State Auditor's Office

John Keel, CPA
State Auditor

An Audit Report on

The Supplemental Nutrition Assistance Program at the Health and Human Services Commission

March 2010

Report No. 10-026

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Overall Conclusion

> **Supplemental Nutrition Assistance Program (SNAP)**
>
> **SNAP (formerly Food Stamps)** – This program provides low-income households with electronic nutrition assistance benefits that can be used at most grocery stores. SNAP benefits can be used to buy food staples such as breads, cereals, fruits, vegetables, meats, and dairy products, as well as seeds or plants that produce food.
>
> **SNAP Timeliness Requirement** – The federal government requires states to make determinations on SNAP eligibility no more than 30 days after they receive an application for SNAP benefits. States are expected to make 100 percent of eligibility determinations within the required time, but they may avoid having to prepare a corrective action plan if they make eligibility determinations within the required timeframe in more than 95 percent of the cases.
>
> **Texas SNAP Recipients** - As of February 2010, there were approximately 3,258,000 SNAP recipients in Texas.
>
> Sources: Food and Nutrition Service, U.S. Department of Agriculture; and the Health and Human Services Commission.

The Health and Human Services Commission (Commission) should eliminate process inefficiencies, more fully utilize technology, better manage its workforce, and develop detailed management information to improve the timeliness and accuracy of its Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) eligibility determinations. The Commission currently falls significantly short of federal requirements for both timeliness and accuracy. Many local eligibility offices continue to use inefficient, outdated processes and have been unable to respond effectively to an increased number of SNAP applications. To improve the timeliness and accuracy of SNAP eligibility determinations, the Commission must modernize its eligibility determination processes and continue to improve its management of the SNAP program and workforce.[1]

As shown in Figure 1 on the next page, the percent of SNAP applications that the Commission processed in a timely manner fell from almost 92 percent in fiscal year 2006 to less than 70 percent in fiscal year 2010[2]. At the same time, the number of SNAP eligibility determinations that the Commission completed increased from an average of 191,041 per month in fiscal year 2006 to an average of 279,336 per month in the first five months of fiscal year 2010, a 46 percent increase.

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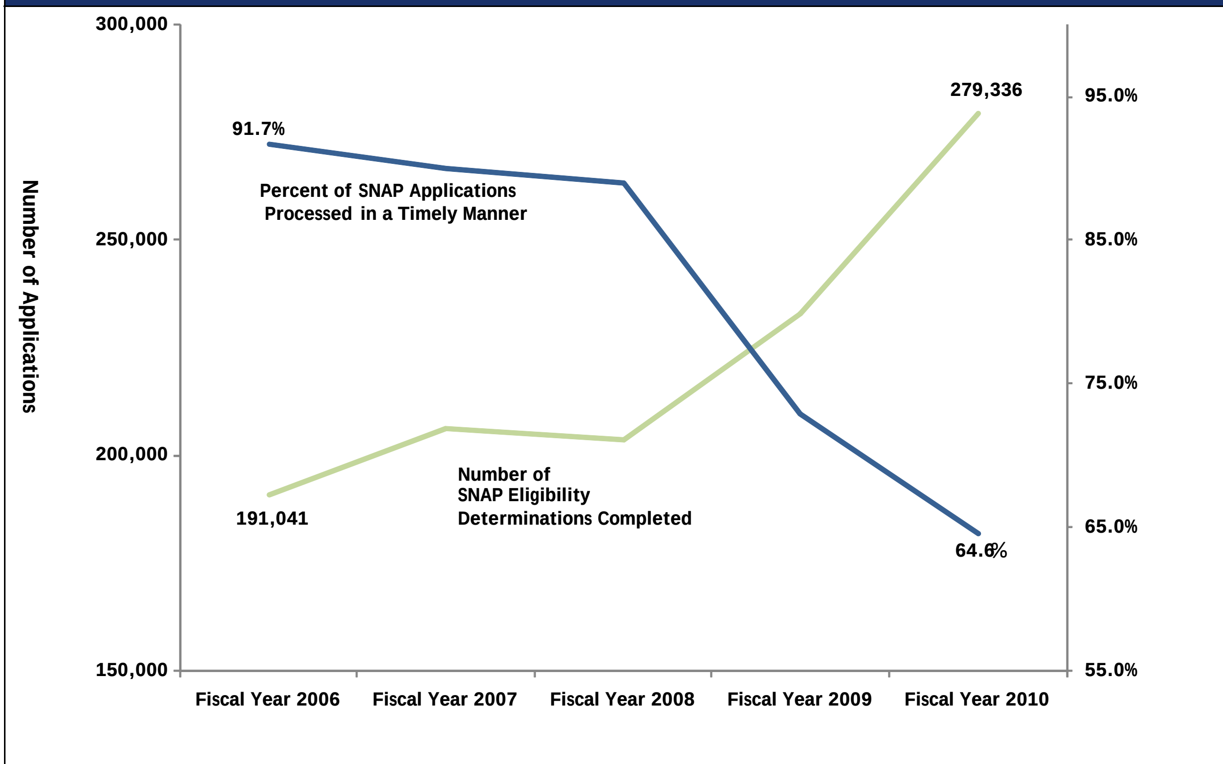
[1] See Appendix 2 for a description of selected initiatives the Commission is pursuing to improve the timeliness and accuracy of the SNAP eligibility determinations.

[2] Fiscal year 2010 data is through January 2010.

Figure 1

Monthly Averages for SNAP Applications Processed in a Timely Manner and SNAP Eligibility Determinations Completed Fiscal Years 2006 through 2010 [a]



[a] Fiscal year 2010 data is through January 2010.

Source: Unaudited data reported by the Commission's Enterprise Applications Department.

In fiscal year 2010, the Commission had hired more than 800 additional staff in its Office of Eligibility Services as of February 2010 to improve the timeliness of its SNAP eligibility determinations. The addition of significantly more inexperienced eligibility workers makes it more important that the Commission work to streamline its SNAP processes and improve the way it manages its workforce.

SNAP Error Rates

> **Summary of Findings Related to SNAP in the Statewide Single Audit Report**
>
> In *State of Texas Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2009* (State Auditor's Office Report No. 10-339, March 2010), auditors identified numerous errors in SNAP eligibility determinations, including errors associated with the Commission incorrectly calculating benefits and issuing benefits without sufficient client documentation.

One result of having a less tenured staff has been a significant increase in the error rate for SNAP eligibility determinations. Since fiscal year 2004, the Commission's self-determined error rates for both inappropriate denial of benefits (negative errors) and inaccurate benefit issuances (positive errors) increased sharply. (See Appendix 3 for more information about SNAP error rates.) Additionally, the *State of Texas Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2009* (State Auditor's Office Report No. 10-339, March 2010), contained findings related to errors and control weaknesses in SNAP eligibility determinations (see text box). Having a streamlined determination process and an experienced, well-trained, and supervised staff should help the Commission reduce error rates and increase timeliness. Many recommendations in this report are intended to address these issues.

Communication with Applicants and Clerical Support

The Commission should take immediate steps to better inform SNAP applicants about the information they are required to submit during the eligibility determination process. Better communication should reduce the number of trips that clients make to local offices, reduce the waiting times in local office lobbies, and reduce the number of cases the Commission pends following the required SNAP interviews. Local eligibility offices do not consistently post clear guidance on program requirements, and clients often must wait in long lines just to ask basic questions. Clients often cannot get answers over the telephone because local eligibility office staff are unavailable to answer questions over the telephone and because of phone system problems that local eligibility offices have experienced. In addition, the Commission does not utilize e-mail or the Internet to more effectively communicate with clients, including allowing clients to use this technology to check on the status of their applications.

Local office clerks could better support the eligibility determination process by contacting clients to remind them to bring all required documentation to the clients' scheduled interviews. Also, clerks should be trained to thoroughly review application documents prior to the interviews to avoid inappropriately expediting clients who are not eligible for emergency benefits, and to avoid errors in automated systems that delay eligibility determinations (see page 8 in the Detailed Results section of this report for further information).

Technology

The Commission also needs to better utilize technology to minimize delays in eligibility determinations. The Commission should consider using readily available, inexpensive scanning equipment to create electronic case files for the approximately 80 percent of SNAP cases that are still maintained as paper files, which are labor-intensive to maintain and store, and are prone to errors and loss. The Commission also should consider utilizing risk scoring programs that automatically rank SNAP cases based on their complexity. Risk scoring programs could streamline the eligibility determination process, reduce errors, and strengthen fraud detection by identifying:

- Low-risk recertification cases for which eligibility determination may be fast-tracked.[3]
- Difficult cases that should be worked by more experienced staff.
- Cases with fraud characteristics that should be given additional scrutiny.

Workforce Management

Eligibility workers with less than two years of experience currently make up about 41 percent of the Commission's frontline eligibility workforce, compared to fiscal year 2005 when these less tenured workers made up about 4 percent of the eligibility workforce. Additionally, the number of Texas Works Advisor IVs, who act as assistant supervisors, declined from 733 in fiscal year 2005 to 441 in fiscal year 2010, a decrease of approximately 40 percent.

The Commission's limits on supervisors' compensatory time resulted in eligibility workers working a significant amount of overtime without a supervisor on duty. The Commission reported that, in calendar year 2009, eligibility workers worked more than 1 million hours of combined overtime and compensatory time.

The Commission should improve the way it manages the eligibility workforce to minimize the effects of having inexperienced eligibility determination staff. To do this, the Commission should:

- Establish clear performance expectations for eligibility workers to serve as the basis for assessing performance and planning for staffing needs.
- Revise its policies on case reading, overtime, and compensatory time.
- Reassess the effectiveness of its training for new eligibility workers.
- Reassess and consider increasing the salaries of eligibility workers to help recruit qualified workers and retain experienced staff (see page 20 in the Detailed Results section of this report for information about the average salaries of eligibility workers).

Management Information

The Commission also lacks sufficiently detailed management information that it could use to analyze opportunities to re-engineer and streamline its eligibility determination process, speed up its application process, and accommodate the increased demand for services. Although the Commission generates numerous management reports on eligibility determination, there is a lack of consensus

[3] Recertification applications accounted for more than one-third of all disposed cases in federal fiscal year 2009.

among state, regional, and local eligibility offices regarding which key performance indicators should be tracked for more effective management of SNAP.

The Commission has not maintained the programming, distribution, and use of management reports generated by the System for Application, Verification, Eligibility, Referral, and Reporting (SAVERR). It also lacks timely, automated reports on the accurate amount of the SNAP application backlog or the current workload needing to be processed.

In addition, the Office of Eligibility Services did not receive key management reports on received, pended, and delinquent applications and current caseloads from fiscal year 2005 to November 2009.

Supplemental Federal Funding

The federal government has recently made available to the Commission more than $27 million in supplemental funding for the administration of SNAP. The Commission should consider using these funds to address the recommendations in this report related to salaries, training, and technology.

Summary of Management's Response

The Commission agrees with the recommendations in this report. The Commission's detailed management responses to the specific recommendations in this report are presented immediately following each set of recommendations in the Detailed Results section of this report. The Commission's overall management response and timeline for implementing actions to address report recommendations are presented in Appendix 7, page 49.

Summary of Information Technology Review

The information technology component of this audit focused on determining the data sources that the Commission uses and the sources that may be available to make the eligibility determination process more efficient. Auditors did not review data that the Commission provided to ensure the completeness and accuracy of the information.

Summary of Objectives, Scope, and Methodology

The audit objectives were to:

- Determine the cause(s) of the current backlog in processing applications for SNAP at the Commission and identify opportunities for improvement.
- Determine the Commission's compliance with selected federal and state laws, rules, and regulations regarding fraud prevention and detection in SNAP.

- Review other processes, systems, and information related to SNAP.

The audit scope covered processes related to SNAP. Auditors also surveyed other states' health and human services agencies that were responsible for SNAP in those states.

The audit methodology included collecting information and documentation; reviewing applicable laws, statutes, and Commission policies and procedures; analyzing and evaluating the eligibility determination process; surveying other states' health and human services agencies; and interviewing Commission management and staff. Auditors also conducted site visits to five regional offices and seven local eligibility offices.

Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We conducted this performance audit in accordance with those standards with the following exception: We did not assess automated controls for certain systems from which we obtained data. This data was used to provide context for information presented in this report, and we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Auditors also identified other less significant issues that were communicated separately in writing to the Commission.

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Detailed Results

Chapter 1

The Commission Has Opportunities to Streamline Eligibility Determinations While Strengthening Fraud Detection and Prevention

The Health and Human Services Commission (Commission) should take immediate steps to improve the timeliness and accuracy of its eligibility determination process for the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps). Although the Commission has temporarily reassigned staff to reduce a backlog of applications and undertaken various initiatives to lessen the workloads of eligibility workers, many local eligibility offices continue to use inefficient, outdated processes and have been unable to respond effectively to an increased number of SNAP applications. (See Appendix 2 for more information about the Commission's initiatives.)

> **SNAP Backlog**
>
> Several factors have contributed to the backlog of SNAP applications.
>
> In accordance with House Bill 2292 (78th Legislature, Regular Session), the State's health and human services agencies were consolidated into five agencies, with the Commission serving as the umbrella agency. During this consolidation, the Commission reduced its eligibility workforce when it outsourced some eligibility determination processes.
>
> During the past four years, the Commission has seen increased SNAP workloads associated with several hurricanes, in addition to seeing a sharp rise in SNAP cases associated with the economic recession.

