



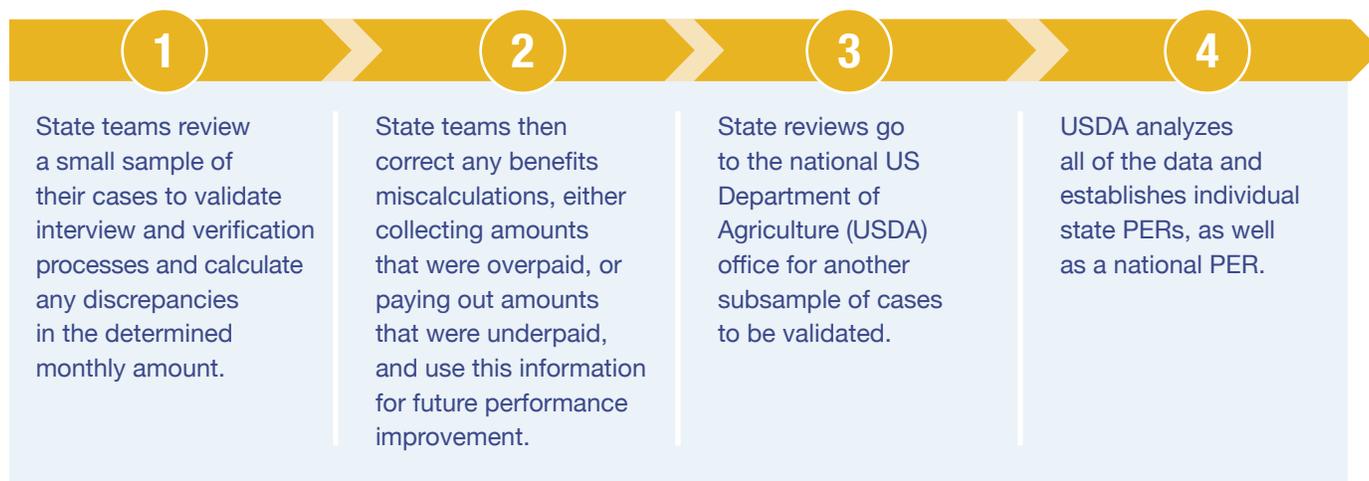
Payment Error Rates: Understanding What They Are and How to Support SNAP Agencies in Reducing Them



The Supplemental Nutrition Assistance Program (SNAP) is the most effective tool that Americans have to combat food insecurity. In recent years, the response to the COVID-19 pandemic has displayed the strength of SNAP in quickly and effectively adapting to needs across the country and has been a success story in the resiliency of our public systems of support in the face of economic crisis. However, the significant and necessary changes in program rules and operations in order to make this happen have strained the resources and workforce of state and county agencies that administer the program and have often come into conflict with the pre-existing rules governing quality control that agencies are expected to meet.

The SNAP Payment Error Rates (PERs) for Fiscal Year 2022, which are calculated using Quality Control (QC) data, are the first numbers published showing how accurately SNAP benefits were calculated since the COVID-19 outbreak and show an increase from 7.36% in FY2019 to 11.54% in FY22 (no PERs were shared in FY20 and FY21 while QC reviews were suspended by Congress). The SNAP PER is a calculation of state and federal processes to measure the assumed accuracy of SNAP benefit calculations based on a national sample.

The process has four key steps:



As with all research, it's essential to understand the methodology of what goes into calculating a number, and for PERs, it's important to understand what they do include as much as what they do not. For example, PERs *do not* take into account any measurements of a customer's experience with a SNAP agency—including understanding of program requirements, satisfaction with technology, customer service, wait times, churn on and off the program, or successfully and sustainably moving off of SNAP.



