

# MAINE STATE LEGISLATURE

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L.D. 1097

Date: 4-15-16

(Filing No. S-542)

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STATE OF MAINE  
SENATE  
127TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 384,  
L.D. 1097, Bill, "An Act To Improve the Integrity of Maine's Welfare Programs"

Amend the amendment in section 1 in the first line (page 1, line 13 in amendment) by striking out the following: "to 13" and inserting the following: 'and 12'

Amend the amendment in section 1 in subsection 11 in the last line (page 1, line 31 in amendment) by striking out the following: "13" and inserting the following: '12'

Amend the amendment in section 1 by striking out all of subsections 12 and 13 and inserting the following:

'12. Penalties. When the department determines based on clear and convincing documentary evidence that a recipient of benefits under this chapter has knowingly purchased a product or service in violation of subsection 11, that recipient is deemed to have received an overpayment in the amount of the prohibited purchase, which may be recovered by the department pursuant to chapter 1055-A. The recipient is also subject to the following additional penalties:

A. For the 1st offense, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 3 months;

B. For the 2nd offense, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 12 months; and

C. For the 3rd and subsequent offenses, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 24 months.

The department shall initiate an administrative hearing for a recipient of benefits who the department has determined has violated subsection 11. The notice and hearing must be conducted consistent with the department rules governing notice and hearing required for an intentional program violation.'

Amend the amendment in section 2 in the 3rd line (page 2, line 21 in amendment) by striking out the following: "committee" and inserting the following: 'working group'

Amend the amendment in section 2 in the 4th line (page 2, line 22 in amendment) by striking out the following: "implementation committee" and inserting the following: 'feasibility working group'

SENATE AMENDMENT

ROFS

1 Amend the amendment in section 2 in subsection 1 in the first line (page 2, line 27 in  
2 amendment) by striking out the following: "implementation committee" and inserting the  
3 following: 'feasibility working group'

4 Amend the amendment in section 2 in subsection 2 in the first line (page 3, line 1 in  
5 amendment) by striking out the following: "implementation committee" and inserting the  
6 following: 'feasibility working group'

7 Amend the amendment in section 2 in subsection 2 in the 4th line (page 3, line 4 in  
8 amendment) by striking out the following: "implementation committee" and inserting the  
9 following: 'feasibility working group'

10 Amend the amendment in section 2 by striking out all of subsection 3 (page 3, lines 7  
11 to 15 in amendment) and inserting the following:

12 **3. Report.** The feasibility working group shall submit a report of its findings and  
13 recommendations, together with any legislation necessary to implement the  
14 recommendations, to the joint standing committee of the Legislature having jurisdiction  
15 over health and human services matters no later than December 15, 2016.'

16 Amend the amendment by striking out all of section 3.

17 **SUMMARY**

18 This amendment makes the following changes to Committee Amendment "A":

19 1. It removes the requirement that the Department of Health and Human Services  
20 establish a system to electronically block the purchase of certain products and services at  
21 the point of sale using the electronic benefits transfer system, or "EBT system";

22 2. It requires the department to find by clear and convincing documentary evidence  
23 that the individual knowingly purchased prohibited items using the EBT system and  
24 limits recovery by the department to the amount allowed under current law regarding  
25 recovery of TANF benefits;

26 3. It changes the penalty imposed for using the EBT system to purchase prohibited  
27 items by imposing a 3-month disqualification from receiving benefits for a first offense  
28 and increases the penalty for a 2nd offense to a 12-month disqualification and to a 24-  
29 month disqualification for a 3rd and subsequent offense;

30 4. It requires the department to initiate an administrative hearing if the department  
31 finds that a recipient of benefits has used the EBT system to purchase prohibited items  
32 and requires the notice and hearing to be conducted consistent with the department rules  
33 governing notice and hearing for an intentional program violation;

34 5. It changes the name of the implementation committee, which is responsible for  
35 determining options for preventing the use of the EBT system for prohibited purchases, to  
36 the feasibility working group and removes the authority of that group to provide advice to  
37 the Commissioner of Health and Human Services with respect to the development of  
38 rules regarding the EBT system; and

