

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF SOCIAL SERVICES

Statutory Authority: 31 Delaware Code, Chapter 5, Section 512 (31 Del.C. Ch. 5, §512)

PROPOSED

PUBLIC NOTICE

FOOD STAMP PROGRAM

Electronic Benefit Transfer

DSSM 9093 through 9093.10, Electronic Benefit Transfer (EBT)

In compliance with the State's Administrative Procedures Act (APA - Title 29, Chapter 101 of the Delaware Code) and under the authority of Title 31 of the Delaware Code, Chapter 5, Section 512, Delaware Health and Social Services/Division of Social Services (DHSS/DSS) is proposing to amend the policy of the Food Stamp Program in the Division of Social Services Manual (DSSM) as it relates to Electronic Benefit Transfer (EBT).

Any person who wishes to make written suggestions, compilations of data, testimony, briefs or other written materials concerning this notice must submit same to Sharon L. Summers, Policy and Program Development Unit, Division of Social Services, P.O. Box 906, New Castle, Delaware 19720-0906 by June 30, 2005.

The action concerning the determination of whether to adopt the proposed regulation will be based upon the results of Department and Division staff analysis and the consideration of the comments and written materials filed by other interested persons.

Summary of Proposed Regulations

DSS is adding EBT policy/procedural language to the manual which provides information on:

- common EBT terms,
- the EBT process,
- account adjustments,
- manual transactions,
- manual vouchers,
- timely processing,
- benefit/claim processing, and
- aging periods and expungement.

The proposed language provides an overview of the procedures. This amendment to the regulation also provides the policy for actions taken by DSS/ARMS (Audit & Recovery Management Services) when it is necessary to make account adjustments, claim processing, and expungement of benefits.

Citation

7 CFR §274.12, EBT Issuance System Approval Standards

DSS PROPOSED REGULATION #05-24

NEW:

9093 Electronic Benefit Transfer (EBT)

Electronic Benefit Transfer (EBT) is the method by which Delaware Division of Social Services (DSS) issues food stamp benefits to participants. The EBT card is a plastic card called the Delaware Food First Card. The card is used with a Personal Identification Number (PIN) at grocery retailers to purchase food.

eFunds Government Systems (eFunds) is Delaware's contractor for EBT. Client/case file and benefit information are transmitted through an interface between eFunds and the Division's data processing systems.

EBT did not change the way that eligibility determinations are made for food stamps. EBT affected the way that food benefits are delivered to participants. EBT provides greater privacy and security for those receiving food stamp benefits.

9093.1 Definitions/Acronyms

Administrative Terminal: This is the eFunds system through which DSS staff can obtain EBT card and account information.

Authorized Representative: This is an individual outside the household designated to have access to the household's benefit account. This can also be a household member, for example, a spouse, who is a secondary card holder.

Benefit Status: This is a code which indicates the current status of the benefit in the Administrative Terminal.

Card Number: The card number is printed on the front of the EBT card. The first six digits are the same for all of Delaware's cards. This is known as the Primary Account Number (PAN).

Card Status: An EBT card may be active or inactive. The card status for a replacement card can indicate stolen, lost, payee changed, name changed, damaged, undelivered, deactivated/cancelled or bad address.

Date Available: Benefits are available at 6:00 a.m. on the date specified in the Administrative Terminal. Regular monthly food stamp benefits are available according to a seven day staggered schedule based on the last name. Benefits start staggering on the fifth calendar day of each month.

eFunds Customer Support: The Customer Support Unit receives phone calls from participants to check balances, report lost or stolen cards, report problems with a retailer, and request new PINs. The CSU number is 1-800-526-9099.

Expunged Benefits: Benefits in client accounts not used for 270 days are expunged (removed) from the account forever.

FNS Number: A unique number is assigned to retailers by FNS indicating that the retailer is eligible to accept food stamp benefits.

Hold Amount: When a food stamp manual voucher transaction is used, an authorization number must be obtained by phoning eFunds. A hold is put on the participant's food stamp benefits balance equal to the amount of the transaction until the voucher is cleared by the retailer. Once an accept reason is assigned to the voucher, the hold amount is deducted from the participant's benefit balance and this field becomes blank.

Manual Entries: If a card or POS machine is damaged, the card number can be keyed manually to complete the transaction.

Manual Voucher: Retailers use paper vouchers when the eFunds system is not available. Retailers who are not eligible to have POS terminals also use these vouchers. A voucher has a unique number which identifies the voucher. This field is completed only if the transaction displayed in the Administrative Terminal is an off-line voucher.

