

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 441—Chapter 13
“Program Evaluation”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.12, 237A.12, 239B.4, 249A.4, and 514I.4

State or federal law(s) implemented by the rulemaking: Not applicable

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 28, 2023
10 a.m.

meet.google.com/nkg-jzin-yvp

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis. Written or oral comments in response to this Regulatory Analysis must be received by the Department of Health and Human Services (HHS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

Proposed Chapter 13 defines HHS methods and procedures to review public assistance program eligibility determinations made by HHS staff. These quality control measures are designed to ensure HHS implements these programs in accordance with the Iowa Code and federal regulations and in an efficient and effective manner. HHS impacted programs include Supplemental Nutrition Assistance Program, Family Investment Program, Medical Assistance, and Child Care Assistance.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
None.
 - Classes of persons that will benefit from the proposed rulemaking:
Program recipients will benefit from quality control measures that ensure accuracy of eligibility determinations.
2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:

Identified Impacts*

	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027	Five-Year Total
Costs						
HHS Implementation	-\$1,672,000	-\$1,819,000	-\$1,947,000	-\$1,950,000	-\$1,911,000	-\$9,299,000
Benefits						
Improved HHS Services	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative
Increased Public Trust	Intangible	Intangible	Intangible	Intangible	Intangible	Intangible
Net Value	-\$1,672,000	-\$1,819,000	-\$1,947,000	-\$1,950,000	-\$1,911,000	-\$9,299,000

*All monetary figures have been rounded to the nearest thousand.

- Qualitative description of impact:

Improved quality control measures for Iowans seeking these services.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

HHS incurs personnel costs for those team members tasked with completing the quality control procedure. These costs are reflected in the figure above, labeled as “HHS Implementation.”

- Anticipated effect on state revenues:

Not applicable.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Though the cost-benefit analysis shows a negative financial outcome, quality control measures ensure publicly funded services are implemented as intended by the Iowa legislature and in compliance with state and federal regulations. Review findings also assist HHS in making quality improvements to the processes and procedures that support how HHS team members determine eligibility for public assistance programs. This leads to efficient and effective provision of public services and an increased public trust in HHS systems and programs.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

No less costly or intrusive methods were identified.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

Not applicable.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

HHS is implementing the quality control program according to the parameters detailed in the Iowa Code and federal regulations.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13
PROGRAM EVALUATION

441—13.1(234,239B,249A,514I) Definitions.

“*Active case*” means a case that was receiving assistance for the month of review.

“*Case record*” means the record used to establish a client's eligibility.

“*Client*” means a current or former applicant or recipient of the family investment program (FIP), Supplemental Nutrition Assistance Program (SNAP), child care assistance program, or medical assistance program.

“*Field investigation*” means a contact involving the public or other agencies to obtain information about the client's circumstances for the appropriate month of review.

“*Medical assistance programs*” means those programs funded by Medicaid or the Children's Health Insurance Program (CHIP).

“*Month of review*” means the specific calendar or fiscal month for which the assistance under review is received.

“*Negative case*” means a case that was terminated or denied assistance in the month of review.

“*Public assistance programs*” means those programs involving federal funds, i.e., family investment program (FIP), Supplemental Nutrition Assistance Program (SNAP), child care assistance program, and medical assistance program.

“*Random sample*” means a systematic (or every nth unit) sample drawn monthly for which each item in the universe has an equal probability of being selected. Sample size is determined by federal guidelines or state corrective action needs.

“*State policies*” means the rules and regulations used by the department to administer the family investment program (FIP), Supplemental Nutrition Assistance Program (SNAP), child care assistance program, and medical assistance program.

This rule is intended to implement Iowa Code sections 234.12, 239B.4, 249A.4 and 514I.4.

441—13.2(234,239B,249A,514I) Review of public assistance records by the department.

