

HEALTH SERVICES
MEDICAL ASSISTANCE -- ADMINISTRATION

Replacement Costs of EBT Cards

[LFB Paper #366]

Motion:

Move to require the Department of Health Services (DHS) to deduct the allowable costs the state incurs, as determined by DHS, to replace a lost or stolen electronic benefit transfer (EBT) card from the FoodShare benefit amount provided on the EBT card. Specify that this provision would first apply to requests to replace lost or stolen EBT cards received by DHS or its contracted entities on October 1, 2015.

Reduce funding budgeted for DHS contracted services by \$227,500 (-\$113,800 GPR and -\$113,700 FED) in 2015-16 and \$455,000 (-\$227,500 GPR and -\$227,500 FED) in 2016-17 to reflect estimates of cost savings the state would realize by requiring FoodShare recipients, rather than state and federal FoodShare administration funds, to pay for the costs of replacing lost or stolen EBT cards.

Create a continuing PR appropriation to support DHS contracted services, to which moneys transferred from EBT accounts for the costs of replacement cards would be credited to replace the GPR and FED funding currently budgeted to support the costs of replacing cards. Estimate that \$227,500 PR in 2015-16 and \$455,000 PR in 2016-17 would be available to support contracted services from funding transferred from EBT accounts.

Note:

FoodShare enrollees use EBT cards to purchase eligible products with their monthly FoodShare benefit allotment. If an individual requests a replacement card, DHS incurs the cost associated with providing the replacement card, and does not assess a fee to the individual who makes the request. The Department estimates that this cost is currently approximately \$3.50 per card, which includes the cost of the card, postage, an envelope, and an insert. These costs are funded from 50% GPR and 50% federal matching funds budgeted for the administration of the FoodShare program. The state replaced approximately 130,000 lost or stolen EBT cards from March, 2014 to February, 2015.

This motion would require that DHS deduct from FoodShare EBT accounts the allowable costs of providing any replacement card for lost or stolen cards. Under federal law, states may

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