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EXECUTIVE COMMISSIONER

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**To:** Eligibility Services – Regional Directors  
Program Managers  
Eligibility Services Supervisors  
Regional Attorneys  
Hearings Officers  
All TIERS Users

**From:** Stephanie Stephens, Director  
Policy Strategy, Analysis, and Development  
State Office 2115

**Subject: 1. Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) Card Monitoring and Replacements**  
**2. Low Income Home Energy Assistance Program (LIHEAP)**

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Bulletins are sent to supervisors and other regional managers, who must share the information with eligibility staff. Please ensure copies are provided to staff without access to email. For questions regarding the information in this memo, follow regional procedures. Find active bulletins at the following respective handbook websites:

- Medicaid for the Elderly and People with Disabilities (MEPD): [http://www.dads.state.tx.us/handbooks/mepd\\_policy/index.htm](http://www.dads.state.tx.us/handbooks/mepd_policy/index.htm)
- Texas Works: [http://www.dads.state.tx.us/handbooks/texasworks\\_bulletins/index.htm](http://www.dads.state.tx.us/handbooks/texasworks_bulletins/index.htm).

## **1. SNAP EBT Card Monitoring and Replacements**

### **Background**

Effective August 21, 2013, the Food and Nutrition Service (FNS) issued rules to address excessive EBT card replacements and SNAP trafficking. In conjunction with the Office of Inspector General (OIG), the Health and Human Services Commission (HHSC) will monitor the number of EBT card replacements requested by a household within a 12-month period. HHSC will send notices to households that request 4 EBT replacement cards within a 12-month period. When the household requests the fifth EBT card replacement, HHSC will send a report to OIG.

### **Current Policy**

An EBT vendor or HHSC office replaces a Lone Star Card when the cardholder has an open EBT account and cannot access the account because the individual's Lone Star Card was lost, stolen, damaged, or does not work properly. HHSC has the ability to view the number of replacement cards issued but does not track the number of replacements, nor does HHSC issue notices based on a specific number of issued replacement EBT cards.

## New Policy

In an effort to reduce SNAP trafficking, the EBT vendor will produce a monthly report to assist HHSC in tracking the number of replacement cards requested by a household in a 12-month period. This includes replacement cards requested by a primary cardholder or secondary cardholder, including replacement cards for an authorized representative who is a primary or secondary cardholder. A replacement card request applies to any card issued after the initial EBT card issuance at application and includes replacements due to lost, stolen, or damaged cards, or cards that are not working properly.

When a household requests 4 replacements cards within 12 months, the EBT vendor will send a report, and HHSC's print vendor will send the household an excessive replacement notice. The first excessive replacement card notices were mailed to households on April 30, 2014. The excessive replacement card notice advises the household that if a fifth replacement EBT card is requested, OIG will receive notification and may investigate their case. The notice also provides the household with the rules prohibiting trafficking. Below are the English and Spanish versions of the notice.



Excessive Card  
Replacement English



Excessive Card  
Replacement, Spanish

The EBT vendor will produce a monthly report for OIG identifying households that requested a fifth replacement card. Additionally, each time a household requests a replacement beyond the fifth replacement card (for example a sixth, seventh, etc.), the household will appear on that month's OIG report.

When speaking to the individual regarding a request for an EBT card replacement, staff must explore the reasons why the household has requested four or more replacement cards and provide the individual with direction on the proper use of the EBT card. Staff will continue to follow Texas Works policy (Texas Works Handbook (TWH) [B-900](#)) and make referrals to OIG anytime they suspect fraud.

A household's 12-month period concludes 12 months following the initial request for a replacement. After the 12-month period concludes, a new 12-month period begins again when the household requests another card replacement. The EBT vendor tracks all 12-month periods. Eligibility staff does not track the information.

## Automation

There are no changes to eligibility systems. However, changes to the current EBT system will allow HHSC to track the number of EBT card replacements requested per household within a 12-month period. The EBT vendor will produce the report, and HHSC's print vendor will send an excessive replacement card notice to identified households. Households that request a fifth replacement card within their 12-month period will appear on an additional report produced for OIG.