13.2(1) Authorized representatives of the department shall have the right to review case records to determine the following:

- a. If the client has provided complete, correct and accurate information to the department to be used in the determination of the assistance benefits.
- b. If the department has correctly administered the state policies in determination of assistance for the public assistance programs.
- c. Whether overpayments or underpayments have been made correctly to the public assistance client during the month of review.
- d. If there is indication of fraudulent practice or abuse of the public assistance programs by either the client or department.

13.2(2) All pertinent case records within the department may be used by the reviewer to assist in substantiating an accurate reflection as to the correctness of the assistance received by the client.

This rule is intended to implement Iowa Code sections 234.12, 239B.4, 249A.4 and 514I.4.

441—13.3(234,239B,249A,514I) Cases to be reviewed. Any active or negative public assistance case may be reviewed at any time at the discretion of the department to:

13.3(1) Ensure federal and state requirements for quality control are met.

13.3(2) Detect error prone case issues to assist in corrective action.

13.3(3) Maintain public assistance program integrity.

This rule is intended to implement Iowa Code sections 234.6, 234.12, 239B.4, 249A.4, and 514I.4.

441—13.4(234,239B,249A,514I) Notification of review. On positive case actions, clients will be notified, either orally or in writing, that their case has been selected for review when contact is required by federal guidelines, or when contact is allowed and additional information is required to complete the review. The client will be contacted in a negative case only if a discrepancy exists that cannot be resolved from the case record and contact is allowed by federal guidelines.

This rule is intended to implement Iowa Code sections 234.6, 234.12, 239B.4, 249A.4, and 514I.4.

441—13.5(234,239B,249A,514I) Review procedure. The department will select the appropriate method of conducting the review.

13.5(1) A random sampling of active and negative case actions will be used to determine the case records to be studied.

13.5(2) The case record will be analyzed for discrepancies and correct application of policies and procedures and will be used as the basis for a field investigation.

13.5(3) Client interviews are required as follows:

a. Personal interviews are required on all active SNAP reviews.

b. An appointment letter may be sent to the client by the department to schedule or confirm the appointment date, time and location.

c. Client contacts are only required in negative case reviews when there is a discrepancy that cannot be resolved from the case record.

13.5(4) Collateral contacts are made whenever the client is unable to furnish information needed or the reviewer needs additional information to establish the correctness of eligibility and payment but only when allowed by federal guidelines. Verification to confirm the accuracy of statements or information may be obtained by documentary evidence or a contact with a third party.

a. The client shall release specific information whenever necessary to verify information essential to the determination of eligibility and payment.

b. Should the client refuse to authorize the department to contact an informant to verify information that is necessary for the completion of the review, collateral contacts will still be made through use of the general release statement contained in the financial support application or the review/recertification eligibility document.

This rule is intended to implement Iowa Code sections 234.6, 234.12, 239B.4, 249A.4, and 514I.4.

441—13.6(234) Failure to cooperate. Client cooperation with quality control is a program eligibility requirement as set forth in rule 441—65.3(234). When quality control determines that a client has refused to cooperate with the review process, the client is no longer eligible for the program benefits and will not be eligible for the program benefits until the client has cooperated.

This rule is intended to implement Iowa Code section 234.12.

441—13.7(234,239B,249A,514I) Report of findings. The quality control review findings are used by the department in the following ways:

13.7(1) To take the appropriate case action where an overpayment or underpayment has been found in a client's case record.

13.7(2) To identify error-prone program issues to be used in planning a department corrective action plan.

13.7(3) To determine the error rate used to establish state agency liability.

This rule is intended to implement Iowa Code sections 234.12, 239B.4, 249A.4, and 514I.4.

441—13.8(234,237A,239B,249A,514I) Federal review. A sample of cases may also be reviewed by the applicable federal agency to determine the correctness of the department's action or of the department's review of the case.

This rule is intended to implement Iowa Code sections 234.12, 237A.12, 239B.4, 249A.4, and 514I.4.