

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30286-MC-165

Short Title: Public Assistance Verification Enhancements. (Public)

Sponsors: Representative Stevens.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ENHANCE VERIFICATION OF PUBLIC ASSISTANCE PROGRAMS.
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 108A-55.5 reads as rewritten:

"§ 108A-55.5. Eligibility monitoring for medical public assistance.

(a) ~~On at least a quarterly basis, the Department shall review information concerning changes in circumstances that may affect medical assistance beneficiaries' eligibility to receive medical assistance benefits. The Department shall share the information directly with, or make the information available to, the county department of social services that determined the beneficiary's eligibility. An individual may not be considered homeless to grant a work requirement exemption until and unless the Department (i) verifies that an individual has resided in a public shelter for a period of at least 30 days based on notarized documentation from a public shelter of such fact or (ii) certifies that there is no indoor shelter available and provides notarized documentation from a public housing authority that the individual is on a waiting list for benefits.~~

(a1) Definitions. – The following definitions apply in this section:

(1) Governmental public assistance entity. – An entity providing public assistance, including the Department of Health and Human Services and public housing authorities.

(2) Health and medical assistance programs. – The following programs:

a. Supplemental Nutrition Assistance Program, or food stamps.

b. Temporary Assistance for Needy Families and Children, also known as Work First.

c. Medicaid.

(3) Homeless individual. – An individual who (i) has resided in a public shelter for a period of at least 30 days or (ii) has no indoor shelter available and is on the waiting list of a public housing authority for benefits.

(4) Public assistance. – The following programs:

a. Health and medical assistance.

b. Public housing assistance provided by a public housing authority.

(5) Public housing authority. – A housing authority operating within the State created pursuant to G.S. 157-4.

(b) ~~The information reviewed by the Department shall include all of the following:~~

(1) ~~Earned and unearned income.~~

(2) ~~Employment status and changes in employment.~~

(3) ~~Residency status.~~

(4) ~~Enrollment status in other State-administered public assistance programs.~~



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- ~~(5) Financial resources.~~
- ~~(6) Incarceration status.~~
- ~~(7) Death records.~~
- ~~(8) Lottery winnings.~~
- ~~(9) Enrollment status in public assistance programs outside of this State.~~

(b1) Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families and Children, Medicaid. – Governmental public assistance entities shall take the steps with respect to the sources listed in this subsection as follows:

(1) With respect to State databases:

- a. On at least a monthly basis, the Department of Health and Human Services shall enter into a data matching agreement with the North Carolina State Lottery Commission to identify households with winnings of three thousand dollars (\$3,000) or more from the lottery or from gambling and, to the extent permissible under federal law, treat this data as verified upon receipt. To the extent the data may not be verified upon receipt, the Department shall make referrals for further investigation to identify households with winnings equal to or greater than the resource limit for elderly or disabled households as defined in 7 C.F.R. § 273.8(b).
- b. On at least a monthly basis, the Department of Health and Human Services shall receive and review information from the North Carolina Office of Vital Records concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for these programs.
- c. On at least a quarterly basis, the Department of Health and Human Services shall receive and review information from the Department of Labor concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for these programs, including, but not limited to, changes in employment or wages.
- d. On at least a monthly basis, the Department of Health and Human Services shall receive and review information concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for these programs, including, but not limited to, potential changes in residency as identified by out-of-state electronic benefit transfer (EBT) card transactions.
- e. On at least a quarterly basis, the Department of Health and Human Services shall receive and review information from the Department of Revenue concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for these programs, including, but not limited to, potential changes in income, wages, or residency as identified by tax records.
- f. On at least a monthly basis, the Department of Health and Human Services shall receive and review information from the Department of Adult Correction concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for either program.
- g. On at least a semimonthly basis, the Department of Health and Human Services shall receive and review information from the Department of

Commerce concerning individuals in households enrolled in health and medical assistance programs that indicates a change in circumstances that may affect eligibility for these programs, including, but not limited to, potential changes in employment, income, or assets.

