

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 640
Apr 1, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30286-MC-165

Short Title: Public Assistance Verification Enhancements. (Public)

Sponsors: Representative Stevens.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE VERIFICATION OF PUBLIC ASSISTANCE PROGRAMS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 108A-55.5 reads as rewritten:

5 "**§ 108A-55.5. Eligibility monitoring for ~~medical~~ public assistance.**

6 (a) ~~On at least a quarterly basis, the Department shall review information concerning~~
7 ~~changes in circumstances that may affect medical assistance beneficiaries' eligibility to receive~~
8 ~~medical assistance benefits. The Department shall share the information directly with, or make~~
9 ~~the information available to, the county department of social services that determined the~~
10 ~~beneficiary's eligibility. An individual may not be considered homeless to grant a work~~
11 ~~requirement exemption until and unless the Department (i) verifies that an individual has resided~~
12 ~~in a public shelter for a period of at least 30 days based on notarized documentation from a public~~
13 ~~shelter of such fact or (ii) certifies that there is no indoor shelter available and provides notarized~~
14 ~~documentation from a public housing authority that the individual is on a waiting list for benefits.~~

15 (a1) Definitions. – The following definitions apply in this section:

16 (1) Governmental public assistance entity. – An entity providing public
17 assistance, including the Department of Health and Human Services and
18 public housing authorities.

19 (2) Health and medical assistance programs. – The following programs:

20 a. Supplemental Nutrition Assistance Program, or food stamps.

21 b. Temporary Assistance for Needy Families and Children, also known
22 as Work First.

23 c. Medicaid.

24 (3) Homeless individual. – An individual who (i) has resided in a public shelter
25 for a period of at least 30 days or (ii) has no indoor shelter available and is on
26 the waiting list of a public housing authority for benefits.

27 (4) Public assistance. – The following programs:

28 a. Health and medical assistance.

29 b. Public housing assistance provided by a public housing authority.

30 (5) Public housing authority. – A housing authority operating within the State
31 created pursuant to G.S. 157-4.

32 (b) ~~The information reviewed by the Department shall include all of the following:~~

33 (1) ~~Earned and unearned income.~~

34 (2) ~~Employment status and changes in employment.~~

35 (3) ~~Residency status.~~

36 (4) ~~Enrollment status in other State-administered public assistance programs.~~



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- 1 ~~(5) Financial resources.~~
- 2 ~~(6) Incarceration status.~~
- 3 ~~(7) Death records.~~
- 4 ~~(8) Lottery winnings.~~
- 5 ~~(9) Enrollment status in public assistance programs outside of this State.~~

6 (b1) Supplemental Nutrition Assistance Program, Temporary Assistance for Needy
7 Families and Children, Medicaid. – Governmental public assistance entities shall take the steps
8 with respect to the sources listed in this subsection as follows:

9 (1) With respect to State databases:

- 10 a. On at least a monthly basis, the Department of Health and Human
11 Services shall enter into a data matching agreement with the North
12 Carolina State Lottery Commission to identify households with
13 winnings of three thousand dollars (\$3,000) or more from the lottery
14 or from gambling and, to the extent permissible under federal law, treat
15 this data as verified upon receipt. To the extent the data may not be
16 verified upon receipt, the Department shall make referrals for further
17 investigation to identify households with winnings equal to or greater
18 than the resource limit for elderly or disabled households as defined in
19 7 C.F.R. § 273.8(b).
- 20 b. On at least a monthly basis, the Department of Health and Human
21 Services shall receive and review information from the North Carolina
22 Office of Vital Records concerning individuals in households enrolled
23 in health and medical assistance programs that indicates a change in
24 circumstances that may affect eligibility for these programs.
- 25 c. On at least a quarterly basis, the Department of Health and Human
26 Services shall receive and review information from the Department of
27 Labor concerning individuals in households enrolled in health and
28 medical assistance programs that indicates a change in circumstances
29 that may affect eligibility for these programs, including, but not
30 limited to, changes in employment or wages.
- 31 d. On at least a monthly basis, the Department of Health and Human
32 Services shall receive and review information concerning individuals
33 in households enrolled in health and medical assistance programs that
34 indicates a change in circumstances that may affect eligibility for these
35 programs, including, but not limited to, potential changes in residency
36 as identified by out-of-state electronic benefit transfer (EBT) card
37 transactions.
- 38 e. On at least a quarterly basis, the Department of Health and Human
39 Services shall receive and review information from the Department of
40 Revenue concerning individuals in households enrolled in health and
41 medical assistance programs that indicates a change in circumstances
42 that may affect eligibility for these programs, including, but not
43 limited to, potential changes in income, wages, or residency as
44 identified by tax records.
- 45 f. On at least a monthly basis, the Department of Health and Human
46 Services shall receive and review information from the Department of
47 Adult Correction concerning individuals in households enrolled in
48 health and medical assistance programs that indicates a change in
49 circumstances that may affect eligibility for either program.
- 50 g. On at least a semimonthly basis, the Department of Health and Human
51 Services shall receive and review information from the Department of

