



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB0815

Introduced 2/5/2015, by Sen. Dale A. Righter

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/11-5.2  
305 ILCS 5/11-5.3

Amends the Illinois Public Aid Code. In a provision concerning the Department of Healthcare and Family Services' proposed Medicaid integrated eligibility system, provides that until the system is operational the Department shall (rather than may) enter into a contract with the vendor selected as necessary to obtain certain electronic data matching. Provides that no later than 70 days (rather than 60 days) after the effective date of the amendatory Act, the Chief Procurement Officer for General Services, in consultation with the Department of Healthcare and Family Services, shall conduct and complete any procurement necessary to procure a vendor to verify eligibility for assistance under the Code. Effective immediately.

LRB099 05647 KTG 25687 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Sections 11-5.2 and 11-5.3 as follows:

6 (305 ILCS 5/11-5.2)

7 Sec. 11-5.2. Income, Residency, and Identity Verification  
8 System. The General Assembly finds that the Department of Human  
9 Services has made every reasonable effort to utilize State  
10 employees to perform eligibility determinations and  
11 redeterminations on applicants and recipients of assistance  
12 provided under Article V of this Code. However, the General  
13 Assembly declares that there exist conditions in the State that  
14 require the Department of Healthcare and Family Services to  
15 procure a vendor to verify eligibility.

16 (a) The Department shall ensure that its proposed  
17 integrated eligibility system shall include the computerized  
18 functions of income, residency, and identity eligibility  
19 verification to verify eligibility, eliminate duplication of  
20 medical assistance, and deter fraud. Until the integrated  
21 eligibility system is operational, the Department shall ~~may~~  
22 enter into a contract with the vendor selected pursuant to  
23 Section 11-5.3 as necessary to obtain the electronic data

1 matching described in this Section. This contract shall be  
2 exempt from the Illinois Procurement Code pursuant to  
3 subsection (h) of Section 1-10 of that Code.

4 (b) Prior to awarding medical assistance at application  
5 under Article V of this Code, the Department shall, to the  
6 extent such databases are available to the Department, conduct  
7 data matches using the name, date of birth, address, and Social  
8 Security Number of each applicant or recipient or responsible  
9 relative of an applicant or recipient against the following:

10 (1) Income tax information.

11 (2) Employer reports of income and unemployment  
12 insurance payment information maintained by the Department  
13 of Employment Security.

14 (3) Earned and unearned income, citizenship and death,  
15 and other relevant information maintained by the Social  
16 Security Administration.

17 (4) Immigration status information maintained by the  
18 United States Citizenship and Immigration Services.

19 (5) Wage reporting and similar information maintained  
20 by states contiguous to this State.

21 (6) Employment information maintained by the  
22 Department of Employment Security in its New Hire Directory  
23 database.

24 (7) Employment information maintained by the United  
25 States Department of Health and Human Services in its  
26 National Directory of New Hires database.

1           (8) Veterans' benefits information maintained by the  
2           United States Department of Health and Human Services, in  
3           coordination with the Department of Health and Human  
4           Services and the Department of Veterans' Affairs, in the  
5           federal Public Assistance Reporting Information System  
6           (PARIS) database.

7           (9) Residency information maintained by the Illinois  
8           Secretary of State.

9           (10) A database which is substantially similar to or a  
10          successor of a database described in this Section that  
11          contains information relevant for verifying eligibility  
12          for medical assistance.

13          (c) (Blank).

14          (d) If a discrepancy results between information provided  
15          by an applicant, recipient, or responsible relative and  
16          information contained in one or more of the databases or  
17          information tools listed under subsection (b) of this Section  
18          or subsection (c) of Section 11-5.3 and that discrepancy calls  
19          into question the accuracy of information relevant to a  
20          condition of eligibility provided by the applicant, recipient,  
21          or responsible relative, the Department or its contractor shall  
22          review the applicant's or recipient's case using the following  
23          procedures:

24                 (1) If the information discovered under subsection (b)  
25                 of this Section or subsection (c) of Section 11-5.3 does  
26                 not result in the Department finding the applicant or

1 recipient ineligible for assistance under Article V of this  
2 Code, the Department shall finalize the determination or  
3 redetermination of eligibility.

4 (2) If the information discovered results in the  
5 Department finding the applicant or recipient ineligible  
6 for assistance, the Department shall provide notice as set  
7 forth in Section 11-7 of this Article.

8 (3) If the information discovered is insufficient to  
9 determine that the applicant or recipient is eligible or  
10 ineligible, the Department shall provide written notice to  
11 the applicant or recipient which shall describe in  
12 sufficient detail the circumstances of the discrepancy,  
13 the information or documentation required, the manner in  
14 which the applicant or recipient may respond, and the  
15 consequences of failing to take action. The applicant or  
16 recipient shall have 10 business days to respond.

