USDA United States Department of Agriculture

Food and Nutrition Service December 2019

Feasibility of Revising the Supplemental Nutrition Assistance Program (SNAP) Quality Control Review Process (Summary)

Background

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) developed the Quality Control (QC) process for the Supplemental Nutrition Assistance Program (SNAP) in 1977 to track and measure errors in eligibility and benefit determination. The current two-tier SNAP QC process relies on State reviews of SNAP cases to make error determinations followed by Federal re-reviews of a subset of the cases; the final error rates combine the results of the State and Federal reviews.

A September 2015 report by USDA's Office of Inspector General identified weaknesses in this two-tier system and recommended FNS assess the feasibility of implementing a one-tier Federal SNAP QC system that would rely only on Federal reviews of SNAP cases to make error determinations for all 53 SNAP agencies. In response to that recommendation, this feasibility study identifies all processes and components that would be required for a one-tier Federal SNAP QC system, including the procedural, staffing, and organizational changes and the technological and data-sharing infrastructures.

The study draws on indepth reviews of policies and regulations; interviews with an array of State SNAP staff, Federal FNS staff, and Federal staff from other agencies; and site visits to three State SNAP agencies.

Findings

There are significant statutory, regulatory, resource, and operational challenges FNS would need to overcome to implement a one-tier QC system.

Contextual Challenges

Congress would need to make statutory changes to enable certain aspects of a one-tier QC system, including a requirement for FNS to conduct all QC reviews instead of States and to effectively support a data-sharing infrastructure between FNS and other Federal agencies. Then, FNS would need to develop regulations to provide guidance on how to implement the legislation.

Significant resources, both funding and staffing, would have to be dedicated to planning and developing a one-tier QC system. Congress would need to appropriate additional funds for the planning and development phases. FNS may not have the staff resources to produce error-rate estimates during this time.

Operational Challenges

FNS would need to significantly expand its workforce to conduct all QC reviews to replace the State tier of review. To operate a one-tier QC system, FNS may need to increase the number of employees by 20 to 40 percent, or manage an equivalent number of contract employees.

FNS would need to establish data-use agreements with several Federal agencies to access data systems used to verify household information. It is unclear how long this step would take, and it may require congressional action.

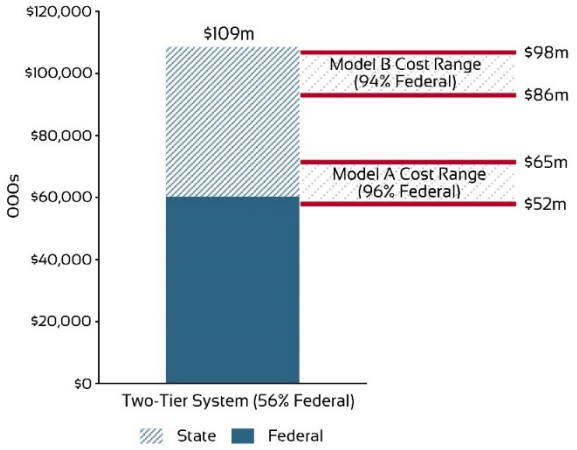
FNS would need to obtain ongoing secure remote access to State eligibility and document imaging systems to view case file information. Security and privacy requirements related to integrated eligibility systems are stringent and do not currently allow this type of access in most instances.

Redesigning the QC system would present opportunities to potentially improve efficiencies or reduce costs. Some options that could be considered include: reducing the sample size, using commercial data sources for verification, and enhancing comparability of improper payment estimates with other Federal programs.

The Federal costs of a one-tier QC system would likely be higher than Federal costs of the current

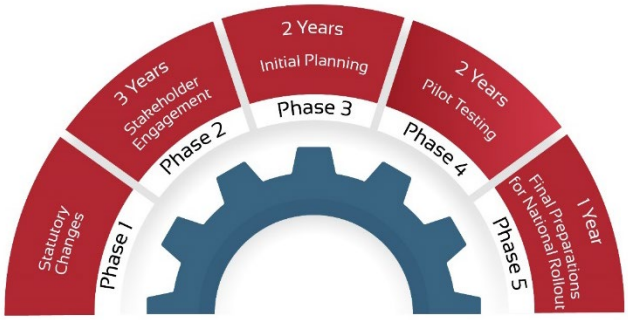
two-tier system, in which costs are shared with States. The costs of the new one-tier system would depend greatly on design choices. The study estimates the costs of these two example model one-tier systems compared to the current two-tier system. Estimates of the total annual costs in these two example models range from $52 million to $98 million, reflecting low and high assumptions for cost parameters for each of the models. For each example, these costs are lower than the total Federal and State costs for the current two-tier system, but higher than current Federal costs alone.

Annual Operating Costs of Two-Tier and One-Tier QC Systems



m=million

The authors estimate that a one-tier QC system could be designed and implemented 8 years after required statutory changes are made.



- For Phase 1 (Statutory Changes), the timeline is unclear and outside of FNS' control.

- Phase 2 (Stakeholder Engagement) includes deciding on the broad outlines of the new system, drafting and publishing proposed regulations, developing specifications for information technology systems, establishing data-use agreements with other Federal agencies, and engaging stakeholders to obtain their feedback and buy-in.

- Phase 3 (Initial Planning) includes publishing the final regulations, developing policy and procedure manuals, developing the information technology systems, hiring and training new Federal staff, and selecting pilot States.

- Phase 4 (Pilot Testing) includes two rounds of pilot testing and refining the one-tier system in a small number of States with the support of a rapid-learning process improvement contractor.

- Phase 5 (Final Preparations for National Rollout) includes dissemination of plans and guidance to the States, hiring and training additional Federal staff, finalizing sampling plans, and ensuring all the components were in place for a successful launch.

For More Information

McGill, B., et al. *Feasibility of Revising the SNAP Quality Control Review Process.* 2019. Prepared by Insight Policy Research, Inc. for the USDA Food and Nutrition Service (available online at the FNS Research website).