

**H. B. 2729**

(By Delegates Householder, Kurcaba, Statler, Butler and Summers )

[Introduced February 13, 2015; referred to the

Committee on the Judiciary then Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §9-5-24, relating to the receipt of benefits from the Department of Health and Human Resources; requiring applicants to provide a social security number; requiring the department to establish an income eligibility verification system; requiring the system be used when an applicant first makes a benefit request and quarterly thereafter; describing how the system will be used; requiring notice; requiring investigations; permitting an applicant to respond; requiring a toll-free, state-wide call center to be established; requiring reports; and defining terms.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §9-5-24, to read as follows:

**ARTICLE 5. MISCELLANEOUS PROVISIONS.**

**§9-5-24. Welfare System Integrity.**

1 (a) As used in this section, the following definitions apply:

2 (1) "Significant discrepancy" means information regarding assets, income, resources, or  
3 status of an applicant or recipient of assistance, derived from one or more of the databases in this  
4 section, which gives the department grounds to suspect that either:

5 (A) An applicant or recipient is ineligible to receive assistance, under federal or state law,  
6 due to the applicant's or recipient's status; or

7 (B) The assets, income, or resources of an applicant or recipient are at least, in terms of a  
8 dollar amount, twenty-five percent greater than the dollar amount reflected in the information the  
9 department possesses about the applicant or recipient with respect to the applicant's or recipient's  
10 assets, income, or resources.

11 (2) "Status" means that the applicant or recipient is in the United States illegally, is no longer  
12 living, is an inmate in a prison or jail, or is a fleeing felon.

13 (b) The Department of Health and Human Resources shall establish a computerized  
14 income eligibility verification system in order to eliminate duplication of assistance and to deter  
15 fraud.

16 (c) The department shall require that as a condition of assistance, an applicant or a recipient  
17 supply the social security number of the applicant or recipient. The department shall match the  
18 social security number of all applicants and recipients with the following databases, or with  
19 databases that are substantially similar to, or successors of, the following databases:

20 (1) Unearned income information maintained by the United States Internal Revenue Service;

21 (2) Employers' quarterly reports of income and unemployment insurance benefit payment  
22 information maintained by the Division of Tax;

- 1        (3) Earned income information maintained by the United States Social Security  
2 Administration;
- 3        (4) Immigration status information maintained by United States Citizenship and Immigration  
4 Services;
- 5        (5) Death register information maintained by the United States Social Security  
6 Administration;
- 7        (6) Prisoner information maintained by the United States Social Security Administration;
- 8        (7) Public housing and Section 8 payment information maintained by the United States  
9 Department of Housing and Urban Development;
- 10       (8) National fleeing felon information maintained by the United States Federal Bureau of  
11 Investigation;
- 12       (9) Wage reporting and similar information maintained by contiguous states;
- 13       (10) The Beneficiary Data Exchange (BENDEX) Title H database maintained by the United  
14 States Social Security Administration;
- 15       (11) The Beneficiary Earnings Exchange Report (BEER) database maintained by the United  
16 States Social Security Administration;
- 17       (12) The State Data Exchange (SDX) database maintained by the United States Social  
18 Security Administration;
- 19       (13) The Veterans Benefits and Veterans Medical (PARIS) database maintained by the  
20 United States Department of Veterans Affairs and the United States Department of Health and  
21 Human Services;
- 22       (14) The Low Income Energy Assistance Program (LEAP) Reporting Utility Expenses

1 database maintained by the state.

2 (e) Notwithstanding any provision of law to the contrary, the income eligibility verification  
3 system shall be utilized for an applicant at the time of application for assistance, and for a recipient  
4 on a quarterly basis.

5 (f) The department shall notify applicants and recipients of the requirement of providing a  
6 social security number at the time of application for assistance and as needed thereafter and pursuant  
7 to the provisions of this section.

8 (g) If a significant discrepancy results from a match between the applicant's or a recipient's  
9 social security number and one or more of the databases set forth in this section, the department shall  
10 review the applicant's or recipient's case, as appropriate, and shall investigate the circumstances of  
11 the discrepancy in order to determine eligibility of the applicant or recipient.

12 (h) The department shall institute the following procedure to investigate the circumstances  
13 of a significant discrepancy:

14 (1) If the information is known to the department, is accurate, and does not result in  
15 ineligibility or modification of the amount or type of assistance, the department may take no further  
16 action.