## Effective Date

The policy was effective January 1, 2014. The first excessive replacement card notices were mailed to households on April 30, 2014. OIG received their first report in May 2014.

## Handbook

The TWH will be updated in an upcoming revision.

## Training

No further training is required.

## 2. Low Income Home Energy Assistance Program (LIHEAP)

### Background

The 2014 Farm Bill changed requirements for SNAP households to receive the Standard Utility Allowance (SUA) when the household receives a Low Income Home Energy Assistance Program (LIHEAP) payment. The Farm Bill states that a household receiving an annual LIHEAP payment (or other similar energy assistance payment) in excess of \$20 annually automatically receives the SUA. Currently, the TWH uses the term Low Income Home Energy Assistance Act (LIHEAA), but the term will change to LIHEAP.

### Current Policy

Allow the SUA for households that:

- have or anticipate out-of-pocket heating or cooling costs separate from their rent or mortgage payments during the next 12 months; or
- reasonably anticipate receiving a vendor or direct payment from the Comprehensive Energy Assistance Program (CEAP) or the Energy Crisis Program funded under LIHEAA in any of the next 12 months.

Currently, there is not a minimum LIHEAP payment required in order for SNAP recipients to automatically qualify for the SUA deduction.

Staff determines the appropriate utility allowance the household is eligible for at application, redetermination, and when the household reports a change in their utility expenses. Staff also documents why that utility standard was budgeted.

### New Policy

Households are now only eligible for the SUA based on receipt of a LIHEAP payment if they receive a LIHEAP payment (or other similar energy assistance payment) in excess of \$20 annually in the previous 12-months or the current month. The current month is the month the interview is conducted. The 12-month period is 12 months prior to the current month.

If the household is scheduled to receive a LIHEAP payment in the current month but does not, and is not otherwise eligible for the SUA, process the case for a potential overissuance. For households not eligible for the SUA at certification, but who report during the certification period receipt of a LIHEAP payment in excess of \$20, provide the SUA and process the change.

Verification of the LIHEAP payment is not required unless questionable. The Texas Department of Housing and Community Affairs (TDHCA) is the agency responsible for awarding federal funds, such as LIHEAP, to local agencies (known as subrecipients) who determine eligibility for the LIHEAP. The TDHCA indicated that annual LIHEAP payments less than or equal to \$20 are not issued. According to TDHCA, a household's maximum LIHEAP payment will not exceed \$1,000 to \$1,200 annually. An amount outside of this range should be considered questionable, along with any other amount or information that seems to be questionable through the advisor's application of the prudent person principle ([TWH Glossary](#)).

Request or obtain the following information as verification of the LIHEAP payment, if questionable:

- LIHEAP payment contract, or
- a statement from or by contacting the local agency (subrecipient) that provided the LIHEAP payment. Verify the payment, issuance date, and amount.

The following is the 2014 Comprehensive Energy Assistance Program Subrecipient List, which provides subrecipient contact information.

<http://www.tdhca.state.tx.us/community-affairs/ceap/docs/14-CEAPSubrecipients.pdf>

Staff must continue to document why a certain utility standard was budgeted, along with documenting the client's statement and the amount and date that the household received the LIHEAP payment.

**Note:** If a household is not eligible for an SUA based on the LIHEAP requirements, the household can still receive the SUA based on having or anticipating out-of-pocket heating or cooling costs.

### **Automation**

In TIERS, staff must do the following:

Select "No" to the question "Does household anticipate receiving LIHEAP payments, such as HEAP or Energy Crisis?" if the household anticipates receipt of a LIHEAP payment after the current month or did not receive:

- a LIHEAP payment,
- a LIHEAP payment of more than \$20 in the current month, or
- a LIHEAP payment of more than \$20 in total in the current month or in the 12 months prior to the current month.

### **Effective Date**

This provision is effective for SNAP applications and renewals interviewed on or after June 02, 2014.

### **Handbook**

Staff must follow policy released in this bulletin until it is incorporated into an upcoming handbook revision.

### **Training**

Additional training is not required.