While the Commission has made progress in reducing the backlog of SNAP applications (see text box for more information about the backlog), it reported that only 67 percent of SNAP applications were processed in a timely manner as of January 2010. The Commission needs to significantly streamline how it processes SNAP applications to meet the demands of higher workloads.

The Commission could significantly streamline and improve the accuracy of the SNAP eligibility determination process by focusing on three areas for improvement:

- Better communication with clients.
- Enhanced clerical training and responsibilities.
- More comprehensive utilization of technology.

The Commission should improve its communication with clients to reduce the number of SNAP applications that are delayed when clients do not provide sufficient documentation. The Commission also should provide additional ways for clients to receive information about the status of their cases without coming to the local offices. These alternatives should include having a reliable phone system and using e-mail and the Internet. These steps could also reduce the number of unnecessary trips that clients have to make to local offices and significantly reduce wait times in local office lobbies.

It is important that the Commission develop a stronger clerical support function for the eligibility determination process to allow eligibility workers to better focus on making decisions about SNAP eligibility. Clerks should be trained on automated eligibility systems so that they can access case information and answer basic client questions, such as those regarding case status, over the phone or by e-mail. A better-trained clerical staff could also answer general client questions in the lobby and significantly reduce waiting times.

The Commission should implement document scanning procedures in local offices so that electronic case files can be created for cases processed in the System for Application, Verification, Eligibility, Referral, and Reporting (SAVERR). The Commission reported that approximately 80 percent of SNAP cases are documented in paper case files that are labor-intensive and require significant physical space in the local offices.

The Commission should also pursue automating its analysis of available data on applicants to rank SNAP cases based on their complexity so that difficult cases can be worked by more experienced staff. Automated case ranking has the potential to strengthen fraud detection and reduce the number of eligibility determination errors, while also reducing delays caused by inexperienced eligibility workers working complex cases.

The Commission can use similar automated analysis to streamline the recertification process by comparing updated client information on income, assets, and household composition to information verified at the time of the client's previous SNAP certification. Streamlining recertifications has the potential to significantly reduce the Commission's workload because the Commission reported that recertifications accounted for more than one-third of all disposed cases in federal fiscal year 2009.

The federal government has recently made available $27 million in supplemental funds for administration of SNAP. The Commission should consider using these funds to address the recommendations relating to salaries, training, and technology in this report.

Chapter 1-A

The Commission Should Improve SNAP Timeliness by Improving Its Communication with Clients Regarding Program Requirements and Application Status

Many applications are delayed because applicants do not bring all of the necessary information to the required interview[4] and, therefore, the eligibility worker is unable to determine the applicant's eligibility for SNAP benefits. This results in the application being "pended," and it cannot be completed

[4] Federal regulations require an interview of applicants for SNAP benefits (see Code of Federal Regulations, Title 7, Section 273.2(e)).

until the local eligibility office receives the required documentation. Even when the information is received, the eligibility worker has little time available for completing the pended application because the Commission stresses the importance of conducting interviews as quickly as possible[5], leaving limited time for eligibility workers to work on cases that could not be completed at the time of the applicant's interview. The Commission could reduce the number of pended SNAP applications, and speed up the eligibility determination process, by better communicating eligibility determination requirements to SNAP applicants.

The problem of pended applications is compounded by the difficulty applicants and recipients have getting information over the telephone regarding required documents or inquiring about the status of their applications. Eligibility workers in high-volume local offices do not have time to answer questions over the telephone. In addition, eligibility workers' voice-mail systems often reach their capacity and stop receiving messages. Staff at four of the seven local offices auditors visited reported that their telephone systems are periodically overloaded and cease to function. Because information is not available by telephone, clients make unnecessary trips to a local office, in which they sometimes sit for hours just to ask a question or submit a document.

The Commission also could improve the way it communicates with clients visiting a local office. The local offices that auditors visited did not consistently post clear guidance on SNAP requirements. Crowded lobbies, long waits, and delays in eligibility determinations clearly resulted in frustrated clients, and the Commission must devote additional resources to resolve the resulting complaints. Additionally, some clients who cannot obtain information about their applications' status submit multiple applications, creating extra work for clerks and eligibility workers.

The Commission could speed up the SNAP application process and reduce the amount of work needed to complete eligibility determinations by restructuring its processes to better meet clients' needs. There are a number of ways the Commission could proactively communicate with clients about eligibility criteria and what documentation is necessary to complete an application. For example, for walk-in clients, the local eligibility office in Brownsville places an employee in the lobby to:

- Answer clients' questions.
- Provide clients with instructions for completing and submitting forms.
- Accept applications and documents for pending cases.

[5] See Chapter 2-B for discussion regarding the Commission's emphasis on monitoring *lead time*, the time between the client's submission of an application and the first available interview slot.

- Relay clients' information to eligibility workers.
- Direct clients to appropriate waiting areas.

The U.S. Social Security Administration office in Austin uses an automated Visitor Intake Program (VIP) to manage its client intake process. Upon arriving at the lobby, clients sign in at a computer terminal and select the purpose for their visit from a list of options. This provides an efficient mechanism for routing clients to the staff members who can provide the appropriate assistance. The VIP system also provides U.S. Social Security Administration management with valuable information on the number of clients, the purpose for their visits, and the waiting time associated with each purpose. The VIP system enables management to create several reports that can be used to improve operations.

In addition, it is important that the Commission provide clients with communication alternatives that do not require trips to the local eligibility office. Foremost among these alternatives are working telephone systems in local offices that are staffed by well-trained employees who can assist clients and reduce the workload of eligibility workers. The Commission should also explore other means for clients to get information about required documents and case status. The Commission could provide space on the SNAP application for clients to provide their e-mail addresses so that interview reminders and lists of required documents could be sent electronically to the clients. Additionally, the Commission should consider adding to its Web site a page on which clients could submit questions and contact information to specific local offices.

Recommendations

The Commission should:

- Assess the adequacy of its telephone and voice-mail systems to handle the volume of client calls, as well as the number of staff needed to answer client calls.
- Gather data on the reasons clients visit local offices to target efforts for reducing the volume of traffic in local offices.
- Consider implementing additional strategies for providing guidance and answers to clients about the eligibility determination process. This could include:
    - Using an experienced eligibility worker or a well-trained clerk in the lobby of local offices to answer questions, direct clients, and look up the status of clients' cases.

- Using various media in the lobby of local offices, such as signs and/or continuous loop videos on frequently asked questions.

- Posting frequently asked questions about the SNAP application and the eligibility determination process on its Web site.

- Adding a field on SNAP applications for clients to provide their e-mail address and a way for clients to indicate a preferred method of receiving communication from the Commission.

- Allowing clients to submit questions and receive answers on a Web site, and tracking and analyzing the questions submitted to target service improvements.

- Providing clients with a way to look up their case status on the Internet.

- Using an automated kiosk in eligibility offices similar to the one employed by the U.S. Social Security Administration office in Austin to track the reasons for client visits and to direct clients to needed forms and front office windows.

- Develop performance incentives for local offices and supervisors for accurately completing applications during the first interview with an individual who applies for SNAP benefits.

Management's Response

The Commission has taken steps to reduce the gap between the communication needs of eligibility workers in local offices and the telecommunication tools currently available to each worker. In 2009, the Commission updated phone systems in 30 percent of local offices. Caseload growth and the use of more phone interviews, however, often have outpaced the capacity of available telecommunication systems. To help address this, the Commission developed a two-year plan to increase phone system capacity and upgrade telecommunications equipment, part of which includes improvements in outbound calling capacity for 50 local offices within the next six months.

The Commission collected data from December 2009 through February 2010 on the types of services being requested in offices, and on processes used in other states to improve customer service and reduce the volume of traffic in local offices. This information is being reviewed, and an action plan will be developed.

The Commission is developing a performance-based merit system which will set clear performance goals for staff tied to productivity, quality, and *customer satisfaction. A multi-disciplinary workgroup has begun to identify criteria for staff performance and incentives. Once approved, the system will be established statewide.*

The Commission understands the importance of providing clear and accurate information for clients and applicants and is working to improve its materials for clients. The Commission consulted a national expert in writing for targeted audiences and provided plain language training for staff. Many client letters and materials already have been revised with plain language standards in mind, and other materials will be revised in the future.

The Commission also is working with stakeholders to redesign the integrated application for services. The new application has been tested with focus groups and has been well received.

The Commission will develop a client outreach and information plan, including consideration of recommendations included in this report. Other steps to improve communication and outreach to clients include:

> *<u>Office Staffing</u> – Some local offices have begun using an experienced eligibility worker or well-trained clerk in the lobby to assist clients. Currently, the functions performed by this position vary by office. Management is developing a uniform job descriptions and performance expectations for this position, which will be tested in a two-month pilot. Pending a successful evaluation, this staffing model will be implemented statewide.*
>
> *<u>Technology Enhancements</u> – The Commission's websites include frequently asked questions and other information on how to apply for services. To further improve communication with customers, the Commission will consider expanding available website information by (a) providing applicants the ability to submit questions about the application process through the client self-service portal and (b) developing and posting responses to common questions. Client access to information about their benefits also will improve through the client self-service portal and enhanced Interactive Voice Response application.*
>
> *<u>Additional Communication Improvements</u> – The Commission is installing new signs in offices statewide that explain how to apply for benefits. Other materials also are being developed, including a folder that explains the application and renewal process and includes key contact information. Clients can use this folder to store information about their cases, and it will provide reminders about the documents needed when renewing a case. The Commission also is evaluating the use of short videos to help educate the public about the application process. Few offices currently have the equipment to play videos, but*

the Commission is looking at other options, including using videos on the Internet.

Estimated Completion Dates:

- *April 2010 – Complete proposed initial steps to reduce traffic volume in local offices*
- *May 2010 – Initiate two-month pilot of new staffing model*
- *July 2010 – Develop requirements for enhancements to the client self-service portal, including decisions regarding enhanced Internet and web-based communications*
- *September 2010 – Complete phone upgrades in approximately 50 additional offices*
- *September 2010 – Implement new staffing model statewide, as appropriate based on the results of the pilot*
- *September 2010 – Establish client outreach and information plan*
- *September 2010 – Complete performance incentive and merit system recommendations*
- *March 2011 – Implement an enhanced self-service portal*
- *In conjunction with TIERS rollout – Implement website and Interactive Voice Response improvements*
- *April 2012 – Complete phone system capacity increases and equipment upgrades*

Titles of Responsible Persons:

- *Deputy Executive Commissioner for Social Services*
- *HHS Chief Information Officer*
- *Director, Commission Information Technology*

Chapter 1-B

The Commission Should Improve the Timeliness of its SNAP Processes by Strengthening Clerical Support in Local Eligibility Offices

The clerical staff in local eligibility offices could be better utilized to increase the productivity of eligibility workers. The seven local eligibility offices that auditors visited did not provide consistent training or written procedures for clerical staff. Consequently, clerks in these offices provided inconsistent support for eligibility workers, as well as inconsistent assistance to clients. By strengthening training and increasing the responsibilities of clerical staff, the Commission could reduce the workload of eligibility workers and allow eligibility workers to focus on making eligibility determinations.

Clerical staff could better facilitate the eligibility determination process if they were trained and provided with specific written procedures for performing several key support activities before clients' scheduled appointments with eligibility workers. These activities include (1) contacting clients to remind them to submit all necessary documents, (2) reviewing the completeness of SNAP applications and documents, (3) thoroughly reviewing clients' eligibility for expedited (emergency) processing, and (4) accessing eligibility systems to review client histories to prevent eligibility system processing errors. Proper training and written procedures would also enable clerical staff to provide answers to more general eligibility questions, as discussed in Chapter 1-A.

The Commission should train clerks to contact applicants before an applicant's interview.

The majority of eligibility workers in the five regional offices that auditors interviewed estimated that no more than half of SNAP applicants completed the determination process at the time of their interviews. The eligibility workers' most frequently cited reason for clients not completing the application process at the time of the interview is that clients lacked required documentation, such as pay stubs. This caused a client's case to be pended and required additional follow up by both the eligibility worker and the client. The Commission could significantly increase the number of SNAP eligibility determinations it completes at the time of the client interview if clients were reminded before their appointments about what documents were required.

Clerical staff could contact clients by phone or e-mail to remind them of what documentation is required. The Commission could also use e-mail as a mechanism for clients to contact local offices to ask basic questions about the eligibility determination process.

The Commission should train clerks to conduct a more thorough review of client applications before a client's interview with an eligibility worker.

The Commission could make better use of eligibility workers' time if it would train the clerical staff to more thoroughly review client documents prior to the clients' interviews with eligibility workers. Better reviews of the completeness of clients' supporting documents when clients arrive in local offices would also help the Commission make optimum use of eligibility workers' time and increase the efficiency of the eligibility determination process. Specifically:

- **The Commission should train clerks to do a more thorough review of applications before scheduling expedited interviews.** The Commission requires that all applications submitted be reviewed to determine whether the applicant is eligible for expedited (emergency) processing. However, clerical staff in several regions have not accurately reviewed applicants' eligibility for expedited processing due to a lack of training and written procedures. Interviews with eligibility workers in three regional offices indicated that at least 50 percent of the clients they interviewed for expedited benefits were not eligible for expedited processing. Expedited processing of applications of clients who are not eligible for expedited benefits allows these clients to be inappropriately processed ahead of other clients.