17 (4) If the applicant or recipient does not respond to  
18 the notice, the Department shall deny assistance for  
19 failure to cooperate, in which case the Department shall  
20 provide notice as set forth in Section 11-7. Eligibility  
21 for assistance shall not be established until the  
22 discrepancy has been resolved.

23 (5) If an applicant or recipient responds to the  
24 notice, the Department shall determine the effect of the  
25 information or documentation provided on the applicant's  
26 or recipient's case and shall take appropriate action.

1 Written notice of the Department's action shall be provided  
2 as set forth in Section 11-7 of this Article.

3 (6) Suspected cases of fraud shall be referred to the  
4 Department's Inspector General.

5 (e) The Department shall adopt any rules necessary to  
6 implement this Section.

7 (Source: P.A. 97-689, eff. 6-14-12; 98-756, eff. 7-16-14.)

8 (305 ILCS 5/11-5.3)

9 Sec. 11-5.3. Procurement of vendor to verify eligibility  
10 for assistance under Article V.

11 (a) No later than 70 ~~60~~ days after the effective date of  
12 this amendatory Act of the 99th ~~97th~~ General Assembly, the  
13 Chief Procurement Officer for General Services, in  
14 consultation with the Department of Healthcare and Family  
15 Services, shall conduct and complete any procurement necessary  
16 to procure a vendor to verify eligibility for assistance under  
17 Article V of this Code. Such authority shall include procuring  
18 a vendor to assist the Chief Procurement Officer in conducting  
19 the procurement. The Chief Procurement Officer and the  
20 Department shall jointly negotiate final contract terms with a  
21 vendor selected by the Chief Procurement Officer. Within 30  
22 days of selection of an eligibility verification vendor, the  
23 Department of Healthcare and Family Services shall enter into a  
24 contract with the selected vendor. The Department of Healthcare  
25 and Family Services and the Department of Human Services shall

1 cooperate with and provide any information requested by the  
2 Chief Procurement Officer to conduct the procurement.

3 (b) Notwithstanding any other provision of law, any  
4 procurement or contract necessary to comply with this Section  
5 shall be exempt from: (i) the Illinois Procurement Code  
6 pursuant to Section 1-10(h) of the Illinois Procurement Code,  
7 except that bidders shall comply with the disclosure  
8 requirement in Sections 50-10.5(a) through (d), 50-13, 50-35,  
9 and 50-37 of the Illinois Procurement Code and a vendor awarded  
10 a contract under this Section shall comply with Section 50-37  
11 of the Illinois Procurement Code; (ii) any administrative rules  
12 of this State pertaining to procurement or contract formation;  
13 and (iii) any State or Department policies or procedures  
14 pertaining to procurement, contract formation, contract award,  
15 and Business Enterprise Program approval.

16 (c) Upon becoming operational, the contractor shall  
17 conduct data matches using the name, date of birth, address,  
18 and Social Security Number of each applicant and recipient  
19 against public records to verify eligibility. The contractor,  
20 upon preliminary determination that an enrollee is eligible or  
21 ineligible, shall notify the Department, except that the  
22 contractor shall not make preliminary determinations regarding  
23 the eligibility of persons residing in long term care  
24 facilities whose income and resources were at or below the  
25 applicable financial eligibility standards at the time of their  
26 last review. Within 20 business days of such notification, the

1 Department shall accept the recommendation or reject it with a  
2 stated reason. The Department shall retain final authority over  
3 eligibility determinations. The contractor shall keep a record  
4 of all preliminary determinations of ineligibility  
5 communicated to the Department. Within 30 days of the end of  
6 each calendar quarter, the Department and contractor shall file  
7 a joint report on a quarterly basis to the Governor, the  
8 Speaker of the House of Representatives, the Minority Leader of  
9 the House of Representatives, the Senate President, and the  
10 Senate Minority Leader. The report shall include, but shall not  
11 be limited to, monthly recommendations of preliminary  
12 determinations of eligibility or ineligibility communicated by  
13 the contractor, the actions taken on those preliminary  
14 determinations by the Department, and the stated reasons for  
15 those recommendations that the Department rejected.

16 (d) An eligibility verification vendor contract shall be  
17 awarded for an initial 2-year period with up to a maximum of 2  
18 one-year renewal options. Nothing in this Section shall compel  
19 the award of a contract to a vendor that fails to meet the  
20 needs of the Department. A contract with a vendor to assist in  
21 the procurement shall be awarded for a period of time not to  
22 exceed 6 months.

23 (e) The provisions of this Section shall be administered in  
24 compliance with federal law.

25 (Source: P.A. 97-689, eff. 6-14-12; 98-104, eff. 7-22-13.)

26 Section 99. Effective date. This Act takes effect upon



1 becoming law.