The period of disqualification for recipients  
4 terminated under subsection (a) shall end once the Child  
5 Support Enforcement Division of the department determines that  
6 the individual is cooperating with child support requirements  
7 and is no longer delinquent on any court-ordered child support  
8 payments, including arrears.

9 Section 5. (a) Unless the recipient declines to have  
10 the photograph included, the Department of Human Resources  
11 shall place a photograph of the recipient on any electronic  
12 benefits transfer card issued by the department. If a  
13 recipient is a minor or is an otherwise incapacitated  
14 individual, a parent or legal guardian of the recipient may  
15 have a photograph of the parent or legal guardian placed on  
16 the card.

17 (b) The Department of Human Resources may enter into  
18 memoranda of understanding with the Alabama State Law  
19 Enforcement Agency or the Secretary of State to share  
20 photographs when practical.

21 Section 6. (a) Except as provided in subsection (b)  
22 and beginning on the effective date of this act, the lifetime  
23 limit temporary cash payments under the Temporary Assistance  
24 for Needy Families Program (TANF) shall be 36 months.

25 (b) The lifetime limit in subsection (a) does not  
26 apply to the exceptions set forth in 42 U.S.C. § 608(a)(7).

1           Section 7. (a) The Department of Human Resources  
2 shall only grant benefits under the Temporary Assistance for  
3 Needy Families Program (TANF) when an approved applicant has  
4 signed a written agreement clearly enumerating continued  
5 eligibility requirements, circumstances in which sanctions may  
6 be imposed, and any potential penalties for noncompliance.

7           (b) The department shall do all of the following:

8           (1) Require all enrollees to be compliant with all  
9 program requirements, including work requirements, before  
10 granting benefits.

11           (2) Unless expressly prohibited by federal law,  
12 require a three-month sanction for the first instance of  
13 noncompliance with any TANF requirement.

14           (3) Unless expressly prohibited by federal law,  
15 terminate benefits for the second instance of noncompliance  
16 with any TANF requirement.

17           (4) Deny benefits to any adult member of a household  
18 where another adult member of the household has been found to  
19 have committed public assistance fraud under TANF or any other  
20 public assistance program administered by the department.

21           (c) An individual sanctioned under subsection (b)  
22 may not have benefits reinstated without reviewing the  
23 agreement required under subsection (a).

24           Section 8. The Department of Human Resources shall  
25 do both of the following:



1           (1) Utilize best efforts to identify purchases using  
2 cash benefits under the Temporary Assistance for Needy  
3 Families Program (TANF) at points of sale outside this state.

4           (2) Establish a benchmark number of out-of-state  
5 transactions using TANF benefits that will generate automatic  
6 review of the recipient's residency status by the department.

7           Section 9. (a) For the purposes of this section,  
8 "identity information" means an applicant or recipient's full  
9 name, aliases, date of birth, address, Social Security number,  
10 and other related information.

11           (b) The Alabama Medicaid Agency shall establish a  
12 computerized income, asset, and identity eligibility  
13 verification system in order to verify eligibility, eliminate  
14 the duplication of assistance, and deter waste, fraud, and  
15 abuse within each respective assistance program administered  
16 by the agency.

17           (c) (1) Upon a determination by the agency that a  
18 contract with a third-party vendor would be more cost  
19 effective and efficient, the Alabama Medicaid Agency may enter  
20 into a competitively bid contract with a third-party vendor  
21 for the purposes of developing a system by which to verify the  
22 income, asset, and identity information of applicants to  
23 prevent fraud, misrepresentation, and inadequate documentation  
24 when determining an applicant's eligibility for assistance  
25 prior to the distribution of benefits, periodically between

1 eligibility redeterminations, and during eligibility  
2 redeterminations and reviews, as prescribed in this section.

3 (2) The agency may also contract with a vendor to  
4 provide information to facilitate reviews of recipient  
5 eligibility conducted by the Alabama Medicaid Agency.

6 (3) If the Alabama Medicaid Agency enters into a  
7 contract with a third-party vendor for the purposes of  
8 carrying out this subsection, the vendor, in partnership with  
9 the Alabama Medicaid Agency, by contract, shall establish  
10 annualized savings realized from implementation of the  
11 verification system, and the savings shall exceed the total  
12 yearly cost to the state for implementing the verification  
13 system.

14 (4) If the agency enters into a contract with a  
15 third-party vendor, the payment structure must be based on a  
16 per applicant rate and may include a performance bonus for  
17 achieving above a predetermined rate of success of identifying  
18 waste, fraud, and abuse.

19 (5) To avoid any conflict of interest, if the agency  
20 enters into a contract with a third-party vendor, the primary  
21 vendor may not currently, or in the future be allowed to, bid  
22 on or be awarded a state contract to run enrollment services.

23 (6) Nothing in this section shall preclude the  
24 Alabama Medicaid Agency from continuing to conduct additional  
25 eligibility verification processes not included in this  
26 section that are currently in practice.

1                   Section 10. (a) For the purposes of this section,  
2 "identity information" means an applicant or recipient's full  
3 name, aliases, date of birth, address, Social Security number,  
4 and other related information.

5                   (b) All applications for benefits received by the  
6 Alabama Medicaid Agency must be processed for identity  
7 verification within 10 days from receipt of the application or  
8 within the minimum time required by federal law.

9                   (c) Prior to awarding assistance, and on a quarterly  
10 basis thereafter, the Alabama Medicaid Agency shall verify  
11 identity information of each respective applicant and  
12 recipient of assistance from the Alabama Medicaid Agency  
13 against the following:

14                   (1) Earned and unearned income information  
15 maintained by the Internal Revenue Service.