- **The Commission should train clerks to identify SAVERR cases involving individuals who have been enrolled in programs administered in the Texas Integrated Eligibility System (TIERS).** Clerical staff do not sufficiently review client histories in automated eligibility systems prior to the clients' interviews with eligibility workers, which sometimes results in eligibility workers receiving processing errors that prevent them from completing applications in SAVERR. According to eligibility workers auditors interviewed, these errors occur when an applicant whose case is administered in SAVERR has a family member who has been enrolled in a program other than SNAP that is administered in TIERS (see textbox for more information about TIERS). SNAP applicants who have family members enrolled in other programs administered in TIERS must have their SNAP applications processed in TIERS, rather than in SAVERR. However, if these cases are not properly identified by clerical staff prior to the eligibility interview, an eligibility worker may work the application in SAVERR and then receive an error message when attempting to complete the application. The error must be resolved by a Texas Works Advisor IV[6],

The Texas Integrated Eligibility Redesign System (TIERS)

The Texas Integrated Eligibility Redesign System (TIERS) was originally designed to replace several systems that the Commission has used since the 1970s, including the System for Application, Verification, Eligibility, Referrals and Reporting (SAVERR).

TIERS is a browser-based system that supports eligibility determination and benefits calculation for the following programs:

- Temporary Assistance for Needy Families (TANF).
- SNAP.
- Medicaid.
- Long-term Care.

The 76th Legislature established the TIERS project in 1999 to improve client access to benefits and services and to better coordinate service delivery across health and human services programs.

At the beginning of fiscal year 2010, the Commission reported that approximately 20 percent of SNAP cases were administered in TIERS.

[6] Texas Works Advisor IVs are the most tenured eligibility workers and function as assistant supervisors in local eligibility offices.

unnecessarily wastes the eligibility worker's time, and delays processing of the client's application. Reception clerical staff do not adequately review client histories due to a lack of training and written procedures.

Recommendations

The Commission should:

- Train clerical staff to answer frequently asked questions on the telephone.
- Train and assign clerical staff to contact clients by phone and e-mail to remind clients about the documentation they need for their interviews with eligibility workers.
- Provide clerical staff with training and access to SAVERR and TIERS so they are able to respond to clients' questions about the status of their applications.
- Assign clerks to review the completeness of a walk-in client's application and supporting documentation before the client sees an eligibility worker.
- Develop written questions for reception clerical staff to ask clients when screening clients for expedited processing.
- Ensure that reception clerical staff have sufficient training to identify SAVERR clients who have family members with cases in TIERS before scheduling appointments with eligibility workers.

Management's Response

The Commission has implemented a process in some offices where clients are interviewed no later than the day following their initial visit to an eligibility office. In these offices, clerical staff review the application and external data verification sources, such as data broker and Texas Workforce Commission information, before the eligibility worker interviews the client. This reduces interview time and increases the completeness of documentation needed to process the client's application. The Commission is evaluating the effectiveness of this model and will consider expanding it to additional offices.

The Commission will continue to develop and implement additional process enhancements, including those suggested in this recommendation, to make better use of clerical staff and technology resources. This will improve customer service and case preparation activities in support of SNAP eligibility determinations.

As process improvements are finalized and associated clerical responsibilities are defined, the Commission will provide training to personnel to expand the *knowledge and skills needed to perform those tasks. In an effort to ensure that guidance is comprehensive and consistently provided to all personnel, the Commission is currently reviewing and updating its training curricula and associated materials. When process improvements and associated training development are completed, the Commission will communicate the new processes and responsibilities to clerical staff, eligibility workers, and supervisors in all regions and local offices, schedule training, and begin training throughout the state.*

Estimated Completion Date:

- *September 2010 – Implement process enhancements to make better use of clerical staff and technology resources*

Title of Responsible Person:

- *Deputy Executive Commissioner for Social Services*

Chapter 1-C

The Commission Should Better Utilize Information Technology to Improve the Timeliness and Accuracy of SNAP Eligibility Determinations

The Commission could improve its SNAP processes by ensuring that new eligibility workers have immediate access to the automated systems the Commission uses to determine SNAP eligibility. Additionally, the Commission should consider scanning SNAP applications and supporting documentation in local offices to create electronic case files. Approximately 80 percent of current SNAP cases are maintained as paper files, which are labor-intensive to maintain and store, and prone to error and loss.

The Commission should also consider automating the analysis of data available through its data broker to score SNAP cases based on their complexity. Identifying complex cases would allow the Commission to better assign cases with a high risk for error or fraud to its most experienced eligibility workers. Additionally, the Commission could use automated data analysis to streamline the recertification process. The Commission's current data broker contractor proposed developing a system that automatically compares updated information on SNAP recipients' income, assets, and household composition to the information that was verified during the recipients' previous certification.

The Commission should ensure that all staff have appropriate access to information systems needed for eligibility determination.

Newly hired eligibility workers and clerical staff employees reported that they experienced delays in obtaining access to client information through

SAVERR, TIERS, the Office of the Attorney General's Child Support System, and the data broker system. This creates avoidable delays in scheduling appointments and in processing applications. Currently, local office supervisors are responsible for submitting the forms and paperwork needed to obtain approval and access to those automated systems. Auditors reviewed user access request forms for employees who had experienced access delays and determined that either the request form had not been submitted with complete information in a timely manner or that supervisors did not notify employees when they had received access. However, supervisors in high-volume local eligibility offices may sometimes be too busy to monitor the process of granting access for their staff.

The Commission should create electronic case files to replace paper case files.

The paper-based document handling procedures that auditors observed in local offices administering cases in SAVERR were labor-intensive and prone to error. Lost documents generate additional work for local offices because staff must spend valuable time searching for missing documents and responding to additional client inquiries.

Local offices currently copy the supporting documents and return the original documents to the clients. Inexpensive equipment is readily available that local offices could use to scan SNAP applications and supporting documents. The amount of labor required to scan documents is essentially the same as what the Commission currently expends making copies of documents. Scanning and storing client documents on eligibility offices' local area networks could help prevent the problems associated with lost documents, significantly reduce the activities associated with manually routing and filing paper documents, and reduce the need for storage space.

The Commission should consider utilizing programs that automatically analyze available data to streamline eligibility determination, reduce errors, and strengthen fraud prevention.

The Commission should explore opportunities to increase the use of automated tools to process SNAP applications more quickly and accurately, while better identifying cases with a higher risk of fraud. Specifically:

- **The Commission should explore using risk-based case scoring to identify more complex cases and potential fraud.** In addition to increasing the use of technology to recertify existing clients, the Commission should explore the use of technology to apply risk-based criteria for applications. A risk-based screening process could be used to assign risk scores or weights to applications and identify more complex applications and those that exhibit a higher potential for fraud that, therefore, should be assigned to more experienced eligibility workers for review. Ensuring that complex applications are reviewed by more experienced eligibility workers could help the Commission reduce its processing error rate while also reducing processing time. Applications with fraud-related risk factors could be given additional scrutiny and/or referred to the Commission's Office of Inspector General (OIG). Development of risk factors would require input from experienced eligibility workers and the OIG.

- The Commission should explore options to increase the use of automation to make recertification of current SNAP recipients more efficient. The Commission reported that recertification of benefits represented more than one-third of all disposed cases in federal fiscal year 2009. The Commission could use available electronic databases to identify for additional scrutiny any significant changes in key client information such as income, assets, and household composition that would affect a client's eligibility status. Upon review of the automated reports, if eligibility workers determine that a client is still eligible for benefits, the Commission could recertify the benefits on that basis, rather than requiring the clients to bring in paper documentation and conducting another interview. This would speed up the recertification process for a significant percentage of clients and allow the Commission to conduct a thorough review of clients whose information had changed significantly since the previous certification. Increasing the use and frequency of electronic verification also has the potential to enhance fraud detection by providing ongoing, real-time checks on significant changes in income and assets.

Two contractors have presented information to the Commission regarding enhanced electronic data matching and risk-based reviews of SNAP applications. The Commission is still evaluating the risk-based case scoring service, but it has not acted on the initiative to automate analysis of recertification eligibility. (See Chapter 2-B for additional information about these proposed enhancements.)

Recommendations

The Commission should:

- Expedite authorization of user access to key systems used to determine eligibility for SNAP benefits.

- Consider scanning SNAP applications and supporting documentation in local offices.

- Utilize enhanced electronic verification of client information for recertification of SNAP benefits, and conduct risk-based reviews of client applications for (1) assignment of SNAP cases to eligibility workers and (2) the prevention of fraud.

Management's Response

The Commission recently redesigned access request forms and provided training to eligibility supervisors who review and approve requests for access to systems, including SAVERR (the System for Application, Verification, Eligibility, Referral, and Reporting), TIERS, the Attorney General's Child Support System, and the data broker system. As a result, the time required to complete processing of requests was reduced from five days to three days. The Commission also is working to identify and mitigate other potential causes for processing delays.

The Commission is evaluating scanning technology alternatives and will determine which approach can provide the most cost effective solution to support eligibility office business processes.

The Commission is assessing options presented by vendors to develop risk scoring capabilities to identify more complex applications or those with a higher potential for fraud. It will also begin examining potential improvements in electronic verification of client data that could lead to more efficient processing of eligibility recertifications.

Estimated Completion Dates:

- *May 2010 – Establishment of additional system access request process improvements*
- *Scanning technology solutions*
- *September 2010 – Evaluation of alternatives*
- *To be determined – Implementation of selected technology solution and deployment strategy*
- *Approaches for electronic verification of client data and risk scoring of client applications*
- *September 2010 – Selection of optimal approach*
- *To be determined – Implementation of selected approach*

Title of Responsible Persons:

- *HHS Chief Information Officer*
- *Deputy Executive Commissioner for Social Services*

The Commission Should Improve Its Management of Human Resources and Information Resources in SNAP

The Commission has not clearly defined the performance expectations or developed management information essential to monitoring and improving the SNAP eligibility determination process. While the Commission has dedicated significant resources to eliminating a backlog of applications, it has not established accurate measures of eligibility worker productivity. As a result, the Commission's ability to assess the performance of eligibility services employees is limited. This is especially important because the Commission's eligibility workforce is significantly less tenured than it was in fiscal year 2005, and the Commission has allowed regional offices to discontinue or lower the minimum skill test scores used to hire eligibility workers.

The Commission also lacks sufficiently detailed information that it could use to analyze opportunities to re-engineer and streamline its eligibility determination processes, speed up its application process, and accommodate increased demand for services. Although the Commission generates numerous management reports on eligibility determination, there is no consensus between state, regional, and local eligibility offices on the key performance criteria for SNAP.

Additionally, information from front-line eligibility staff is not consistently communicated to the Commission's decision-makers. This lack of consistent communication up the Commission's chain of command, and the inconsistent availability of program data, has led to management decisions that have contributed to the backlog of SNAP applications or hindered efforts to eliminate it. It also puts at risk the Commission's ability to sustain the timely processing of SNAP applications after the backlog is eliminated.

Chapter 2-A

The Commission Should Improve Its Management of the Eligibility Services' Workforce

The Commission has not established productivity standards for eligibility workers, which reduces the Commission's ability to hold eligibility workers accountable for meeting performance expectations and undermines the Commission's planning for staffing needs. Improving its management of the eligibility services' workforce is especially important given the Commission's loss of experienced eligibility workers since fiscal year 2005. The Commission's decisions in the following areas have compounded the problems associated with a less experienced workforce:

- Managing overtime and compensatory time for eligibility staff.
- Providing training for eligibility staff.

- Revising hiring standards.
- Filling positions in the state office with tenured front-line eligibility workers.

The Commission has not determined the number of cases it expects an eligibility worker to work in a given period of time, based on the eligibility worker's level and tenure.

The Commission currently evaluates eligibility workers on the percent of cases they complete within 30 days from the client's submission of a SNAP application, which is the federal eligibility determination timeliness requirement. When the State is experiencing significant backlogs, however, an individual eligibility worker has little control over the timeliness of application processing.

Productivity expectations should serve as the basis of accountability at all organizational levels. Without communicating clear performance expectations to the eligibility workers, the Commission cannot effectively hold the eligibility workers, or the local and regional managers, accountable for meeting performance standards. Additionally, the Commission cannot clearly distinguish higher performing offices from lower performing offices, except by measuring lead times and backlogs, which are largely beyond the eligibility workers' control, especially in high-volume local offices.

Productivity standards are essential for assessing staffing needs. The Commission currently estimates its staffing needs with little or no analysis of the productivity differences between a new eligibility worker and a tenured eligibility worker. As a result, the Commission's assessment of hiring needs is based on the average productivity of the entire workforce. There are significant productivity differences between eligibility workers with fewer than two years of experience and more experienced eligibility workers. There are also significant differences in the time that it takes to complete a case in TIERS and in SAVERR. It is important that the Commission consider these differences when assessing its staffing needs. It is also important for the Commission to establish productivity standards for different types of SNAP cases (such as new applications, recertifications, and expedited cases). The mix of case types can vary significantly from region to region, which may affect the staffing needs of each region.

The Commission has not adequately planned its staffing needs related to the expansion of TIERS.

Rider 52 of the General Appropriations Act[7] requires the Commission to roll out TIERS statewide, contingent upon the receipt of required approval by the Commission's federal funding partners, by August 31, 2011. The Commission is developing a schedule for the expansion of TIERS, but it has

[7] Rider 52, Page II-98, General Appropriations Act (81st Legislature).

not yet sufficiently analyzed the staffing needs associated with this expansion. According to Commission staff, it takes a tenured eligibility worker longer to work a SNAP case in TIERS than to work a SNAP case in SAVERR. Consequently, any expansion of TIERS could require a larger eligibility workforce. Texas Government Code, Section 531.4551, requires the Commission to conduct an analysis of staffing needs associated with any expansion of TIERS. Although the Commission plans to begin expanding TIERS later in 2010, it had not conducted a staffing analysis as of February 2010.

