



State of Rhode Island
Rhode Island Department of Human Services

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CONFIDENTIAL DOCUMENT PURSUANT TO

R.I. Gen'l Laws § 38-2-2(4)(K)

June 18, 2021

M. Christine Ruggieri
Acting Regional Administrator, Northeast Region
U.S. Department of Agriculture
Supplemental Nutrition Assistance Program
10 Causeway St., Room 501
Boston, MA 02222

RE: USDA/FNS LETTER DATED APRIL 19, 2021

Dear Administrator Ruggieri:

This letter is in response to the above referenced letter, regarding potential overpayment in the Supplemental Nutrition Assistance Program (“SNAP”) resulting from the implementation of the RIBridges integrated eligibility system. Please know that the Rhode Island Department of Human Services (“DHS” or the “Department”) has always been and currently remains deeply committed to providing accurate and timely SNAP benefits to the State’s most vulnerable residents. Since the start of the pandemic, DHS has vigorously dedicated itself to supporting the needs of Rhode Island SNAP individuals and families during the public health emergency. During the past year, while SNAP enrollment has increased by approximately 10 percent, call center volume has risen significantly and DHS staff pivoted to a remote customer service experience, for the health and safety of Rhode Island residents and DHS employees. During the same timeframe, SNAP application timeliness has not faltered and Rhode Island continues to be a national leader in issuing P-EBT and emergency allotment benefits. As is evidenced by these examples, DHS remains committed to providing timely, accurate, and necessary assistance to those in need. Considering the current economic conditions, the unprecedented increased demand for public assistance, and ongoing public health emergency, DHS proposes the following methodology to assist FNS in determining an overall liability amount due to potentially overpaid SNAP benefits as a result of the implementation of RIBridges.

DHS Proposed Methodology for Calculating Potential Overpayments

The approach outlined below leverages the overpayment referrals generated by the system, supplemented with data queries to estimate overpayments for quantifiable system issues, and then refines such calculations through program rules, existing analyses, claims pilot information and legacy claims statistics, in order to determine a supported potential overpayment amount for the same period FNS has been analyzing RIBridges data (September 2016 through November 2019). Furthermore, DHS asserts this approach will equitably and fairly establish a potential overpayment amount while minimizing the impact to daily operations, especially during the public health emergency.

Proposed Methodology Steps:

1. Identify the entire set of potential overpayments by pulling all overpayment referrals generated in RIBridges between September 2016 (RIBridges go-live) and November 2019.
2. Add the potential overpayments from categories identified in Table 1.1 that are not represented as overpayment referrals in RIBridges.
3. Exclude any referrals created between November 2018 and November 2019, because RIBridges was in substantial compliance with federal regulations for determining SNAP eligibility and benefits levels. Additionally, claims recovery functionality was implemented to the approved design specifications and ready to be utilized to recover overpayments as a part of normal operations as of November 2018.
4. Exclude referrals that fall under one or more exclusion groups per FNS policy – for example, if a benefit was expunged, individual was determined deceased, or the referral amount is less than \$400, thereby making it not cost effective to pursue. (Please see Table 1.2 for referenced policy exclusions that would be applied.)
5. Exclude any potential overpayments (via a case list) already calculated by FNS as referenced in the letter dated April 19, 2021.
6. Leveraging data statistics from the legacy program, apply the percent of overpayment referrals likely to result in an overpayment claim.
7. Determine the overpayment amount less any of the exclusions above and include any potential overpayments from FNS's analysis of the first three categories stated in the letter dated April 19, 2021 to determine the total potential overpayment amount.

