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House Republicans Introduce 2 Bills to Reform EBT Program, Curb Fraud & Abuse

This past week, House Republicans offered 2 bills dealing with Electronic Benefit Transfer (EBT) reform. HB 1213 would prohibit the purchase of alcohol and tobacco products with EBT cards. HB 1299 would establish a study committee to look at the feasibility of requiring photo identification to use EBT cards. There is also a Senate bill, SB 203, on tap for 2014 relative to permissible uses of EBT cards.

In 2012, EBT reform became a prominent issue in New Hampshire after news broke of a Peterborough store clerk, Jackie Whiton, who was fired from her position after refusing to sell cigarettes to a customer who was paying with an EBT card because she believed taxpayers, "should not be subsidizing that type of purchase."

"Unfortunately, we had someone who lost their job over trying to do the right thing," said Rep. Frank Sapareto (R-Derry), a co-sponsor of HB 1213.

Whiton appeared at Tuesday's hearing and brought with her a petition with over 1300 signatures supporting EBT reform measures.

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Op-ed: Working to cut red tape

By Rep. Laurie Sanborn

So many of us ran for public office with a primary goal of improving jobs and the economy in our state, and we know you can only be pro-jobs if you are pro-business.

That's why I created in January 2011, and now chair, the House Business Caucus, a nonpartisan group of like-minded legislators who are entirely focused on evaluating and supporting legislation that promotes job creation and expansion of the economic base through strong business growth and success.

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Important Upcoming Dates & Events:

Friday, January 17, 2014 – 2014 Financial Disclosure Forms due
Monday, January 20, 2014 – Dr. Martin Luther King, Jr. Day - State Offices Closed
Wednesday, January 22, 2013 – Republican Caucus – 9am – LOB 305-307
Wednesday, January 22, 2013 – House Session – 10am
Wednesday, January 29, 2014 – House Session – 10am

ICYMI: House passes business killing title loan bill

The House on Wednesday passed a bill that would limit the interest on title loans. An amendment from the floor was added that would limit the interest rate to 25% in the first month and 3% per month after, which could ultimately drive businesses out of New Hampshire. The floor amendment passed 200-140. The bill, with the amendment, passed on the House floor 212-129.

The bill will move on to the Senate next.

ICYMI: House votes against license plate scanners

On Wednesday the House voted down a bill that would authorize and regulate the use of license plate scanning devices.

The House voted overwhelmingly to overturn the committee report of OTP/A 250-97.

The bill ended up Indefinitely Postponed in a vote of 214-135. This makes it so the bill is unable to return to the House for the remainder of the session.

ICYMI: House votes to decriminalize smaller amounts of marijuana

On Wednesday, the House took up HB492, which would legalize an ounce or less of marijuana. The original vote on the committee report of ITL passed 170-168. When the motion to reconsider passed and the vote took place again on ITL, it failed 168-170. The bill was then open for amendment, and the floor amendment passed 210-127. The vote of Ought to Pass as amended passed the House 170-162. HB492 will now go to House Ways and Means before it appears back on the House floor for a final vote.

The Hidden Truth to Expanded Medicaid

Under current laws for Medicaid, there is an Estate Recovery Program. This means that once a person dies, the government can seek 100% reimbursement from the person's estate for all the services the person received while they were on the program. This is similar to a reverse mortgage; however the government is the beneficiary. Medicaid can put a lien on your home while you are still living, then when the home is put up for sale, Medicaid will seek reimbursement from the proceeds. There are a few exceptions to this. Medicaid won't seek reimbursement if a spouse is still living in the home after the person dies, if there is a child under the age of 21 living in the home, or a disabled child.

This presents more of a problem for states that are looking to expand Medicaid. These newly eligible people between the ages of 55-65 only have to pass an income level test and any other assets they may have will not be taken into account. For example, new retirees who have a low income may have significant assets, own homes, or have annuities and will be eligible to Medicaid. Those who are newly eligible for Medicaid under expansion are not eligible for government subsidies to be able to purchase private insurance on the state health exchanges. Also, for these newly eligible people, they are not subject to the asset test that is in place for the original Medicaid recipients. These are people who will go onto Medicaid, who have assets that will be stripped from them once they die under the Estate Recovery Program in order to reimburse the government for any of the health services they received.

Read more about this potential pitfall of putting more people on Medicaid at [Factcheck.org](https://www.factcheck.org)

Vermont Health Connect: A Lesson in State Health Exchanges Issues

In 2012, House Republicans lead the charge to prohibit New Hampshire from creating a state-based health insurance market place for a number of reasons including general disagreement with the “Affordable” Care Act and the potential costs the state would incur in building and maintaining the exchange.