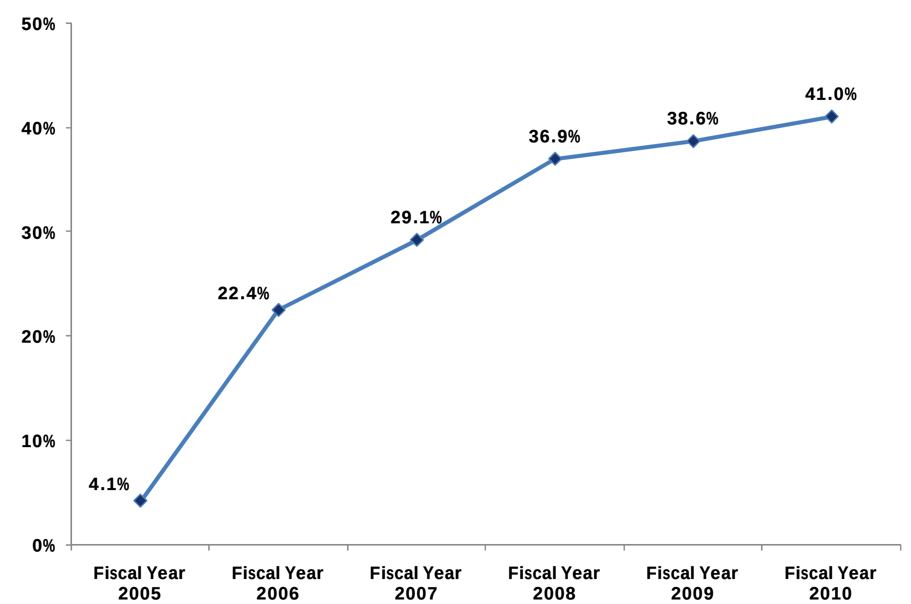
Recent trends in the characteristics of the eligibility workforce underscore the importance of improved human resources management.

It is important that the Commission understand and address its staffing needs because its eligibility workforce is significantly less experienced than it was five years ago. The lack of tenured eligibility workers, combined with increased caseloads and limited availability of supervisors, contributes to the Commission's problems with timeliness and accuracy. (See Appendix 3 for more information on the Commission's SNAP eligibility determination error rates.) Figure 2 shows the percent of eligibility workers with fewer than two years of experience for fiscal year 2005 through fiscal year 2010.

Figure 2

Percent of Eligibility Workers with Fewer Than Two Years of Experience

Fiscal Year 2005 to Fiscal Year 2010 [a]



[a] Fiscal year 2010 data is through December 31, 2009.

Source: Unaudited data from the Commission.

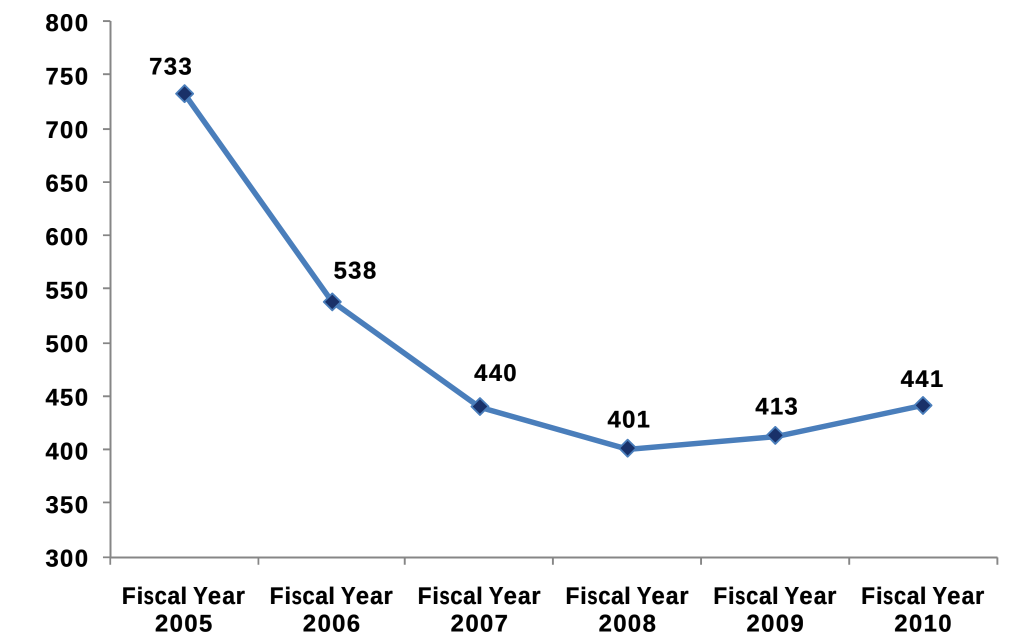
Responsibilities of a Texas Works Advisor IV

Texas Works Advisor IVs act as assistant supervisors. In addition to their eligibility determination duties, they have responsibilities for training new eligibility workers, reading cases, clearing complaints, interpreting policies, monitoring performance, and implementing corrective action plans.

A less-tenured workforce requires additional supervision and monitoring of eligibility determinations. However, because of the backlog of SNAP cases discussed in Chapter 1, supervisors and assistant supervisors (senior eligibility workers classified as Texas Works Advisor IVs, see text box for a description of this position) are often working cases themselves and cannot always be available to support inexperienced eligibility workers. A decline in the number of Texas Works Advisor IVs by approximately 40 percent since fiscal year 2005 compounds this problem. Figure 3 shows the total number of Texas Works Advisor IVs assigned to local offices for fiscal year 2005 through fiscal year 2010.

Figure 3

Total Number of Texas Works Advisor IVs (All Regions)
Fiscal Year 2005 to Fiscal Year 2010 [a]



[a] Fiscal year 2010 data is through December 31, 2009.

Source: Unaudited data from the Commission.

The reduced availability of supervisors is exacerbated by the Commission's policies on overtime and compensatory time.

The Commission has mandated that eligibility workers in regions with SNAP application backlogs work overtime to reduce and ultimately eliminate the backlog. According to data provided by the Commission, in calendar year 2009, eligibility workers statewide earned more than 1 million hours of overtime and compensatory time combined. The Commission paid about $26 million for overtime in calendar year 2009. The Commission's information indicates that more than 40 percent of eligibility worker overtime and compensatory time was earned in the regions with the highest number of backlogged SNAP applications: Region 3 (Grand Prairie) and Region 6 (Houston).[8]

At the same time, the Commission has continued to limit employees to accumulate balances of no more than 160 hours of compensatory time. Because of this limitation on compensatory time, local office supervisors often are not compensated for working extra hours or coming in on weekends to monitor the work of their staff because they are exempt from the U.S. Fair Labor Standards Act (FLSA) and do not earn overtime. Consequently, some local office supervisors do not work extra, uncompensated hours. As a result, eligibility workers work a significant number of hours without a supervisor on duty. Eligibility workers in six local offices in three different regions averaged more than one week of work (40 hours) every month of calendar year 2009 without a supervisor on duty, according to the Commission's data.

The importance of supervisors being able to continuously monitor and coach a less experienced workforce is underscored by the recent problems the Commission has had in meeting the federal requirements for accuracy in SNAP eligibility determinations.

Management decisions on training and hiring have contributed to the Commission's eligibility services' staffing problems.

The Commission's decisions on reducing training, evaluating the effectiveness of training, and lowering hiring standards have contributed to the decline in the average tenure of eligibility staff and have exacerbated the problems associated with a less experienced workforce. Specifically:

- **The Commission has not evaluated the effectiveness of its training.** The problems related to limited supervision and coaching of eligibility workers are compounded by the fact that the Commission has not evaluated its new hire training program to determine how effectively it prepares new eligibility workers for their jobs. This is especially important because the Commission has significantly reduced the amount of training eligibility workers receive.

- **The Commission's emphasis on hiring affects the quality of the eligibility services' workforce.** In fiscal years 2009 and 2010, the Commission hired a significant number of new eligibility workers.[9] This increase in hiring has

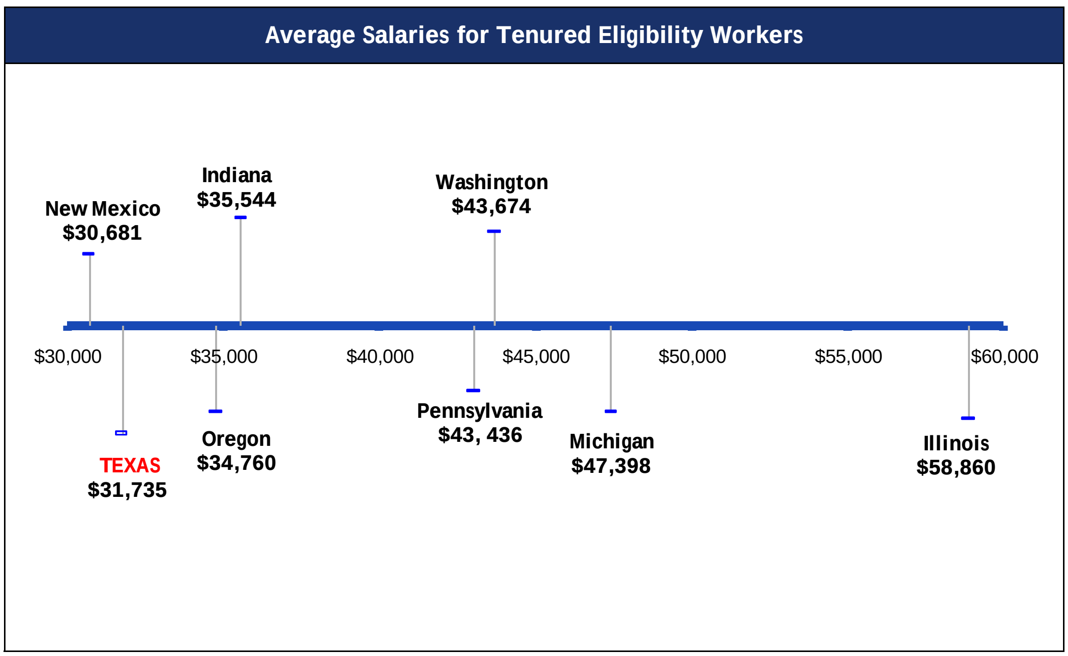
[8] Information on the overtime and compensatory time the Commission staff earned and information on the tenure of eligibility workers is based on unaudited information that the Commission provided.

[9] Rider 61, page II-99, the General Appropriations Act (81st Legislature) allows the Commission to request an increase to its full-time equivalent (FTE) cap by up to 656 additional FTEs in fiscal year 2010 and by up to 822 additional FTEs in fiscal year 2011 to "fill and maintain eligibility staffing at a level necessary to maintain a reasonable workload designed to meet required federal timeliness and reduce error rates."

resulted in the Commission sometimes hiring candidates that it would not have selected in the past. The Commission delegated hiring responsibilities to the regions and allowed them to discontinue using a minimum skills test. Two regions continue to use a minimum skills test, but one of these regions reported to auditors that it was selecting candidates with lower scores than it did in the past. The limited pool of qualified candidates available to fill eligibility worker positions underscores the importance of the Commission evaluating its training program and ensuring that new eligibility workers have adequate supervision.

- **The Commission's difficulties in finding qualified candidates for new eligibility worker positions may be due to the salaries that eligibility workers earn.** Figure 4 shows the average salaries for tenured eligibility workers (equivalent to Texas Works Advisor IIIs) in eight states, including Texas. Texas ranks near the bottom of the eight selected states, with its tenured eligibility workers earning an average of $31,735 annually (see Appendix 4 for more information about the average salaries of eligibility workers in Texas).

Figure 4



Source: Auditors' survey of 11 states that were selected based on population and attributes of SNAP in other states. Four states did not provide salary information for tenured eligibility workers.

- **The Commission has created incentives for front-line eligibility workers to choose other positions within the Commission.** The Commission has appropriately staffed state office quality oversight positions with tenured, front-line eligibility workers. However, the Commission has also inadvertently created incentives for local office eligibility workers to take positions in the state office as program specialists in the Performance Oversight

Division, which was created in July 2009. Since these program specialist positions were equivalent to local supervisor positions in salary, eligibility workers sometimes chose to change jobs because they could earn similar or higher salaries in less stressful positions that do not require them to work extended hours on a regular basis. This has contributed to the loss of tenure in the local eligibility determination workforce.[10]

Recommendations

The Commission should:

- Establish basic productivity expectations for eligibility workers based on an eligibility worker's tenure, job title, job duties, the type of cases worked (such as new applications, recertifications, and expedited determinations), and the system (TIERS or SAVERR) in which the eligibility worker works.
- Incorporate basic productivity expectations into its employee evaluations, and hold staff accountable for meeting productivity expectations.
- Conduct a staffing analysis to determine eligibility staffing needs associated with the expansion of TIERS statewide, as set forth in Texas Government Code, Section 531.4551.
- Revise its policies on compensatory time and overtime to ensure that they are not resulting in a significant amount of unsupervised work of eligibility workers.
- Ensure that recently hired eligibility workers get the support from senior eligibility workers and supervisors that is necessary for them to process cases in a timely and accurate manner.
- Review its candidate screening and hiring processes to determine the appropriate balance between the number of new hires and minimum skill test scores required for new hires.
- Evaluate the effectiveness of its current eligibility worker training and adjust the training based on the results of the evaluation.
- Reassess and consider increasing the salaries of eligibility workers to help recruit qualified workers and retain experienced staff.
- Evaluate the impact on local eligibility offices' supervisory positions before filling new state office positions with experienced front-line eligibility staff.

