

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1299 Public Assistance

**SPONSOR(S):** Children, Families & Seniors Subcommittee, Eagle

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Children, Families & Seniors Subcommittee	12 Y, 1 N, As CS	Langston	Brazzell
2) Appropriations Committee			
3) Health & Human Services Committee			

### SUMMARY ANALYSIS

Florida's Temporary Cash Assistance (TCA) Program provides cash assistance to needy families with children that meet eligibility requirements. To be eligible for full-family TCA, applicants must participate in work activities unless they qualify for an exemption. The regional workforce boards support and monitor applicants' compliance with work activity requirements. The Department of Children and Families (DCF) may sanction TCA recipients who fail to meet work activity requirements through the withholding of cash assistance for a specified minimum time or until the participant complies, whichever is later. The sanctions are either full-family (where no members of the noncompliant recipient's family may receive TCA) or allow for child-only TCA (where any children under 16 may continue to receive TCA). In Florida, TCA and other social welfare benefits are placed on Electronic Benefits Transfer (EBT) cards. Currently, there is no fee charged in Florida for replacement EBT cards, although federal regulations allow the imposition of such fees.

CS/HB 1299 increases the penalties for the first three instances of noncompliance with the TCA work requirements to align with the food assistance program's sanctions and creates a fourth sanction. The bill:

- Increases the first sanction from 10 days to one month; this sanction remains full-family.
- Increases the second sanction from one month or until compliance, whichever is later, to three months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first three months of the sanction period even if the participant takes longer to comply.
- Increases the third sanction from three months or until compliance, whichever is later, to six months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first six months of the sanction period even if the participant takes longer to comply.
- Creates a fourth sanction of twelve months or until compliance, whichever is later, and that the individual must reapply to the program; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first twelve months of the sanction period even if the participant takes longer to comply.

The Department of Children and Families (DCF) must refer sanctioned participants to appropriate free and low-cost community services, including food banks. Additionally, the Department of Economic Opportunity, with DCF and CareerSource, must work with the participant to develop strategies on how to overcome barriers to compliance with the TCA work requirements that the recipient faces. They must also inform the participant, in plain language, and have the participant agree to, in writing, what is expected of the applicant to continue to receive benefits, under what circumstances the applicant would be sanctioned, and potential penalties for noncompliance with work requirements, including how long benefits would not be available.

The bill also amends the Relative Caregiver program, which provides cash assistance to certain caregivers of children placed through the dependency system, to prohibit payment of TCA to a noncustodial parent who lives with the relative who is caring for the noncustodial parent's child and receiving Relative Caregiver funding.

The bill requires EBT cardholders to pay a fee for the fifth and every subsequent EBT card requested within a 12-month span. The bill allows DCF to deduct the fee from the cardholder's benefits and provides for a waiver of the fee upon a showing of good cause, such as that the card malfunctioned or the fee would cause extreme financial hardship.

The bill requires hospitals to implement procedures to biometrically confirm Medicaid patients' identities and compare them against those individuals' driver's license photos and Medicaid eligibility.

The bill has a significant negative nonrecurring fiscal impact to DCF of \$879,680 to implement the changes made by the bill to the TCA program and the EBT card system. The bill will have a recurring significant positive fiscal impact of \$325,000 in revenues from EBT card replacements and \$2,516,452 in savings from the reduction in TCA benefits during sanction.

The bill provides an effective date of July 1, 2016.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h1299a.CFSS

**DATE:** 1/28/2016

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Temporary Assistance for Needy Families (TANF)

Under the federal welfare reform legislation of 1996, the Temporary Assistance for Needy Families (TANF) program replaced the welfare programs known as Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program. The law ended federal entitlement to assistance and instead created TANF as a block grant that provides states, territories, and tribes federal funds each year. These funds cover benefits, administrative expenses, and services targeted to needy families. TANF became effective July 1, 1997, and was reauthorized in 2006 by the Deficit Reduction Act of 2005. States receive block grants to operate their individual programs and to accomplish the goals of the TANF program.