PAN: The Primary Account Number is the 16 digit number on the card. This is also called the card number.

PIN (Personal Identification Number): A PIN is a four number secret code that must be used when the EBT card is used. No one can use the card but the participant as long as the participant does not give the PIN out to anyone.

PIN Info: The Card Maintenance screen in the Administrative Terminal displays whether or not a PIN has been selected and the method. Yes indicates that a PIN has been selected. Fails is the number of times the PIN entered has failed that day. Chg Count is the number of times the PIN has been changed. Method is how the PIN was selected.

Point-of-Sale (POS) Terminal: A POS is a device on which transactions are made by the food stamp participant. The POS machine reads the card and allows the participant to buy food with the food stamp benefits.

Stale Benefits: Benefits not used by a household within 60, 90 or 230 days are called stale benefits.

9093.2 Using EBT for Food Stamp Benefits

The household may use its EBT card in any grocery store, anywhere in the United States, authorized by FNS to accept them. The benefits may be used the same as cash to purchase any food or food product prepared for human consumption. Households cannot use benefits to purchase alcoholic beverages, tobacco, soap and paper products, and hot foods or hot foods prepared for immediate consumption. Households can use benefits to buy seeds and plants for use in gardens to produce food for personal consumption by the eligible household.

EBT benefits are available 24 hours a day, seven days per week including weekends and holidays. DSS issues benefits on a daily and monthly basis. DSS issues monthly benefits on the same day each month for each household based on a staggered issuance schedule. eFunds posts benefits in the household's account by 6 a.m. the day after benefits are approved in DCIS II.

There is no minimum dollar amount per transaction. There is no maximum limit on the number of transactions a household can make. Stores cannot impose transaction fees on food stamp households using their EBT card at grocery stores.

Households can check their food stamp account balances without making a purchase or standing in a checkout line.

Households receive printed receipts at the time of transactions.

When transacting food stamp benefits by EBT, the household cannot receive change. When a household returns food to a grocery store, the store will credit the household's EBT account with the amount of the refund. The household cannot receive a cash refund for returned food.

9093.3 Food Stamp EBT Adjustments

eFunds makes adjustments to EBT accounts to correct system errors. A system error is an error resulting from a malfunction at any point in the redemption process, for example, errors made at the grocery store. Adjustments are initiated by the client or store and may result in a debit or credit to the household.

Emphasize to clients that they should review their transaction slips before leaving the store. If there is a mistake, the client should discuss the problem with the store clerk or manager before leaving the store. Problems discovered later must be resolved through the eFunds Customer Service Unit.

Client-Initiated Adjustments

An EBT credit adjustment occurs when eFunds returns benefits to a household's account after the store deducted the benefits in error.

For example, a household member uses an EBT card to purchase groceries. Due to a system error, the store debited the purchase amount from the household's EBT account twice.

The household has 90 days from the date of the problem transaction to contact eFunds Customer Service at 1-800-526-9099 and inform the customer service representative that a problem has occurred. The household will need to tell the customer service representative the date, time and location of the transaction and the amount of food stamp benefits that were debited in error.

If the request is a legitimate request, eFunds will return the funds to the household's EBT account within 10 business days from the date the household filed the report with the eFunds Customer Service Unit. A business day is any calendar day other than a Saturday, a Sunday or a federal holiday.

If the household's request is not legitimate, eFunds will deny the credit adjustment. The household may request a fair hearing. eFunds will take no action to credit the household's EBT account unless the hearing decision is in the household's favor.

Retailer-Initiated Adjustments

A retailer-initiated adjustment occurs when the retailer does not receive a credit for an EBT purchase amount when the household made the purchase. The store needs the adjustment to get credit for the purchase made by the household.

For example, a household uses the EBT card to purchase \$200 worth of groceries. The credit to the store's account does not go through and the \$200 remains in the household's account.

DSS must act upon all adjustments to debit a household's account no later than 10 business days from the date the error occurred, by placing a hold on the adjusted amount in the household's account. If there are insufficient benefits to cover the entire adjustment, DSS shall place a hold on any remaining balance that exists and the whole amount will be debited from the household's account when the next month's benefits become available.

DSS will send a notice to the household informing them of the account adjustment. The household has 90 days from the date of the notice to request a fair hearing.

If the household disputes the adjustment and requests a hearing within 10 days of the notice, DSS will make a provisional credit 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 fair hearing. If the household does not request for a hearing within 10 days of the notice, DSS will release the hold on the adjustment balance, and credit this amount to the retailer's account.