1 Commerce concerning individuals in households enrolled in health
2 and medical assistance programs that indicates a change in
3 circumstances that may affect eligibility for these programs, including,
4 but not limited to, potential changes in employment, income, or assets.

5 (2) With respect to federal databases, on at least a monthly basis, the Department
6 of Health and Human Services shall review and act on findings affecting
7 eligibility for health and medical assistance programs with respect to the
8 following:

9 a. Earned income information, death register information, incarceration
10 records, supplemental security income information, beneficiary
11 records, earnings information, and pension information maintained by
12 the United States Social Security Administration.

13 b. Income and employment information maintained in the National
14 Directory of New Hires database and child support enforcement data
15 maintained by the United States Department of Health and Human
16 Services.

17 c. Payment and earnings information maintained by the United States
18 Department of Housing and Urban Development.

19 d. National fleeing felon information maintained by the United States
20 Federal Bureau of Investigation.

21 (3) With respect to annual retail site inspections, the Department of Health and
22 Human Services shall, with all necessary coordination with appropriate
23 federal and State law enforcement authorities, conduct an on-site inspection
24 of retailers that accept EBT card transactions to identify suspicious transaction
25 records or amounts indicating possible trafficking of benefits or other criminal
26 conduct and make referrals for proper investigations under applicable law.

27 (b2) Public Posting. – On at least a quarterly basis, the Department of Health and Human
28 Services shall make available to the public on its website data from findings of noncompliance
29 and fraud investigations in health and medical assistance programs for the following aggregate
30 and nonconfidential and nonpersonal identifying information:

31 (1) The number of households investigated for intentional program violations or
32 fraud.

33 (2) The total number of households referred to the Attorney General's office for
34 prosecution.

35 (3) The total amount of improper payments and expenditures.

36 (4) The total amount of monies recovered.

37 (5) Aggregate data concerning improper payments and ineligible recipients as a
38 percentage of those investigated and reviewed.

39 (6) The aggregate amount of funds expended by electronic benefit transfer card
40 transactions in each state outside of North Carolina.

41 (b3) Medicaid Application. – Unless required under federal law, the Department may not
42 accept self-attestation of income, residency, age, household composition, caretaker or relative
43 status, or receipt of other coverage without verification prior to enrollment or renewal of or in
44 Medicaid. In addition, the Department may not request authority to waive or decline to
45 periodically check any available income-related data sources to verify eligibility.

46 Unless required under federal law, the Department shall verify all conditions of eligibility for
47 Medicaid prior to enrollment and may not conduct post-enrollment verification without specific
48 authorization set forth in enactments by the General Assembly.