#### Florida's Temporary Cash Assistance Program

The Temporary Cash Assistance (TCA) Program provides cash assistance to families with children under the age of 18 or under age 19<sup>1</sup> if full time secondary school students, that meet the technical, income, and asset requirements. The purpose of the TCA Program is to help families become self-supporting while allowing children to remain in their own homes. In November 2015, 14,102 adults and 70,476 children received TCA.<sup>2</sup>

#### *Full-Family vs. Child-Only TCA*

Florida law specifies two categories of families who are eligible for TCA; those families that are work-eligible and entitled to receive TCA for the full-family, and those families who are entitled to receive child-only TCA. Within the full-family cases, the parent or parents are required to comply with work requirements to receive TCA for the parent(s) and child(ren). Additionally, there are two types of child-only TCA; the first category is where the child is living with a relative or situations the custodial parent is not eligible,<sup>3</sup> the second type is the Relative Caregiver Program, where the child has been adjudicated dependent has been placed with relatives by the court; these relatives are eligible for a payment that is higher than the typical child-only TCA.

The majority of cash assistance benefits are provided to child-only cases, through the Relative Caregiver Program or to work-eligible cases where the adult is ineligible due to sanction for failure to meet TCA work requirements. In November 2015, 36,443 of the 49,652 families receiving TCA were child-only cases.<sup>4</sup> In November 2015, there were 13,209 families receiving TCA through full-family cases containing an adult, 607 of which were two-parent families; these are the families who are subject to work requirements.<sup>5</sup>

---

<sup>1</sup> Parents, children and minor siblings who live together must apply together. Additionally, pregnant women may also receive TCA, either in the third trimester of pregnancy if unable to work, or in the 9th month of pregnancy.

<sup>2</sup> Department of Children and Families, Monthly Flash Report Caseload Data: November 2015, <http://eww.dcf.state.fl.us/ess/reports/docs/flash2005.xlsx> (last visited January 17, 2016).

<sup>3</sup> Child-only families also include situations where a parent is receiving federal Supplemental Security Income (SSI) payments and situations where the parent is not a U.S. citizen and is ineligible due to their immigration status. Grandparents or other relatives receiving child-only payments are not subject to the TANF work requirement or the TANF time limit.

<sup>4</sup> *Supra*, note 2.

<sup>5</sup> *Id.*

## *Administration*

Various state agencies and entities work together through a series of contracts or memorandums of understanding to administer the TCA Program.

- The Department of Children and Families (DCF) is the recipient of the federal TANF block grant. DCF monitors eligibility and disperses benefits.
- CareerSource Florida, formerly Workforce Florida, Inc.,<sup>6</sup> is the state's workforce policy and investment board. CareerSource Florida has planning and oversight responsibilities for all workforce-related programs.
- The Department of Economic Opportunity (DEO) is the designated agency for workforce programs, funding and personnel, and implements the policy created by CareerSource.<sup>7</sup> DEO is responsible for financial and performance reports ensuring compliance with federal and state measures and provides training and technical assistance to Regional Workforce Boards.
- Regional Workforce Boards (RWBs) provide a coordinated and comprehensive delivery of local workforce services. The RWBs focus on strategic planning, policy development and oversight of the local workforce investment system within their respective areas and contract with one-stop career centers. The contracts with the RWBs are performance- and incentive- based.

## *Eligibility Determination*

An applicant must meet all eligibility requirements to receive TCA benefits. The initial application for TANF is processed by DCF. The application may be submitted in person, online or through the mail.

DCF determines an applicant's eligibility. Additionally, to be eligible for full-family TCA, applicants must participate in work activities unless they qualify for an exemption. Exemptions from the work requirement are available for:

- An individual who receives benefits under the Supplemental Security Income program or the Social Security Disability Insurance program.
- An adult who is not defined as a work-eligible individual under federal law.
- A single parent of a child under 3 months of age, except that the parent may be required to attend parenting classes or other activities to better prepare for raising a child.
- An individual who is exempt from the time period pursuant to s. 414.105, F.S.

