

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, to the degree possible, for errors caused by the Department for  
10 Children and Families in the Supplemental Nutrition Assistance Program  
11 (SNAP) that require low-income households to reimburse the federal Food and  
12 Nutrition Service for overissued benefits.

13 (b) The General Assembly further believes that in those federal fiscal years  
14 in which instability within SNAP 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 and Families  
7 ~~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           assume State responsibility for the repayment of the remaining balance of an  
11           agency error claim after an approved compromise is applied for any federal  
12           fiscal year in which Vermont receives a sanction from FNS for an excessive  
13           payment error rate in the Supplemental Nutrition Assistance Program (SNAP)  
14           through September 30, 2016. Agency error claims shall be eligible for State  
15           repayment regardless of the original claim amount or the manner in which the  
16           claim is identified.

17           (b) The Department shall keep the Chairs of the Senate Committees on  
18           Appropriations and on Health and Welfare and of the House Committees on  
19           Appropriations and on Human Services apprised of the Department’s progress  
20           and success in amending the 3SquaresVT Claims Plan. In addition, any  
21           progress toward the goals of this act achieved after adjournment sine die of the

1 2014 legislative session of the General Assembly and prior to the convening of the  
2 2015 legislative session shall be reported to the Health Care Oversight Committee.

3 Sec. 4. REPAYMENT FOR AGENCY ERROR

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

5 (1) for any agency error claim resulting from overissued Supplemental  
6 Nutrition Assistance Program (SNAP) benefits to a household during federal  
7 fiscal years 2011, 2012, and 2013 and any future federal fiscal year through  
8 September 30, 2016 for which Vermont receives a sanction from the federal  
9 Food and Nutrition Service (FNS) for an excessive payment error rate in  
10 SNAP, the Department for Children and Families shall repay to FNS on behalf  
11 of the household the remaining balance after an approved compromise in the  
12 amended 3SquaresVT Claims Plan is applied.

13 (2) for any agency error claim resulting from overissued SNAP benefits  
14 during federal fiscal years 2011, 2012, and 2013 for which a household has  
15 repaid more than 50 percent of the original claim, the Department shall repay  
16 to FNS the outstanding balance and shall reimburse the household an amount  
17 equal to the compromised amount up to 50 percent of the original claim minus  
18 the amount paid by the Department to FNS on behalf of the household.

19 (b) For any agency error claim resulting from overissued SNAP benefits  
20 during federal fiscal years 2011, 2012, and 2013 that is paid in full by the  
21 household, the Department shall reimburse the household an amount equal to  
22 the compromised amount up to 50 percent of the total amount of the original

1 claim. Reimbursement shall be distributed to households regardless of current  
2 SNAP participation.

3 Sec. 5. EFFECTIVE DATES

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

6 (b) Sec. 4 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. 3(a) as long as the certification  
10 occurs on or before March 1, 2015.

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12 (Committee vote: \_\_\_\_\_)

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Representative [surname]

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FOR THE COMMITTEE