49 (b4) Public Housing. – Governmental public assistance entities shall take the steps with
50 respect to the sources listed in this subsection as follows:

51 (1) With respect to State databases:

- 1 a. On at least a monthly basis, public housing authorities shall enter into
2 a data matching agreement with the North Carolina State Lottery
3 Commission identifying individuals in households with lottery or
4 gambling winnings of three thousand dollars (\$3,000) or more.
- 5 b. On at least a monthly basis, public housing authorities shall receive
6 and review information from the North Carolina Office of Vital
7 Records concerning individuals in households which receive housing
8 assistance that indicates a change in circumstances that may affect
9 eligibility for housing assistance, including, but not limited to, death
10 records.
- 11 c. On at least a quarterly basis, public housing authorities shall receive
12 and review information from the Department of Labor concerning
13 individuals in households which receive housing assistance that
14 indicates a change in circumstances that may affect eligibility for
15 housing assistance, including, but not limited to, changes in
16 employment or wages.
- 17 d. On at least a monthly basis, public housing authorities shall receive
18 and review information from the Department of Health and Human
19 Services concerning individuals in households which receive housing
20 assistance that indicates a change in circumstances that may affect
21 eligibility for housing assistance, including, but not limited to,
22 potential changes in residency as identified by out-of-state electronic
23 benefit transfer (EBT) card transactions.
- 24 e. On at least a quarterly basis, public housing authorities shall receive
25 and review information from the Department of Revenue concerning
26 individuals in households which receive housing assistance that
27 indicates a change in circumstances that may affect eligibility for
28 housing assistance, including, but not limited to, potential changes in
29 income, wages, or residency as identified by tax records.
- 30 f. On at least a monthly basis, public housing authorities shall receive
31 and review information from the Department of Adult Correction
32 concerning individuals in households which receive housing
33 assistance that indicates a change in circumstances that may affect
34 eligibility.
- 35 g. On at least a semimonthly basis, public housing authorities shall
36 receive and review information from the Department of Commerce
37 concerning individuals in households which receive housing
38 assistance that indicates a change in circumstances that may affect
39 eligibility for housing assistance, including, but not limited to,
40 potential changes in employment, income, or assets.
- 41 (2) With respect to federal databases, on at least a monthly basis, public housing
42 authorities shall review and act on findings affecting eligibility for public
43 housing assistance programs with respect to the information listed in
44 subdivision (b1)(2) of this section.
- 45 (3) At least once per year, each public housing authority shall submit a report to
46 the Attorney General detailing its child support cooperation requirement. Each
47 report must contain all of the following:
- 48 a. A list of departments the public housing authority has data sharing
49 agreements with.
- 50 b. A summary of the data received at each time interval required by this
51 subsection.

- 1 c. The number of individuals flagged for eligibility issues during each
2 quarterly or monthly review of the data.
- 3 d. The number of individuals removed from public housing assistance as
4 a result of issues flagged during the data review.
- 5 (4) The Attorney General shall determine and enforce compliance with the
6 provisions of this section. Any public housing authority that does not
7 implement the data checks required by this section shall be deemed to be out
8 of compliance with the requirements of this section. The Attorney General
9 shall publish an annual report detailing each public housing authority's
10 compliance from the previous year. The first instance in which the Attorney
11 General finds that a public housing authority is out of compliance with this
12 section, the public housing authority shall submit a corrective action plan to
13 implement the requirements under this section within 12 months. A second
14 finding of noncompliance that occurs more than eight years after the first
15 finding of noncompliance shall be treated as the first finding of
16 noncompliance. The second instance in which the Attorney General finds that
17 a public housing authority is out of compliance with this section, the public
18 housing authority shall have its charter under Chapter 157 of the General
19 Statutes revoked and cease to operate in this State.
- 20 (c) ~~A county department of social services~~ The Department of Health and Human
21 Services and public housing authorities shall promptly review the information provided or made
22 available by the Department in accordance with subsection (a) subsections (a) through (b4) of
23 this section to determine if the information indicates a change in circumstances that may affect a
24 ~~medical-public~~ assistance beneficiary's eligibility to receive medical-public assistance benefits
25 and take one of the following actions:
- 26 (1) If a review of the information does not result in the ~~county department of~~ Department of Health and Human Services or public housing
27 ~~social services~~ authority finding a discrepancy or change in a beneficiary's circumstances that
28 may affect that beneficiary's eligibility to receive medical-public assistance
29 benefits, the county department of social services Department of Health and
30 ~~Department of Health and Human Services or public housing authority shall take no further action.~~
- 31 (2) If a review of the information does result in the ~~county department of social~~ Department of Health and Human Services or public housing
32 ~~services~~ authority finding a discrepancy or change in a beneficiary's circumstances that
33 may affect that beneficiary's eligibility for medical-public assistance benefits, for
34 ~~the county department of social services Department of Health and Human~~ Services or public housing authority shall provide written notice to the
35 beneficiary that describes in sufficient detail the circumstances of the
36 ~~discrepancy or change in circumstances that would affect the beneficiary's~~ eligibility for medical-public assistance benefits. The notice must include the
37 following information:
- 38 a. The beneficiary will have 12 calendar days from the time of mailing
39 to respond.
- 40 b. A response from the beneficiary must be in writing.
- 41 c. Self-declarations made by the beneficiary will not be accepted as
42 verification of information in the response.
- 43 d. The consequences of taking no action.
- 44 (d) After the expiration of 12 calendar days from the time of mailing the notice required
45 under subsection (c) of this section, the ~~county department of social services~~ Department of
46 ~~Health and Human Services or public housing authority shall take one of the following~~

