

# Understanding *Negatives*

NATIONAL PAYMENT ACCURACY WORK GROUP  
NEGATIVE ERROR RATE PROJECT

## Drilling Down Invalid Negatives

The Food and Nutrition Service (FNS) National Payment Accuracy Work Group (NPAWG) was tasked with an in-depth analysis of invalid negative actions in the Supplemental Nutrition Assistance Program (SNAP), in response to a negative error rate (NER) that has been trending upward since 2004. The purpose of this project was to identify the primary causes of the high NER and to provide tools to minimize invalid negative actions. The NER measures invalid negative actions, or the percentage of households whose SNAP benefits were denied, suspended, or terminated incorrectly. Invalid negative actions are indicators of barriers to program access, which impede the FNS mission of improving access to nutritious food and improving nutrition assistance program management and customer service.

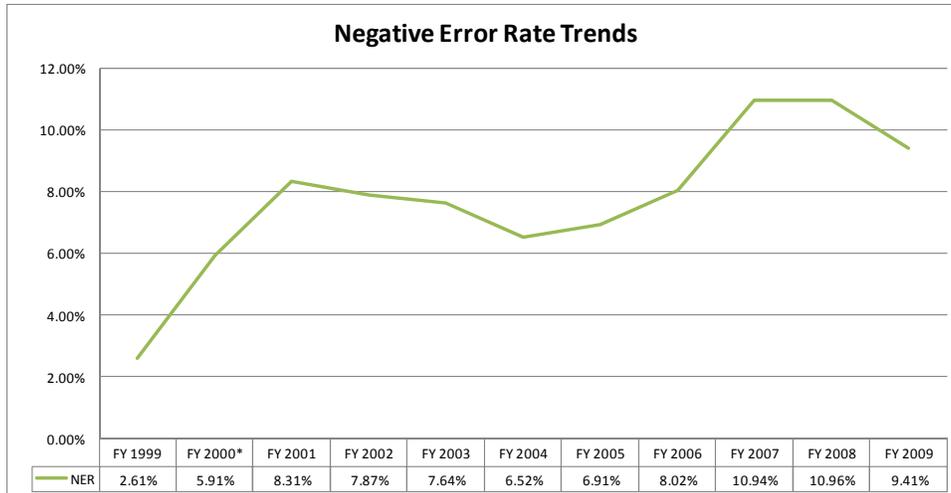
To study the issue, NPAWG performed in-depth reviews and analysis of the 5 largest States: Florida, New York, Michigan, Texas and California. This selection of States also allowed for a review of both county-administered and state-administered SNAP. NPAWG observed that the broad concerns and factors that affect invalid negative actions are similar regardless of the administrative structure, and potential solutions can apply to either type of administration. The review included analyzing the Quality Control (QC) files of all invalid negative action cases for the most recent six months prior to the on-site visit, and conducting on-site interviews with State and local staff.



*The National Payment Accuracy Work Group (NPAWG) is a group of SNAP experts from FNS headquarters and the seven regional offices that monitor and evaluate case accuracy progress, analyze error rate data, and exchange information on best practices and program improvement strategies. Efforts of the work group contribute significantly to the success in case accuracy by making timely and useful accuracy-related information and tools available across regions and States.*



# More about the issue



*There is a spike in the NER in FFY 2000 when FNS began validating the negative error rates for all States.*

The Official NER was 10.96 percent for Fiscal Year (FY) 2008 and 9.41 percent for FY 2009.<sup>1</sup> While the FY 2009 NER did decrease from FY 2008, the level of incorrectly denied applications or incorrectly suspended or terminated SNAP cases is still unacceptable. FNS regulations at 7 CFR 275.16(b)(2) require a corrective action plan (CAP) to address negative errors if a state's NER is one percent or higher. While that may seem very difficult to achieve, it demonstrates the importance placed on ensuring that individuals and families are not erroneously denied benefits to which they are eligible. To put the percentages into perspective, the FY 2009 NER represents about 911,000 households nationwide who had their benefits denied or terminated incorrectly.<sup>2</sup>

While some States have been proactive in addressing invalid negative actions through ongoing staff communication, system improvements, and policy and procedural changes, other States have buckled under the rising caseloads and focused limited resources elsewhere. FNS is well aware of the difficult economic times that States are facing; nonetheless, FNS must also ensure that SNAP applicants and recipients are provided access to the benefits to which they are entitled. To that end, FNS is committed to working with the States to improve SNAP administration.