If no exemptions from work requirements apply, DCF refers the applicant to DEO.<sup>8</sup> Upon referral, the participant must complete an in-take application and undergo assessment by RWB staff which includes:

- Identifying barriers to employment.
- Identifying the participant's skills that will translate into employment and training opportunities.
- Reviewing the participant's work history
- Identifying whether a participant needs alternative requirements due to domestic violence, substance abuse, medical problems, mental health issues, hidden disabilities, learning disabilities or other problems which prevent the participant from engaging in full-time employment or activities.

Once the assessment is complete, the staff member and participant create the Individual Responsibility Plan (IRP). The IRP includes:

- The participant's employment goal;

---

<sup>6</sup> On May 22, 2013, the WFI Board of Directors unanimously approved the brand charter, name, and logo establishing "CareerSource Florida" as the single, statewide unified brand for Florida's workforce system. This universal brand will apply directly to WFI, RWBs and One-Stop Career Centers, creating aligned brand names and logos system-wide (i.e. Workforce Florida Inc. is now CareerSource Florida and Gulf Coast Workforce Development Board is now CareerSource Gulf Coast).

<sup>7</sup> S. 445.007(13), F.S.

<sup>8</sup> This is an electronic referral through a system interface between DCF's computer system and DEO's computer system. Once the referral has been entered into the DEO system the information may be accessed by any of the RWBs or One-Stop Career Centers.

- The participant's assigned activities;
- Services provided through program partners, community agencies and the workforce system;
- The weekly number of hours the participant is expected to complete; and
- Completion dates and deadlines for particular activities.

DCF does not disperse any benefits to the participant until DEO or the RWB confirms that the participant has registered and attended orientation.

### *Work Requirement*

Individuals receiving TCA who are not otherwise exempt from work activity requirements must participate in work activities for the maximum number of hours allowable under federal law.<sup>9</sup> The number of required work or activities hours is determined by calculating the value of the cash benefits and then dividing that number by the hourly minimum wage amount.

Federal law requires individuals to participate in work activities for at least:

- 20 hours per week, or attend at a secondary school or the equivalent or participate in education directly related to employment if under the age of 20 and married or single head-of-household.
- 20 hours per week for single parents with a child under the age of six.
- 30 hours per week for all other single parents.
- 35 hours per week, combined, for two-parent families not receiving subsidized child care.
- 55 hours per week, combined, for two-parent families receiving subsidized child care..

Pursuant to federal rule<sup>10</sup> and state law,<sup>11</sup> the following activities may be used individually or in combination to satisfy the work requirements for a participant in the TCA program:

- Unsubsidized employment.
- Subsidized private sector employment.
- Subsidized public sector employment.
- On-the-job training.
- Community service programs.
- Work experience.
- Job search and job readiness assistance.
- Vocational educational training.
- Job skills training directly related to employment.
- Education directly related to employment.
- Attendance at school or course of study for graduate equivalency diploma.
- Providing child care services.<sup>12</sup>

RWB's currently have discretion to assign an applicant to a work activity, including job search, before receiving TCA. Some RWBs already require applicants to complete an initial job search as part of the application process.<sup>13</sup> Currently, Florida's TANF Work Verification Plan<sup>14</sup> requires participants to record each on-site job contact and a representative of the employer or RWB provider staff to certify the validity of the log by signing each entry. If the applicant conducts a job search by phone or internet, the activity must be recorded on a job search report form and include detailed, specific information to allow follow-up and verification by the RWB provider staff.<sup>15</sup>

<sup>9</sup> S. 445.024(2), F.S.

<sup>10</sup> 45 C.F.R. § 261.30

<sup>11</sup> S. 445.024, F.S.

<sup>12</sup> S. 445.024(1)(a)-(l), F.S.

<sup>13</sup> Department of Children and Families, Agency Analysis of 2016 House Bill 563 (Nov. 20, 2015)(on file with Children, Families, and Seniors Subcommittee staff)

<sup>14</sup> DEPARTMENT OF CHILDREN AND FAMILIES ECONOMIC SELF-SUFFICIENCY PROGRAM OFFICE, *Temporary Assistance for Needy Families State Plan Renewal October 1, 2014 – September 30, 2017*, Nov. 14, 2014, available at [www.dcf.state.fl.us/programs/access/docs/TANF-Plan.pdf](http://www.dcf.state.fl.us/programs/access/docs/TANF-Plan.pdf) (last visited December 17, 2015).