1 ~~actions:~~actions within 60 days of receiving the public assistance beneficiary's written
2 disagreement:

- 3 (1) If a beneficiary did not respond to the notice, the ~~county department of social~~
4 ~~services~~ Department of Health and Human Services or public housing
5 authority shall redetermine the beneficiary's eligibility for ~~medical-public~~
6 assistance benefits and provide the beneficiary with proper notice under
7 G.S. 108A-79.
- 8 (2) If a beneficiary responds to the notice and disagrees with the information in
9 the notice, the ~~county department of social services~~ Department of Health and
10 Human Services or public housing authority shall reinvestigate the matter and
11 take one of the following actions:
- 12 a. If the ~~county department of social services~~ Department of Health and
13 Human Services or public housing authority determines that there has
14 been an error and the beneficiary's eligibility to receive ~~medical-public~~
15 assistance benefits is not affected, then no further action shall be taken.
- 16 b. If the ~~county department of social services~~ Department of Health and
17 Human Services or public housing authority determines that there is
18 no error, the ~~county department of social services~~ Department of
19 Health and Human Services or public housing authority shall
20 redetermine the beneficiary's eligibility for ~~medical-public~~ assistance
21 benefits and provide the beneficiary with proper notice under
22 G.S. 108A-79.
- 23 (3) If a beneficiary responds to the notice and confirms the information in the
24 notice is correct, then the ~~county department of social services~~ Department of
25 Health and Human Services or public housing authority shall redetermine the
26 beneficiary's eligibility for ~~medical-public~~ assistance benefits and provide the
27 beneficiary with proper notice under G.S. 108A-79.

28 If, at any time after receiving a beneficiary's response to the notice, the ~~county department of~~
29 ~~social services~~ Department of Health and Human Services or public housing authority determines
30 that there is a risk of fraud or misrepresentation or inadequate documentation, then the county
31 department of social services may request additional documentation from the beneficiary.

32 (e) Nothing in this section shall preclude the Department or any ~~county department of~~
33 ~~social services~~ public housing authority from receiving or reviewing additional information
34 related to a beneficiary's eligibility for ~~medical-public~~ assistance benefits that is obtained in a
35 manner other than that provided for under this section.

36 (f) The Department of Health and Human Services and public housing authorities shall
37 have the authority to execute a memorandum of understanding with any department, agency, or
38 division for information required to be shared between agencies outlined in this section.

39 (g) Nothing in this section shall prohibit the Department of Health and Human Services
40 or a public housing authority from contracting with one or more independent vendors to provide
41 additional data or information which may indicate a change in circumstances that may affect
42 eligibility.

43 (h) The Department of Health and Human Services shall promulgate all rules and
44 regulations necessary for the purposes of carrying out this section."

45 **SECTION 2.** This act becomes effective January 1, 2026.