Diagram 1.1 Proposed Methodology for Calculating Potential Overpayments

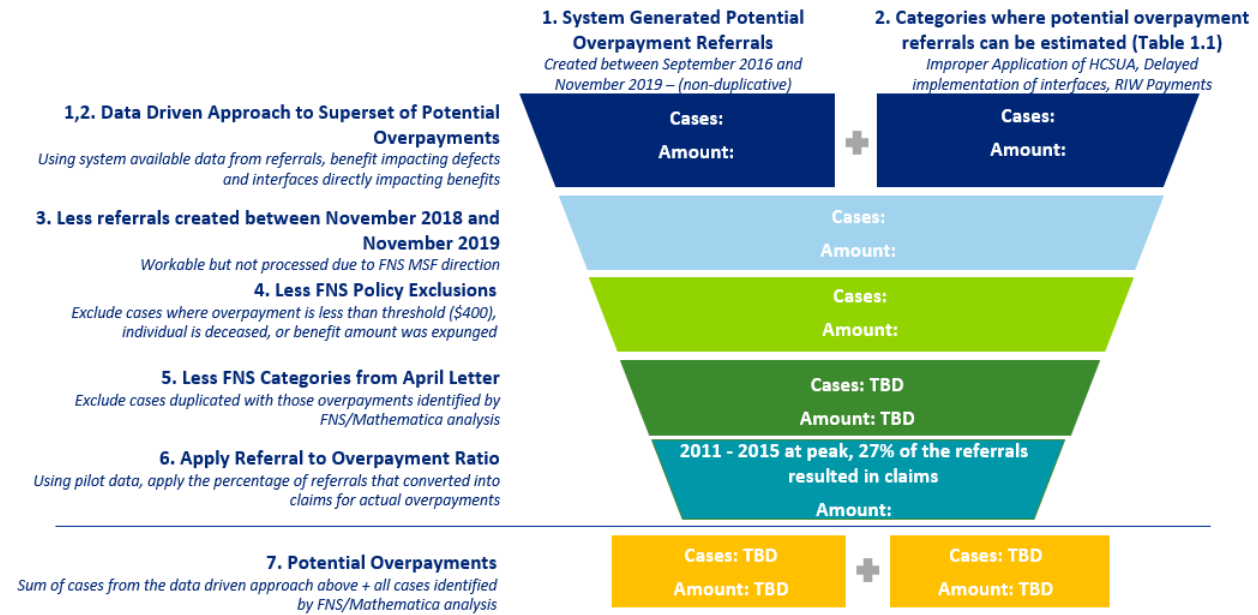


Table 1.1 Approach to calculating potential overpayments for categories not reflected in a system generated overpayment referral

Category	Approach
A. Improper Application of HCSUA	<p>Background: A reconciliation of the cases incorrectly identified as receiving LIHEAP grants was performed in 2019 (using data for households that received CAP grants during November 2018 – October 2019). Using this data, we identified all the cases that were eligible for HEAT benefits prior to the data reconciliation but were no longer eligible for these benefits after the reconciliation. For these cases, the SNAP benefit amount was calculated including the SUA for the impacted pay periods and the correct benefit amount was updated in the system. Because CAP data is not available for years prior to 2019, we will leverage the outcomes from the 2019 reconciliation to derive the 2017 and 2018 potential overpayments.</p> <p>Approach: First, leveraging the 2019 reconciliation data, we will determine the percentage of cases (of the total caseload) that erroneously received the SUA based on receipt of a LIHEAP payment when payment was not actually issued. Then we will determine the average amount SNAP benefits were erroneously increased utilizing the data from those 2019 cases. Last, we will apply that same case percentage against the 2017 and 2018 caseload and multiply the estimated number of impacted cases from 2017 and 2018 by the average overpayment amount to arrive at the total potential overpayment for all three years.</p>

<p>B. Delayed Implementation of Interfaces (Death Matches)</p>	<p>Background: The death match interface ran for the first time on March 26, 2018. At that time, the initial match was run against the entire active SNAP population and identified cases for worker review and potential closure based on data matches. As staff processed the match results, the system generated overpayment referrals for the DHS’s Claims, Collections, and Recoveries Unit (“CCRU”) to review. These overpayment referrals are captured in category D of this table and are included in our methodology.</p> <p>Approach: For the SNAP cases that were not active at the time the interface was run for the first time but that did receive some SNAP benefit between go-live and the interface run date, the approach to capture potential overpayments will differ based on single vs. multi member households:</p> <ul style="list-style-type: none"> • For single member households, we will identify the cases for which SNAP benefits were issued after death date but prior to the implementation of the SSA death match interface and case closure. This will be based on data available from the interface. • For households with multiple members, we will determine the average amount a SNAP monthly benefit is reduced due to the removal of an individual. The average will be determined by examining data over a 12-month timeframe. The average SNAP benefit decrease amount will in turn be multiplied by the number of closed cases that had a deceased individual in the interface match. In circumstances where the case was closed prior the interface being implemented, the potential overpayments will be counted until the time benefits were last issued on that case.
<p>C. RIWorks (“RIW”) payments not counted as unearned income</p>	<p>Background: This issue occurred when SNAP and RIW benefits were determined and issued on different cases rather than a single case (as was intended in the system design but not easily accomplished initially). This issue was resolved in November 2018.</p> <p>Approach: First, we will identify all cases where the head of household is common between the RIW and SNAP case. For the cases in which RIW benefits were authorized before the SNAP benefits, we will determine the average RIW benefit amount and correspondingly, the average amount the SNAP benefit was increased due to the RIW benefit not being included in the SNAP unearned income calculation. Then, this average amount will be multiplied by the number of cases for which the RIW benefits were authorized before the SNAP to calculate the potential overpayment amount.</p>
<p>D. RIBridges-generated overpayment referrals that are not duplicative of the overpayments identified above</p>	<p>All system referrals are being included in Methodology Step 1 above.</p>

DHS acknowledges that in the Attachment included with the April 19, 2021 letter, FNS mentions the mandatory interfaces that were not initially implemented with the deployment of the RIBridges system.

