

1 A JOINT RESOLUTION declaring the intention of the General Assembly to
2 carefully monitor and encourage wise stewardship of public resources as the Cabinet for
3 Health and Family Services undertakes systemic efforts to reform eligibility testing for
4 benefits and welfare programs.

5 WHEREAS, limited state and federal resources are available to assist our citizens
6 that enroll in assistance programs; and

7 WHEREAS, the General Assembly is deeply concerned about the use of these
8 limited taxpayer resources and ensuring that these dollars are wisely stewarded to protect
9 vulnerable citizens; and

10 WHEREAS, the Cabinet for Health and Family Services is presently involved in a
11 major effort to update its eligibility technology and ability to engage in continuous
12 monitoring of benefits recipients; and

13 WHEREAS, these technological updates provide an important opportunity to ensure
14 that the needs of the most vulnerable Kentuckians are truly being met; and

15 WHEREAS, combating fraud, waste, or abuse throughout these programs,
16 especially at the eligibility stage, guards against negative attention that can overshadow
17 the vital public good done for the Commonwealth and its citizens by these services;

18 NOW, THEREFORE,

19 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

20 ➔Section 1. This Resolution may be known and cited as the Citizen and Taxpayer
21 Stewardship Act of 2017.

22 ➔Section 2. The General Assembly recommends that the Cabinet for Health and
23 Family Services utilize enhanced eligibility verification and periodic continuing
24 monitoring that is, at a minimum, quarterly, to ensure that the following information is
25 verified concerning enrollees and applicants:

26 (1) Earned and unearned income;

27 (2) Employment status and any changes in employment;

- 1 (3) Immigration status;
- 2 (4) State residency status, including a nationwide best-address source to verify
- 3 individuals are residents of Kentucky;
- 4 (5) Financial resources;
- 5 (6) Incarceration status;
- 6 (7) Death records;
- 7 (8) Enrollment status in any public assistance programs administered by other
- 8 states or territories;
- 9 (9) Potential identity fraud or identity theft;
- 10 (10) Lottery winnings; and
- 11 (11) Asset testing, including a nationwide public records data source of physical
- 12 asset ownership such as real property, automobiles, watercraft, aircraft, and
- 13 luxury vehicles or other vehicles owned by the applicant or enrollee.

14 ➔Section 3. The Cabinet for Health and Family Services, when it receives
15 information pursuant to Section 2 of this Resolution that may impact an individual's
16 eligibility for assistance programs, shall take the following steps:

- 17 (1) Review the individual's case file to determine the impact the new information
- 18 has on the individual or household's eligibility;
- 19 (2) Provide written notice to the individual throughout the investigation;
- 20 (3) Provide opportunity to the individual to explain any discrepancies, including
- 21 an opportunity for a hearing that complies with KRS Chapter 13B; and
- 22 (4) Discontinue assistance if there is a substantial risk of fraud, waste, or abuse
- 23 occurring in that case.

24 ➔Section 4. When an individual is using food stamps at a grocery store, the
25 General Assembly strongly encourages the Cabinet for Health and Family Services to
26 consider using methods to ensure that the benefits from that program go to benefit the
27 household of the cardholder. These methods may include requiring photographic

1 identification be shown by any member of a household using a benefits card.

2 →Section 5. The Cabinet for Health and Family Services may explore the
3 following options when updating its eligibility and monitoring infrastructure:

4 (1) Signing of memoranda of understanding or agreement with any state agency
5 necessary to share or acquire needed information pursuant to Sections 2 or 4 of this
6 Resolution;

7 (2) Use of independent vendors to provide the information referenced in Section 2
8 of this Resolution if the agreement with the a vendor includes a requirement of an
9 annualized saving that exceeds the state's total annual cost;

10 (3) Use of public or private grants to research the abuse of food stamps or other
11 public programs; and

12 (4) The use of multi-state collaborative agreements to share information and pool
13 staff or resources to better combat waste, fraud, and abuse.

14 →Section 6. (1) The Cabinet for Health and Family Services shall refer
15 suspected cases of fraud to the Office of the Inspector General for investigation, criminal
16 investigation, recovery of improper payments, and collection of civil penalties.

17 (2) The cabinet shall refer suspected cases of identity fraud to the appropriate
18 county attorney or Commonwealth's attorney office for prosecution.

19 (3) If a case of suspected fraud results in a conviction, the cabinet shall review
20 legal options to remove an enrollee from other public assistance programs and garnish
21 wages until an equal amount of the benefits fraudulently received is recovered.

22 (4) The cabinet shall refer any suspected cases of fraud, misrepresentation, or
23 inadequate documentation discovered pursuant to the appropriate state or local agencies
24 for review of eligibility discrepancies in any other public programs.

25 →Section 7. The General Assembly recommends that in no case shall the resource
26 limit standards of the food stamp program exceed the standards specified in 7 U.S.C. sec.
27 2014(g)(1), unless expressly required by federal law. In no case shall categorical

1 eligibility exempting households from these resource limits be granted for any non-cash,
2 in-kind or other benefit, unless expressly required by federal law.

3 ➔Section 8. The General Assembly recommends that the work requirements and
4 alternative benefits requirements utilized in the KY HEALTH 1115 Waiver currently
5 being sought by the Cabinet for Health and Family Services be incorporated into any
6 benefits reform. The General Assembly further requests that the Cabinet for Health and
7 Family Services request any waivers necessary to apply work requirements to the food
8 stamps program, Medicaid, and the Temporary Assistance for Needy Families program.

9 ➔Section 9. The General Assembly recommends that the 1996 work requirements
10 established in federal welfare reform be utilized as a resource and policy goal as the
11 benefits updates and technology updates are prepared and that these work requirements be
12 restored or waivers requesting their restoration be prepared by the cabinet.

13 ➔Section 10. The General Assembly directs that progress reports and final
14 presentations about the updates and direction of benefits programs in Kentucky be given
15 to the Interim Joint Committee on Health and Welfare and the Medicaid Oversight and
16 Advisory Committee at the request of the chairs.

17 ➔Section 11. The General Assembly requests that all updates be completed,
18 legislation recommended, and any necessary waivers requested by December 31, 2019.