



**Supplemental Nutrition Assistance (SNAP) Program
Payment Accuracy Briefing
Virginia Department of Social Services
August 20, 2019**

Background

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- ❑ **USDA's Food and Nutrition Services (FNS)** – oversight responsibility for the administration of the Supplemental Nutrition Assistance Program (SNAP) implemented in each state at the federal level
- ❑ **Virginia Department of Social Services (VDSS)** – cognizant state agency for SNAP with oversight responsibility and the provision of training, systems, and policy as well as a the quality control (QC) process used to determine the payment error rate.
- ❑ **120 Local Departments of Social Services** – responsibility for determining SNAP eligibility. Federal law requires SNAP eligibility be done by merit based employees.
- ❑ **SNAP participation** has gradually declined since August 2013. From June 2017 to June 2018, the number of SNAP participants decreased from 758,224 to 729,308; the benefits issued decreased from \$92,559,444 to \$87,095,666



Payment Error Background

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- ❑ USDA establishes a payment error rate for every state. If a state exceeds 105% of the national average two consecutive years, they enter into **sanction status**. In August 2019, VA was notified that it was in sanction status based on the error rate from federal fiscal years 2017 and 2018 (10/01/16-09/30/18).
- ❑ **Payment errors are not fraud**. The payment error rate measures the accuracy and timeliness of eligibility determinations and the calculations of benefit amount.
- ❑ Two rates:
 - ❑ **Positive Error Rate (PER)** – Virginia ranked 44th for FFY 18 with a rate of 9.62. The sanction amount is 3.8 million of which half can be reinvested to improve performance and half may be required in payment. Most frequent error elements are related to wages, shelter deductions, the standard utility allowance, and medical expenses.
 - ❑ **Case and Procedural Error Rate (CAPER)** - Virginia ranked 46th for FFY 2018 with a CAPER rate of 43.84%. There is no financial sanction. Most frequent error elements are incorrect notices, timeliness standards, and misapplication of policy.



Positive Error Rate

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- ❑ If the error dollar amount is \$37 or below, then the case is not cited as error and is noted as a variance. When this occurs the local agency is required to review the case and establish a claim if an overpayment exists or issue a restoration.
- ❑ If the SNAP allotment is incorrect for the sample month, the QC analyst determines if the error was agency or client caused:
 - **Agency caused errors (61%)** are typically a result of the worker failing to take action on information reported by the household or failing to resolve questionable information.
 - **Client caused errors (39%)** can result from the household withholding information or failing to report information



FFY 2018 Agency Errors

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TOP ERROR ELEMENTS (AGENCY-CAUSED)

Earned Income (cited 25 times)	33.33%
Shelter Expenses (cited 17 times)	22.67%
Unearned Income (cited 15 times)	20%
Medical Deductions (cited 10 times)	13.33%
Dependent Care Expenses (cited 4 times)	5.33%
Household Size (cited 4 times)	5.33%



FFY 2018 Client Errors

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TOP ERROR ELEMENTS *(CLIENT-CAUSED)*

Shelter Expenses (cited 20 times)	33.33%
Earned Income (cited 15 times)	22.67%
Resources (cited 6 times)	20%
Unearned Income (cited 3 times)	13.33%
Household Size (cited 3 times)	5.33%
Dependent Care Expenses (cited 1 times)	5.33%



TOP ERROR ELEMENTS

Notices (cited 112 times)	38.36%
Timeliness (cited 107 times)	36.64%
Policy (cited 73 times)	25%



Preliminary Root Cause Analysis

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- Stability of a trained workforce
 - high vacancy rates
 - Richmond City – 33%/Norfolk – 35%
 - Statewide – 17% (Turnover rate is 19%)
 - difficulty recruiting new workers
 - local government fiscal distress and resulting budget cuts
 - need for more training and technical assistance
- High caseloads for LDSS workers
- Policy and Systems
 - BBCE (USDA has proposed rule to eliminate)
 - SSA income sources (used by other states) for verified income
 - Correcting notices for the CAPER - completed



❑ **USDA requires a Corrective Action Plan:**

- when the Statewide Payment Error Rate exceeds **6% *and/or***
- the statewide Case and Procedural Rate exceeds **1%**

❑ **The Corrective Action Plan submission:**

- updates to the original plan are submitted each May and November until the error rates decrease
- the CAP outlines state lead activities and initiatives to improve accuracy



- FFY 17 PER = 9.7%
- FFY 18 PER = 9.62%
- \$3,807,520 penalty
- Reinvestment
 - The state has the opportunity to enter into a settlement agreement with USDA-FNS. This agreement will allow:
 - 50% of the penalty amount to be reinvested into approved activities to improve administration of the program.
 - 50% of the penalty designated at-risk for repayment if a liability for an excessive payment error rate is established for FFY 19



Plan of Action (Current)

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Virginia's plan involves a cooperative approach between our federal, state and local partners. Our strategy consists of four key areas: compliance/monitoring, collaboration, training, and system improvements.

Compliance/Monitoring

- **Performance Improvement Plan (PIP)** – Mandatory for all local agencies with error rate over the national threshold for FY 18.
- **Targeted Case Reviews** – Local agencies are required to perform targeted reviews that focus on error trend areas.



Collaboration - Meetings/Committees

- **Regional SNAP Payment Accuracy Meetings:** Twice yearly in each region with all local agencies participating. Spring meeting which has occurred already, reintroduced payment accuracy, error rates, strategies to identify root cause of errors, and corrective action. Fall meetings scheduled for Sept-Oct 2019.
- **Big 20:** Regular meetings with the 20 local agencies with the largest SNAP caseloads to develop best practices, error reduction strategies. Big 20 agencies are mandated to attend. First meeting held 7/31/19

Training/Conferences

- **Statewide Mandatory Training** – Income, Household Composition, Expenses (top three error elements)
- **Soft skills training** – Interviewing, Documentation, and Caseload management



System Improvements (VACMS)

- Identifying, tracking and resolving issues with the case management system that may contribute to the error rate.
- Virginia has a pending request with the Social Security Administration to use the HUB income verification system to streamline the application process for the SNAP program with the outcome of a reduction in errors. Currently, the use of this service is restricted to the Medicaid program.



- Reinvestment Plan must be submitted to FNS no later than 90 days after the Reinvestment Settlement Agreement is signed by the Commissioner of VDSS
- A requirement of reinvestment is that investment expenditures must be related to new activities as defined in the settlement agreement; reimbursement/payment for existing activities using reinvestment monies is prohibited.
- 100% of the funds may be credited as SNAP administrative expenditures as long as they are aimed at improving the administration of SNAP, regardless of whether other State programs are benefited



- Resources to support the stability of the LDSS workforce
- Technology enhancements to reduce worker errors and increase efficiency
- Conferences and other learning opportunities to improve the skills and performance of local workers