Included in those additional interfaces is the Social Security Administration (“SSA”) prisoner match, the electronic Disqualified Recipient System (“eDRS”), the United States Citizenship and Immigration Services (“USCIS”) Systematic Alien Verification for Entitlements (“SAVE”), and the National Directory of New Hires (“NDNH”). DHS notes that the implementation delay of these interfaces has no or minimal impact on potential overpaid SNAP benefits, as the Department had robust and comprehensive alternative procedures for verifying SNAP applicants for the information that would have been provided by these interfaces had they been running in the RIBridges production system.

While the SSA Prisoner Match interface was not available, DHS eligibility staff used the Rhode Island Department of Corrections Online Portal, WINFACTS, to verify incarceration information for SNAP applicants at initial application and recertification. Although this interface did not provide federal incarceration information, once the interface ran for the first time, it was done so against the entire active SNAP caseload, thereby creating a task for eligibility staff for any match. Any potential overpayment identified through the initial match activity would have resulted in an Eligibility Technician creating a system overpayment referral that would be sent to CCRU for processing and captured in Category D of the methodology approach outlined above.

The delay in implementing the eDRS system in RIBridges also had virtually no impact on potential overpaid SNAP benefits, as Fraud staff were provided quarterly lists of SNAP applicants at initial application and recertification, whom they in turn checked against the online eDRS system for potential sanctions. Any matches were entered into the RIBridges system and generated potential overpayment referrals that would be sent to CCRU for processing and captured in Category D of the methodology approach outlined above.

Although the implementation of the SAVE interface was delayed in RIBridges, the interface was never automated in the legacy eligibility system, so DHS continued to utilize the previous SAVE process, which included Eligibility Technicians accessing the SAVE website to verify the necessary information. Since there was no interruption to the SAVE process during the period prior to the RIBridges implementation of the interface, there would be no impact on the overpayment of benefits as a result of a delay in implementing SAVE in RIBridges.

Finally, while there was a delay in implementing the NDNH interface, data provided through that interface does not provide or confirm income information, therefore it has no or minimal impact to a SNAP benefit level and potential overpayment of same. Furthermore, the interface requires additional verification from the customer as it is not considered a verified source. The alert to potential employment information does not necessarily indicate that the income present in the case is inaccurate or requires update; and thereby, the NDNH source cannot by itself be leveraged to determine if an overpayment was made. DHS staff followed other approved processes and procedures for verifying income information, including wage and employment data from the State’s Department of Labor and Training, collateral contacts with employers, and documentation from applicants.

The following table outlines the FNS policy exclusions referenced in the methodology as well as the policy citation.

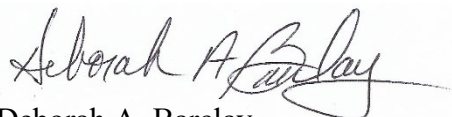
Table 1.2 FNS Referral policy exclusions.

Description	Criteria	Comments
Threshold limit is less than \$400	All SNAP unique cases in the overpayment referrals table with an overpayment amount less than \$400	7 CFR 273.18 (e) (2) (ii) State to determine that the claim referral is not cost effective to pursue (Rhode Island cost effectiveness is \$400)
Deceased Individuals	All SNAP unique cases in the overpayment referrals table with only one household member, who is deceased	7 CFR 273.18 (e) (8) (ii) If all adult household members die, the State must terminate and write-off the claim.
Expungement amount	All unique cases in the overpayment referrals table with an individual who had their benefits expunged.	7 CFR 273.18 (c) (i) The State can reduce the overpayment amount by any EBT benefits expunged from the household's EBT benefit account in accordance with its own procedures. The difference is the amount of the claim.

Based on the aforementioned explanations and supportive information, DHS respectfully requests that FNS grant approval for use of this methodology. The Department believes this approach accounts for, and is aligned with, FNS guidance received since 2017 while utilizing sound data and extrapolating additional premises from this data. Moreover, this approach ensures that all DHS employees continue to remain available to focus on the immediate needs of the State’s vulnerable populations within the Rhode Island SNAP and other Rhode Island public assistance programs.

Please feel free to reach out to me directly at Deborah.Barclay@ohhs.ri.gov or at (401) 641-3603 if you have any questions. Thank you for your time and attention to this matter.

Respectfully,



Deborah A. Barclay
General Counsel, RI Department of Human Services

Cc: Celia J. Blue, Interim Director, RI DHS
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