<sup>15</sup> *Supra*, note 13 at 2.

### *Sanctions for Noncompliance*

RWBs can sanction TANF recipients who fail to comply with the work requirements by withholding cash assistance for a specified time, which lengthens with repeated lack of compliance. The participant's noncompliance can result in sanctions, as follows:

- First noncompliance - cash assistance is terminated for the full-family for a minimum of 10 days or until the individual complies.
- Second noncompliance - cash assistance is terminated for the full-family for one month or until the individual complies, whichever is later.
- Third noncompliance - cash assistance is terminated for the full-family for three months or until the individual complies, whichever is later.

In Fiscal Year (FY) 2014-2015, the number of TCA families sanctioned for noncompliance with the work requirements breaks down as follows:

- 993 families were sanctioned for a first instance of noncompliance; of those families, only 193 families, or 19.4 percent, complied with work requirements to be reinstated in the program.<sup>16</sup>
- 466 families were sanctioned for a second instance of noncompliance; of those families, only 49 families, or 10.5 percent, complied with the work requirements to be reinstated in the program.<sup>17</sup>
- 489 families were sanctioned for a third instance of noncompliance; of those families, only 47 families, or 9.6 percent, complied with the work requirements to be reinstated in the program.<sup>18</sup>

For the second and subsequent instances of noncompliance, the TCA for the child or children in a family who are under age 16 may be continued (i.e. the case becomes a child-only case). Any such payments must be made through a protective payee and under no circumstances may temporary cash assistance or food assistance be paid to an individual who has not complied with program requirements. Data from 2014 indicates only six percent of those who regain eligibility after sanction do so via a child-only case.<sup>19</sup>

However, if a participant who was previously sanctioned fully complies with work activity requirements for at least six months, the participant must be reinstated as being in full compliance with program requirements for purpose of sanctions imposed under this section.<sup>20</sup> Once the participant has been reinstated, a subsequent instance of noncompliance would be treated as the first violation.

The Food Assistance Program, Supplemental Nutrition Assistance Program (SNAP), formerly called food stamps, also contains similar sanctions for failure to comply with its Employment and Training Program when receiving benefits. However, the SNAP sanctions are a longer duration. For the first instance of noncompliance, food assistance benefits are terminated for one month or until compliance, whichever is later; for the second instance, food assistance benefits are terminated for three months or until compliance, whichever is later; and for the third instance, food assistance benefits are terminated for six months or until compliance, whichever is longer.<sup>21</sup>

### *Relative Caregiver Program*

The Relative Caregiver Program provides TCA to individuals who meet eligibility rules and have custody of a relative child under age 18 who has been court ordered dependent by a Florida court and placed in their home by a DCF Child Welfare/Community Based Care contracted provider.<sup>22</sup> The intent

---

<sup>16</sup> Email from Nicole Stookey, Deputy Director, Office of Legislative Affairs, Department of Children and Families, RE: TANF Follow-Up Questions (Nov. 30, 2015) (On file with Children, Families, and Seniors Subcommittee staff).

<sup>17</sup> Id.

<sup>18</sup> Id.

<sup>19</sup> Id.

<sup>20</sup> S. 414.065(1), F.S.

<sup>21</sup> Rule 65A-1.605(3), F.A.C.

<sup>22</sup> S. 39.5085(2), F.S.

of the Relative Caregiver Program is to provide relative caregivers who could not otherwise afford to take the child into their homes, a means to avoid exposing the child to the trauma of shelter or foster care.

The Relative Caregiver Program provides one type of child-only TCA. Payments are based on the child's age and any countable income.<sup>23</sup> DCF ceases to provide child-only Relative Caregiver Program benefits when the parent or step-parent resides in the home with the relative caregiver and the child. DCF ceases the benefits in this situation based on the requirement in s. 414.095(2)(a)5., F.S., that parents who live with their minor children to be included in the eligibility determination and households containing a parent are considered work-eligible households. Through rule 65C-28.008(2)(d), F.A.C., DCF terminates payments through the Relative Caregiver Program if the parent is in the home for 30 consecutive days.<sup>24</sup> However, at least one court has ruled that caregivers may continue to receive the Relative Caregiver Program benefits while the parent resides in the home, because the prohibition against the parent residing in the home is not in statute and DCF rules cannot be used to establish an eligibility guideline not included in the statute. Court orders in such cases result in DCF being required to make disallowed TANF expenditures.