## WHY REDUCE THE NER NOW?



While State resources are limited and caseloads continue to grow, it may seem that reducing negative errors is neither possible nor cost-effective.

However, during the case reviews, NPAWG observed that 55 percent of those households denied or terminated incorrectly subsequently reapplied for the Program and were approved within 6 months; and over 50 percent of those actually came back within 2 months.<sup>3</sup>

This demonstrates the fact that invalid negative actions can actually create a substantial amount of additional work for local offices.

## CASE FILE ANALYSIS

During the review, NPAWG analyzed all invalid negative action cases for each of the five states for a six-month period. This review sampling was not selected on a statistical basis. As a result, this report is a summary of observations and not a detailed statistical analysis. However, it does provide essential information gleaned from the case file reviews. There were 266 noted errors found in the 234 cases (some cases had multiple errors). The cases were categorized as follows:

Type of Action	Percentage of Cases Reviewed
Denial	64.9 percent
Termination	31.7 percent
Suspension	3.4 percent

<sup>1</sup> To view the most recent State-reported payment accuracy data, please visit the FNS PartnerWeb SNAP Community, Quality Control folder.

<sup>2</sup> FY09 average monthly negatives = 807,137 \* 12 = 9,685,644 annual negative cases \* 9.41 percent = 911,419 households affected by invalid negative actions.

<sup>3</sup> NPAWG specifically analyzed this data for New York and Florida, but this may be an area other States can review internally to better determine how invalid negative actions can increase the workload.

# Types of Invalid Actions

An invalid negative action can occur when a worker does not follow the required process. In our case review, we observed that the majority of invalid negative actions (72 percent) fell into this category. This includes problems with:

- ◆ The Notice of Missed Interview (NOMI) (18 percent of all errors in the sample).
- ◆ Denying too early (12 percent of all errors in the sample).
- ◆ Notices sent to an incorrect address (9 percent of all errors in the sample). This was specific to one State that had significant systemic problems with updating addresses, but is a good example of the impact one system glitch can have on errors.
- ◆ Insufficient time allowed to provide verification (8 percent of all errors in the sample).
- ◆ Scheduling the interview (6 percent of all errors in the sample).
- ◆ Required verification already in the file (3 percent of all errors in the sample).

It is important to remember that an invalid negative action does not necessarily indicate a household would have received benefits if the process had been correctly followed.

Nonetheless, in looking at the percentage of households who reapply within six months and are approved for benefits, it is a reasonable conclusion that a great many of these invalid negative actions do adversely affect households that would otherwise have been eligible for benefits. Even a late issuance adversely affects an eligible household.

Regardless of whether the household is ultimately eligible for benefits, all applicants and households with ongoing cases must be provided due process and ample opportunity to comply with program requirements in order to obtain and maintain SNAP benefits.

The second broad type of invalid negative actions can occur when cases are denied, suspended, or terminated due to misapplication of Program eligibility rules. FNS found that 28 percent of the invalid negative actions reviewed in the 5 largest States were due to a misapplication of policy such as:

- ◆ Incorrect income budgeting (14 percent of all errors in the sample). This includes errors in conversion of income (i.e. miscalculating when converting weekly or bi-weekly income into monthly income) and counting income that should be excluded.
- ◆ Incorrect household composition, i.e. excluding an eligible member incorrectly (3 percent of all errors in the sample).
- ◆ Transitional Benefits not issued to households leaving Temporary Assistance for Needy Families (TANF) (2 percent of all errors in the sample).