17 (2) If subdivision one of this subsection does not apply and a significant discrepancy results  
18 from the match between the applicant's or the recipient's social security number and one or more of  
19 the databases as listed in this section, the applicant or the recipient, as appropriate, shall be given an  
20 opportunity to explain the significant discrepancy. The department shall provide written notice to  
21 the applicant or recipient. Notice shall provide sufficient detail regarding the circumstances of the  
22 significant discrepancy, the opportunity to resolve the significant discrepancy, including the manner

1 in which the significant discrepancy may be resolved, and the consequences of not responding to the  
2 notice or of resolving the significant discrepancy. The explanation of the recipient or applicant may  
3 be given over the telephone as set forth in this section, in person, or in writing. After receiving the  
4 explanation, the department may request additional documentation in person or in writing if it  
5 determines there is a substantial risk of fraud.

6 (3) If the applicant or recipient, as appropriate, does not respond to the notice, the department  
7 may close the applicant's or recipient's case for failure to cooperate. In such a case, the department  
8 shall provide notice of intent to discontinue assistance. Eligibility for assistance may not be  
9 reestablished until the significant discrepancy is resolved.

10 (4) If the applicant or recipient disagrees with the findings of the match between the  
11 applicant's or recipient's social security number and one or more of the databases set forth in this  
12 section, the department shall investigate the circumstances and make a determination regarding  
13 whether the position of the applicant or recipient is valid. If, after investigation, the department finds  
14 that there has been an error, the department shall take immediate action to correct the error, and no  
15 further action may be taken. If, after investigation, the department determines that the position of  
16 the applicant or recipient is invalid, the department shall determine the effect of the match on the  
17 applicant's or recipient's case and take appropriate action. Written notice of the department's action  
18 shall be given to the applicant or the recipient.

19 (5) If the applicant or recipient, as appropriate, agrees with the findings of the match between  
20 the applicant's or recipient's social security number and one or more of the databases set forth in this  
21 section, the department shall determine the effect on the applicant's or recipient's case and take  
22 appropriate action. Written notice of the department's action shall be given to the applicant or

1 recipient.

2 (6) If the findings of the match between the applicant's or recipient's social security number  
3 and one or more of the databases set forth in this section result in no change in eligibility or  
4 overpayment, the department may take no further action.

5 (i) The department may, in its discretion, review and investigate an applicant's or recipient's  
6 case when there is a match between the social security number of the applicant or recipient and one  
7 or more of the databases set forth in this section and the match does not result in a significant  
8 discrepancy. In such a case, the department shall utilize the procedure for reviewing and  
9 investigating a significant discrepancy set forth in this section.

10 (j) The department shall establish a single statewide toll-free telephone number and call  
11 center that shall be used by applicants and recipients in order to resolve discrepancies. The call  
12 center shall have sufficient capacity and staff to promptly handle incoming telephone calls. In  
13 addition, the department shall assign sufficient numbers of government eligibility workers in order  
14 to make determinations regarding eligibility pursuant to this section. The call center shall use  
15 available technology to route and track the calls. The department may develop a competitive request  
16 for proposal for operating the call center.

17 (k) No later than one year after the effective date of this section and every year thereafter, the  
18 department shall provide a written report to the Legislative Commission on Health and Human  
19 Resources Accountability detailing the results of the system, the amount of case closures that result  
20 from the system and the savings that result from the system.

21 (l) Within one year of the effective date of this section, the department shall establish  
22 procedures to identify, investigate, and resolve potential cases of fraud, misrepresentation, or

1 inadequate documentation prior to determining an applicant's eligibility for assistance. The plan  
2 shall be systematic and ensure that every case is reviewed. Further, the review shall include  
3 utilization of the income eligibility verification system established in this section.

4 (m) Caseworkers shall maintain close contact with an applicant, recipient, or assistance  
5 group. Home visits shall be scheduled as frequently as required by the circumstances of the  
6 applicant or recipient in order that any treatment or service tending to restore the applicant or  
7 recipient or assistance group to a condition of self-support and to the relief distress is rendered and  
8 in order that assistance is given only in such amount and as long as is necessary. The department  
9 may develop a competitive request for proposal for conducting home visits and may contract with  
10 a firm the department certifies as able to design and implement such a system.

11 (n) Where inconsistencies or gaps in information presented by an applicant or recipient exist  
12 or where circumstances in the case indicate to a prudent individual that further information is  
13 needed, the caseworker shall seek additional information.

NOTE: This bill requires the establishment of an income eligibility verification system, a computerized system designed to find and root out welfare fraud. The bill addresses the receipt of benefits from the Department of Health and Human Resources. The bill requires applicants to provide a social security number. The bill requires the system be used when an applicant first makes a benefit request and quarterly thereafter. The bill requires notice. The bill requires investigations. The bill permits an applicant to respond. The bill requires a toll-free, state-wide call center to be established. The bill requires reports. The bill defines terms.

This section is new and has been completely underscored.