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[10] The Commission reports that it has capped the Performance Oversight Division's program specialist positions and implemented a "career track" for local office unit supervisors as a strategy to retain unit supervisors in the local offices.

Management's Response

The dramatic increase in caseloads and high turnover rate have placed a significant demand on eligibility staff. Productivity expectations have fluctuated with these changing circumstances and have not been formally monitored. To address these issues, the Commission will review current productivity assumptions and develop clear productivity expectations for eligibility staff. These guidelines will include standards for the amount of time required to process a case. Standards will account for variables such as worker experience level, case type, and case complexity. Once approved, worker performance plans will be revised to incorporate these standards.

The Commission will pursue a number of actions to renew its focus on training and supervision of personnel, such as:

> *<u>New Hire Mentoring</u> – Current hiring guidelines include time for office observation and questions, computer based training under a supervisor, and two to four weeks of on-the-job training with a mentor available to answer questions and provide technical assistance. As caseloads and staff attrition rates have grown, the focus of senior eligibility staff has shifted to working additional cases. Consequently, these mentoring and training practices have not been consistently performed. The Commission will renew its commitment to provide mentoring to new staff by reinforcing expectations with regional management and instructing program managers to validate that staff are appropriately mentored.*

> *<u>Mentoring Skill Development</u> – The Commission is developing training for Worker IVs who often function as policy and procedure experts and mentors in the local offices. Worker IV training curriculum will include mentoring skills and strategies, as well as guidance on appropriate interpretation and application of policies and procedures.*

> *<u>Eligibility Worker Training</u> – The Commission has recently revised training for new and tenured eligibility staff. The curriculum is being evaluated by advisors, trainers, and policy experts. New training specifically for TIERS is also being implemented and will be updated, as needed, when process improvements are deployed.*

> *<u>Compensatory and Overtime Policies</u> – The Commission will review and evaluate current compensatory and overtime policies and practices and ensure adequate supervision is provided to eligibility staff who work overtime.*

Appropriate staffing needs must be defined to achieve timeliness, accuracy, and customer service goals. In meeting these needs, a balance should be maintained between hiring expeditiously and hiring quality applicants. Current activities and planned improvements in this area include:

Staffing Needs Assessment – The expansion of TIERS, as well as the current redesign of eligibility business processes, may impact eligibility staffing levels, the mix of positions, and allocation of personnel statewide. The Commission has developed an assessment methodology and identified data sources, and will establish new staffing requirements as soon as changes to the business process are finalized.

Applicant Screening – The Commission is negotiating a six-month pilot of a pre-screening hiring approach in which a contractor will evaluate applicants with respect to critical skills necessary to perform eligibility work, then recommend qualified applicants to the Commission for hiring consideration. This pilot will be tested throughout the Houston and Garland regions. Results of this pilot will guide future hiring practices for eligibility staff.

State Office Hiring – The impact of filling state office vacancies with experienced regional eligibility personnel is currently being evaluated as part of a more global review of the Office of Eligibility Services organizational structure. The Commission has reassigned 25 Office of Eligibility Services state office staff members to local office positions, and will continue to evaluate whether other positions could be more effectively utilized in local offices.

Staff Compensation – The Commission awarded one time merit payment to direct delivery staff in December 2009. In addition, the Commission plans to review and evaluate the current eligibility worker compensation plan and develop a performance-based merit system tied to productivity, quality, and customer satisfaction. Based on the results of the compensation review, the Commission may request additional funding for eligibility worker salaries in its Legislative Appropriations Request. Other efforts to increase staff retention and provide performance-based incentives also will be considered.

Estimated Completion Dates:

- *April 2010 – Begin pilot of pre-screening hiring approach*
- *April 2010 – Conduct classroom testing of new worker training*
- *May 2010 – Complete evaluation of Office of Eligibility Services organizational structure*
- *June 2010 – Review and revise compensatory time and overtime policies*
- *June 2010 – Assess eligibility worker compensation plan*

- *June 2010 – Complete staffing needs assessment*
- *September 2010 – Formalize eligibility worker productivity and performance standards*
- *September 2010 – Reestablish new hire mentoring practices and complete development of Worker IV training curriculum*
- *Ongoing – Request funding for increases in eligibility staffing and staff compensation, as necessary*

Title of Responsible Persons:

- *Deputy Executive Commissioner for Social Services*
- *Deputy Executive Commissioner for System Support Services*
- *Director, Strategic Decision Support*

Chapter 2-B

The Commission Should Establish Key Performance Indicators and Ensure That It Captures the Information Necessary to Monitor These Indicators

The Commission has not established a set of core program performance indicators by which the state office and regional offices can consistently monitor and manage the SNAP eligibility determination process. The Commission relies heavily on lead time reports and hiring reports, but these reports give an incomplete picture of the success of local and regional offices in addressing timeliness issues. Although the Commission reports that nearly 80 percent of SNAP cases are still processed in SAVERR, the Commission has not consistently updated that system's report programming logic to make reports more useful and complete. The Commission also does not ensure that SAVERR reports are distributed to all responsible staff.

Additionally, the Commission has not adequately reviewed its own eligibility determination processes to improve efficiency, and it has not developed detailed management information that would help the Commission focus its efforts on addressing the underlying causes for delays in the eligibility determination process. In the absence of critical information, the Commission's management made decisions that contributed to the backlog of SNAP applications.

The Commission has not established a consistent set of performance indicators.

The Commission has not agreed upon a core set of measures and reports to guide all organizational levels of SNAP management. While the Office of Eligibility Services has documented processes and responsibilities for the various groups of eligibility workers that are involved in eligibility determinations, it has not documented and communicated program metrics that should be monitored at the different levels of SNAP management.

Regions use different SAVERR reports to monitor SNAP, and they have to manipulate some SAVERR reports to make them more useful for monitoring. For example, Region 6 manually enters information from existing SAVERR hard copy reports to generate electronic timeliness reports, which it uses to monitor the timeliness of eligibility determination in the local offices.

Information in SAVERR is incomplete and inconsistently distributed and used.

The Commission has not adequately maintained the programming, distribution, and use of management reports generated by SAVERR in part because it expected to roll out TIERS statewide several years ago. This has contributed to the lack of key information that SNAP supervisors and Commission management can use to monitor and improve the SNAP eligibility determination process. Specifically:

- The Commission has not consistently updated programming for reports generated by SAVERR. SAVERR reports have incomplete information about pended and delinquent cases. For example, a key SAVERR report[11] showing received, pending, and delinquent applications does not include information on certain types of applications and, as a result, understates the number of backlogged cases. For example, the report does not include cases involving previous SAVERR clients who have had a break in service and have reapplied for benefits. Because of the processing methodology used for these types of cases, the applications appear on the SAVERR report only after the application has been processed. The Commission has not changed the programming for this report to capture the missing information because it expects to eventually move all SAVERR cases into TIERS, where the missing information would be captured. Local office staff members interviewed by auditors stated that they must manually compile backlog information that is reported to regional and state offices.
- The Office of Eligibility Services did not receive key SAVERR hard copy reports on received, pended, and delinquent applications, as well as caseload information from fiscal year 2005 to November 2009, because the distribution of the hard-copy reports was not changed when health and human service agencies were consolidated and responsible staff moved to

[11] RG11 – Pending Application Summary report.

other state office buildings. The state office could have used these reports for workload planning.

The Commission relies too heavily on certain reports, such as lead time and simple staffing reports.

While SAVERR reports are incomplete, incorrectly distributed, and inconsistently used, the value of other, manually compiled reports may be overestimated. Specifically:

- **Lead Time Report** - The Commission relies heavily on the manually compiled Lead Time Report as an indicator of progress on reducing the backlog. The Lead Time Report provides information on the amount of time that a client must wait between submitting an application and having the required SNAP eligibility interview. Because this report provides only information on the length of time a client must wait for an interview, and not the total time taken for eligibility determination, it does not provide a complete or accurate snapshot of the backlog.

- **Staffing Reports** - The Commission relies heavily on simple staffing reports to monitor filled and vacant positions. These reports do not provide information on tenure by location or expected performance associated with those positions.

The Commission should develop additional sources of management information.

The Commission does not collect sufficiently detailed information to allow it to focus its efforts on the underlying causes for delays in the eligibility determination process. For example, the Commission receives SAVERR reports that summarize the number of pended cases by unit and region, but it does not collect information on the reasons the cases were pended. At a minimum, selected eligibility workers could be asked to manually tally the reasons that they place cases in a pending status. Having a better understanding of the most common reasons cases are pended could help the Commission target its efforts to reduce the overall number of pended cases.

The Commission also does not routinely collect information on the reasons clients make multiple visits to local offices during the SNAP application and eligibility determination processes. Using an automated intake system, such as the system discussed in Chapter 1-A, would generate information that Commission management could use to focus its efforts on reducing the number of unnecessary client trips to local offices. One local office that auditors visited places a tenured employee in the lobby to greet clients and minimize the clients' waiting times. A greeter also could be used to manually collect information about the visits that local offices could use to devise intake strategies, or that the regional offices and the state office could use to help craft policies that would reduce unnecessary client visits to local offices.

The Commission's reviews of local offices should be strengthened to provide additional information on process inefficiencies.

- The Commission conducts quality assurance reviews of local offices through the Office of Family Services, and it formed a performance oversight group within the Office of Eligibility Services. However, the quality assurance reviews focus primarily on policy compliance, and the performance oversight group conducted only informal reviews to identify process improvements in two regions prior to being diverted to work backlogged applications.

- Five of the 11 regions report conducting periodic reviews at local offices. However, these reviews focus on compliance with existing policies and procedures, rather than identifying and eliminating process inefficiencies that affect timeliness. The Commission should conduct routine reviews of local offices in all regions to concentrate on identifying and minimizing delays in the eligibility determination process.

The Commission could also better utilize the experience of its tenured front-line staff by establishing a process through which eligibility workers could provide periodic feedback on specific eligibility determination issues. Many of the local office eligibility workers whom auditors interviewed expressed frustration that policy changes and other management decisions occurred without the eligibility workers' input, sometimes with unintended consequences.

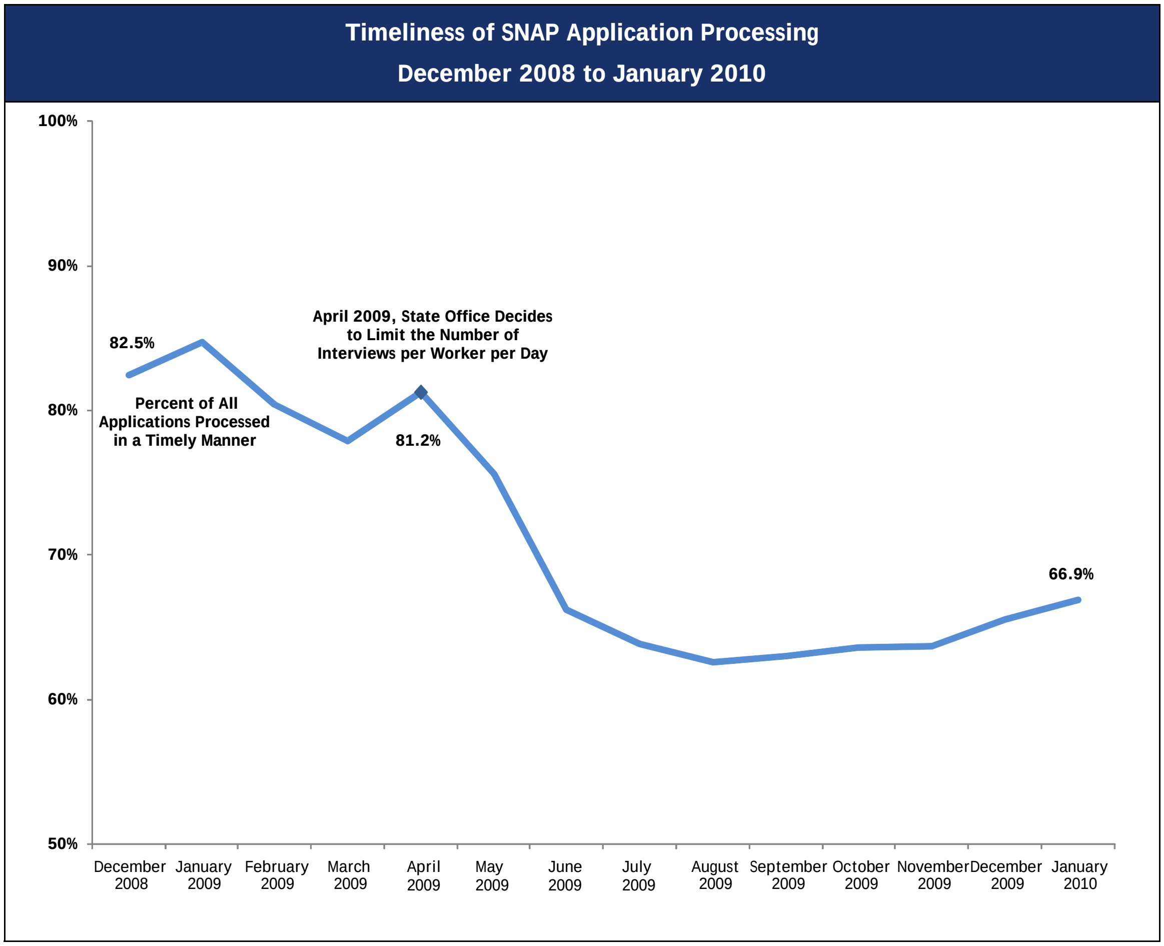
The Commission's decisions and inaction have increased or prolonged the backlog and inhibited the development of management information.

