

HOUSE BILL 1402

J1, O1, P1

5lr3309

By: **Delegates Grammer, Arikan, Beauchamp, Chisholm, Fisher, M. Morgan, Nawrocki, and Szeliga**

Introduced and read first time: February 7, 2025

Assigned to: Appropriations and Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Department of Health and Department of Human Services – Public**
3 **Benefits – Prevention of Waste, Fraud, and Abuse**

4 FOR the purpose of requiring the Maryland Department of Health and the Department of
5 Human Services to enter into certain data-sharing agreements with certain agencies
6 to conduct certain reviews related to eligibility for and use of certain public benefits;
7 requiring the Maryland Department of Health to seek approval for a certain waiver
8 to impose a certain lockout period on certain individuals who fail to report a change
9 in eligibility for the Maryland Medical Assistance Program; requiring the
10 Department of Human Services, in consultation with law enforcement agencies, to
11 conduct annual inspections of certain retail facilities; and generally relating to the
12 review of public assistance programs.

13 BY repealing and reenacting, without amendments,
14 Article – Health – General
15 Section 15–101(a), (h), and (i)
16 Annotated Code of Maryland
17 (2023 Replacement Volume and 2024 Supplement)

18 BY adding to
19 Article – Health – General
20 Section 15–123.1
21 Annotated Code of Maryland
22 (2023 Replacement Volume and 2024 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – Human Services
25 Section 5–501
26 Annotated Code of Maryland
27 (2019 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Health – General

15–101.

(a) In this title the following words have the meanings indicated.

(h) “Program” means the Maryland Medical Assistance Program.

(i) “Program recipient” means an individual who receives benefits under the Program.

15–123.1.

(A) THE DEPARTMENT SHALL ESTABLISH MEMORANDUMS OF UNDERSTANDING WITH FEDERAL AND STATE AGENCIES TO FACILITATE DATA-SHARING IN ORDER TO CONDUCT:

(1) MONTHLY DEATH RECORD REVIEWS, USING THE VITAL STATISTICS ADMINISTRATION DATABASE TO IDENTIFY DECEASED INDIVIDUALS WHO ARE PROGRAM RECIPIENTS;

(2) QUARTERLY REVIEWS, IN CONSULTATION WITH THE MARYLAND DEPARTMENT OF LABOR, TO DETERMINE THE EFFECT OF EMPLOYMENT OR WAGE CHANGES ON THE CONTINUING ELIGIBILITY OF PROGRAM RECIPIENTS;

(3) QUARTERLY REVIEWS OF TAX FILINGS FROM THE COMPTROLLER TO VERIFY INCOME AND RESIDENCY CHANGES OF PROGRAM RECIPIENTS;

(4) NOTWITHSTANDING § 15–113 OF THIS SUBTITLE, MONTHLY REVIEWS OF INCARCERATED INDIVIDUALS, IN CONSULTATION WITH THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES, TO ENSURE THAT INCARCERATED INDIVIDUALS ARE NOT RECEIVING BENEFITS UNDER THE PROGRAM; AND

(5) TWICE MONTHLY REVIEWS OF UNEMPLOYMENT INSURANCE BENEFITS RECORDS, IN CONSULTATION WITH THE MARYLAND DEPARTMENT OF LABOR, TO VERIFY CHANGES IN EMPLOYMENT OR INCOME THAT MIGHT AFFECT THE CONTINUING ELIGIBILITY OF PROGRAM RECIPIENTS USING:

(I) SOCIAL SECURITY ADMINISTRATION EARNINGS AND DEATH RECORDS;

(II) U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
NATIONAL DIRECTORY OF NEW HIRES;

(III) U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
CHILD SUPPORT ENFORCEMENT RECORDS;

(IV) U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PAYMENT AND EARNINGS DATA; AND

(V) FEDERAL BUREAU OF INVESTIGATION NATIONAL INSTANT
CRIMINAL BACKGROUND CHECK SYSTEM RECORDS OF FUGITIVES FROM JUSTICE.

(B) WHEN DETERMINING PROGRAM ELIGIBILITY, THE DEPARTMENT MAY
NOT ACCEPT SELF-ATTESTATION OF INCOME, RESIDENCY, HOUSEHOLD
COMPOSITION, OR OTHER ELIGIBILITY FACTORS, UNLESS REQUIRED BY FEDERAL
LAW.