In total, verification errors accounted for 20 percent of all errors in the sample. These errors included :

- ◆ Cases eligible for expedited benefits for which the verification process was not postponed;
- ◆ Required verification already in the file;
- ◆ Cases that could have been processed without the requested verification, i.e. disallowing the shelter deduction when requested information is not provided; and
- ◆ Requested verification and then denied the SNAP application for not providing the information when the information was not needed for SNAP but for another program.

# ON-SITE INTERVIEWS

In addition to the case file analysis, NPAWG visited each of the five states and conducted interviews with State and local staff. The interview questionnaire was modified for each state, using information obtained from the case file reviews. NPAWG spoke to a variety of groups including policy staff, trainers, upper-level managers, quality control, corrective action staff, local office supervisors, and eligibility workers to ascertain their understanding of invalid negative actions. Based on our on-site visits and conversations, NPAWG made the following observations and are offering possible solutions or practices that are working in some locales. Some items are general access issues that may have a contributing factor to invalid negative actions, including inefficient processes that hinder an eligibility worker's ability to focus on cases and process them timely and accurately. When reviewing the information below, please remember that the FNS Keys to Valid Negative Actions, available on the FNS PartnerWeb or through your Regional Office, provides a more comprehensive guide on many of the items below and other useful tips on attaining and maintaining a low NER.

## SYSTEMS/AUTOMATION

Technology has become the cornerstone for many States in their efforts to operate SNAP more efficiently. Projects vary in cost and complexity and include efforts such as document imaging, online web portals, and new eligibility systems.

While many of these projects were undertaken to improve case management, they can contribute to an increased NER when all factors are not considered during implementation.

When workers have to access multiple systems to either process the case or find the necessary information, there is an increased likelihood of missing one or more steps in the process, entering important information incorrectly when it must be keyed in multiple times, or disregarding information that is available.

It is also important that system safeguards be programmed with worker processes in mind. For example, a pop-up window that asks, "Are You Sure" about a particular action (i.e., "Are you sure you want to deny before Day 30?") that defaults to "Yes" is not effective in reminding staff to check their work.

Centralized Information Technology (IT) staff create another challenge for many States in their efforts to ensure that SNAP IT needs are addressed.

### Possible Solutions

- ◆ A hard edit that prevents improper early denials can minimize invalid negative actions. For example, the system could be programmed to ensure that all required notices are sent and that proper verification timeframes were provided before allowing a denial action.
- ◆ An automated tool that allows staff to enter the date of application and the system then informs them of the date it can be denied. Another automated tool can provide alerts to workers at various intervals (e.g., 7 days, 30 days).
- ◆ An automated Notice of Missed Interview (NOMI) process can minimize NOMI errors and assist workers in managing their workload by eliminating a manual task.
- ◆ A computer-generated, personalized verification checklist printed at the conclusion of each interview, letting the applicant know what documents he or she already provided and what documents are still needed, can be effective in meeting verification requirements.
- ◆ Automated data matches can reduce the need for workers to check multiple systems for necessary information by sending an alert to workers when a match occurs.
- ◆ Linking data verification systems that require only one request for multiple systems saves time. Matches can be saved to history file which allows others to see what data were used in the eligibility determination.
- ◆ For States with document imaging, consider placing scanners in individual staff work spaces if they are responsible for scanning the documents. This can increase the timeliness of scanning the documents and encourage staff to scan prior to processing. States should take into consideration whether documents should be indexed at the individual client level or the case level.
- ◆ Communicate with IT staff and include them in discussions. Their expertise can help identify solutions to Program-specific system issues and assist with the prioritization process.

## COMMUNICATION

One of the biggest factors in strong program performance is communication at all levels of the organization, especially for top level leadership to convey the importance of the negative error rate and good customer service. When this component is lacking, performance can suffer.

It is also important for local staff to have a clear understanding of what the NER is, how well their local office is doing in this area, and what they can do to help improve performance.