KEY FACTS ABOUT QUALITY CONTROL PAYMENT ERROR RATES

What PERs Are	What PERs Are NOT
<ul style="list-style-type: none"> • A measure of a small sample of SNAP cases to understand if the benefit amount given for a randomly selected month was correct • Largely unintentional mistakes that result in missing or incorrect information from the SNAP agency or household • Inclusive of benefits that were too high and too low • Errors that are the fault of the SNAP staff or the customer 	<ul style="list-style-type: none"> • Measures of fraud or purposeful obstruction of information • Measures of customer experience, including accessibility, technology, call wait times, and more • Adjusted for unique situations or policy options in each state

Causes of Increased Error Rates

There are several reasons why the national and individual state PERs for FY 2022 are higher than previous years. One overarching reason is the COVID-19 pandemic, which challenged SNAP agencies to operate a program that largely relied on in-person interactions in an entirely new way. The pandemic also impacted states across the country differently, such as different levels of unemployment and shelter in place orders. While it may be hard to imagine now, some states did not even have an online application prior to the outbreak of COVID-19—and this is just one example of how states faced different obstacles that affected how they were able to respond to the pandemic and significantly increased demand. Each state has faced unique challenges over the past few years, and while some faced more than others, each state has been tested by limits of their program and workforce. The combination of technology shifts, loss of experienced staff, operating under new and shifting flexibilities, and overall navigating through policy and QC has placed states under unprecedented strain.



Technology and Systems Updates: Across the country, states vary in how modern their eligibility systems are, which effects their ability to quickly respond and adapt to changes. Many states still operate on decades-old legacy IT systems that require significant time and effort to program changes into. During pandemic response when SNAP agencies were required to make rapid shifts in their systems at the direction of Congress and the USDA, many agencies had to create stopgap, manual processes to meet the timeline requirements. However, these solutions also tended to result in more errors, especially with new and shrinking staff.



Workforce Challenges: State and county SNAP agencies experienced tremendous staffing shortages and turnover in the past three years. In fact, in a February 2022 survey conducted by the American Public Human Services Association (APHSA) and sent to all state SNAP agencies, 67% of respondents (n=18) were down between 11-30% of their SNAP eligibility workers. Additionally, many states reported that with the high rates of turnover, it took several months to train staff to be able to process a case on their own. This amount of training and decreased workforce had significant impacts on the ability to prevent errors in SNAP. Unfortunately, we continue to hear workforce challenges as a top concern of SNAP agencies and know that with the end of the national Public Health Emergency earlier this year, and large changes to programs such as Medicaid, states and counties will continue to battle their staffing resource needs against the priorities of program accuracy.



Waiver Uptake: The March 2020 Families First Coronavirus Response Act (FFCRA) gave state agencies the authority to provide flexibilities to streamline application and recertification processes for SNAP households in order to make sure they had the benefits they needed, when they needed them. These waivers were an essential tool to preserve timely access to SNAP during the pandemic response—with all but two state agencies using waivers at one point during the pandemic. However, changing guidance from the USDA throughout 2020 and 2021, and new policies from Congress passed in late December 2020, resulted in several changes to SNAP processes over the past three years. Especially early on, SNAP agencies felt an overwhelming lack of clarity as to which of these vital waivers would be extended and for how long. At times, this resulted in states needing to constantly plan for if waivers would go away, and in certain cases they had to issue notices of changes to households in extremely short timeframes. At times, this back-and-forth left both SNAP agency staff and households confused about what was needed to retain their benefits, and ultimately resulted in errors found in benefit calculations. It's also important to note that state agencies have all been on different timelines for the unwinding of these waivers, making it even more challenging to compare impacts across states.



Existing State Policy Options: Prior to the pandemic, there were already several policy options and waivers that deviate from SNAP QC verification requirements and create errors due to no fault of the agency or customer. For example, at the time of eligibility determination, states may provide households the option to self-attest to their current shelter costs. However, if QC selects one of these cases to sample, they must verify the exact shelter amount. Many of these SNAP policy options have been created to help streamline the application process for households and agency staff, yet states who select to modernize their programs in these ways can be penalized through the QC process.

There are several reasons why one state may have a higher error rate than another, and when comparing them against each other, it's important to recognize that each state has a unique combination of systems, policies, and circumstances working for or against them. Many of these challenges states and counties are facing are not going away any time soon. Between the end of the national Public Health Emergency and Medicaid unwinding, implementation of the Fiscal Responsibility Act, an upcoming Farm Bill, and more, states face a long road of hard work ahead.