(C) THE DEPARTMENT SHALL SEEK APPROVAL FROM THE CENTERS FOR
MEDICARE AND MEDICAID SERVICES FOR A § 1115 WAIVER TO IMPOSE A 6-MONTH
LOCKOUT PERIOD FOR A PROGRAM RECIPIENT WHO:

(1) IS AT LEAST 19 YEARS OLD AND UNDER THE AGE OF 65 YEARS;

(2) FAILS TO REPORT A CHANGE IN ELIGIBILITY; AND

(3) IS NOT:

(I) DESIGNATED AS DISABLED BY A GOVERNMENT ENTITY; OR

(II) PREGNANT.

(D) THE DEPARTMENT AND THE STATE LOTTERY AND GAMING CONTROL
AGENCY SHALL ENTER INTO AN AGREEMENT TO IDENTIFY THE NAMES OF EACH
PROGRAM RECIPIENT WHO HAS WON A PRIZE OF \$3,000 OR MORE.

(E) THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE QUARTERLY
REPORTS ON INVESTIGATIONS AND COMPLIANCE FINDINGS RELATING TO PROGRAM
FRAUD, INCLUDING:

(1) THE NUMBER OF CASES INVESTIGATED;

(2) THE NUMBER OF CASES REFERRED FOR PROSECUTION; AND

(3) THE PERCENTAGE OF INELIGIBLE PROGRAM RECIPIENTS IDENTIFIED.

(F) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

Article – Human Services

5–501.

(a) (1) The Department may implement a Supplemental Nutrition Assistance Program in accordance with the federal Supplemental Nutrition Assistance Program.

(2) The Supplemental Nutrition Assistance Program shall include:

(i) a Restaurant Meals Program in accordance with § 5–505 of this subtitle; and

(ii) a Heat and Eat Program in accordance with § 5–506 of this subtitle.

(b) The State shall bear the nonfederal portion of the administrative costs of the Supplemental Nutrition Assistance Program for each county.

(c) Each local department shall administer the Supplemental Nutrition Assistance Program:

(1) under the supervision and control of the Department; and

(2) in accordance with the regulations of the Department and federal law.

(d) If a household includes an individual who is at least 60 years old and receives a federally funded benefit in an amount less than \$50 per month under the Supplemental Nutrition Assistance Program, the State shall provide a supplement to increase the total benefit to \$50 per month.

(E) (1) IN THIS SUBSECTION, “PUBLIC ASSISTANCE” MEANS BENEFITS PROVIDED UNDER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

(2) THE DEPARTMENT SHALL ESTABLISH MEMORANDUMS OF UNDERSTANDING WITH FEDERAL AND STATE AGENCIES TO FACILITATE DATA-SHARING IN ORDER TO CONDUCT:

1 **(I) MONTHLY DEATH RECORD REVIEWS USING THE VITAL**
2 **STATISTICS ADMINISTRATION DATABASE TO IDENTIFY DECEASED INDIVIDUALS**
3 **RECEIVING PUBLIC ASSISTANCE;**

4 **(II) QUARTERLY REVIEWS, IN CONSULTATION WITH THE**
5 **MARYLAND DEPARTMENT OF LABOR, TO DETERMINE THE EFFECT OF EMPLOYMENT**
6 **OR WAGE CHANGES OF HOUSEHOLDS RECEIVING PUBLIC ASSISTANCE;**

7 **(III) MONTHLY REVIEWS OF OUT-OF-STATE ELECTRONIC**
8 **BENEFITS TRANSFER CARD TRANSACTIONS TO VERIFY THAT INDIVIDUALS**
9 **RECEIVING PUBLIC ASSISTANCE RESIDE IN THE STATE;**

10 **(IV) QUARTERLY REVIEWS OF TAX FILINGS FROM THE**
11 **COMPTROLLER TO IDENTIFY INCOME CHANGES OF HOUSEHOLDS RECEIVING**
12 **PUBLIC ASSISTANCE;**

13 **(V) MONTHLY REVIEWS OF INCARCERATED INDIVIDUALS, IN**
14 **CONSULTATION WITH THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL**
15 **SERVICES, TO ENSURE THAT INCARCERATED INDIVIDUALS ARE NOT RECEIVING**
16 **PUBLIC ASSISTANCE; AND**

