

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.



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

3 **Article – Health – General**

4 15–101.

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

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

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

9 **15–123.1.**

10 **(A) THE DEPARTMENT SHALL ESTABLISH MEMORANDUMS OF**
11 **UNDERSTANDING WITH FEDERAL AND STATE AGENCIES TO FACILITATE**
12 **DATA–SHARING IN ORDER TO CONDUCT:**

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

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

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

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

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

30 **(I) SOCIAL SECURITY ADMINISTRATION EARNINGS AND DEATH**
31 **RECORDS;**

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

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

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

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

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

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

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

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

18 **(3) IS NOT:**

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

20 **(II) PREGNANT.**

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

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

27 **(1) THE NUMBER OF CASES INVESTIGATED;**

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

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.**

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

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

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

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

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

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

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

24 **(I) THE NUMBER OF HOUSEHOLDS INVESTIGATED;**

25 **(II) THE NUMBER OF INDIVIDUALS REFERRED FOR**
26 **PROSECUTION;**

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

29 **(IV) THE PERCENTAGE OF INELIGIBLE RECIPIENTS IDENTIFIED;**
30 **AND**

31 **(V) THE TOTAL EXPENDITURE OF FUNDS ON OUT-OF-STATE**
32 **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.