What Consequences Do States and Counties Face for High Error Rates?

There are significant repercussions for states that have high error rates. As a result, Corrective Action Plans (or CAPs), which are required for any state that has a combined error rate above 6% in a single year are top-of-mind for states right now. States also must complete a CAP if they fail to complete at least 98% of their required sample cases or have a Case and Procedural Error Rate (CAPER) above the national average. A CAPER calculation includes all possible procedural errors that happen to a case and include, but are not limited to, an untimely application denial, failure to provide a notice, and other seemingly minor issues such as putting a number that is off by 50 cents in a notice. CAPs must be submitted to the USDA shortly after error rates are announced and must be worked on with their regional office consistently until the CAP is completed.



Given the immense challenges that have been recently faced by SNAP agencies, and that will continue to come through the unwinding process and implementation of new policies, it will take several years for states and counties to fully recover their programs from the pandemic. Yet, they are willing and capable of staying true to their north star of delivering operational excellence in their programs. However, as states work through these challenges, they are forced to think about potentially debilitating financial penalties that distract from the larger, systemic changes that are necessary and underway.

How the 2023 Farm Bill Can Support States in Improving Payment Accuracy

APHSA's Farm Bill Recommendations offer multiple suggestions as to how Congress can support state SNAP agencies in improving their payment accuracy in the future.

1

SNAP agencies would like Congress to recognize the severe pressures that they have been under and will continue to be under in the near future by waiving financial liability during a time when states continue to struggle with acquiring sufficient resources to respond to immediate capacity needs for recovery, while still working in earnest to make program improvements for payment accuracy.

2

SNAP agencies need dedicated, unbiased support at the national level to understand how to stop errors at the root. This support is needed in two primary ways:

- ➔ Congress should fund a national QC TA Center that provides direct technical assistance through statistical analysis to states. Currently, states have a limited number of people to consult with on QC questions and errors, and these are the same staff that review their cases for accuracy. States need an unbiased and dedicated resource to effectively support them on long-term change.
- ➔ FNS needs to be adequately funded to provide staffing at the national and regional level to focus on policy and practice needs for QC. Additionally, FNS should be funded to develop more modern solutions to support states in their QC programs, such as a new SNAP QC system and a risk management system that helps states to understand when and what they need to be focusing on, in addition to other tools that support accurate eligibility determination and verification such as a national third party income database.

3

More transparency and feedback is needed on policy changes in QC that significantly impact households. Specifically, FNS updates the QC 310 Handbook each year, which outlines the policies that QC must abide by in their review process. This Handbook is not required to go through any comment period as other regulations in SNAP are, and while the FNS QC team has shared changes for state agency review in the past, it is not consistent and often does not provide a reasonable amount of time for feedback. Changes in the Handbook that have not been reviewed by a sufficient number of state agency leaders can, and have, resulted in significant changes that both harm clients and increase error rates.



Conclusion

State and county SNAP agencies have a steadfast commitment to operational excellence and upholding the integrity of the SNAP program. Yet, states have an uphill battle ahead to improve their accuracy while centering the mission of SNAP and customer service. As they continue to unwind from pandemic policies and work toward more modern solutions, while combatting a shrinking workforce and resource strains, APHSA and its members will continue to work together in support of a modern, effective, and customer-centered program.

To further discuss the realities that states currently face and the opportunities ahead for the 2023 Farm Bill, please reach out to [Matt Lyons](#), Senior Director of Policy and Practice, or [Chloe Green](#), Senior Policy Associate for Food and Nutrition Services.

Read APHSA's [full list of recommendations for the 2023 Farm Bill](#). To see the latest in our policy brief series, *The Path Forward: State and Local Policy Priorities for the 2023 Farm Bill*, and our blog series, *Making the Sauce: Ingredients for People-Powered Policymaking*, check out our [website](#).