17 **(VI) TWICE MONTHLY REVIEWS OF UNEMPLOYMENT INSURANCE**
18 **BENEFITS, IN CONSULTATION WITH THE MARYLAND DEPARTMENT OF LABOR, TO**
19 **VERIFY CHANGES IN EMPLOYMENT OR INCOME ELIGIBILITY OF A HOUSEHOLD**
20 **RECEIVING PUBLIC ASSISTANCE USING THE FOLLOWING:**

21 1. **SOCIAL SECURITY ADMINISTRATION EARNINGS AND**
22 **DEATH RECORDS;**

23 2. **U.S. DEPARTMENT OF HEALTH AND HUMAN**
24 **SERVICES NATIONAL DIRECTORY OF NEW HIRES;**

25 3. **U.S. DEPARTMENT OF HEALTH AND HUMAN**
26 **SERVICES CHILD SUPPORT ENFORCEMENT RECORDS;**

27 4. **U.S. DEPARTMENT OF HOUSING AND URBAN**
28 **DEVELOPMENT PAYMENT AND EARNINGS DATA; AND**

29 5. **FEDERAL BUREAU OF INVESTIGATION NATIONAL**
30 **INSTANT CRIMINAL BACKGROUND CHECK SYSTEM RECORDS OF FUGITIVES FROM**
31 **JUSTICE.**

(3) (I) WHEN DETERMINING ELIGIBILITY FOR PUBLIC ASSISTANCE, THE DEPARTMENT MAY NOT APPLY CATEGORICAL ELIGIBILITY UNDER 7 U.S.C. § 2014(A), UNLESS REQUIRED BY FEDERAL LAW.

(II) WHEN DETERMINING ELIGIBILITY FOR PUBLIC ASSISTANCE, THE DEPARTMENT MAY NOT APPLY A HIGHER GROSS INCOME ELIGIBILITY STANDARD THAN THE GROSS INCOME ELIGIBILITY UNDER 7 U.S.C. § 2014(C), UNLESS REQUIRED BY FEDERAL LAW.

(4) A HOUSEHOLD ELIGIBLE TO RECEIVE PUBLIC ASSISTANCE UNDER FEDERAL AND STATE LAW SHALL REPORT A CHANGE IN CIRCUMSTANCES AFFECTING ELIGIBILITY WITHIN 10 DAYS AFTER THE CHANGE OCCURRED, IN ACCORDANCE WITH 7 C.F.R. § 273.12(A)(1).

(5) THE DEPARTMENT, IN CONSULTATION WITH LAW ENFORCEMENT AGENCIES, SHALL CONDUCT ANNUAL ON-SITE INSPECTIONS OF RETAIL FACILITIES ACCEPTING ELECTRONIC BENEFITS TRANSFER CARD TRANSACTIONS TO IDENTIFY POTENTIAL FRAUD.

(6) (I) THE DEPARTMENT AND THE STATE LOTTERY AND GAMING CONTROL AGENCY SHALL ENTER INTO AN AGREEMENT TO IDENTIFY THE NAMES OF EACH PUBLIC ASSISTANCE RECIPIENT WHO HAS WON A PRIZE OF \$3,000 OR MORE.

(II) THE DEPARTMENT SHALL INVESTIGATE WHETHER A HOUSEHOLD EXCEEDS RESOURCE ELIGIBILITY UNDER 7 C.F.R. § 273.8(B).

(7) THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE QUARTERLY REPORTS ON INVESTIGATIONS AND COMPLIANCE FINDINGS RELATING TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FRAUD, INCLUDING:

(I) THE NUMBER OF HOUSEHOLDS INVESTIGATED;

(II) THE NUMBER OF INDIVIDUALS REFERRED FOR PROSECUTION;

(III) THE TOTAL NUMBER AND AMOUNT OF IMPROPER PAYMENTS RECOVERED;

(IV) THE PERCENTAGE OF INELIGIBLE RECIPIENTS IDENTIFIED;
AND

(V) THE TOTAL EXPENDITURE OF FUNDS ON OUT-OF-STATE ELECTRONIC BENEFITS TRANSFER CARD TRANSACTIONS.

1 **(8) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT**
2 **THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2025.