The Commission sometimes makes decisions with little or no analysis of the consequences of its actions. In other instances, the Commission's failure to take action on initiatives represents missed opportunities to improve timeliness and reduce eligibility workers' workloads. Specifically:

- **Limiting Client Interviews** - In April 2009, because of its concern over a rising error rate in SNAP cases, the Commission instructed the regions to limit the number of client interviews that an eligibility worker can conduct in a day.[12] Immediately after this decision, the percentage of SNAP eligibility determinations completed in a timely manner dropped sharply. Months after this decision was made and the backlog worsened, Commission management had to clarify that the interview limitation was to be used as a scheduling guideline, not policy. The decision to limit client interviews and the miscommunication about the interview limitations significantly increased the backlog of SNAP applications. Figure 5 on the next page shows the percent of SNAP applications processed in a timely manner from December 2008 through January 2010.

[12] The state office instructed local offices to limit eligibility workers to eight to ten interviews plus two expedited cases per day.

Figure 5



Source: Unaudited data reported by the Commission's Enterprise Applications Department.

- **Scoring the Complexity of the Commission's SNAP Cases** – In November 2007, during contract renegotiations, the Commission's contracted data broker presented information to the Commission about developing an automated system that would assign scores to SNAP cases depending on the complexity of the case. The Commission could use the scoring system to assign the most difficult cases to the most experienced eligibility workers, potentially reducing error rates, strengthening fraud prevention, and improving the timeliness of eligibility determinations. The data broker's case scoring system would apply to cases in TIERS and in SAVERR. The Commission did not act on this option until November 2009, when it signed a contract with a vendor to develop a similar system through an existing eligibility services contract as a subcontractor.[13] The Commission did not use a competitive bidding process, and it performed no analysis to justify its decision. As of February 2010, the subcontractor had not yet

[13] The subcontract would provide scoring services only for cases administered in TIERS.

produced a deliverable demonstrating that its case scoring system will work.

- **Automating Recertification** - The Commission's contracted data broker also proposed an enhancement to data broker services that would streamline recertifications by comparing current information on a recertification applicant's income, assets, and household composition with information originally verified at the time of the applicant's previous certification. The contractor did not foresee additional costs associated with the development of this enhancement, and this specific enhancement was included in the Commission's current data broker contract. As of February 2010, however, the Commission had not taken action on this streamlining initiative.

The Commission should establish a better feedback loop with the OIG.

The Commission does not have a formal means of routine communication with the OIG for the purpose of understanding specific attributes of SNAP fraud cases that the OIG investigated. Information on SNAP fraud cases could be used to train new eligibility workers to better identify fraud. Information from the OIG also could be used to strengthen fraud identification through the case scoring initiative discussed above. (See Appendix 5 for more information on SNAP fraud prevention and detection activities at the Commission and the OIG.)

Recommendations

The Commission should:

- Establish a set of SNAP performance indicators that are consistently monitored at the state and regional offices.
- Ensure that SAVERR reports are correctly distributed to the appropriate staff.
- Ensure that SAVERR report programming is updated when necessary to capture information important to the management of SNAP, such as applications received from previous SAVERR clients that have had a break in service and reapply for SNAP benefits.
- Develop more complete information on pended cases and client contacts so that efforts can be focused on the primary causes for delays in the eligibility determination process.
- Expand local office reviews to identify and eliminate process inefficiencies.

- Ensure that staff conducting reviews of local offices are trained in process analysis.
- Develop a method to receive periodic feedback from tenured, front-line staff on specific eligibility determination issues.
- Designate staff to coordinate and move forward efforts to enhance data broker services to improve the timeliness of SNAP eligibility determinations.
- Work with OIG to establish a process for routine feedback on the attributes of fraud cases and use this information to strengthen its fraud detection activities.

Management's Response

The Commission has developed an initial set of performance indicators that are now monitored statewide and regionally each month. The Commission is also working to improve and augment existing indicators and collect additional data to establish a comprehensive set of relevant and useful performance measures and related management reports.

Challenges exist in ensuring that data from both SAVERR and TIERS is available to monitor performance. The Commission is working to improve SAVERR reporting capabilities to the extent practical for a system that will soon be replaced. The Commission also is examining TIERS to determine how reporting functionality can be improved.

Additional efforts are underway to improve the quality and availability of information needed to monitor performance, make program decisions, and identify opportunities for process improvement. For example:

> *<u>Management Report Content and Distribution</u> – The Commission is identifying improvements to management reports and is developing solutions to ensure the reports are available to supervisors and managers who need them.*
>
> *<u>Performance Improvement Team Coverage and Quality</u> – As the application backlog is eliminated and team members who are currently helping with this effort become available, local office reviews will resume. Training of team members will focus on the skills required to analyze business processes and identify process efficiencies. Team members also will provide guidance to program specialists in field offices who can then conduct self-assessments.*
>
> *<u>Encouraging Feedback from Staff</u> – Numerous initiatives are in progress to gather input from experienced staff. These include*

frequent site visits by executive management, regular staff meetings, monthly regional meetings with program managers and supervisors, staff participation in TIERS curriculum and training development, and user input in TIERS development.

Enhancing Data Broker Services – The Commission is evaluating approaches for risk scoring of SNAP applications to target those with high risk and the potential for fraud, and will begin examining potential improvements in electronic verification of client data that could lead to more efficient processing of eligibility recertifications.

Fraud Awareness, Prevention, and Detection – To increase its ability to prevent and detect fraud, the Commission is examining eligibility processes to identify control weaknesses and opportunities to strengthen business processes. Office of Eligibility Services management will work with the Commission's Office of Inspector General to maintain awareness of actual or potential fraudulent activities and to develop strategies designed to reduce fraud.

Estimated Completion Dates:

- *September 2010 – Complete development of comprehensive performance indicators*
- *September 2010 – Complete training of Performance Improvement Team staff*
- *Until TIERS statewide rollout is complete – Improve SAVERR management reporting*
- *Ongoing – Improve TIERS management reporting*
- *Ongoing – Obtain employee feedback on process improvement*
- *Ongoing – Maintain fraud awareness and establish strategies for reducing fraud*

Title of Responsible Persons:

- *Deputy Executive Commissioner for Social Services*
- *HHS Chief Information Officer*
- *Director, Strategic Decision Support*

List of All Recommendations in This Report

All of the recommendations in this report are listed below.

Chapter 1-A

The Commission should:

- Assess the adequacy of its telephone and voice-mail systems to handle the volume of client calls, as well as the number of staff needed to answer client calls.
- Gather data on the reasons clients visit local offices to target efforts for reducing the volume of traffic in local offices.
- Consider implementing additional strategies for providing guidance and answers to clients about the eligibility determination process. This could include:
    - Using an experienced eligibility worker or a well-trained clerk in the lobby of local offices to answer questions, direct clients, and look up the status of clients' cases.
    - Using various media in the lobby of local offices, such as signs and/or continuous loop videos on frequently asked questions.
    - Posting frequently asked questions about the SNAP application and the eligibility determination process on its Web site.
    - Adding a field on SNAP applications for clients to provide their e-mail address and a way for clients to indicate a preferred method of receiving communication from the Commission.
    - Allowing clients to submit questions and receive answers on a Web site, and tracking and analyzing the questions submitted to target service improvements.
    - Providing clients with a way to look up their case status on the Internet.
    - Using an automated kiosk in eligibility offices similar to the one employed by the U.S. Social Security Administration office in Austin to track the reasons for client visits and to direct clients to needed forms and front office windows.
- Develop performance incentives for local offices and supervisors for accurately completing applications during the first interview with an individual who applies for SNAP benefits.

Chapter 1-B

The Commission should:

- Train clerical staff to answer frequently asked questions on the telephone.
- Train and assign clerical staff to contact clients by phone and e-mail to remind clients about the supporting documentation they need for their interviews with eligibility workers.
- Provide clerical staff with training and access to SAVERR and TIERS so they are able to respond to clients' questions about the status of their applications.
- Assign clerks to review the completeness of a walk-in client's application and supporting documentation before the client sees an eligibility worker.
- Develop written questions for reception clerical staff to ask clients when screening clients for expedited processing.
- Ensure that reception clerical staff have sufficient training to identify SAVERR clients who have family members with cases in TIERS before scheduling appointments with eligibility workers.

Chapter 1-C

The Commission should:

- Expedite authorization of user access to key systems used to determine eligibility for SNAP benefits.
- Consider scanning SNAP applications and supporting documentation in local offices.
- Utilize enhanced electronic verification of client information for recertification of SNAP benefits, and conduct risk-based reviews of client applications for (1) assignment of SNAP cases to eligibility workers and (2) the prevention of fraud.

Chapter 2-A

The Commission should:

- Establish basic productivity expectations for eligibility workers based on an eligibility worker's tenure, job title, job duties, the type of cases worked (such as new applications, recertifications, and expedited determinations), and the system (TIERS or SAVERR) in which the eligibility worker works.

- Incorporate basic productivity expectations into its employee evaluations, and hold staff accountable for meeting productivity expectations.
- Conduct a staffing analysis to determine eligibility staffing needs associated with the expansion of TIERS statewide, as set forth in Texas Government Code, Section 531.4551.
- Revise its policies on compensatory time and overtime to ensure that they are not resulting in a significant amount of unsupervised work of eligibility workers.
- Ensure that recently hired eligibility workers get the support from senior eligibility workers and supervisors that is necessary for them to process cases in a timely and accurate manner.
- Review its candidate screening and hiring processes to determine the appropriate balance between the number of new hires and minimum skill test scores required for new hires.
- Evaluate the effectiveness of its current eligibility worker training and adjust the training based on the results of the evaluation.
- Reassess and consider increasing the salaries of eligibility workers to help recruit qualified workers and retain experienced staff.
- Evaluate the impact on local eligibility offices' supervisory positions before filling new state office positions with experienced front-line eligibility staff.

Chapter 2-B

The Commission should:

- Establish a set of SNAP performance indicators that are consistently monitored at the state and regional offices.
- Ensure that SAVERR reports are correctly distributed to the appropriate staff.
- Ensure that SAVERR report programming is updated when necessary to capture information important to the management of SNAP, such as applications received from previous SAVERR clients that have had a break in service and reapply for SNAP benefits.

- Develop more complete information on pended cases and client contacts so that efforts can be focused on the primary causes for delays in the eligibility determination process.
- Expand local office reviews to identify and eliminate process inefficiencies.
- Ensure that staff conducting reviews of local offices are trained in process analysis.
- Develop a method to receive periodic feedback from tenured, front-line staff on specific eligibility determination issues.
- Designate staff to coordinate and move forward efforts to enhance data broker services to improve the timeliness of SNAP eligibility determinations.
- Work with OIG to establish a process for routine feedback on the attributes of fraud cases and use this information to strengthen its fraud detection activities.

Appendices

Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

- Determine the cause(s) of the current backlog in processing applications for the Supplemental Nutrition Assistance Program (SNAP) at the Health and Human Services Commission (Commission) and identify opportunities for improvement.
- Determine the Commission's compliance with selected federal and state laws, rules, and regulations regarding fraud prevention and detection in the SNAP.
- Review other processes, systems, and information related to SNAP.

Scope

The scope of this audit covered processes related to SNAP. Auditors also surveyed other states' health and human services agencies that were responsible for SNAP in those states.

Methodology

The audit methodology included collecting information and documentation; reviewing applicable laws, statutes, and Commission policies and procedures; analyzing and evaluating the Commission's eligibility determination process; surveying other states' health and human services agencies; and interviewing Commission management and staff. Auditors also conducted site visits at five regional offices and seven local eligibility offices.

<u>Information collected and reviewed</u> included the following:

- Interviews with Commission management and staff involved in eligibility determinations, including staff in the state office, five regional offices, and seven local eligibility offices.
- Interviews with Commission contractors and vendors involved in the eligibility determination processes.
- Texas Works Handbook.
- The Commission's Security and Accountability Handbook.

- Office of Eligibility Services State Processes, effective August 2009.
- Eligibility system reports from the System for Application, Verification, Eligibility, Referrals, and Reporting (SAVERR) and the Texas Integrated Eligibility Redesign System (TIERS).
- Information and recommendations from community-based organizations.
- Commission initiatives and strategies for eliminating the backlog of SNAP applications.

Procedures and tests conducted included the following:

- Toured local and regional offices to assess their eligibility determination processes and to identify potential improvements.
- Toured the U.S. Social Security Administration office in Austin to review its lobby triage system.
- Surveyed other states' health and human services agencies to compare their eligibility worker hiring standards and compensation to those of eligibility workers in Texas.
- Reviewed management information and reports to analyze management policy decision making and its effect on productivity.
- Reviewed eligibility determination process waivers to identify potential process improvements.
- Reviewed and analyzed human resources data, including eligibility workers' tenure, compensation, and overtime earned.
- Reviewed and analyzed information on the training provided to eligibility workers.
- Reviewed Commission models for backlog elimination and staffing.

