



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5641

Introduced 2/15/2012, by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-1.2a new

Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to establish, within 6 months after the effective date of the amendatory Act, uniform procedures to identify, investigate, and resolve potential cases of fraud, misrepresentation, or inadequate documentation prior to determining an applicant's eligibility for medical assistance under the Code. Requires the Department to establish a computerized income eligibility verification system in order to verify eligibility, eliminate duplication of assistance, and deter fraud. Provides that prior to awarding medical assistance or continuing such assistance, the Department shall match the social security number of each applicant and recipient against unearned income information maintained by the Internal Revenue Service; employer quarterly reports of income and unemployment insurance payment information maintained by the Department of Employment Security; immigration status information maintained by the U.S. Citizenship and Immigration Services; and other State and federal informational databases. Contains provisions concerning the procedures the Department shall follow when discovering a discrepancy between an applicant's or recipient's social security number and information contained in specified databases. Contains provisions concerning reporting requirements and third-party entities contracted to review or to provide information to facilitate the review of eligibility criteria for individuals enrolled in the medical assistance program prior to the effective date of the amendatory Act. Effective immediately.

LRB097 19117 KTG 64358 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by
5 adding Section 5-1.2a as follows:

6 (305 ILCS 5/5-1.2a new)

7 Sec. 5-1.2a. Fraud detection system.

8 (a) Definitions. As used in this Section:

9 "Discrepancy" means information regarding the assets,
10 income, resources, or status of an applicant or recipient of
11 assistance under this Article, derived from one or more of the
12 databases or information tools listed under paragraph (1) of
13 subsection (c) of this Section, which gives the Department
14 grounds to suspect that either:

15 (i) an applicant or recipient is ineligible to receive
16 assistance under federal or State law; or

17 (ii) the assets, income, or resources of an applicant
18 or recipient are at least, in terms of a dollar amount, 10%
19 greater than the dollar amount reflected in the information
20 the Department possesses about the applicant or recipient
21 with respect to the applicant's or recipient's assets,
22 income, or resources.

23 "Status" means the applicant or recipient is in the United

1 States illegally, is no longer living, is an inmate in a prison
2 or jail, or is a fleeing felon.

3 (b) Uniform procedures. Within 6 months after the effective
4 date of this amendatory Act of the 97th General Assembly, the
5 Department shall establish uniform procedures to identify,
6 investigate, and resolve potential cases of fraud,
7 misrepresentation, or inadequate documentation prior to
8 determining an applicant's eligibility for assistance under
9 this Article. The procedures shall ensure that every case is
10 reviewed. Each review shall include utilization of the income
11 eligibility verification system established in subsection (c).

12 (c) Income eligibility verification system.

13 (1) The Department shall establish a computerized
14 income eligibility verification system in order to verify
15 eligibility, eliminate duplication of assistance, and
16 deter fraud. Prior to awarding assistance under this
17 Article or continuing such assistance under this Article,
18 the Department shall match the social security number of
19 each applicant and recipient against the following:

20 (A) Unearned income information maintained by the
21 Internal Revenue Service.

22 (B) Employer quarterly reports of income and
23 unemployment insurance payment information maintained
24 by the Department of Employment Security.

25 (C) Earned income information maintained by the
26 Social Security Administration.

1 (D) Immigration status information maintained by
2 the U.S. Citizenship and Immigration Services.

3 (E) Death register information maintained by the
4 Social Security Administration.

5 (F) Prisoner information maintained by the Social
6 Security Administration.

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

10 (H) National fleeing felon information maintained
11 by the Federal Bureau of Investigation.

12 (I) Wage reporting and similar information
13 maintained by states contiguous to this State.

14 (J) Beneficiary records and earnings information
15 maintained by the Social Security Administration in
16 its Beneficiary and Earnings Data Exchange (BENDEX)
17 database.

18 (K) Earnings and pension information maintained by
19 the Social Security Administration in its Beneficiary
20 Earnings Exchange Record System (BEERS) database.

21 (L) Employment information maintained by the
22 Department of Employment Security in its New Hire
23 Directory database.

24 (M) Employment information maintained by the U.S.
25 Department of Health and Human Services in its National
26 Directory of New Hires database.

