



2011 SENATE BILL 474

1 **AN ACT** *to create* 49.45 (4m) and 224.42 of the statutes; **relating to:** matching
2 financial records for Medical Assistance eligibility and providing a penalty.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 49.45 (4m) of the statutes is created to read:

4 49.45 **(4m)** FINANCIAL RECORD MATCHING PROGRAM. (a) *Definitions.* In this
5 subsection:

6 1. "Account" means a demand deposit account, checking account, negotiable
7 withdrawal order account, savings account, time deposit account, or money market
8 mutual fund account.

9 2. "Applicant" means an individual applying for benefits under this subchapter.

10 3. "Financial institution" has the meaning given in 12 USC 3401 (1).

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1 4. “Other individual” means an individual whose resources are required by law
2 to be disclosed to determine the eligibility of an applicant or recipient.

3 5. “Recipient” means an individual who receives benefits under this
4 subchapter.

5 (b) *Matching program and agreements.* 1. The department shall operate a
6 financial record matching program under this subsection for the purpose of verifying
7 the assets of applicants, recipients, and other individuals with respect to any
8 program under this subchapter that requires asset verification.

9 2. The department shall enter into agreements with financial institutions
10 doing business in this state to operate the financial record matching program under
11 this subsection. An agreement shall require the financial institution to participate
12 in the financial record matching program by electing either the financial institution
13 matching option under par. (c) or the state matching option under par. (d). Any
14 changes to the conditions of the agreement shall be submitted by the financial
15 institution or the department at least 60 days before the effective date of the change.
16 The department shall furnish the financial institution with a signed copy of the
17 agreement.

18 3. The department shall reimburse a financial institution up to \$125 per
19 calendar quarter for participating in the financial record matching program under
20 this subsection.

21 4. To the extent feasible, the information to be exchanged under the matching
22 program shall be provided by electronic data exchange as prescribed by the
23 department in the agreement under subd. 2.

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1 (c) *Financial institution matching option.* If a financial institution with which
2 the department has an agreement under par. (b) elects the financial institution
3 matching option under this paragraph, all of the following apply:

4 1. At least once each calendar quarter, the department shall provide to the
5 financial institution, in the manner specified in the agreement under par. (b) 2.,
6 information regarding applicants, recipients, and other individuals. The
7 information shall include names and social security or other taxpayer identification
8 numbers.

9 2. Based on the information received under subd. 1., the financial institution
10 shall take actions necessary to determine whether any applicant, recipient, or other
11 individual has an ownership interest in an account maintained at the financial
12 institution. If the financial institution determines that an applicant, recipient, or
13 other individual has an ownership interest in an account at the financial institution,
14 the financial institution shall provide the department with a notice containing the
15 applicant's, recipient's, or other individual's name, address of record, social security
16 number or other taxpayer identification number, and account information. The
17 account information shall include the account number, the account type, the nature
18 of the ownership interest in the account, and the balance of the account at the time
19 that the record match is made. The notice under this subdivision shall be provided
20 in the manner specified in the agreement under par. (b) 2. and, to the extent feasible,
21 by an electronic data exchange.

22 (d) *State matching option.* If a financial institution with which the department
23 has an agreement under par. (b) elects the state matching option under this
24 paragraph, all of the following apply:

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1 1. At least once each calendar quarter, the financial institution shall provide
2 the department with information concerning all accounts maintained at the
3 financial institution. For each account maintained at the financial institution, the
4 financial institution shall notify the department of the name and social security
5 number or other tax identification number of each person having an ownership
6 interest in the account, together with a description of each person's interest. The
7 information required under this subdivision shall be provided in the manner
8 specified in the agreement under par. (b) 2. and, to the extent feasible, by an
9 electronic data exchange.

10 2. The department shall take actions necessary to determine whether any
11 applicant, recipient, or other individual has an ownership interest in an account
12 maintained at the financial institution providing information under subd. 1. Upon
13 the request of the department, the financial institution shall provide to the
14 department, for each applicant, recipient, or other individual who matches
15 information provided by the financial institution under subd. 1., the address of
16 record, the account number and account type, and the balance of the account.

17 (e) *Use of information by financial institution; penalty.* A financial institution
18 participating in the financial record matching program under this subsection, and
19 the employees, agents, officers, and directors of the financial institution, may use
20 information received from the department under par. (c) only for the purpose of
21 matching records and may use information provided by the department in
22 requesting additional information under par. (d) only for the purpose of providing the
23 additional information. Neither the financial institution nor any employee, agent,
24 officer, or director of the financial institution may disclose or retain information
25 received from the department concerning applicants, recipients, or other

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1 individuals. Any person who violates this paragraph may be fined not less than \$50
2 nor more than \$1,000 or imprisoned in the county jail for not less than 10 days or
3 more than one year or both.

4 (f) *Use of information by department.* The department may use information
5 provided by a financial institution under this subsection only for matching records
6 under par. (d), for administering the financial record matching program under this
7 subsection, and for determining eligibility or continued eligibility under this
8 subchapter. The department may not disclose or retain information received from
9 a financial institution under this subsection concerning account holders who are not
10 applicants, recipients, or other individuals.

11 (g) *Financial institution liability.* A financial institution is not liable to any
12 person for disclosing information to the department under this subsection or for any
13 other action that the financial institution takes in good faith to comply with this
14 subsection.

15 **SECTION 2.** 224.42 of the statutes is created to read:

16 **224.42 Disclosure of financial records for Medical Assistance**
17 **eligibility. (1) DEFINITIONS.** In this section:

18 (a) “Financial institution” has the meaning given in 12 USC 3401 (1).

19 (b) “Financial record” has the meaning given in 12 USC 3401 (2).

20 **(2) FINANCIAL RECORD MATCHING AGREEMENTS.** A financial institution is required
21 to enter into an agreement with the department of health services under s. 49.45
22 (4m).

23 **(3) LIMITED LIABILITY.** A financial institution is not liable for any of the
24 following:

