

FNS WAIVER REQUEST

Retailer-Initiated Debit Adjustments – Hold Function Amendment No. 378, Final Rule, Adjustments

1. **WAIVER SERIAL NUMBER:** 0960016
2. **TYPE OF REQUEST:** Extension
3. **PRIMARY REGULATION CITATION:** 7 CFR 274.2 (g)(2)(ii)
7 CFR 274.2 (g)(2)(ii)(B)
4. **SECONDARY REGULATION CITATION:** None
5. **STATE:** Commonwealth of Massachusetts
6. **REGION:** Northeast
7. **REGULATORY REQUIREMENTS:** 7 CFR 274.2 (g)(2)(ii) requires the State agency to act upon all retailer-initiated (acquirer) debit adjustments to a household's account no later than 10 business days from the date the error occurred, by placing a hold on the balance (if any) in the EBT account and providing concurrent written notification to the household.

7 CFR 274.2 (g)(2)(ii)(B) states that if the household disputes the debit adjustment and requests a fair hearing within 10 days of the notice, a provisional credit must be made to the household's account by releasing the hold on the adjustment balance within 48 hours of the request by the household, pending resolution of the hearing. If no request for a fair hearing is made within 10 days of the notice, the hold is released on the adjustment and the amount is credited to the retailer's account. If there are insufficient funds available in the current month to cover the full adjustment amount, the hold may be maintained and settled at one time after the next month's benefits become available.

8. **DESCRIPTION OF PROPOSED / EXISTING ALTERNATE PROCEDURES:**
The alternative proposal currently utilized for the management of the retailer-initiated debit adjustment process is as follows:
 - a. The Department of Transitional Assistance acts upon all debit adjustments initiated by a retailer no later than 15 calendar days from the date the error occurred.
 - b. DTA receives notification from ACS via email or fax of the retailer initiated adjustment request.
 - c. DTA sends a notice to the household with the specific detailed information about the error transaction and advises the household of the right to a fair hearing. A fair hearing request form is mailed with the notice.
 - d. No hold is placed on the account balance for the amount of the adjustment.
 - e. If the household disputes the requested adjustment and requests a fair hearing within the 15 calendar day system set time frame, no further action is taken to adjust (debit) the household's account until the fair hearing decision is rendered. If the fair hearing decision is rendered in the household's favor, no further action

is needed. If the decision is rendered in favor of DTA, collection activity will begin immediately against the current account balance. The EBT system will attempt to make the adjustment. No debit adjustment will occur unless the account has sufficient balance to complete the total amount of the adjustment by the end of the next calendar month. The Department will not settle partial adjustments.

- f. If the household does not request a fair hearing within 15 calendar days, the system will automatically begin the collection process upon expiration of that time period. If the account does not contain sufficient funds to cover the entire debit adjustment amount, the system will attempt to make the adjustment until the end of the next calendar month. No debit adjustment will occur unless the account contains sufficient balance for the total amount of the adjustment. The Department will not settle partial adjustments.

9. **JUSTIFICATION FOR REQUEST:** With an FNS approved waiver, DTA has been operating efficiently under the “no hold” process for several years. For the period November 1, 2011 – January 31, 2012, DTA received 52 retailer initiated adjustment claims none of which resulted in fair hearings.

The “no-hold” alternative is beneficial to the SNAP client(s) in that it provides ample time for the household to receive notification of the action prior to any available account balance change. A debit adjustment to the account balance (as would occur with a hold) would be confusing to households because the hold on the account will occur before they receive notification of the adjustment.

10. **ANTICIPATED IMPACT ON PARTICIPATION:** None

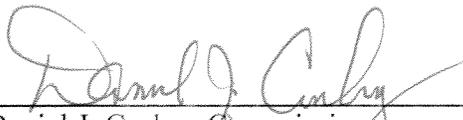
11. **CASELOAD INFORMATION:**

- In December, 2011, 468,363 households in the Commonwealth were issued EBT SNAP benefits.
- In January 2012, 468,355 households were issued EBT SNAP benefits.

12. **PROPOSED IMPLEMENTATION DATE AND TIME PERIOD FOR WHICH WAIVER IS REQUESTED:** The waiver would be effective as soon as approved for use in the development of the general system design for the next EBT contract. The waiver would remain in effect for the duration of the EBT contract commencing September 1, 2014 or when no longer programmatically necessary, whichever occurs first.

13. **PROPOSED QUALITY CONTROL REVIEW PROCEDURES:** None

14. **SIGNATURE AND TITLE OF REQUESTING OFFICIAL:**



Daniel J. Curley, Commissioner
Department of Transitional Assistance

DATE OF REQUEST: 3-2-12

FNS WAIVER REQUEST

Retailer Participation Monthly redemptions less than \$100.00

1. **WAIVER SERIAL NUMBER:** 960017
2. **TYPE OF REQUEST:** Extension
3. **PRIMARY REGULATION CITATION:** 7 CFR 274.3 (a)(1)
7 CFR 274.3 (a)(1)(i)
4. **SECONDARY REGULATION CITATION:** 7 CFR 274.3 (b)(3)
5. **STATE:** Commonwealth of Massachusetts
6. **REGION:** Northeast
7. **REGULATORY REQUIREMENTS:** 7 CFR 274.3 (a)(1) Retailer participation states “All authorized retailers must be afforded the opportunity to participate in the EBT system. An authorized food retailer shall not be required to participate in an EBT system.”

7 CFR 274.3 (a)(1)(i) states “Retailers who do not have immediate access to telephones at the time of purchase shall be accommodated by an alternative system (e.g. manual vouchers . . .) for redeeming Program benefits from eligible Supplemental Nutrition Assistance Program (SNAP) customers.”

7 CFR 274.3 (b)(3) addresses authorized food retailers bordering the EBT system area “State agencies will also need to make accommodations for border stores that are deemed necessary for client access. To do so, State agencies must ensure that procedures are in place to process manual vouchers . . . for those retailers that do not have POS equipment.”

8. **DESCRIPTION OF PROPOSED AND EXISTING ALTERNATE PROCEDURES:** The Department proposes to continue operation of a manual voucher process for retailers who currently redeem less than \$100 per month in SNAP benefits. Stores would be allowed to purchase their own equipment if they wanted to be part of the EBT network. The State may choose to provide equipment in instances where it is determined that client accessibility would otherwise be compromised.
9. **JUSTIFICATION FOR REQUEST:** The manual voucher process has reduced EBT operational costs yet still provides the retailer with the opportunity to participate in the EBT system. FNS permits the use of a manual voucher process by retailers at time of system malfunction and for those state border retailers that do not have POS

equipment. The use of the manual voucher process by retailers redeeming less than \$100.00 per month would no more jeopardize the redemption process than those exceptions for system malfunctions and border retailers.

In January, 2012, 1,036 manual vouchers were approved for Massachusetts SNAP purchases.

10. ANTICIPATED IMPACT ON PARTICIPATION: The waiver would allow all currently certified retailers to participate in the EBT project, providing clients with access to the same store they currently patronize.

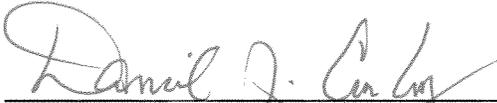
11. CASELOAD INFORMATION:

- In December, 2011, 468,363 households in the Commonwealth were issued EBT SNAP benefits.
- In January 2012, 468,355 households were issued EBT SNAP benefits.

12. PROPOSED IMPLEMENTATION DATE AND TIME PERIOD FOR WHICH WAIVER IS REQUESTED: The waiver would be effective as soon as approved for use in the development of the general system design for the EBT project and in contract negotiations. The waiver would be in effect for the duration of the EBT project or when no longer programmatically necessary, whichever occurs first.

13. PROPOSED QUALITY CONTROL REVIEW PROCEDURES: This proposed policy will not affect quality control sampling procedures.

14. SIGNATURE AND TITLE OF REQUESTING OFFICIAL:



Daniel J. Curley, Commissioner
Department of Transitional Assistance

15. DATE OF REQUEST: 3-2-12

FNS WAIVER REQUEST

Retailer Charge for Re-installation/De-installation

1. **WAIVER SERIAL NUMBER:** 960018
2. **TYPE OF REQUEST:** Extension
3. **PRIMARY REGULATION CITATION:** 7 CFR 274.3 (a)(2)
4. **SECONDARY REGULATION CITATION:** None
5. **STATE:** Commonwealth of Massachusetts
6. **REGION:** Northeast
7. **REGULATORY REQUIREMENTS:** 7 CFR 274.3 (a)(2) states, "Authorized retailers shall not be required to pay costs essential to and directly attributable to EBT system operations as long as the equipment or services are provided by the State agency or its contractor and are utilized solely for the Supplemental Nutrition Assistance Program (SNAP)."
8. **DESCRIPTION OF PROPOSED / EXISTING ALTERNATE PROCEDURES:**

The Department proposes to continue to allow the EBT contractor to charge a retailer reasonable fees to re-install POS devices that were originally installed at government expense if the retailer breaches the retailer agreement and returns to the system using State supplied POS terminals, or if the retailer returns after being disqualified or having withdrawn involuntarily from participation in SNAP. ACS currently charges \$100.00 for reinstallation.

The Department proposes to continue to allow the EBT contractor to charge a retailer reasonable fees to de-install POS devices that were originally installed at government expense that the retailer has received through an agreement with the State if the retailer changes to a third party processor. ACS currently charges \$100.00 for deinstallation.
9. **JUSTIFICATION FOR REQUEST:** Without this waiver, the state would incur the cost of installing and de-installing EBT equipment on behalf of retailers who, through inappropriate actions of their own volition resulting in their disqualification from SNAP; or who have opted to join a third part network to further their own entrepreneurial interests. The Department's position is that private sector entities should not be subsidized by government funds in these instances.
10. **ANTICIPATED IMPACT ON PARTICIPATION:** The waiver would not affect EBT clients or local Transitional Assistance Office staff.

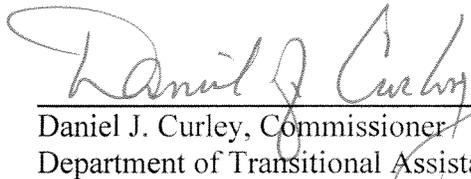
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13. PROPOSED QUALITY CONTROL REVIEW PROCEDURES: This proposed policy will not affect quality control sampling or procedures.

14. SIGNATURE AND TITLE OF REQUESTING OFFICIAL:



Daniel J. Curley, Commissioner
Department of Transitional Assistance

15. DATE OF REQUEST: 3-9-12

FNS WAIVER REQUEST

PIN Selection via the Automated Response Unit

1. **WAIVER SERIAL NUMBER:** 2050049
2. **TYPE OF REQUEST:** Extension
3. **PRIMARY REGULATION CITATION:** 7 CFR 274.8 (b)(3)(ii)(C)
4. **SECONDARY REGULATION CITATION:** 7 CFR 274.2 (f)
5. **STATE:** Commonwealth of Massachusetts
6. **REGION:** Northeast
7. **REGULATORY REQUIREMENTS:** 7 CFR 274.8 (b)(3)(ii)(C) requires Personal Identification Number (PIN) encryption to occur from the point of entry in a manner which prevents the unsecured transmission between any point in the system.

7 CFR 274.2 (f) requires that the State agency shall permit Supplemental Nutrition Assistance Program (SNAP) households to select their PIN.

8. DESCRIPTION OF EXISTING ALTERNATE PROCEDURE:

The Commonwealth would like to retain the current Automated Response Unit (ARU) PIN select procedures approved by FNS and utilized for the existing EBT contract. This process allows the primary cardholder to select and change their PIN through the EBT vendor's toll free Customer Services Representative (CSR) number, operational 24 hours a day, 7 days a week.

This process allows the client to obtain a PIN by making one call, during which they need not speak with a customer service representative. The specific process utilized by a recipient who wishes to select or change a PIN is as follow:

- a. The client places a telephone call to the EBT help desk toll-free number (800-887-2555) printed on the reverse side of the card.
- b. Client selects to proceed in English (#1) or Spanish (#2) language
- c. The client accesses the system by entering the 18 digit EBT card number into the phone.
- d. The client selects option #3 to select or change their PIN.
- e. The client is prompted to verify their identification by entering their personal demographic information:
 - the last four digits of the client's Social Security Number
 - the client's date of birth MM/DD/YYYY.

f. After identity is verified, the client may select, and then re-enter, a unique 4 digit PIN number. The transmission of the PIN over the phone by the client is not an encrypted message, necessitating this waiver request.

9. JUSTIFICATION FOR REQUEST: This proposal gives clients the ability to select their own PIN as mandated in 7 CFR 274.2 (f). It removes the Transitional Assistance Office (TAO) staff from participation in the PIN selection process and provides the client with an environment of their choosing in which to make their selection. Clients may make their PIN selection at their convenience during non-business hours without visiting the local TAO. This procedure is consistent with the PIN selection process used by commercial bank customers.

10. ANTICIPATED IMPACT ON PARTICIPATION: This waiver will have no negative impact on the eligibility determination criteria or the benefit amount received. This PIN selection method is an enhancement to participation in the program.

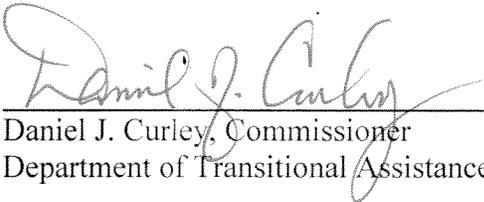
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13. PROPOSED QUALITY CONTROL REVIEW PROCEDURES: This proposed policy will not affect quality control sampling or procedures.

14. SIGNATURE AND TITLE OF REQUESTING OFFICIAL:



Daniel J. Curley, Commissioner
Department of Transitional Assistance

15. DATE OF REQUEST: 3-2-12