### Possible Solutions

- ◆ Identify and share best practices within the State, including those discovered through the Management Evaluation process.
- ◆ Enhance communication through regular staff meetings and written materials. Include the NER on local office management reports.
- ◆ Staff newsletters or memoranda with policy and Quality Control (QC) tips can be very effective in delivering consistent messages and policy reminders to all.
- ◆ Reward staff for good work. There are many non-monetary forms of recognition when cash rewards are not available (recognition at office functions, food, certificates, signs, etc.).

## POLICY AND TRAINING

When policies are not clearly communicated, inconsistencies and errors result. States with a strong training program are better equipped to address invalid negative errors and program weaknesses in general. Training is an investment that should reduce costly errors and assist in providing good customer service. As States concentrate on replacing staff and struggle with budget reductions, it is imperative not to overlook the importance of both new and refresher training.

Some training programs do not focus on negative errors as a concept. In these situations, workers are often unclear about various performance measures and how they differ. When workers do not realize that negatives are not included in the timeliness measure, they may deny cases too early in order to prevent an application processing timeliness error.

We also found that some States are teaching the technology without focusing on the policy. Workers are not learning the Program nor do they understand the budgeting process.

Clearly explaining policies to clients is equally important. Confusing notices lead to client bewilderment, additional telephone calls, and potentially a denied application or closed or suspended case due to miscommunication.

### Possible Solutions

- ◆ States should review State and/or Local policy to ensure it is not overly complicated; or that it is not more restrictive than, or contradictory to Federal policy. States should also make use of available waivers and policy options in an effort to streamline and reduce the workload, such as telephone interviews, extended certification periods, expanded categorical eligibility, and a waiver to postpone the interview for expedited benefits. Please contact your Regional Office or refer to the Workload Management Matrix available on the public website or FNS PartnerWeb for a comprehensive list of options.
- ◆ Policy communication should be consistent, up-to-date, and accessible to all staff.
- ◆ Training curriculum should be carefully planned based on data analysis, error trends, new policy initiatives, and requests from the local offices. Involve QC in the training process for eligibility workers.
- ◆ Training tools should include on-site training and online training modules that can target specific policy areas where a worker may need reinforcement. Be sure to keep online training modules up-to-date.
- ◆ Mentors for new staff can be very effective.
- ◆ Nesting units allow one supervisor to focus completely on new workers, and allow new workers to build the skills and confidence in a more controlled environment. Nesting units are rated highly among States who have used them.
- ◆ States can conduct mock training on new systems or policy before going live in the local offices.
- ◆ Revise client notices to explain actions being taken with plain, easy-to-understand language. Do not use bureaucratic jargon.

# DATA ANALYSIS/CORRECTIVE ACTION PROCESS

Solid data analysis procedures and reports that are issued to a wide range of stakeholders are the foundation of good program administration. Data can and should be gathered from all available sources, including QC, supervisory and other types of case reviews, customer complaints, fair hearings, management evaluations, and program access reviews.

An ineffective corrective action process can contribute to invalid negative actions. An effective process includes identifying meaningful strategies that address the root cause of the issue and obtaining buy-in from staff at all levels, including local staff.

Maintaining the corrective action process is also essential to success. An effective corrective action process must include timely implementation, monitoring, evaluating, and following through on all implemented initiatives. If a corrective action initiative is not working, needs to be tweaked, or is not being utilized as planned, it must be addressed and revisited.

