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H.620

Introduced by Representatives Krowinski of Burlington, Cross of Winooski,
Frank of Underhill, French of Randolph, Haas of Rochester,
Hooper of Montpelier, McCormack of Burlington, Pugh of
South Burlington, Rachelson of Burlington, Ram of Burlington,
Trieber of Rockingham, Wizowaty of Burlington, and
Woodward of Johnson

Referred to Committee on

Date:

Subject: Human services; Department for Children and Families;

Supplemental Nutrition Assistance Program; 3SquaresVT

Statement of purpose of bill as introduced: This bill proposes to require the
State to renegotiate with the federal Food and Nutrition Service to repay the
federal government for the State's overissuance of benefits in the federal
Supplemental Nutrition Assistance Program, known in Vermont as the
3SquaresVT program, in years in which the State is sanctioned for an
excessive payment error rate for overissuances resulting from agency error.
It would require those households notified that they have been overpaid
3SquaresVT benefits to also be informed that they have the right to
compromise the claim. The bill would also require the Department for
Children and Families to report to the legislative committees of jurisdiction

1 each time the Department receives federal sanctions for an excessive payment
2 error rate.

3 An act relating to payment error rates in 3SquaresVT

4 It is hereby enacted by the General Assembly of the State of Vermont:

5 Sec. 1. 3SQUARESVT CLAIMS PLAN

6 (a) The Department for Children and Families shall apply to the federal
7 Food and Nutrition Service (FNS) to amend its 3SquaresVT Claims Plan to
8 assume State responsibility for the repayment of overissued claims arising
9 from agency error for any federal fiscal year in which Vermont receives a
10 sanction from FNS for an excessive payment error rate in the Supplemental
11 Nutrition Assistance Program (SNAP). Agency error claims shall be eligible
12 for State repayment regardless of claim amount or the manner in which the
13 claim is identified.

14 (b)(1) In the event the Department's proposed amendment to the
15 3SquaresVT Claims Plan is not approved by FNS, the Department shall
16 collaborate with FNS to find an alternative arrangement that is agreeable to
17 both parties and that eliminates or significantly reduces household
18 responsibility for agency error claims.

19 (2) The Department shall keep the Chairs of the Senate Committees on
20 Appropriations and on Health and Welfare and of the House Committees on

1 Appropriations and on Human Services apprised of the Department's progress
2 in amending the 3SquaresVT Claims Plan and of the decisions issued by FNS.

3 In addition, any progress toward the goals of this act achieved after
4 adjournment sine die of the 2014 legislative session of the General Assembly and
5 prior to the convening of the 2015 legislative session shall be reported to the
6 Health Care Oversight Committee.

7 Sec. 2. 33 V.S.A. § 1701 is amended to read:

8 § 1701. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

9 (a) The State of Vermont may participate in the federal Supplemental
10 Nutrition Assistance Program which is provided for under Public Law 88-525,
11 also known as the Food Stamp Act of 1964, as amended. The Commissioner
12 may adopt, and from time to time amend or repeal, ~~regulations~~ rules governing
13 the operation of the program in the ~~state~~ State.

14 (b) An individual domiciled in Vermont shall be exempt from the
15 disqualification provided for in 21 U.S.C. § 862a.

16 (c) When used in this ~~section~~ chapter, "Commissioner" means the
17 Commissioner for Children and Families and "Department" means the
18 Department for Children and Families.

19 Sec. 3. 33 V.S.A. § 1702 is added to read:

20 § 1702. NOTICE OF OVERPAYMENT

21 The Department shall ensure that the notices sent to all Vermont households
22 that have received Supplemental Nutrition Assistance Program (SNAP)

1 benefits in excess of their eligible amount include information regarding the
2 right to compromise the claim, in which the household would pay back less
3 than the full amount of the overissuance. The notice shall provide clear
4 instructions on how a household may request a compromise.

5 Sec. 4. 33 V.S.A. § 1703 is added to read:

6 § 1703. PAYMENT ERROR RATE REPORT

7 On or before March 1 of the year following any federal fiscal year in which
8 the State of Vermont receives a federal sanction for an excessive payment error
9 rate in SNAP, the Department shall report to the House Committee on Human
10 Services and the Senate Committee on Health and Welfare regarding:

11 (1) the number of households receiving SNAP benefits that were
12 discovered to have an overpayment or underpayment in the sanction year due
13 to agency error, including the average amount of the overpayments and
14 underpayments and the total amount of each; and

15 (2) the Department's specific plans for sanction reinvestment to improve
16 its error rate for the next federal fiscal year.

17 Sec. 5. 33 V.S.A. § 1704 is added to read:

18 § 1704. REPAYMENT FOR AGENCY ERROR

19 For any federal fiscal year for which Vermont receives a sanction from the
20 federal Food and Nutrition Service (FNS) for an excessive payment error rate

1 in SNAP, the Department shall repay to FNS the full amount of any benefits
2 overissued to Vermont households as the result of agency error.

3 Sec. 6. EFFECTIVE DATES

4 (a) Except for Sec. 5 (repayment for agency errors), this act shall take
5 effect on passage.

6 (b) Sec. 5 shall take effect upon certification by the Commissioner for
7 Children and Families to the Governor and General Assembly that the Food
8 and Nutrition Service has approved an amendment to the Department's
9 3SquaresVT Claims Plan pursuant to Sec. 1(a) of this act provided the
10 certification occurs on or before March 1, 2015.