(2) With respect to federal databases, on at least a monthly basis, the Department of Health and Human Services shall review and act on findings affecting eligibility for health and medical assistance programs with respect to the following:

a. Earned income information, death register information, incarceration records, supplemental security income information, beneficiary records, earnings information, and pension information maintained by the United States Social Security Administration.

b. Income and employment information maintained in the National Directory of New Hires database and child support enforcement data maintained by the United States Department of Health and Human Services.

c. Payment and earnings information maintained by the United States Department of Housing and Urban Development.

d. National fleeing felon information maintained by the United States Federal Bureau of Investigation.

(3) With respect to annual retail site inspections, the Department of Health and Human Services shall, with all necessary coordination with appropriate federal and State law enforcement authorities, conduct an on-site inspection of retailers that accept EBT card transactions to identify suspicious transaction records or amounts indicating possible trafficking of benefits or other criminal conduct and make referrals for proper investigations under applicable law.

(b2) Public Posting. – On at least a quarterly basis, the Department of Health and Human Services shall make available to the public on its website data from findings of noncompliance and fraud investigations in health and medical assistance programs for the following aggregate and nonconfidential and nonpersonal identifying information:

(1) The number of households investigated for intentional program violations or fraud.

(2) The total number of households referred to the Attorney General's office for prosecution.

(3) The total amount of improper payments and expenditures.

(4) The total amount of monies recovered.

(5) Aggregate data concerning improper payments and ineligible recipients as a percentage of those investigated and reviewed.

(6) The aggregate amount of funds expended by electronic benefit transfer card transactions in each state outside of North Carolina.

(b3) Medicaid Application. – Unless required under federal law, the Department may not accept self-attestation of income, residency, age, household composition, caretaker or relative status, or receipt of other coverage without verification prior to enrollment or renewal of or in Medicaid. In addition, the Department may not request authority to waive or decline to periodically check any available income-related data sources to verify eligibility.

Unless required under federal law, the Department shall verify all conditions of eligibility for Medicaid prior to enrollment and may not conduct post-enrollment verification without specific authorization set forth in enactments by the General Assembly.

(b4) Public Housing. – Governmental public assistance entities shall take the steps with respect to the sources listed in this subsection as follows:

(1) With respect to State databases:

- a. On at least a monthly basis, public housing authorities shall enter into a data matching agreement with the North Carolina State Lottery Commission identifying individuals in households with lottery or gambling winnings of three thousand dollars (\$3,000) or more.
- b. On at least a monthly basis, public housing authorities shall receive and review information from the North Carolina Office of Vital Records concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility for housing assistance, including, but not limited to, death records.
- c. On at least a quarterly basis, public housing authorities shall receive and review information from the Department of Labor concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility for housing assistance, including, but not limited to, changes in employment or wages.
- d. On at least a monthly basis, public housing authorities shall receive and review information from the Department of Health and Human Services concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility for housing assistance, including, but not limited to, potential changes in residency as identified by out-of-state electronic benefit transfer (EBT) card transactions.
- e. On at least a quarterly basis, public housing authorities shall receive and review information from the Department of Revenue concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility for housing assistance, including, but not limited to, potential changes in income, wages, or residency as identified by tax records.
- f. On at least a monthly basis, public housing authorities shall receive and review information from the Department of Adult Correction concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility.
- g. On at least a semimonthly basis, public housing authorities shall receive and review information from the Department of Commerce concerning individuals in households which receive housing assistance that indicates a change in circumstances that may affect eligibility for housing assistance, including, but not limited to, potential changes in employment, income, or assets.
- (2) With respect to federal databases, on at least a monthly basis, public housing authorities shall review and act on findings affecting eligibility for public housing assistance programs with respect to the information listed in subdivision (b1)(2) of this section.
- (3) At least once per year, each public housing authority shall submit a report to the Attorney General detailing its child support cooperation requirement. Each report must contain all of the following:
- a. A list of departments the public housing authority has data sharing agreements with.
- b. A summary of the data received at each time interval required by this subsection.

