



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF FAMILY ASSISTANCE

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John A. Stephen
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February 5, 2007

Mr. Edward Speshock
Food and Nutrition Service
Food Stamp Program
Program Accountability Division
State Administration Branch
USDA
3101 Park Center Drive
Alexandria, VA 22302

Dear Mr. Speshock:

New Hampshire appreciates the opportunity to comment on the Food and Nutrition Service's (FNS) proposed rules, published December 8, 2006 in the Federal Register 7 CFR Parts 272 and 273. The proposed changes create a great deal of additional work with very little to no return. FNS is aware that the Food Stamp participation is increasing monthly, outstripping the resources that states currently have available. The additional verification demands these rules would place on states' eligibility workers will only interfere with the processing of timely and accurate benefits. The proposed rules are unnecessary. The states are committed to program integrity and it is impossible to understand proposed rules that call for increased verification processes when the national error rate is at an all time low. .

New Hampshire is in compliance with the matching requirements currently mandated by program regulations. The matches were automated as much as was possible, at considerable expense, and the protocols for using the reports were centralized to minimize the impact on field operations. Experience from current practice here in New Hampshire, demonstrates these expanded rules should be withdrawn

New Hampshire offers the following specific objections:

272.13 Prisoner Verification System:

These proposed regulations require state agencies to establish systems to match prisoner data at application, each recertification and whenever a new member is added to a certified household. The rules provide an option, which allows states to obtain and use prisoner information collected under Section 1611(e)(1)(I)(i)(I) of the Social Security Act instead of establishing a separate system. As noted above, this was implemented years ago. The prisons in New Hampshire do not have a central computer system at the state level, let alone at the county or local levels. No doubt FNS is also aware that the statute requires only that the state agency establish a system and take action on a periodic basis.

New Hampshire Quality Control Unit Director, George Cummings, reports that we have never had an error which would have been avoided had we done a prisoner match. This result mirrors that of Iowa, who implemented a prisoner match in June 2000. They have never had a Food Stamp recipient match reported.

Finally, this rule ignores the practical reality of the work that we do. Caseloads are rising and resources are not increasing. FNS has indicated time and again the importance of timely application processing. This added requirement for verification in general and the frequency with which the workers will have to verify can only interfere with getting benefits to those households that qualify as quickly and accurately as possible.

Recommendation:

This proposed rule should be withdrawn. States are already in compliance with statute and current regulations and can go beyond those requirements as individual case circumstances warrant.

272.14 Deceased Matching Systems:

The preamble to the proposed rule requires that the Social Security Administration death master file be matched at the time of application, recertification, and periodically thereafter. A definition of “periodically thereafter” does not appear.

The requirement to process this match for all new applicants will not be cost effective. It is not a common practice for households to apply for benefits for a deceased household member. New Hampshire has had one such an occurrence in the past 25 years.

The New Heights Eligibility System runs monthly death matches with SSA. In January 2007 there were 4 deceased individuals. In December 2006 there were 3 deceased individuals. Monthly Bendex and SDX matches also provide indications when benefits terminate due to death of the recipient. It seems likely that the overwhelming majority of individuals who die during a certification period are recipients of SSA or SSI. Because possibility of application for a deceased individual is exceedingly remote and the state already matches with SSA on a monthly basis there is no justification for an additional match at application or recertification.

Recommendation:

New Hampshire believes that this proposed rule should be withdrawn. If the rule is not withdrawn, a less frequent match would be adequate to identify deceased recipients. Short of withdrawal, the rule should be revised to provide that the death match be completed only on periodic basis. The timing of the periodic match should be at state discretion.

273.2 Application Processing, Use of Disqualification Data:

The proposed rule requires state agencies to conduct matches on applicants *prior to* certification, at recertification and against the current recipient caseload periodically, but no less than a bi-monthly schedule.

The Preamble indicates that intent of this proposed rule is to respond to findings of General Accounting Office and USDA Office of Inspector General audits that found that the disqualified reporting subsystem (eDRS) process could be improved to enhance state agency ability to identify currently disqualified Food Stamp recipients. In response, New Hampshire would argue that it makes no sense to require states to use it before those improvements are made.

The provisions of the proposed rule are impossible for state agencies to implement, and the eDRS system is fraught with problems. This rule will create a hardship for workers and households. The rule has great potential to cause delays in processing, untimely application processing, and creates a barrier to Food Stamp Program access.

The matching of the disqualified recipient database against the state active caseload does not prove to be useful when comparing the number of people correctly receiving Food Stamp benefits to the number who are currently disqualified at any one time. Recipients who have been disqualified in New Hampshire and have not resided out of state are already known to this agency. For those who have come to New Hampshire from other states, the reality is that only a very small percentage of all Food Stamp recipients in the country have been disqualified from the Food Stamp Program.

We need only look at Iowa's experience with the eDRS to see the waste of time that would be spent doing this match instead of serving clients. Iowa collected information on the frequency of discovery of a disqualified individual through the monthly match and compared this to the number of monthly applications. (Only the number of applications was counted, not the number of adults who applied monthly.) It was discovered that, from June 2006, through November 2006, the State received a total of 58,412 applications. There were a minimal number disqualifications identified through the monthly match. The actual comparison of applications vs. disqualifications discovered through the monthly match was:

June: 2 disqualifications, and 9,700 applications received.

