

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 **at least** 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 at least 50  
19 percent for any federal fiscal year in which Vermont receives a sanction from  
20 FNS for an excessive payment error rate in the Supplemental Nutrition  
21 Assistance Program (SNAP) through September 30, 2016. Agency error

1 claims shall be eligible for State repayment regardless of the original claim  
2 amount or the 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 the remaining balance after the compromise policy in the amended  
20 3SquaresVT Claims Plan is applied.

21 (2) for any agency error claim resulting from overissued SNAP benefits  
22 during federal fiscal years 2011, 2012, and 2013 for which a household has

1 repaid more than 50 percent of the original claim, the Department shall repay  
2 to FNS the outstanding balance and shall reimburse the household an amount  
3 equal to **at least** 50 percent of the original claim minus the amount paid by the  
4 Department to FNS on behalf of the household.

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

10 Sec. 5. EFFECTIVE DATES

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

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

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19 (Committee vote: \_\_\_\_\_)

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Representative [surname]

FOR THE COMMITTEE