

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill No.
3 620 entitled “An act relating to payment error rates in 3SquaresVT”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 Sec. 1. LEGISLATIVE INTENT

8 (a) It is the intent of the General Assembly that the State assume
9 responsibility in accordance with this act for errors caused by the Department
10 for Children and Families in the 3SquaresVT Program that require low-income
11 households to reimburse the federal Food and Nutrition Service for overissued
12 benefits.

13 (b) The General Assembly further believes that in those federal fiscal years
14 in which instability within 3SquaresVT resulted in unforeseen burdens on
15 participating households, the State should assume responsibility for its errors.

16 Sec. 2. 33 V.S.A. chapter 17 is amended to read:

17 CHAPTER 17. FEDERAL SUPPLEMENTARY BENEFITS

18 § 1701. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

19 (a) The State of Vermont may participate in the federal Supplemental
20 Nutrition Assistance Program which is provided for under Public Law 88-525,
21 also known as the Food Stamp Act of 1964, as amended. The Commissioner

1 may adopt, and from time to time amend or repeal, ~~regulations~~ rules governing
2 the operation of the program in the ~~state~~ State.

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

5 (c) ~~When~~ As used in this ~~section~~, chapter:

6 (1) “Commissioner” means the Commissioner for Children
7 and Families ~~and~~.

8 (2) “Department” means the Department for Children and Families.

9 (3) “SNAP” means the Supplemental Nutrition Assistance Program.

10 § 1702. AUTOMATIC COMPROMISE

11 The Department shall ensure that any agency error claim against a Vermont
12 household that has received SNAP benefits in excess of its eligible amount
13 shall have the claim automatically compromised, meaning the household’s
14 claim shall be reduced automatically in accordance with the 3SquaresVT
15 Claims Plan. Prior to issuing notice of the claim to the household, the
16 Department shall adjust the original claim to reflect the compromise.

17 § 1703. PAYMENT ERROR RATE REPORT

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

1 (1) the number of households that received SNAP benefits and were
2 discovered to have an overpayment or underpayment in the sanction year due
3 to agency error, including the average amount of the overpayments and
4 underpayments and the total amount of each; and

5 (2) the Department’s specific plans for sanction reinvestment to improve
6 its error rate for the next federal fiscal year.

7 Sec. 3. 3SQUARESVT CLAIMS PLAN

8 (a) The Department for Children and Families shall apply to the federal
9 Food and Nutrition Service (FNS) to amend its 3SquaresVT Claims Plan to
10 pay on behalf of households either the remaining balance owed to FNS after
11 the compromise policy in the 3SquaresVT Claims Plan has been applied or
12 some other negotiated amount for an agency error claim established in federal
13 fiscal years 2011 through 2014. Agency error claims shall be eligible for State
14 repayment regardless of the original claim amount or the manner in which the
15 claim is identified.

16 (b) The Department shall keep the Chairs of the Senate Committees on
17 Appropriations and on Health and Welfare and of the House Committees on
18 Appropriations and on Human Services apprised of the Department’s progress
19 and success in amending the 3SquaresVT Claims Plan. In addition, any
20 progress toward the goals of this act achieved after adjournment of the 2014
21 legislative session of the General Assembly and prior to the convening of the 2015
22 legislative session shall be reported to the Health Care Oversight Committee.

1 Sec. 4. REPAYMENT TO HOUSEHOLD FOR AGENCY ERROR

2 (a) Full or partial repayment by household. For any agency error claim
3 resulting from overissued Supplemental Nutrition Assistance Program (SNAP)
4 benefits to a household during federal fiscal years 2011 through 2014, the
5 Department for Children and Families shall reimburse the household for the
6 full amount of any repayment of the claim made by the household to the
7 federal Food and Nutrition Service (FNS) regardless of whether the claim is
8 active or closed.

9 (b) Remaining balance. Until FNS approves an amendment to the
10 Department's 3SquaresVT Claims Plan pursuant to Sec. 3(a) of this act, the
11 remaining balance of any active agency error claim resulting from overissued
12 SNAP benefits established during federal fiscal years 2011 through 2014 shall
13 be repaid by the Department for Children and Families on behalf of the
14 household in an appropriate manner that reduces the burden to the household.

15 Sec. 5. REPAYMENT TO FOOD AND NUTRITION SERVICE FOR
16 AGENCY ERROR

17 For any agency error claim resulting from overissued Supplemental
18 Nutrition Assistance Program benefits to a household during federal fiscal
19 years 2011 through 2014, the Department for Children and Families shall
20 repay to the federal Food and Nutrition Service (FNS) on behalf of a household

1 either the remaining balance owed to FNS after the compromise policy in the
2 3SquaresVT Claims Plan has been applied or some other negotiated amount.

3 **Sec. 6.** APPROPRIATION

4 The amount of \$640,000.00 shall be appropriated to the Department for
5 Children and Families from the General Fund.

6 **Sec. 7.** EFFECTIVE DATES

7 (a) This section and Secs. 1 through 3 shall take effect on passage.

8 (b) Secs. 4 (repayment to household for agency error) and 6 (appropriation)
9 shall take effect on July 1, 2014.

10 (c) Sec. 5 (repayment to Food and Nutrition Service for agency errors)
11 shall take effect upon certification by the Commissioner for Children and
12 Families to the Governor and General Assembly that the federal Food and
13 Nutrition Service has approved an amendment to the Department's
14 3SquaresVT Claims Plan pursuant to Sec. 3(a) as long as the certification
15 occurs on or before March 1, 2015.

16
17 (Committee vote: _____)

18 _____
19 Representative [surname]

20 FOR THE COMMITTEE