In 2013, NH House Democrats filed a bill to repeal the prohibition of a state based exchange. The Commerce committee voted 20-0 to kill the bill. At the time, Commerce committee Chair Ed Butler (D-Hart’s Location) said, “Now is not the time,” for a state exchange.

During the special session in November, Democrats attempted to insert similar repeal language into Medicaid Expansion legislation.

Unfortunately, in January, the House Dems voted to approve a surprise amendment that attached Medicaid Expansion legislation onto HB544 that also included a repeal of the prohibition. While this bill does not establish an exchange in New Hampshire, it is the first step.

Our neighbors to the West have some experience with the setup and operation of a state based health insurance exchange. Here are some facts and figures* you can reference next time someone asks you why we don’t have (and don’t want) a state exchange:

\$172 million

The total amount of money, so far, Vermont has been allocated for exchange design, tech upgrades and outreach campaign.

\$48.7 million

The amount of money spent to upgrade Government computer systems to be able to integrate with the exchange.

\$10 million

The amount of money appropriated to set up a call center for Vermont Health Connect

1110%

The increase in contract money for just one IT vendor who’s contract went from \$400k to \$4.5million. Other vendors’ contracts doubled or tripled in cost.

\$84 million

The amount paid to Canadian IT consulting firm CGI to oversee the building of the exchange and to provide “systems integration and technology infrastructure” for the entire exchange. The original CGI contract was for \$42 million over a multi-year period. Through a series of amendments, this contract doubled to \$84 million dollars.

But don’t worry, according to Vermont Public Radio, “It’s clear from the grant documents that Vermont officials consider the new private insurance exchange to be a stepping stone to a publicly financed, single payer system. Gov. Peter Shumlin’s goal is to implement this system in 2017.”

Let’s hope New Hampshire Democrats and other government officials don’t have the same plan.

*Source: Vermont Public Radio, [Following the Money at Vermont Health Connect](#) 12/19/2013

Foster's: Nothing not an option

This editorial was published in the Friday edition of Foster's Daily Democrat

On May 31, 2012, Jackie Whiton was fired from her job as a Peterborough convenience store clerk. Her offense was refusing to sell cigarettes to a man using an EBT card.

While Whiton grants the store owner probably had a right to fire her since the purchase was legal, a firestorm of support for legislative action has led to a pair of bills which would restrict the use of electronic benefit transfer cards for welfare recipients.

House Bill 1213 looks to prohibit use of EBT cards — or cash obtained from them — for the purchase of alcoholic beverages or tobacco products.

Senate Bill 203 would add to that list gambling (such as lottery tickets), firearms, adult entertainment, tattoos and body piercing.

Based on testimony before a committee of the N.H. House this past week, there appear to be two prime objections which could apply to both bills — neither of which should prevent compromise legislation to curb EBT abuse.

The first objection is enforceability — that technology is not yet in place to restrict individual purchases. While a particular type of business can be electronically excluded, individual items cannot. Apparently, the bar code system has not yet reached that point.

The other call to stay legislative action is due to a federal law which went into effect Jan. 1.

The House Health, Human Services and Elderly Affairs Committee was told federal law now prohibits purchases from liquor stores, gambling establishments and adult entertainment outlets.

According to the Concord Monitor newspaper, Sarah Mattson, policy director for New Hampshire Legal Assistance, told the committee it would be a mistake to mandate further restrictions when the effects of the new law haven't been seen.

With all due respect, we disagree.

State law implementing tighter restrictions would allow businesses the ability to refuse a sale of prohibited products. It would make the purchase illegal, while waiting for technology to catch up before considering penalties on businesses which look the other way.

The argument that technology must perfectly align with the long-term goals of HB 1213 — and SB 203 — is to needlessly delay action at the state level. There is no such thing as a perfectly enforceable law.

If nothing else, state law can be aligned with federal law. We would then hope to see the state establish an expanded list of prohibited items, which appears already to collectively exist when HB 1213 and SB 203 are combined.

From there, the state can start to hold EBT card holders accountable for misusing the cards. On the business end, the Legislature needs to set up a reasonable system which will allow and encourage businesses to enforce EBT prohibitions.