## Possible Solutions

- ◆ Increase awareness of the issues. The key is not only to issue data analysis reports, but to ensure that they are an integral part of the management process. For example, managers at the local level can discuss error rates at local office staff meetings and ensure workers are aware of where the error rates stand. A report card could be generated for each local office each month, and meetings can be held periodically to discuss the data and share information across the state.
- ◆ Data analysis should include information on whether errors are clustered around new workers or veteran workers. This could assist in focusing training needs.
- ◆ Determine if there is confusion regarding how to enter the correct information and/or codes into the computer system to generate the correct determination and notices.
- ◆ Determine if there is a consistent misapplication of a particular policy that needs to be addressed through training.
- ◆ A solid case review process will help identify workers who may need additional training or oversight in particular areas.
- ◆ Third party reviews can ensure second-party reviews are done accurately and findings are coded consistently.
- ◆ Targeted supervisory reviews should focus on key error elements rather than a cursory 100 percent supervisory review requirement.
- ◆ Implement a process or system to review a specific number of negative actions per worker per month to assist in reducing the NER.
- ◆ Implement Error Review Panels -- a representative group of staff from all functional areas brought together on a regular basis to discuss cases that QC identified as invalid negative actions is a valuable tool. It can be vital to analyzing causal factors for negative and active errors, bringing stakeholders from multiple levels of the organization together, and planning and evaluating the corrective action process.
- ◆ Develop corrective strategies that can help you be proactive in addressing the deficiencies. This is accomplished best when you involve all of the key players in the corrective action process, including Corrective Action, Quality Control, Policy, Training, Systems, and Local staff. With buy-in at all levels of the organization and a commitment to following up on corrective actions, States can make significant positive changes to Program performance.

# OFFICE PROCEDURES/WORKFLOW

When office operating procedures are not being followed, it can create enormous problems. Furthermore, office operating procedures must be kept up to date to reflect changes and to streamline the work to minimize errors.

Lack of communication and accountability can contribute to problems, especially when multiple staff members are responsible for processing different pieces of an application or case maintenance (either due to universal caseload/caseload banking or multiple programs). While a functional workload can be a tremendous asset to managing high case volume, it is critical to ensure there is strong and systemic communication among the various stakeholders and between the State and local agencies.

Telephone interviews can improve workflow and timeliness to assist in accurate case processing; however, it is important to ensure that the telephone system is adequate to handle the call volume. In at least one State, lines are so busy that clients are unable to connect for an interview. Their applications are denied and they must subsequently reapply. Also, workers must have the necessary equipment to conduct telephone interviews, i.e., headsets.

Lost/misfiled documentation and/or paper case records is a significant factor in many invalid negative actions. Any delay in mail processing or scanning documents can lead to erroneous denials, terminations, or suspensions.

## Possible Solutions

- ◆ Conduct workflow analysis to identify areas that can be simplified and streamlined. Workflow improvements can minimize worker interruptions and distractions, enabling them to focus on the details of correctly and timely processing a case. Such improvements are invaluable, but must be implemented effectively, as determined by the specific needs of the organization. Some examples include check-in kiosks, caseload banking, functional workloads such as the creation of a recertification unit and/or a centralized unit to process electronic, mailed, and faxed applications.
- ◆ Provide workload management tools for staff. System-generated lists of pending case actions can help supervisors and workers prioritize their workloads. A digital dashboard can further organize a worker's day and target the work that is most time-sensitive by displaying all necessary information (such as pending cases, scheduled interviews, received documents, etc.) on the worker's computer in a graphical, easy-to-use format.
- ◆ Tools that track specific tasks for each case and/or specific communication protocols among workers in a functional workload environment are very helpful in maintaining a smooth task-based process. This should be addressed clearly at implementation of any such process.
- ◆ Comprehensive case notes are also critical in ensuring good documentation of case actions and communication with multiple workers involved in a case.
- ◆ Periodic and mandatory caseload reconciliation can help prevent lost paper case files. While methods can vary, the basic concept is to conduct an inventory to account for each and every case assigned to an individual worker and/or the entire office.

## CONCLUSION

While the NPAWG NER project is only a snapshot of invalid negative actions in the five largest States during a specific period in time, the information gathered through the case reviews and through the on-site conversations and observations provides an overview of recurrent themes, concerns, and possible solutions. FNS is charged with ensuring program access and improved nutrition to those who are eligible for benefits. Invalid negative actions can directly impede those priorities. For additional information and guidance, please refer to the tools available on the FNS PartnerWeb to assist States in reducing invalid negative actions.