9093.4 Account Balances

An EBT food stamp benefit account does not close when a food stamp DCIS case closes. The former recipient remains entitled to the account balance. As long as benefits remain in the EBT food stamp account, the former recipient may still have cards issued or reissued and be able to select or change PINs.

9093.5 Manual Transactions

Sometimes circumstances cause the client or store clerk to enter the transaction manually instead of swiping the EBT card through the POS machine. This happens when the card's magnetic stripe becomes scratched, worn or demagnetized.

Until the client can get a new card issued, the client can still use the card at a retailer. The clerk keys the card number in manually to complete the transaction. Only the client should enter his/her PIN. The client should never reveal the PIN to a store clerk when entering a manual transaction.

9093.6 Manual Vouchers

Retailers use a manual voucher process when the eFunds system or the terminals are not working and cannot accept the EBT card for a food stamp purchase. Retailers do not have to use the manual process, but most will not turn away a sale.

Retailers that do not have POS terminals, for example, farmers' markets and street or route vendors also use manual vouchers.

The manual voucher is a paper form on which the retailer writes the card number, the cardholder's name, the store FNS number, and the dollar amount of the sale. The client must sign the voucher. The retailer must call in manual vouchers to eFunds to get an authorization for the amount of the transaction. The retailer calls in to make sure that the money is in the client's account. If the client has enough funds in the account to cover the transaction, the retailer subtracts the whole amount of the transaction from the client's account.

Retailers use manual vouchers when the eFunds system is down. Since the retailer cannot confirm whether the client has an available balance, the client is limited to a \$40.00 purchase.

9093.7 EBT & Timely Application Processing

Regulations say we must provide eligible households that complete the initial application process an opportunity to participate as soon as possible, but no later than 30 calendar days following the date the household filed the application. With EBT, FNS has issued guidelines saying that the opportunity to participate is the date the money is posted to the account **plus** two days when mailing the EBT card. DSS mails EBT cards for hardship cases. To avoid these timeliness errors, staff will need to take the action to approve a case on or before the 26th day at the latest.

When it is not possible to process the case on or before the 28th day because the client did not turn in the verifications or worker time constraints, document the case record. The error may still count but the explanation will be there.

9093.8 EBT Benefits and Claim Issues

When eFunds posts the EBT benefits to the household's account, the household is considered in receipt of those benefits. If the household receives benefits they were not entitled to, DSS/ARMS will establish a claim. DSS/ARMS establishes a claim even if the household has not used the benefits in the EBT account. As long as the benefits are in the account, the household has access to those benefits and owes the State the amount of the claim.

ARMS must allow a household to pay its claim using benefits from its EBT benefit account according to DSSM 7004.3.

Benefits not used for 230 days are stale and ARMS can use the stale benefits to credit a household's claim with the consent of the household.

eFunds will expunge benefits not used for 270 days from the household's account and credit the amount to a household's outstanding claim.

9093.9 Aging Periods and Expungement Process

Benefits remain available to the household for 270 days from the date of availability. eFunds sends reports to DSS that show accounts with no activity.

eFunds provides DSS with a report for the following periods of time:

- Period 1: 60 days
- Period 2: 90 days
- Period 3: 230 days
- Period 4: 270 days

A household will get a notice at Periods 1, 2 and 3 if the household has not used benefits for 60, 90 or 230 days. Stale benefits are benefits not used by these time periods. The notice will tell the household the following information:

- The account has not been used in the past 60, 90 or 230 days;
- To call the eFunds customer service unit to get the balance on the account;

- Stale food stamp benefits not used for 230 days can be applied to any existing claim with the client's permission;
- Food stamp benefits that are not used by day 270 will be removed from the account forever; and
- Food stamp benefits removed from the account on day 270 will be applied to any remaining food stamp claim."

On day 230, DSS will generate notices to clients with outstanding claims. The notice tells the household that ARMS will apply benefits not used for 230 days to the outstanding claim unless the household contacts ARMS within ten days. On day 250, households who do not contact ARMS to stop the repayment will have their stale benefits applied to the outstanding claim. On day 270, the eFunds system will expunge (remove from the account) any remaining stale benefits and send DSS a report of those benefits expunged.

DCIS II and ARMS accounting systems will credit any expunged benefits to household accounts with an outstanding claim. ARMS and the Payments Unit will receive a report of benefits posted to household's claims so ARMS can update the benefit recovery screens. ARMS will send the client a credit slip indicating the credit made on their claim and the existing balance.

9093.10 Replacement of EBT Benefits

Please refer to DSSM 9079 for Replacing Food Benefits Issued by Electronic Benefits Transfer (EBT).

8 DE Reg. 1653 (6/1/05)