



United States Department of Agriculture

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Food and  
Nutrition  
Service

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**MAR 27 2014**

**SUBJECT:** Questions and Answers Concerning Agricultural Act of 2014 - \$37 QC  
Tolerance Limit and Medical Marijuana QC Hold Harmless – Q&A #1

**TO:** Regional Directors  
Supplemental Nutrition Assistance Program

Attached are two questions and answers regarding Sections 4005 (Exclusion of Medical Marijuana from Excess Medical Expense Deduction) and 4019 (Tolerance Level for Excluding Small Errors). Please immediately advise your Supplemental Nutrition Assistance Program State agencies of these questions and answers.

A handwritten signature in black ink that reads "Ronald K. Ward".

Ronald Ward  
Director  
Program Accountability and Administration Division

Attachment

**Exclusion of Medical Marijuana from Excess Medical Expense Deduction  
(Section 4005, Agricultural Act of 2014)**

The Agricultural Act of 2014 requires FNS to issue rules ensuring that medical marijuana is not treated as a medical expense for purposes of determining the excess medical expense deduction.

**Will the 120-day variance exclusion rule apply to the Medical Marijuana rule?**

**Response:** No, this is not new policy. Policy was reaffirmed in a July 10, 2012, policy memorandum to all Regional SNAP Directors.

**Tolerance Level for Excluding Small Errors (Section 4019, Agricultural Act of 2014)**

The Agricultural Act of 2014 reduces the Quality Control (QC) Tolerance from \$50 in FY 2013 to \$37 in FY 2014. The Tolerance is then indexed to the Thrifty Food Plan for future years.

**When does the \$37 QC Tolerance go into effect?**

**Response:** The \$37 QC Tolerance applies to reviews of all FY 2014 active cases.

**What effect does the \$37 QC Tolerance have on the QC review process?**

**Response:** In FY 2013 a QC review was considered complete if Comparison I resulted in an error determination of \$50 or less. If the Comparison I error determination was \$51 or more then Comparison II was required to complete the review. For FY 2014 QC reviews are considered complete if Comparison I results in an error determination of \$37 or less. If Comparison I is \$38 or more then Comparison II is required to complete the review.

**When is the first Federal Subsample for active cases going to be pulled?**

**Response:** The Federal Subsample for active cases will be pulled one week after release of this Q&A.

**Can States make corrections to cases released with incorrect information?**

**Response:** Yes. States should send a list of corrections to protected fields prior to the Subsample date. The non-protected fields will be unlocked following sample selection.

**Some FY 2014 review period active cases with a Comparison I error determination from \$38 to \$50, and no Comparison II completed, have already been transmitted. How will these cases be handled?**

**Response:** For FY 2014 review period active cases with a Comparison I error determination from \$38 to \$50, and no Comparison II completed, FNS will consider these cases as incomplete. FNS will change all such cases to incomplete in SNAP-QCS. FNS will provide a list of these cases to each State prior to the subsample date. Upon receipt of this list, States will send the QC record for these cases to FNS in the normal manner.

States will have 60 days from the subsample date to complete the review by calculating Comparison II. As States complete the reviews, any additional documentation obtained related to the case should be sent to FNS in the normal manner. If a review cannot be completed within 60 days, States must send documentation detailing why the review could not be completed. FNS will begin reviewing the QC records for each remaining incomplete case after the 60 days.

**How will the Tolerance for FY 2015 be set?**

**Response:** The tolerance will be adjusted in accordance with Section 16(c)(1)(A) of the Food and Nutrition Act, as amended by the Agricultural Act of 2014. Further information will be provided prior to FY 2015.