Criteria used included the following:

- Code of Federal Regulations, Title 7, Chapter II.
- U.S. 1997 Emergency Supplemental Appropriation Act.
- U.S. Farm Security and Rural Investment Act of 2002.
- U.S. Food and Nutrition Act of 2008.
- U.S. Food, Conservation and Energy Act 2008.
- U.S. Social Security Act.

- U.S. Fair Labor Standards Act.
- Title 1, Texas Administrative Code, Chapters 371 and 372.
- Texas Government Code, Chapter 531.
- Texas Human Resources Code, Chapters 31 and 33.
- Texas Transportation Code, Chapter 521.
- The General Appropriations Act (81st Legislature).
- Texas Works Handbook.
- The Commission's Security and Accountability Handbook.
- Office of Eligibility Services State Processes, effective August 2009.

Project Information

Audit fieldwork was conducted from January 2010 through February 2010. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We conducted this performance audit in accordance with those standards except as detailed below.

In this audit, we used data from various systems to provide context for our findings and conclusions. However, we did not assess the reliability of the data entered into those systems or the automated controls surrounding those systems.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following members of the State Auditor's staff performed the audit:

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Appendix 2

Selected Commission Initiatives for Decreasing SNAP Backlog

Table 1 lists selected strategies and individual initiatives that the Health and Human Services Commission (Commission) is pursuing in an effort to eliminate the backlog of Supplemental Nutrition Assistance Program (SNAP) applications, streamline application processing, and ensure that similar backlogs will not occur in the future.

Table 1

Commission Strategies and Initiatives to Decrease SNAP Application Processing Backlog		
Strategy	**Initiatives**	**Status (as of January 2010)**
Operational Changes	▪ Eligibility workers with more than 12 months experience scheduled for 16 or more recertification interviews for two days every two weeks.	Implemented.
	▪ With a federal waiver, workers can interview initial applicants over the phone.	Implemented.
	▪ Reduce SNAP training for new eligibility staff from 40 days to 10 days. Reinforce SNAP training with new employee "cluster" workshops.	Implemented.
	▪ Schedule appointments for recertification interviews at the time the application is received.	Implemented.
	▪ Assign Children's Health Insurance Program customer care representatives to call clients prior to their appointments as a reminder.	Implemented pilot in September 2009.
	▪ Divide the interview process into two functions. A more experienced worker handles the interview and creates a packet of information based on the interview. A less experienced worker enters the data from the packet into the system.	Trial implementation.
	▪ Interview clients on the day that the application is received or the next day.	In progress.
	▪ With a federal waiver, expand the use of community-based organizations in the application process to include conducting interviews and issuing benefits cards.	Pilot scheduled for implementation in March 2010.
	▪ Increase the phone system capacity at offices.	Full implementation scheduled to be complete by July 2011.
Casework Efficiency and Streamlining	▪ With a federal waiver, move Supplemental Security Income SNAP recipients to the more streamlined SNAP combined application project process.	Implemented.
	▪ Limit verification to income, identification, and eligible alien status. Allow declaration for the other items.	Implemented.
	▪ For SNAP applications that are processed more than 60 days after the application is received, certify SNAP applications for the period starting on the application date and ending 6 months after the application's processing date.	Implemented.
	▪ Extend certain simplified reporting cases without earned income for an additional six months.	Implemented.
	▪ Use Texas Workforce Commission quarterly wage records as verification of wages.	Scheduled for implementation in February 2010.
	▪ Assign a mandatory standard utility allowance for certain households.	Scheduled for implementation in March 2010.
	▪ Use the U.S. Social Security Administration's verification of citizenship based on Social Security Number as proof of citizenship.	Scheduled for implementation in May 2010.
	▪ Access Office of the Attorney General child support information through the Data Broker System.	Scheduled for implementation in June 2010.
	▪ With a federal waiver, waive interview requirement for Supplemental Security Income recipient SNAP cases.	Under development.

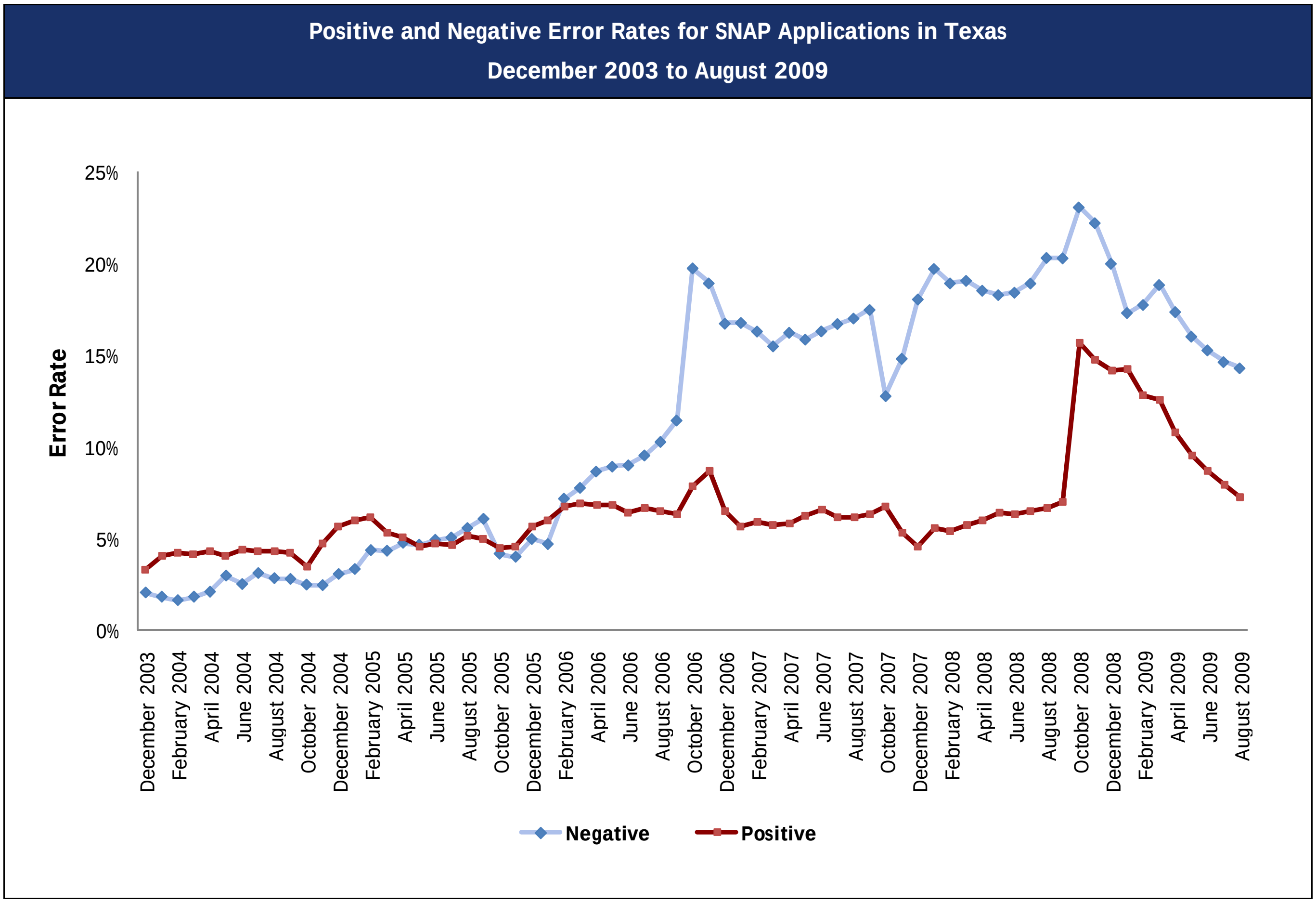
Commission Strategies and Initiatives to Decrease SNAP Application Processing Backlog		
Strategy	**Initiatives**	**Status (as of January 2010)**
	▪ Use longer certification periods for simplified reporting cases and require interim change reporting only if the cases are deemed "high risk."	Postponed indefinitely.
Additions to Workforce	▪ Assign 10 expedited applications to Texas Works Advisors IV twice a week.	Implemented.
	▪ Assign additional workload to all eligibility workers to be completed through overtime and working on Saturdays.	Implemented.
	▪ Request an addition to the Commission's full-time equivalent (FTE) cap of 649 FTEs for fiscal year 2010.	Implemented (received an increase of 250 FTEs).
	▪ Task Office of Eligibility Services state office employees to assist local offices.	Implemented.
	▪ Reassign Department of Family and Protective Services FTE positions to assist the SNAP eligibility determination process.	Implemented.
Employee Recognition and Retention	▪ Hold executive staff meetings with regional eligibility staff to facilitate communication and improve morale.	Implemented.
	▪ Upgrade supervisor pay grade immediately with a further, automatic upgrade after two years, contingent upon performance.	Implemented.
	▪ Implement a one-time merit pay increase for direct delivery staff.	Implemented.
	▪ Increase staff recognition through the development of awards for eligibility worker performance.	Implemented.
	▪ Offer performance-based pay incentives.	Under development.

Appendix 3

Error Rates for SNAP Applications in Texas

Figure 6 shows the positive and negative error rates for Supplemental Nutrition Assistant Program (SNAP) applications. A *positive error* occurs when a household received SNAP benefits that were incorrect by more than $25, or when a household that should not have received benefits received benefits during the month. A *negative error* occurs when a decision to deny, suspend, or terminate a household's benefits was incorrect.

Figure 6



Source: Unaudited data from the Commission's Office of Family Services *Monthly Quality Control Reports*.

Appendix 4

Classification Information

Table 2 lists the average salaries, total number of full-time equivalent (FTE) employees allocated, and the basic job duties performed by eligibility workers (Texas Works Advisors II, III, and IV) and supervisors.

Table 2

Classification Information for Texas Works Advisors and Supervisors			
Job Classification Title	**Job Duties [a]**	**Average Salary in Fiscal Year 2009 [b]**	**Total FTEs Allocated as of February 2, 2010 [c]**
Texas Works Advisor II Texas Works Advisor III	Determine eligibility for Temporary Assistance for Needy Families, the Supplemental Nutrition Assistance Program, and/or Medicaid by: ▪ Interviewing clients. ▪ Documenting information gathered. ▪ Determining benefits. ▪ Verifying case data. ▪ Explaining program benefits and requirements. ▪ Reviewing eligibility of clients for ongoing services.	Texas Works Advisor II: $27,720 Texas Works Advisor III: $31,735	3,917 [d]
Texas Works Advisor IV	Assists the regional management team in monitoring regional performance in timeliness and accuracy by: ▪ Assisting in interpreting policy. ▪ Training new and tenured workers. ▪ Completing reports for the unit, program manager area, and region. ▪ Responding to client inquiries and complaints. ▪ Reading case records to determine compliance with policy and procedures. ▪ Completing and implementing corrective action plans. ▪ Analyzing data and monitoring regional performance. ▪ Interviewing clients and verifying information to determine eligibility.	$36,905	483
Supervisor	Supervises staff responsible for performing work in eligibility services programs by: ▪ Selecting, managing, and developing staff through conferences, mentoring, training, and performance appraisals. ▪ Reading cases and providing policy interpretation. ▪ Preparing management reports, analyzing information, and responding to issues. ▪ Planning, coordinating, and monitoring service delivery. ▪ Interpreting policies, procedures, rules, regulations, and standards. ▪ Analyzing and effectively redistributing the workload to have a positive impact on timeliness and accuracy. ▪ Receiving and monitoring completion of hotline complaints and inquiries.	$42,825	375

[a] This information is from job postings provided by the Health and Human Services Commission (Commission).

[b] Average salaries are based on data provided by the Commission and are the average salary of all employees with that title.

[c] FTE information was self-reported by the Commission and includes only Office of Eligibility Services staff in regions 1 through 11.

[d] New eligibility workers are hired as a Texas Works Advisor II or higher. As of December 31, 2010, there was only one individual still classified as a Texas Works Advisor I. This position is included in this FTE total.

Fraud Detection/Prevention for SNAP

The Health and Human Services Commission conducts various fraud detection and prevention activities to ensure the integrity of the Supplemental Nutrition Assistance Program (SNAP). Table 3 summarizes these activities.

Table 3

SNAP Fraud Detection and Prevention Activities at the Health and Human Services Commission and the Office of Inspector General	
Activity Performed	**Type of Activity**
Operating a fraud hotline and Web site (https://oig.hhsc.state.tx.us/Fraud_Report_Home.aspx) to allow for the reporting of waste, abuse and fraud.	Detection
Having an automated fraud referral that transmits tips to Automated System for Office of Inspector General (ASOIG).	Detection
Running Texas Integrated Eligibility System (TIERS) and System for Application, Verification, Eligibility, Referral, and Reporting (SAVERR) cash reports, and running data broker, TALX pay information, and Texas Workforce Commission queries to research fraud referrals.	Detection
Collecting and reviewing data broker information to approve benefits, including verifications of credit records, property searches, and searches of marriage and divorce records.	Prevention
Reviewing Public Assistance Reporting Information System (PARIS) matches with other states' programs using Social Security Numbers to identify possible duplicate cases. (Details about PARIS can be found at http://www.acf.hhs.gov/programs/paris/index.html.)	Detection
Requiring certified adults and certain other household members applying for SNAP to provide a finger image to detect duplicate participation, improve program integrity, and deter fraud.	Prevention and Detection
Performing a Social Security Number, name, and date of birth inquiry in the Lone Star Imaging System and the Electronic Benefit Transfer system to determine whether the client is already imaged or receiving SNAP benefits.	Prevention
Verifying vehicle information through the data broker, as supplied by the Department of Transportation.	Prevention
Sending SAVERR and TIERS extracts to the Department of Criminal Justice and the Federal Prison Verification system to detect incarcerated individuals receiving benefits.	Detection
Accessing death files through the U.S. Social Security Administration and the Bureau of Vital Statistics to identify possible fraudulent claims.	Detection
Using data broker and the State On-Line Query System or the Wired Third Party Query System to verify Social Security Numbers.	Prevention
Using Computerized Criminal History System data from the data broker to prevent the issuance of benefits to felons convicted of drug-related offenses.	Prevention

SNAP Options Used by Other States

"State options" are options specified in the Code of Federal Regulations that allow states to deviate from standard Supplemental Nutrition Assistance Program (SNAP) regulations without approval from the U.S. Department of Agriculture's Food and Nutrition Service. Table 4 shows state options used by other states that are not used in Texas. These options could assist in achieving timely SNAP eligibility determinations.

