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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1996

02/25/2014 Authored by Gruenhagen

The bill was read for the first time and referred to the Committee on Health and Human Services Policy

1.1 A bill for an act
1.2 relating to human services; reducing human services appropriations due to
1.3 payment errors from the Supplemental Nutrition Assistance Program; requiring
1.4 an evaluation; proposing coding for new law in Minnesota Statutes, chapter 256.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
1.7 PAYMENT ERRORS; LEGISLATIVE FINDINGS.

1.8 The legislature finds that:

1.9 (1) Minnesota's Supplemental Nutrition Assistance Program payment error rate,
1.10 which measures how accurately the state issues benefits to program recipients, is
1.11 unacceptably high as compared with the national average payment error rate for the
1.12 program;

1.13 (2) Minnesota has a recent history of higher than average payment error rates, as
1.14 demonstrated by a 2012 state payment error rate of 5.07 percent, compared with the
1.15 national average payment error rate of 3.42 percent; a 2011 state payment error rate of 5.02
1.16 percent, compared with the national average of 3.80 percent; and a 2010 state payment
1.17 error rate of 4.76 percent, compared with the national average of 3.81 percent; and

1.18 (3) the Department of Human Services and counties have failed to identify and
1.19 implement specific corrective actions to reduce Minnesota's payment error rate.

1.20 Sec. 2. [256.0195] SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
1.21 PAYMENT ERRORS; ANNUAL APPROPRIATION REDUCTION.

1.22 (a) Notwithstanding any provision of law to the contrary, base level funding from
1.23 the general fund for the Department of Human Services central office shall be reduced

2.1 each fiscal year that Minnesota's Supplemental Nutrition Assistance Program payment
 2.2 error rate exceeds the national average payment error rate. The department's base level
 2.3 funding shall be reduced by the percentage difference between the state payment error rate
 2.4 and the national average payment error rate. If the state payment error rate is equal to or
 2.5 lower than the national average payment error rate, no reduction shall occur.

2.6 (b) In implementing this section each fiscal year, the payment error rates used must
 2.7 be determined by the United States Department of Agriculture, Food and Nutrition Service
 2.8 and must be the most recent rates available.

2.9 **Sec. 3. EVALUATION; SUPPLEMENTAL NUTRITION ASSISTANCE**
 2.10 **PROGRAM PAYMENT ERRORS.**

2.11 (a) The commissioner of human services shall contract with an independent
 2.12 evaluator to:

2.13 (1) determine the extent to which Minnesota counties comply with federal standards
 2.14 and recommendations to reduce payment errors made to participants in the Supplemental
 2.15 Nutrition Assistance Program; and

2.16 (2) recommend corrective actions for counties to implement in order to reduce
 2.17 payment errors.

2.18 (b) The independent evaluator shall submit findings and recommendations to the
 2.19 commissioner and the counties by December 1, 2014. The Department of Human Services
 2.20 Quality Control section shall share with the evaluator any data held by the department that
 2.21 is needed for the evaluation and shall cooperate with the evaluator. The commissioner
 2.22 shall fund the evaluation out of existing appropriations.

2.23 **Sec. 4. APPROPRIATION DECREASE; DEPARTMENT OF HUMAN**
 2.24 **SERVICES.**

2.25 As a penalty for Minnesota's Supplemental Nutrition Assistance Program 2012
 2.26 payment error rate of 5.07 percent, which exceeds the national average payment error rate
 2.27 of 3.42 percent, base level funding from the general fund for the Department of Human
 2.28 Services central office shall be decreased by \$2,402,000 for fiscal year 2015. This decrease
 2.29 shall be subtracted from the general fund base for each year of the 2016-2017 biennium.