To this end, John Williams, director of legislative affairs for the Department of Health and Human Services, has the right attitude. He is reported to have said his department takes no position on the law but would like to work with the subcommittee which will now review the legislation. He added that members of the department have already looked into enforcement of similar laws in other states and have ideas about what it could look like in New Hampshire.

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Misuse - Prevention of certain non-essential purchases

Provisions in the State Budget bill passed last year updated State law to prohibit the use of EBT cards at specific/specialty locations, like liquor stores, but many believe these restrictions didn't go far enough and allowed for many loopholes. These new rules do not restrict specific item purchases at non-specialty establishments. For instance, they do not prohibit wine purchases at a supermarket.

In 2012, following the heightened awareness of EBT issues as a result of the Whiton story, the Joint Legislative Performance Audit and Oversight Committee recommended the Department of Health and Human Services conduct an audit of cash benefit programs in the state that use EBT cards. DHHS issued a report in September 2013.

In part, the 90 page report states that during the audit period, 78% of transactions on EBT cards were cash withdrawals, which makes tracking use slightly more difficult. 72% of all transactions took place within 5 days of when the benefit was issued.

During the audit period, DHHS also conducted surveys of benefit recipients. Of the recipients interviewed, more than half (54%) reported using cash assistance for rent. 46% reported using assistance for utilities. Other top uses for assistance include toiletries, transportation, food and baby supplies. However, 8% self-reported using cash benefits for cigarettes and/or alcohol. There were several other non-essential item categories, such as toys, magazines & movies that were also self-reported.

DHHS also surveyed 93 Family Service Specialists (FSS) who interact with recipients regularly. Of the FFS surveyed only 7% self-reported that they tell recipients *not* to buy cigarettes with cash assistance, 9% self-report advising *against* alcohol purchases and a surprising 3% report telling recipients to use assistance for "illegal items".

Fraud - Ensuring beneficiaries are who they say they are

In 2012, as part of the ongoing effort to shed light on the need for entitlement reform, DHHS was urged to look into ways to identify possible cases of fraud. DHHS provided a sample of data to an outside vendor who, with the benefit of large databases, was able to match records of benefit recipients to records with similar records that indicated that person may live out of state or have means which may disqualify them for benefits. Through the study was focused on food stamp and Medicaid benefits, it is an example of the possibility of fraud across all entitlement programs.

The report by the vendor, LexisNexis, showed that as many as 2.7% of food stamp recipients may hold an out of state driver's license. A number of recipient records came up as possibly being deceased, even though benefits were still being administered. Similarly, 2% of Medicaid recipients were flagged as possibly having out of state licenses, while over 5% were flagged for possible identity fraud. Multiple Medicaid recipients were identified as possibly owning property worth over \$1 million and owning late model BMW's.

Republicans remain committed to helping our citizens in need, however, we will continue to focus on reforms that encourage proper usage and eliminate fraud to maximize our entitlement dollars and possibly save millions.

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Op-ed: Working to cut red tape (Continued from page 1)

Sometimes it's not just the laws that need reforming. It's also been a priority of the House Business Caucus to improve the interactions and relationship between businesses and state government. We've done this in several ways, including passing legislation that requires warnings before fines for minor paperwork infractions, reduces time to receive permits, and by taking steps to modernize communications and payments.

In 2014, the House Business Caucus will continue to meet regularly to discuss bills that have a direct business impact, and then provide information and make recommendations to the entire body on voting days. We remain focused on reducing excessive regulations and red tape wherever possible, making our state's taxes and fees more competitive, and encouraging a friendly, welcoming approach to all employers, from all levels of government.

We hope that employers will provide us the input and feedback we need to ensure New Hampshire is the best state in the nation to pursue private sector economic opportunities. And, while we seek to improve the climate for all businesses, we also like to fill a void for the smaller employers and family businesses, which need to be heard equally. They represent a substantial part of our state's economy and sometimes don't have the same lobbying presence as the larger companies.

For more information or to sign up for email updates and invitations to events, see www.ProBusinessNH.com, or email me directly at RepSanborn@gmail.com. I hope to hear from you!

Laurie Sanborn (R-Bedford) is the chair of the House Business Caucus

IN MEMORIAM

[Hon. Natalie Flanagan](#) – Former Representative from Atkinson. First elected in 1974, she served through 2004. She was 100.

[Hon. Donald Stritch](#) – Former Representative from Auburn. First elected in 1992, Don served six terms with the New Hampshire General Court. Don was 82.

[Hon. Richard E. Kennedy](#) – Former Representative from Hopkinton. Stretch served 6 terms in the NH House. He was 80.