### Electronic Benefits Transfer (EBT) Card Program

Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government benefits, including from the SNAP and TCA programs, to a retailer account to pay for products received.<sup>25</sup> The EBT card program is administered on the federal level by the Food and Nutrition Service (FNS) within the U.S. Department of Agriculture and at the state level by DCF. In Florida, benefits are deposited into a TCA or SNAP account each month; the benefits in the TCA or SNAP account are accessed using the Florida EBT Automated Community Connection to Economic Self Sufficiency (ACCESS) card.<sup>26</sup> Even though the EBT card is issued in the name of an applicant, any eligible member of the household is allowed to use the EBT card.<sup>27</sup> Additionally, recipients may designate an authorized representative as a secondary cardholder who can receive an EBT card and access the food assistance account. Authorized representatives are often someone responsible for caring for the recipient. The ACCESS Florida system allows recipients to designate one authorized representative per household.

#### *Replacement of EBT Cards*

When a recipient loses his or her EBT card, he or she must call the EBT vendor's customer service telephone number to request a replacement EBT card.<sup>28</sup> The vendor then deactivates the card, and sends the household a new card.<sup>29</sup> Federal regulations allow recipients to request an unlimited number of replacement EBT cards.<sup>30</sup> While states cannot limit the number of replacement cards, frequent requests for replacement cards can be an indicator of EBT card fraud, such as trafficking, which occurs when an EBT card containing benefits is exchanged for cash. FNS and DCF consider multiple replacement cards a preliminary indicator of trafficking.

FNS aims to preserve food assistance access for vulnerable populations (e.g., mentally ill and homeless people) who are at risk of losing their cards but who are not committing fraud,<sup>31</sup> while

---

<sup>23</sup> Rule 65C-28.008(2)(g), F.A.C.

<sup>24</sup> However, a relative may receive the RCP payment for a minor parent who is in his or her care, as well as for that minor parent's child, if both children have been adjudicated dependent and meet all other eligibility requirements.

<sup>25</sup> U.S. DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICES, *EBT: General Electronic Benefit Transfer (EBT) Information*, <http://www.fns.usda.gov/ebt/general-electronic-benefit-transfer-ebt-information> (last visited December 21, 2015)

<sup>26</sup> DEPARTMENT OF CHILDREN AND FAMILIES, *Welcome to EBT*, <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/welcome-ebt> (last visited December 22, 2015)

<sup>27</sup> 7 C.F.R. § 273.2(n)(3).

<sup>28</sup> The Florida Legislature's Office of Program Policy Analysis & Government Accountability, *Supplemental Nutrition Assistance Program: DCF Has Mechanisms in Place to Facilitate Eligibility, Verify Participant Identity, and Monitor Benefit Use*, Dec. 3, 2015, p. 8 (research memorandum on file with Children, Families, and Seniors Subcommittee staff)

<sup>29</sup> *Id.*

<sup>30</sup> 7 C.F.R. § 276.4

<sup>31</sup> 7 C.F.R. § 274.6(b)(5)(iii).

preventing others from trafficking and replacing their EBT cards. In the interest of preventing fraud, FNS regulations require states to monitor all client requests for EBT card replacements and send a notice, upon the fourth request in a 12-month period, alerting the household that their account is being monitored for potential suspicious activity.<sup>32</sup> In Fiscal Year 2014-15, DCF sent 13,967 letters to households that had requested four or more cards.<sup>33</sup> The letter informs the recipient that the card does not need to be replaced each month and that it is important to keep track of the card.<sup>34</sup> The letter also informs the recipient that this number of replacement requests is not normal and that the household's EBT behavior is being monitored.<sup>35</sup> Additionally, in Fiscal Year 2014-15, less than one-third of the households who requested four cards (4,653 households) requested yet another replacement card after receiving the letter, and the DCF Office of Public Benefits Integrity referred these cases to the Department of Financial Services Division of Public Assistance Fraud (DPAF) for potential fraud investigation.<sup>36</sup>

Federal regulations allow states to charge recipients for the cost to replace an excessive<sup>37</sup> number of cards. FNS allows states to charge for the cost of the EBT card after four replaced cards. Under DCF's EBT contract, the vendor reports that replacements costs \$3.50 per card.<sup>38</sup> A number of other states that charge for replacement cards. Those states charge between \$2.00 to \$5.00<sup>39</sup> per replacement card with some exceptions for good cause or financial hardship.

