

1 TO THE HOUSE OF REPRESENTATIVES:

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

7 **Sec. 1. LEGISLATIVE INTENT**

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

13 (b) It is the belief of the General Assembly that decreased staffing within
14 the Department, increased SNAP caseloads, and out-dated technology have
15 created conditions that hinder the equitable and effective administration of the
16 program.

17 (c) The General Assembly further believes that the State has an obligation
18 to assume responsibility for its errors in those federal fiscal years in which
19 instability within SNAP resulted in unforeseen burdens on participating
20 households.

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

2 CHAPTER 17. FEDERAL SUPPLEMENTARY BENEFITS

3 § 1701. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

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

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

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

12 (1) “Commissioner” means the Commissioner for Children and Families
13 ~~and~~.

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

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

16 § 1702. AUTOMATIC COMPROMISE

17 The Department shall ensure that any agency error claim against a Vermont
18 household that has received SNAP benefits in excess of its eligible amount
19 shall have the claim automatically compromised, meaning the household’s
20 claim shall be reduced automatically by 50 percent of the original
21 overissuance. Prior to issuing notice of the claim to the household, the

1 Department shall adjust the original claim to reflect the 50-percent
2 compromise.

3 § 1703. PAYMENT ERROR RATE REPORT

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

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

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

14 Sec. 3. 3SQUARESVT CLAIMS PLAN

15 (a) The Department for Children and Families shall apply to the federal
16 Food and Nutrition Service (FNS) to amend its 3SquaresVT Claims Plan to
17 assume State responsibility for the repayment of all overissued claims arising
18 from agency error that have been subsequently compromised by 50 percent for
19 any federal fiscal year in which Vermont receives a sanction from FNS for an
20 excessive payment error rate in the Supplemental Nutrition Assistance
21 Program (SNAP) through September 30, 2016. Agency error claims shall be

1 eligible for State repayment regardless of the original claim amount or the
2 manner in which the claim is identified.

3 (b) The Department shall keep the Chairs of the Senate Committees on
4 Appropriations and on Health and Welfare and of the House Committees on
5 Appropriations and on Human Services apprised of the Department's progress
6 and success in amending the 3SquaresVT Claims Plan. In addition, any
7 progress toward the goals of this act achieved after adjournment sine die of the
8 2014 legislative session of the General Assembly and prior to the convening of the
9 2015 legislative session shall be reported to the Health Care Oversight Committee.

10 **Sec. 4. REPAYMENT FOR AGENCY ERROR**

11 (a) Notwithstanding 33 V.S.A. § 1702:

12 (1) for any agency error claim resulting from overissued Supplemental
13 Nutrition Assistance Program (SNAP) benefits to a household during federal
14 fiscal years 2011, 2012, and 2013 and any future federal fiscal year through
15 September 30, 2016 for which Vermont receives a sanction from the federal
16 Food and Nutrition Service (FNS) for an excessive payment error rate in
17 SNAP, the Department for Children and Families shall repay to FNS
18 50 percent of the original amount of any outstanding claim on behalf of the
19 household.

20 (2) for any agency error claim resulting from overissued SNAP benefits
21 during federal fiscal years 2011, 2012, and 2013 for which a household has
22 repaid more than 50 percent of the original claim, the Department shall repay

1 to FNS the outstanding balance and shall reimburse the household an amount
2 equal to 50 percent of the original claim minus the amount paid by the
3 Department to FNS on behalf of the household.

4 (b) For any agency error claim resulting from overissued SNAP benefits
5 during federal fiscal years 2011, 2012, and 2013 that is paid in full by the
6 household, the Department shall reimburse the household 50 percent of the
7 total amount of the original claim. Reimbursement shall be distributed to
8 households regardless of current SNAP participation.

9 Sec. 5. EFFECTIVE DATES

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

12 (b) Sec. 4 shall take effect upon certification by the Commissioner for
13 Children and Families to the Governor and General Assembly that the Food
14 and Nutrition Service has approved an amendment to the Department's
15 3SquaresVT Claims Plan pursuant to Sec. 3(a) as long as the certification
16 occurs on or before March 1, 2015.

17
18 (Committee vote: _____)

19 _____
20 Representative [surname]
21 FOR THE COMMITTEE