

HOUSE BILL No. 5386

January 10, 2018, Introduced by Reps. LaSata, Kelly, Webber, Cole, Victory, Sheppard, Vaupel, Canfield, Runestad, Lucido, Cox, Theis, Tedder, Garcia and Lilly and referred to the Committee on Appropriations.

A bill to provide for eligibility for certain assistance programs; and to provide for the powers and responsibilities for certain state departments and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act shall be known and may be cited as "An
2 act to restore hope, opportunity, and prosperity for everyone" or
3 the "HOPE act".

4 (2) As used in this act:

5 (a) "Department" means the department of health and human
6 services.

7 (b) "Food assistance program" means the food assistance
8 program administered by the department under the social welfare
9 act, 1939 PA 380, MCL 4001.1 to 400.119b.

10 (c) "Medical assistance program" means the medical assistance

1 program administered by the department under the social welfare
2 act, 1939 PA 280, MCL 400.1 to 401.119b.

3 Sec. 2. (1) Before awarding assistance under the medical
4 assistance program or the food assistance program, the department
5 shall verify the eligibility information of each applicant.

6 (2) Verification of the eligibility information by the
7 department under subsection (1) must include, but is not limited
8 to, a review of all of the following:

9 (a) Earned and unearned income.

10 (b) Employment status and changes in employment.

11 (c) Immigration status.

12 (d) Residency status, including a nationwide best-address
13 source to verify individuals are residents of this state.

14 (e) Enrollment status in other state-administered public
15 assistance programs.

16 (f) Financial resources.

17 (g) Incarceration status.

18 (h) Death records.

19 (i) Enrollment status in public assistance programs outside of
20 this state.

21 (j) Potential identity fraud or identity theft.

22 (3) The department shall sign a memorandum of understanding
23 with any department, agency, or division to obtain information
24 required for review under subsection (2).

25 (4) The department may contract with 1 or more independent
26 vendors to obtain or provide information required for review under
27 subsection (2).

1 (5) This section does not prohibit the department from
2 receiving, reviewing, or verifying additional information related
3 to eligibility not described in this section or from contracting
4 with 1 or more independent vendors to obtain or provide additional
5 information not described in this section.

6 Sec. 3. (1) On at least a quarterly basis, the department
7 shall receive and review information from various appropriate
8 sources as determined by the department concerning individuals
9 enrolled in the medical assistance program or the food assistance
10 program that indicates a change in circumstances that may affect
11 eligibility.

12 (2) The information provided to the department under
13 subsection (1) shall include, but is not limited to, all of the
14 following:

- 15 (a) Earned and unearned income.
- 16 (b) Employment status and changes in employment.
- 17 (c) Residency status.
- 18 (d) Enrollment status in other state-administered public
19 assistance programs.
- 20 (e) Financial resources.
- 21 (f) Incarceration status.
- 22 (g) Death records.
- 23 (h) Lottery winnings.
- 24 (i) Enrollment status in public assistance programs outside of
25 this state.

26 (3) The department shall sign a memorandum of understanding
27 with any department, agency, or division to obtain information

1 described in subsection (2).

2 (4) The department may contract with 1 or more independent
3 vendors to obtain or provide information described in subsection
4 (2).

5 (5) The department shall explore joining a multistate
6 cooperative to identify individuals who are also enrolled in public
7 assistance programs outside of this state, including the National
8 Accuracy Clearinghouse.

9 (6) This section does not prohibit the department from
10 receiving or reviewing additional information related to
11 eligibility not described in this section or from contracting with
12 1 or more independent vendors to obtain or provide additional
13 information not described in this section.

14 (7) If the department receives information concerning an
15 individual enrolled in the medical assistance program or the food
16 assistance program that indicates a change in circumstances that
17 may affect eligibility, the department shall review the
18 individual's case and proceed as follows:

19 (a) If a review of the information does not result in the
20 department finding a discrepancy or change in an individual's
21 circumstances that may affect eligibility, the department shall
22 take no further action.