## Medicaid Fraud

Medicaid fraud means an intentional deception or misrepresentation made by a health care provider or a Medicaid recipient with the knowledge that the deception could result in some unauthorized benefit to him or herself or some other person.<sup>40</sup> It includes any act that constitutes fraud under federal or state law related to Medicaid.<sup>41</sup>

The Attorney General's Medicaid Fraud Control Unit investigates and prosecutes fraud involving providers that intentionally defraud the state's Medicaid program through fraudulent billing practices.<sup>42</sup> DPAF investigates Medicaid recipient fraud.<sup>43</sup>

### **Effect of the Bill**

## Temporary Cash Assistance

### *Sanctions for Noncompliance*

CS/HB 1299 increases the sanctions for TCA recipients who are subjected to the work requirements for the first three instances of noncompliance and creates a sanction for the fourth instance of noncompliance. The bill amends s. 414.065(1) and (2), F.S., to:

- Increase the first sanction from 10 days to one month; this sanction remains full-family.
- Increase the second sanction from one month or until compliance, whichever is later, to three months or until compliance, whichever is later; and provides that child-only TCA, for children in

---

<sup>32</sup> 7 C.F.R. § 274.6(b)(6); In Florida, after the EBT vendor provides a fourth replacement card to a household within a 12-month span, DCF sends a letter to the household.

<sup>33</sup> *Supra*, note 28.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> Defined by federal regulation as in excess of four cards within a 12-month span.

<sup>38</sup> *Supra*, note 28.

<sup>39</sup> By way of example, Louisiana and Maryland charge \$2.00, New Mexico charges \$2.50, and Massachusetts charges \$5.00.

<sup>40</sup> AGENCY FOR HEALTH CARE ADMINISTRATION, *Medicaid Fraud: Protect Your Tax Dollars*,

[http://ahca.myflorida.com/Executive/Inspector\\_General/complaints.shtml](http://ahca.myflorida.com/Executive/Inspector_General/complaints.shtml) (last visited January 6, 2016).

<sup>41</sup> *Id.*

<sup>42</sup> FLORIDA OFFICE OF THE ATTORNEY GENERAL, *Medicaid Fraud Control Unit*,

<http://www.myfloridalegal.com/pages.nsf/Main/EBC480598BBF32D885256CC6005B54D1> (last visited January 6, 2016).

<sup>43</sup> DEPARTMENT OF FINANCIAL SERVICES, *Division of Public Assistance Fraud*: <http://www.myfloridacfo.com/Division/PAF/> (last visited January 6, 2016).

the family under 16 years old, is only available for the first three months of the sanction period even if participant takes longer to comply.

- Increase the third sanction from three months or until compliance, whichever is later, to six months or until compliance, whichever is later; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first six months of the sanction period even if participant takes longer to comply.
- Create a fourth sanction of twelve months or until compliance, whichever is later, and that the individual must reapply to the program to resume receiving benefits; and provides that child-only TCA, for children in the family under 16 years old, is only available for the first twelve months of the sanction period even if participant takes longer to comply.

The bill aligns the sanctions for the first through third occurrences of noncompliance with TCA work requirements with the sanctions for noncompliance with the SNAP program's Employment and Training Program. When a participant is sanctioned, DCF must refer him or her to appropriate free and low-cost community services, including food banks. Additionally, the bill clarifies that participants may comply with the work activity requirements before the end of the minimum penalty period.

#### *Work Plan*

The bill requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must inform the participant, in plain language, and have the participant indicate agree to, in writing:

- What is expected of the applicant to continue to receive benefits;
- Under what circumstances the applicant would be sanctioned; and
- Potential penalties for noncompliance with work requirements, including how long benefits would not be available to the applicant.

