



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4042 (as reported without amendment)  
Sponsor: Representative Tim Kelly  
House Committee: Families, Children, and Seniors  
Senate Committee: Families, Seniors and Human Services

Date Completed: 5-10-13

### **RATIONALE**

A bridge card is a State-issued electronic benefits transfer card, administered by the Department of Human Services (DHS), which allows people access to assistance program benefits, including the Food Assistance Program (FAP), Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC), and cash assistance benefits. The Social Welfare Act requires the DHS to perform monthly incarceration matches against current bridge card recipients. If a recipient is incarcerated, the Department must not issue a bridge card to that inmate, and must terminate existing bridge card access if the inmate has a card. Reportedly, as a matter of internal policy, the DHS also performs checks of recipient names to determine if any recipients are deceased.

It has been suggested that the Act should require monthly checks of recipients to ensure they are not deceased, and place existing administrative practice into law.

### **CONTENT**

The bill would amend the Social Welfare Act to require the Department of Human Services to perform monthly checks to determine whether bridge card recipients were deceased, and deny or terminate access if a recipient were deceased.

The DHS would have to use the United States Social Security Death Index Database to determine whether a recipient was deceased.

Currently, Section 10e[1] of the Act requires

the DHS, on a monthly basis, to perform an incarceration match to determine whether a bridge card recipient is incarcerated. If a recipient is incarcerated, the DHS may not issue a bridge card to that recipient, and must terminate bridge card access if that recipient already has a bridge card.

The bill would repeal Section 10e[1] and re-enact its provisions, along with the requirement that the DHS determine whether recipients were deceased, in a new section.

Proposed MCL 400.110f

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

The bill would codify existing policy to curb abuse and fraud in the bridge card program. A resident with a legitimate need should receive the assistance he or she is entitled to. When assistance programs are subject to fraud, valuable resources end up in the hands of dishonest people, while residents with legitimate needs suffer. The bill would help ensure that assistance went to eligible recipients.

In December 2010, there were approximately 1.9 million food assistance recipients in the State, and benefit payments totaled more than \$260.7 million. According to a report issued by the Office of Inspector General, from 2009 to 2011, FAP

fraud totaled \$17.5 million. In 2011, FAP fraud accounted for 48% of State public assistance fraud, for a total of \$6.13 million. Although the extent to which this fraud involves the use of deceased recipients' bridge cards is unknown, presumably that is a factor in some cases.

In addition to directing assistance to those in need, the bill could generate savings from fraud prevention, which would free up funds that could be used to help reduce State budget shortfalls.

**Response:** Food assistance benefits are entirely funded by the Federal government, and about half of cash assistance is federally funded. Thus, although fraud prevention is a worthy goal, any FAP savings would not help the State's budget.

Legislative Analyst: Glenn Steffens

### **FISCAL IMPACT**

The bill would codify the Department's current policy and therefore would not result in a fiscal impact on State or local government.

Fiscal Analyst: Frances Carley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.