- c. The number of individuals flagged for eligibility issues during each quarterly or monthly review of the data.
- d. The number of individuals removed from public housing assistance as a result of issues flagged during the data review.
- (4) The Attorney General shall determine and enforce compliance with the provisions of this section. Any public housing authority that does not implement the data checks required by this section shall be deemed to be out of compliance with the requirements of this section. The Attorney General shall publish an annual report detailing each public housing authority's compliance from the previous year. The first instance in which the Attorney General finds that a public housing authority is out of compliance with this section, the public housing authority shall submit a corrective action plan to implement the requirements under this section within 12 months. A second finding of noncompliance that occurs more than eight years after the first finding of noncompliance shall be treated as the first finding of noncompliance. The second instance in which the Attorney General finds that a public housing authority is out of compliance with this section, the public housing authority shall have its charter under Chapter 157 of the General Statutes revoked and cease to operate in this State.
- (c) ~~A county department of social services~~ The Department of Health and Human Services and public housing authorities shall promptly review the information provided or made available by the Department in accordance with subsection (a) subsections (a) through (b4) of this section to determine if the information indicates a change in circumstances that may affect a ~~medical-public~~ assistance beneficiary's eligibility to receive medical-public assistance benefits and take one of the following actions:
- (1) ~~If a review of the information does not result in the county department of social services~~ Department of Health and Human Services or public housing authority finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility to receive medical-public assistance benefits, the county department of social services ~~Department of Health and Human Services or public housing authority shall take no further action.~~
- (2) ~~If a review of the information does result in the county department of social services~~ Department of Health and Human Services or public housing authority finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility for medical-public assistance benefits, the county department of social services ~~Department of Health and Human Services or public housing authority shall provide written notice to the beneficiary that describes in sufficient detail the circumstances of the discrepancy or change in circumstances that would affect the beneficiary's eligibility for medical-public assistance benefits. The notice must include the following information:~~
- a. The beneficiary will have 12 calendar days from the time of mailing to respond.
- b. A response from the beneficiary must be in writing.
- c. Self-declarations made by the beneficiary will not be accepted as verification of information in the response.
- d. The consequences of taking no action.
- (d) After the expiration of 12 calendar days from the time of mailing the notice required under subsection (c) of this section, the county department of social services ~~Department of Health and Human Services or public housing authority shall take one of the following~~

actions within 60 days of receiving the public assistance beneficiary's written disagreement:

- (1) If a beneficiary did not respond to the notice, the ~~county department of social services~~ Department of Health and Human Services or public housing authority shall redetermine the beneficiary's eligibility for ~~medical-public~~ assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.
- (2) If a beneficiary responds to the notice and disagrees with the information in the notice, the ~~county department of social services~~ Department of Health and Human Services or public housing authority shall reinvestigate the matter and take one of the following actions:
 - a. If the ~~county department of social services~~ Department of Health and Human Services or public housing authority determines that there has been an error and the beneficiary's eligibility to receive ~~medical-public~~ assistance benefits is not affected, then no further action shall be taken.
 - b. If the ~~county department of social services~~ Department of Health and Human Services or public housing authority determines that there is no error, the ~~county department of social services~~ Department of Health and Human Services or public housing authority shall redetermine the beneficiary's eligibility for ~~medical-public~~ assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.
- (3) If a beneficiary responds to the notice and confirms the information in the notice is correct, then the ~~county department of social services~~ Department of Health and Human Services or public housing authority shall redetermine the beneficiary's eligibility for ~~medical-public~~ assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

If, at any time after receiving a beneficiary's response to the notice, the ~~county department of social services~~ Department of Health and Human Services or public housing authority determines that there is a risk of fraud or misrepresentation or inadequate documentation, then the county department of social services may request additional documentation from the beneficiary.

(e) Nothing in this section shall preclude the Department or any ~~county department of social services~~ public housing authority from receiving or reviewing additional information related to a beneficiary's eligibility for ~~medical-public~~ assistance benefits that is obtained in a manner other than that provided for under this section.

(f) The Department of Health and Human Services and public housing authorities shall have the authority to execute a memorandum of understanding with any department, agency, or division for information required to be shared between agencies outlined in this section.

(g) Nothing in this section shall prohibit the Department of Health and Human Services or a public housing authority from contracting with one or more independent vendors to provide additional data or information which may indicate a change in circumstances that may affect eligibility.

(h) The Department of Health and Human Services shall promulgate all rules and regulations necessary for the purposes of carrying out this section."

SECTION 2. This act becomes effective January 1, 2026.