The bill also requires that, prior to receipt of TCA, DEO, DCF, or CareerSource must work with the participant to develop strategies on how to overcome barriers to compliance with the TCA work requirements that the recipient faces.

#### *Relative Caregiver Program*

The bill amends s. 39.5085, F.S., to clarify that a caregiver may not receive payment through the Relative Caregiver Program if the parent or step-parent resides in the home with his or her child. Section 414.095(2)(a)5., F.S., requires parents and step-parents who live with their minor children to be included for eligibility determination and TCA regulations that define households containing a parent as a "work eligible" household.

## EBT Cards

The bill requires EBT cardholders to pay a fee for the fifth and all subsequent EBT replacement cards requested within a 12-month span. DCF currently sends a letter with the fourth replacement card informing the cardholder that his or her case is being monitored for potential trafficking activity. By charging the fee beginning with the fifth card, DCF may inform the cardholder in the letter that it sends with the fourth replacement card about replacement fees for subsequent new cards.

The bill allows DCF to deduct the fee from the cardholder's benefits and provides for a waiver of the fee upon a showing of good cause, such as that the card malfunctioned or the fee would cause extreme financial hardship.

## Medicaid Fraud

In an effort to combat Medicaid fraud, the bill requires hospitals to implement procedures to biometrically confirm a Medicaid patient's identity and compare against his or her driver's license photo and Medicaid eligibility. The bill provides that the Department of Legal Affairs, the Agency for Health Care Administration, and the Department of Highway Safety and Motor Vehicles may contract with hospitals or their software providers to provide access to the driver's license database for the purpose of verifying patients' identities and Medicaid eligibility.

### B. SECTION DIRECTORY:

**Section 1:** Amends s. 414.069, F.S., relating to noncompliance with work requirements.

**Section 2:** Amends s. 445.024, F.S., relating to work requirements.

**Section 3:** Amends s. 402.82, F.S., relating to electronic benefits transfer program.

**Section 4:** Amends s. 39.5085, F.S., relating to the Relative Caregiver Program.

**Section 5:** Amends s. 16.59, F.S., relating to Medicaid fraud control.

**Section 6:** Provides an effective date of July 1, 2016.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The estimated card replacement fees recouped could approach \$325,000 based on a \$5.00 per card cost for 65,000 cards.<sup>44</sup>

#### 2. Expenditures:

The bill reduces annual expenditures for DCF through increased TCA work penalty periods; the total estimated annual savings from all work penalty period increases is \$2,516,452.<sup>45</sup>

DCF's EBT vendor estimates a cost of \$105,280 to complete necessary system programming to implement the EBT replacement card provisions in the bill.<sup>46</sup> DCF estimates a cost of \$774,400 to create a new fourth level TCA work sanction and implement new EBT card replacement provisions.<sup>47</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

---

<sup>44</sup> Department of Children and Families, Agency Bill Analysis for 2016 House Bill 1299, p. 4 (Jan. 12, 2016) (On file with Children, Families, and Seniors Subcommittee Staff).

<sup>45</sup> Id. at p. 6.

<sup>46</sup> Id. at p. 7.

<sup>47</sup> Id.

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

DCF may charge the costs of replacement cards against an EBT cardholder's benefits. The cardholder's benefits will be reduced by the cost to replace his or her EBT card.

There is a potential for additional expenditures for hospitals to implement the new biometric measurements to verify identity of patients to combat Medicaid fraud.<sup>48</sup>

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 26, 2016, the Children, Families and Seniors Subcommittee adopted two amendments addressing sanctions for noncompliance with TCA work requirements. The amendments:

- Limit sanctioned families to child-only assistance for children under 16 years old during the minimum penalty periods for noncompliance with the TCA work requirements.
- Clarify that participants may comply with the work activity requirements before the end of the minimum penalty periods for noncompliance with the TCA work requirements.
- Require DCF to refer participants who are sanctioned for noncompliance to appropriate free and low-cost community services, including food banks.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute.

---

<sup>48</sup> Id. at p. 6.