1 (N) Supplemental Security Income information
2 maintained by the Social Security Administration in
3 its SSI State Data Exchange (SDX) database.

4 (O) Veterans' benefits information maintained by
5 the U.S. Department of Health and Human Services, in
6 coordination with the Department of Human Services and
7 the Department of Veterans' Affairs, in the federal
8 Public Assistance Reporting Information System (PARIS)
9 database.

10 (P) Child care services information maintained by
11 the Department of Human Services under its Child Care
12 Assistance Program.

13 (Q) Utility payments information maintained by the
14 Department of Commerce and Economic Opportunity under
15 the Low Income Home Energy Assistance Program.

16 (R) A database which is substantially similar to or
17 a successor of a database established in this
18 subsection.

19 (S) The database of all persons who currently hold
20 a license, permit, or certificate from a State agency
21 the cost of which exceeds \$1,000.

22 (2) If a discrepancy results between an applicant's or
23 recipient's social security number and one or more of the
24 databases or information tools listed under paragraph (1),
25 the Department shall review the applicant's or recipient's
26 case using the following procedures:

1 (A) If the information discovered under paragraph
2 (1) does not result in the Department finding the
3 applicant or recipient ineligible for assistance under
4 this Article, the Department shall take no further
5 action.

6 (B) If the information discovered under paragraph
7 (1) results in the Department finding the applicant or
8 recipient ineligible for assistance under this
9 Article, the applicant or recipient shall be given an
10 opportunity to explain the discrepancy. The Department
11 shall provide written notice to the applicant or
12 recipient which shall describe in sufficient detail
13 the circumstances of the discrepancy, the manner in
14 which the applicant or recipient may respond, and the
15 consequences of failing to take action. The applicant
16 or recipient shall have 10 business days to respond in
17 an attempt to resolve the discrepancy. The explanation
18 provided by the recipient or applicant shall be given
19 in writing. After receiving the explanation, the
20 Department may request additional documentation if it
21 determines that there is a substantial risk of fraud.

22 (C) If the applicant or recipient does not respond
23 to the notice, the Department shall deny assistance for
24 failure to cooperate, in which case the Department
25 shall provide notice of intent to discontinue
26 assistance. Eligibility for assistance shall not be

1 reestablished until the significant discrepancy has
2 been resolved.

3 (D) If an applicant or recipient responds to the
4 notice and disagrees with the findings of the match
5 between his or her social security number and one or
6 more databases or information tools listed under
7 paragraph (1), the Department shall reinvestigate the
8 matter. If the Department finds that there has been an
9 error, the Department shall take immediate action to
10 correct it and no further action shall be taken. If,
11 after an investigation, the Department determines that
12 there is no error, the Department shall determine the
13 effect on the applicant's or recipient's case and take
14 appropriate action. Written notice of the Department's
15 action shall be given to the applicant or recipient.

16 (E) If the applicant or recipient agrees with the
17 findings of the match between the applicant's or
18 recipient's social security number and one or more
19 databases or information tools listed under paragraph
20 (1), the Department shall determine the effect on the
21 applicant's or recipient's case and take appropriate
22 action. Written notice of the Department's action
23 shall be given to the applicant or recipient.

24 (3) In no case shall the Department discontinue medical
25 assistance coverage as a result of a match between the
26 applicant's or recipient's social security number and one

1 or more databases or information tools listed under
2 paragraph (1) until the applicant or recipient has been
3 given notice of the discrepancy and the opportunity to
4 respond.

5 (4) No later than one year after the effective date of
6 this amendatory Act of the 97th General Assembly, and every
7 year thereafter, the Department shall provide a written
8 report to the General Assembly detailing the results
9 achieved under this Section and the number of case closures
10 and the amount of savings that resulted.

11 (d) The Department shall be authorized to use the
12 computerized income eligibility verification system
13 established under subsection (c) to review eligibility
14 criteria for individuals enrolled for coverage under the
15 medical assistance program prior to the effective date of this
16 amendatory Act of the 97th General Assembly. The Department may
17 also contract with third-party entities to perform the review
18 of such enrollees as authorized under this subsection or to
19 provide information to facilitate such reviews.

20 (e) The Department shall promulgate any rules necessary to
21 implement this Section.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.