July: 3 disqualifications, and 9,137 applications received.

August: 1 disqualification, and 11,204 applications received.

September: 3 disqualifications, and 9,380 applications received.

October: 3 disqualifications, and 9,859 applications received.

November: 3 disqualifications, and 9,132 applications received.

The rate of return on these numbers is .0002%.

The proposed rule also ignores the feasibility of states accessing eDRS. In New Hampshire the Office of Special Investigations has one worker who has access to the eDRS system and she is notified if there is a match post-certification. In order to complete verifications prior to certifications, all Eligibility Workers would need access to the system. In New Hampshire, it would be necessary for more than 150 Eligibility Workers to obtain eDRS security clearances in order to do matches prior to certification. This is simply not cost effective.

According to the instructions published in the USDA, Food and Nutrition, eDRS State Transition Overview (dated January 1, 2006) it appears simple to obtain an eDRS security clearance. However, the reality is that it is a very lengthy process and difficult to accomplish. The aspiring eDRS user must:

- Login to the eDRS online account page and complete the required information;
- Physically travel to the location where the federal Local Registration Authority (LRA) is stationed and in person, show proof of identity. Nationwide, there are only 13,500 USDA employees authorized as LRA's. Travel is costly for state agencies and the federal government, who split the expense, and travel takes workers time away from conducting eligibility determinations. It would be a full time job if the LRA were to travel to the location of each Eligibility Worker to view the person's identification for the eDRS security clearance process;
- After proving identity, the individual must complete FNS Form 674, Computer System Access Request; and
- Forward the form to the Regional Authorizing Official for approval. Recent experience and anecdotal evidence from other states proves that approval does not happen quickly.

Problems with the eDRS include:

- Inappropriate disqualifications have been discovered. Names of the individuals inappropriately disqualified continue to appear on the monthly match proving that the inaccurate information is not removed from the eDRS database.
- Some disqualifications that were identified by the monthly match could not be implemented because the disqualifying state agency lost or destroyed supporting documentation. In that case, the disqualifying state agency allowed the individual to receive benefits again due to the lost documentation; however, the state agency did not remove the disqualification from eDRS.
- Individuals who have served their disqualification periods remain in the database. While this is useful for the purpose determining the correct disqualification period for determining an individual's subsequent IPV disqualification period, the information is not useful for application processing once the disqualification period expires.

New Hampshire has noted these problems as well.

In New Hampshire, disqualified applicants who move from out of state are discovered at the time of application when checking to see if the case in the other state is closed. This screening is effective. Staff in our Special Investigations Unit check ongoing cases each month. This picks up cases that may be found guilty of an IPV in another state months after the person has moved to New Hampshire. There is no need for eligibility workers to check the eDRS system disqualifications as the information is already known and noted in the State's eligibility system.

Clearly then, using the eDRS system would be an irresponsible waste of eligibility worker time. It is not a good return on investment for either the state or the federal government to require a check of all applicants against the eDRS records prior to certification.

In addition to the problems already noted, it cannot be emphasized enough that screening applicants *prior* to certification will cause massive delays in processing of food stamp

applications. If FNS is serious about program access and timely application processing, including expedited clients then this rule should be removed without further question. The rule states that the receiving state agency has 20 days to respond to a request for disqualification information. This will not leave the state with the application enough time to gather all other information and timely process the application. Children and other family members may go hungry while the state agency waits on verification from another state agency. This is unacceptable and unnecessary.

States who currently do not have this match in place must be given adequate time to implement such a match, which would include changes to their computer systems and processes. At least one year at a minimum is needed for implementation. In addition to the time needed for implementation, there would be a significant financial cost that ignores the reality of increasing caseloads, shrinking budgets and competing State priorities that involve our automated system.

Recommendation:

New Hampshire believes that this proposed rule should be withdrawn. New Hampshire's system of discovering disqualified individuals is perfectly adequate to identify such applicants.

Conclusion:

According to New Hampshire Quality Assurance Administrator, George Cummings, who has been managing the Quality Assurance unit for more than 20 years, there have been no QC errors or cases in the Food Stamp QC sample anytime in memory that reflect these eligibility issues. While there might be several individuals who are ineligible to receive benefits because of disqualification, death or incarceration, the numbers are likely to be on the order of one individual in 10,000 or more cases. These revisions are without any prospect of cost effectiveness and will significantly diminish staff resources that are needed to focus on real payment accuracy concerns.

FNS has estimated cost savings for these provisions totaling \$181,000,000 for the period of 2006- 2010. Presumably the savings is in benefit dollars. It is difficult to imagine what empirical data and models FNS employed to make these projections. FNS should document the methodology and data used before moving forward with implementation. Once the basis for these projected savings has been illuminated, FNS should compare the benefit dollar savings to the administrative costs of these rules.

Thank you for the opportunity to comment on these rules. New Hampshire hopes, in the spirit of payment accuracy, program access, and efficient administration, that New Hampshire's comments and recommendations will seriously be considered.

Sincerely,

Terry R. Smith
Director