23 (b) If a review of the information results in the department
24 finding a discrepancy or change in an individual's circumstances
25 that may affect eligibility, the department shall promptly conduct
26 an eligibility redetermination as provided in subsections (8), (9),
27 and (10).

1 (8) The department shall provide written notice to the
2 individual that describes in sufficient detail the circumstances of
3 the discrepancy or change, the manner in which the individual may
4 respond, and the consequence of failing to respond. The individual
5 has 10 business days, or the minimum period of time required by
6 state or federal law, to respond in an attempt to resolve the
7 discrepancy or change. The explanation provided by the individual
8 shall be given in writing. After receiving the explanation, the
9 department may request additional information or documentation if
10 the department determines that there is a risk of fraud,
11 misrepresentation, or inadequate documentation.

12 (9) As provided in subsection (8), the department shall give
13 the individual an opportunity to explain a discrepancy or change. A
14 self-declaration by an individual is not an acceptable explanation.

15 (10) If the individual does not respond to the notice provided
16 under subsection (8) in the time period provided, the department
17 shall discontinue medical assistance and food assistance for
18 failure to cooperate and shall provide notice of intent to
19 discontinue medical assistance and food assistance. Eligibility for
20 medical assistance or food assistance shall not be established or
21 reestablished until the discrepancy or change has been resolved.

22 (11) If an individual responds to the notice and disagrees
23 with the finding after the department's investigation, the
24 department shall reinvestigate the matter. If the department finds
25 that there has been an error, the department shall take immediate
26 action to correct the error and no further action shall be taken on
27 the matter. If, after the department reinvestigates the matter, the

1 department determines that there is no error, the department shall
2 determine the effect on the individual's case and take appropriate
3 action. The department shall give written notice of its action to
4 the individual.

5 (12) If the individual agrees with the finding, the department
6 shall determine the effect on the individual's case and take
7 appropriate action. The department shall give written notice of its
8 action to the individual. The department shall not discontinue
9 medical assistance or food assistance upon finding a discrepancy or
10 change in circumstances until the individual has been given notice
11 of the discrepancy or change in circumstances and the opportunity
12 to respond as required under this section.

13 Sec. 4. (1) Before awarding assistance under the medical
14 assistance program or the food assistance program, the department
15 shall require applicants to complete an identity authentication
16 process to confirm that the applicant owns the identity presented
17 in the application.

18 (2) The identity authentication process shall be conducted
19 through a knowledge-based quiz consisting of financial questions,
20 personal questions, or both. The quiz must attempt to accommodate
21 nonbanked or underbanked applicants who do not have an established
22 credit history.

23 (3) The identity authentication process shall be available to
24 be submitted through multiple channels, including online, in
25 person, or via telephone.

26 Sec. 5. The department shall provide information obtained
27 under sections 2 to 4 to the office of inspector general for cases

1 of suspected fraud.

2 Sec. 6. The department shall not seek, apply for, accept,
3 enforce, or renew any waiver of requirements established under 7
4 USC 2015(o).

5 Sec. 7. The resource limit standards of the food assistance
6 program must not exceed the standards specified in 7 USC
7 2014(g)(1), unless expressly required by federal law. Categorical
8 eligibility exempting households from these resource limits shall
9 not be granted for any noncash, in-kind, or other benefit, unless
10 expressly required by federal law.

11 Sec. 8. The department shall not apply gross income standards
12 for food assistance higher than the standards specified in 7 USC
13 2014(c) unless expressly required by federal law. Categorical
14 eligibility exempting households from this income standard shall
15 not be granted for any noncash, in-kind, or other benefit, unless
16 expressly required by federal law.

17 Sec. 9. (1) The department shall promulgate rules necessary to
18 carry out the purpose of this act.

19 (2) Six months after the effective date of this act and
20 annually after that, the department shall publish a written report
21 detailing the impact of sections 2 to 4, including the number of
22 cases reviewed, the number of cases closed, the number of fraud
23 investigation referrals, and the amount of savings and cost
24 avoidance that have resulted from implementation of this act.

25 Enacting section 1. This act takes effect 90 days after the
26 date it is enacted into law.