Table 4

Other States' Use of State Options That Are Not Used in Texas

State	Simplified Reporting [a]		Simplified Determination of Deductions [d]	Simplified Self-employment Determination [e]	Exclusion of All Vehicles [f]	Statewide Document Imaging [g]
	At Least a 12-month Certification Period for All Households [b]	24-month Certification Period for Elderly and Disabled Households with No Income [c]				
Alabama	✓			✓	✓	
Alaska						
Arizona			✓		✓	✓
Arkansas	✓					
California				✓	✓	
Colorado		✓			✓	
Connecticut		✓			✓	
Delaware				✓	✓	
Florida		✓			✓	✓
Georgia	✓	✓		✓	✓	
Hawaii	✓		✓		✓	
Idaho			✓	✓		
Illinois					✓	
Indiana				✓	✓	
Iowa	✓					
Kansas	✓	✓		✓	✓	
Kentucky					✓	
Louisiana	✓				✓	
Maine	✓					

Other States' Use of State Options That Are Not Used in Texas						
	Simplified Reporting [a]					
State	At Least a 12-month Certification Period for All Households [b]	24-month Certification Period for Elderly and Disabled Households with No Income [c]	Simplified Determination of Deductions [d]	Simplified Self-employment Determination [e]	Exclusion of All Vehicles [f]	Statewide Document Imaging [g]
Maryland		✓		✓	✓	
Massachusetts					✓	
Michigan	✓			✓	✓	
Minnesota		✓			✓	
Mississippi					✓	
Missouri					✓	
Montana					✓	
Nebraska	✓					
Nevada					✓	
New Hampshire			✓			
New Jersey	✓	✓			✓	
New Mexico					✓	
New York			✓			✓
North Carolina			✓		✓	
North Dakota					✓	
Ohio					✓	
Oklahoma	✓	✓		✓	✓	
Oregon				✓		
Pennsylvania	✓	✓				
Rhode Island					✓	
South Carolina				✓	✓	✓
South Dakota				✓		
Tennessee					✓	
Utah				✓	✓	✓
Vermont						
Virginia		✓			✓	
Washington [h]				✓	✓	✓

Other States' Use of State Options That Are Not Used in Texas						
State	Simplified Reporting [a]		Simplified Determination of Deductions[d]	Simplified Self-employment Determination[e]	Exclusion of All Vehicles[f]	Statewide Document Imaging[g]
	At Least a 12-month Certification Period for All Households [b]	24-month Certification Period for Elderly and Disabled Households with No Income [c]				
West Virginia		✓			✓	
Wisconsin	✓				✓	✓
Wyoming			✓	✓		
Number of States That Have Option	**14**	**12**	**7**	**16**	**36**	**7**
Percent of States That Have Option	**28%**	**24%**	**14%**	**32%**	**72%**	**14%**

[a] Households with 12-month and 24-month certification periods include interim reporting at 6 months and 12 months, respectively.

[b] Code of Federal Regulations, Title 7, Section 273.12(a)(1)(vii); and 2002 U.S. Farm Bill, Section 4109.

[c] Code of Federal Regulations, Title 7, Section 273.12(a)(1)(vii); and 2002 U.S. Farm Bill, Section 4109.

[d] In a simplified determination of deductions, changes in deduction amounts for child care expenses, child support payments made, medical expenses, and shelter costs are not required to be verified during certification periods. (See Code of Federal Regulations, Title 7, Section 273.12(c); and 2002 U.S. Farm Bill, Section 4106.)

[e] A simplified method for determining the cost of doing business for self-employed applicant income is applied using (1) a flat percentage of gross income for all types of self-employment, (2) different percentages depending on the type of self-employment, or (3) the greater of actual expenses or a flat figure. (See Code of Federal Regulations, Title 7, Section 273.11(b)(3)(i)-(v).)

[f] The values of all vehicles are excluded from countable resources. (See Code of Federal Regulations, Title 7, Section 273.8(f)(4).)

[g] Paper documents can be scanned and converted to digital images and stored in an electronic format in all regions of the state. (See United States Code, Title 7, Section 2020(e)(2)(c); and U.S. Food and Nutrition Act of 2008, Section 11(e)(2)(c).) The Health and Human Services Commission currently images documents for cases in the Texas Integrated Eligibility System (TIERS), but it does not image all documents for cases in the System for Application, Verification, Eligibility, Referrals, and Reporting (SAVERR).

[h] This is one of 10 states that were included in the telephone survey conducted by the Texas State Auditor's Office.

Source: *Supplemental Nutrition Assistance Program State Options Report*, Food and Nutrition Service, U.S. Department of Agriculture, June 2009.

The Commission's Summary of Its Response and Timeline for Implementing Actions to Address Report Recommendations

Summary of Management Response:

On December 22, 2009, the Executive Commissioner of the Health and Human Services Commission requested that the State Auditor's Office perform an audit of eligibility determination business processes. In response to the request, the State Auditor initiated a comprehensive and thorough review that clarified many of the underlying issues and challenges regarding the state's eligibility system and provided many useful, practical, and achievable recommendations.

The Commission is working diligently to address eligibility determination timeliness and accuracy concerns that have resulted from record high application and caseload levels. The Commission is focusing on (a) addressing the application backlog, (b) improving business processes and staffing practices, and (c) modernizing the automated systems and technology that support those processes.

<u>Addressing the Application Backlog</u>

The Commission has made eliminating the backlog of SNAP applications a priority, and has taken a number of steps to process overdue applications and strengthen the eligibility workforce. For example, the Commission:

- *Temporarily reassigned more than 100 experienced staff to process overdue applications.*

- *Implemented a proactive approach to keep staffing levels as close to authorized levels as possible despite high attrition. This improvement, combined with legislative authorization for an additional 250 positions, has resulted in a net increase of approximately 800 eligibility personnel since September 2009.*

- *Developed and initiated a pilot project using food bank staff for application assistance, including initial SNAP client interviews, providing additional points of access for clients and reducing processing time.*

- *Revised certain interviewing and verification strategies to improve timeliness.*

- *Implemented a strategy for applications that are overdue more than 60 days, to provide benefits as appropriate, retroactive to the date of the application and for six months of eligibility from the date the application was processed. This means clients don't have to renew benefits as soon and relieves local offices of that workload.*

Business Process and Staffing Improvements

In September 2009, the Executive Commissioner wrote to all 8,000 eligibility staff asking for feedback and suggestions for improving the state's eligibility system. Thousands of responses were received and analyzed. These responses helped inform the Commission's broader efforts to evaluate all eligibility business processes and staffing practices to identify inefficiencies and opportunities for improvement. The results of this effort will be a comprehensive business process redesign initiative. Steps currently underway by the Commission include:

- *Gathering input from experienced staff, through site visits by executive management and monthly regional meetings with program managers, supervisors, and clerical staff. The Commission is increasing staff participation in curriculum and training development and prioritizing staff suggestions for Texas Integrated Eligibility Redesign System (TIERS) improvements.*

- *Evaluating eligibility processing best practices from federal partners and other states to learn about processes that may help Texas to improve timeliness and customer service.*

- *Developing and testing a redesigned workflow model in selected field offices.*

- *Analyzing the respective roles and responsibilities of state staff and contractors to identify opportunities to reduce duplicated effort and realize efficiencies.*

- *Using new staffing models that incorporate workload, performance, caseload, and staffing at the regional and local office level, allowing management to reallocate workload or staff resources as demands and needs change over time.*

Technology Improvements

Many automation improvements are planned or in progress. The most significant of these improvements will be to resume the geographic rollout of TIERS to help modernize offices. Currently, about 21 percent of cases in Texas are processed through TIERS. The rollout will be strategically performed to ensure system capacity and performance adequately support business needs throughout the state and limit any disruption of eligibility processes. Examples of other technology improvements include:

- *Upgrading phone systems to improve communication with clients and to streamline the application process.*

- *Improving Interactive Voice Response systems to enable clients to obtain information quickly and efficiently.*
- *Developing a self-service portal that allows clients to apply online by entering information directly into the automated eligibility determination system. This enhancement will significantly reduce workload for offices, provide clients with faster service, and improve the ability of community based organizations, such as food banks, to facilitate the eligibility process for clients.*

The Commission will address the recommendations of this report along one of three timelines: immediate, transitional, and long term or ongoing. Most of the improvements planned will be addressed with immediate action, and should be completed within six months. Transitional actions will be implemented as the Commission continues the geographic rollout of TIERS across Texas. Long term actions may require legislative changes, federal approval, or automation enhancements that will require more time to complete.

By incorporating actions to address the State Auditor's Office recommendations with its current and planned initiatives, the Commission can maximize the immediate impact of improvements on eligibility determination timeliness and accuracy, and establish cost-effective and sustainable business processes. These actions will lead to a system that works better for both Texas taxpayers and the citizens who rely on state benefits.

Timeline for Implementing Actions to Address Report Recommendations:

The following is a summary, by chapter number and action item, of expected timelines for implementing actions planned to address report recommendations.

Chapter	Action Planned	Estimated Completion Date
	Short Term	
1 – A	*Complete proposed initial steps to reduce traffic volume in local offices*	*April 2010*
	Initiate two-month pilot of new staffing model	*May 2010*
	Develop requirements for enhancements to the client self-service portal, including decisions regarding enhanced Internet and web-based communications	*July 2010*
	Complete phone upgrades in approximately 50 additional offices	*September 2010*
	Implement new staffing model statewide, as appropriate based on the results of the pilot	*September 2010*
	Establish client outreach and information plan	*September 2010*
	Complete performance incentive and merit system recommendations	*September 2010*
1 – B	*Implement process enhancements to make better use of clerical staff and technology resources*	*September 2010*
1 – C	*Establish additional system access request process improvements*	*May 2010*
	Complete evaluation of scanning technology solution alternatives	*September 2010*
	Select optimal approach for electronic verification of client data and risk scoring of client applications	*September 2010*

Chapter	Action Planned	Estimated Completion Date
	Short Term (continued)	
2 – A	*Begin pilot of pre-screening hiring approach*	*April 2010*
	Conduct classroom testing of new worker training	*April 2010*
	Complete evaluation of Office of Eligibility Services organizational structure	*May 2010*
	Review and revise compensatory time and overtime policies	*June 2010*
	Assess eligibility worker compensation plan	*June 2010*
	Complete staffing needs assessment	*June 2010*
	Formalize eligibility worker productivity and performance standards	*September 2010*
	Reestablish new hire mentoring practices and complete development of Worker IV training curriculum	*September 2010*
2 – B	*Complete development of comprehensive performance indicators*	*September 2010*
	Complete training of Performance Improvement Team staff	*September 2010*
	Transitional	
1 – A	*Implement an enhanced self-service portal*	*March 2011*
	Implement website and Interactive Voice Response improvements	*In conjunction with TIERS rollout*
2 – B	*Improve SAVERR management reporting*	*Until TIERS statewide rollout is complete*

Chapter	Action Planned	Estimated Completion Date
	Long Term / Ongoing	
1 - A	*Complete phone system capacity increases and equipment upgrades*	*April 2012*
1 – C	*Development and implementation of deployment strategy for selected scanning technology solution*	*Pending completion of evaluation of scanning alternatives*
	Implementation of selected approach for electronic verification of client data and risk scoring of client applications	*Pending selection of optimal approach*
2 - A	*Request funding for increases in eligibility staffing and staff compensation, as necessary*	*Ongoing*
2 – B	*Improve TIERS management reporting*	*Ongoing*
	Obtain employee feedback on process improvement	*Ongoing*
	Maintain fraud awareness and establish strategies for reducing fraud	*Ongoing*

Appendix 8

Related State Auditor's Office Work

Related SAO Work		
Number	**Product Name**	**Release Date**
10-339	State of Texas Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2009	March 2010
09-005	A Follow-up Audit Report on the Health and Human Services Commission's Texas Integrated Eligibility Redesign System (TIERS)	October 2008
08-009	An Audit Report on the Health and Human Services Commission's Texas Integrated Eligibility Redesign System (TIERS)	October 2007
07-004	An Audit Report on the Office of Inspector General at the Health and Human Services Commission	November 2006
06-018	An Audit Report on the Health and Human Services Commission's Consolidation of Administrative Support Services	January 2006
06-009	An Audit Report on the Health and Human Services Commission's Consolidation of Administrative Support Functions	September 2005

Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair
The Honorable Joe Straus III, Speaker of the House, Joint Chair
The Honorable Steve Ogden, Senate Finance Committee
The Honorable Thomas "Tommy" Williams, Member, Texas Senate
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Rene Oliveira, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Health and Human Services Commission

Mr. Thomas Suehs, Executive Commissioner