16                   (2) Employer weekly, monthly, or quarterly reports  
17 of income and unemployment insurance payment information  
18 maintained by the Alabama Department of Labor.

19                   (3) Earned income information maintained by the  
20 Social Security Administration.

21                   (4) Immigration status information maintained by the  
22 United States Citizenship and Immigration Services.

23                   (5) Death register information maintained by the  
24 Social Security Administration.

25                   (6) Prisoner information maintained by the Social  
26 Security Administration.

1           (7) Public housing and Section 8 Housing Assistance  
2 payment information maintained by the Department of Housing  
3 and Urban Development.

4           (8) National fleeing felon information maintained by  
5 the Federal Bureau of Investigation.

6           (9) Wage reporting and similar information  
7 maintained by states contiguous to this state.

8           (10) Beneficiary records and earnings information  
9 maintained by the Social Security Administration in its  
10 Beneficiary and Earnings Data Exchange database.

11           (11) Earnings and pension information maintained by  
12 the Social Security Administration in its Beneficiary Earnings  
13 Exchange Record System database.

14           (12) Employment information maintained by the  
15 Alabama Department of Labor.

16           (13) Employment information maintained by the  
17 Department of Health and Human Services in its National  
18 Directory of New Hires database.

19           (14) Supplemental Security Income information  
20 maintained by the Social Security Administration in its SSI  
21 State Data Exchange database.

22           (15) Veterans' benefits information maintained by  
23 the Department of Health and Human Services.

24           (16) The Alabama Department of Veterans Affairs in  
25 the federal Public Assistance Reporting Information System  
26 database.

1           (17) Child care services information maintained by  
2 the Alabama Department of Early Childhood Education.

3           (18) Utility payments information maintained by the  
4 state under the Low Income Home Energy Assistance Program.

5           (19) Emergency utility payment information  
6 maintained by the state or local entities.

7           (20) A database of all persons who currently hold a  
8 license, permit, or certificate from any state agency or  
9 professional licensing board, the cost of which exceeds five  
10 hundred dollars (\$500).

11           (21) Income and employment information maintained by  
12 Child Support Enforcement Division of the Department of Human  
13 Resources and the Department of Health and Human Services'  
14 Office of Child Support Enforcement.

15           (22) Earnings and pension information maintained by  
16 the Retirement Systems of Alabama.

17           (23) Any existing real-time database of persons  
18 currently receiving benefits in other states, such as the  
19 National Accuracy Clearinghouse.

20           (24) A database which is substantially similar to or  
21 a successor of a database referenced in this section.

22           (d) Prior to awarding assistance, and on a quarterly  
23 basis, the Alabama Medicaid Agency shall match identity  
24 information of each respective applicant and recipient of  
25 assistance from the Alabama Medicaid Agency against, at a  
26 minimum, the following public records:

1           (1) A nationwide public records data source of  
2 physical asset ownership such as real property, automobiles,  
3 watercraft, aircraft, and luxury vehicles, or any other  
4 vehicle owned by the applicant and recipient of assistance.

5           (2) A nationwide public records data source of  
6 incarcerated individuals.

7           (3) A nationwide best address and driver's license  
8 data source to verify that individuals are residents of the  
9 state.

10          (4) A comprehensive public records database that  
11 identifies potential identity fraud or identity theft that can  
12 closely associate name, Social Security number, date of birth,  
13 phone, and address information.

14          (5) National and local financial institutions, in  
15 order to locate undisclosed depository accounts or verify  
16 account balances of disclosed accounts.

17          (6) Outstanding default or arrest warrant  
18 information maintained by the Alabama Justice Information  
19 Commission.

20          (7) A database which is substantially similar to or  
21 a successor of a database referenced in this section.

22          (e) State agencies, departments, boards, and  
23 commissions shall cooperate with the Alabama Medicaid Agency  
24 regarding requests for information referenced in this section.

1 (f) After reviewing changes or discrepancies that  
2 may affect program eligibility, the Alabama Medicaid Agency  
3 shall do all of the following:

4 (1) Refer suspected cases of fraud to the Attorney  
5 General for investigation and possible criminal prosecution,  
6 recovery of improper payments, and collection of civil  
7 penalties available under law.

8 (2) Refer suspected cases of identity fraud to the  
9 Attorney General for criminal prosecution.

10 (3) Refer suspected cases of fraud,  
11 misrepresentation, or inadequate documentation to appropriate  
12 agencies, divisions, or departments for review of eligibility  
13 discrepancies in other public assistance programs. The  
14 referral must also include cases where an individual is  
15 determined to be no longer eligible for the original program.

16 Section 11. By January 1, 2017, and quarterly  
17 thereafter, the Alabama Medicaid Agency shall provide a  
18 written report to the Governor, the President Pro Tempore of  
19 the Senate, the Speaker of the House of Representatives, and  
20 the Department of Finance detailing the effectiveness and  
21 general findings of any eligibility verification measures  
22 utilized as provided in Section 9 and Section 10, including  
23 the number of cases reviewed, the number of case closures, the  
24 number of referrals for criminal prosecution, recovery of  
25 improper payment, the disposition of cases referred to the  
26 Attorney General, and any resulting savings.

1                   Section 12. The Department of Human Resources and  
2 the Alabama Medicaid Agency may adopt rules for the  
3 implementation and administration of this act.

4                   Section 13. This act shall become effective on the  
5 first day of the third month following its passage and  
6 approval by the Governor, or its otherwise becoming law.