

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF PUBLIC ASSISTANCE
QUALITY ASSESSMENT UNIT

FOOD STAMP PROGRAM CORRECTIVE ACTION PLAN

November 2002 Update



**STATE OF ALASKA
FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN
November 2002 Update**

Table of Contents

1. QUALITY CONTROL ACTIVE REVIEWS IN ALASKA	1
1.1 Alaska Food Stamp Reinvestment Plans	2
1.2 Analysis of Quality Control FFY02 Statewide Reviews	2
1.3 FFY02 Statewide Error Trends	3
2. ANALYSIS OF QC FFY02 NEGATIVE REVIEWS.....	6
3. ANALYSIS OF QC FFY02 VARIANCES.....	7
APPENDIX A.....	9
Detailed Statistical Data on FFY02 QA Findings – Actives.....	9
APPENDIX B.....	10
Synopsis of FFY02 FS Errors - Actives.....	10
APPENDIX C.....	11
Detailed Statistical Data on FFY02 QA Findings - Negatives	11
APPENDIX D	12
Error Elements by District Office	12
APPENDIX E.....	13
Corrective Actions	13
APPENDIX F.....	14
Regional CITS' Meeting Minutes	14

1. QUALITY CONTROL ACTIVE REVIEWS IN ALASKA

The Alaska Food Stamp Quality Control Active Review consists of an audit of the case file for accuracy of eligibility and payment criteria; contact with the head of household; and verification of information through collateral contacts. When possible, the contact with the head of household or representative is a personal interview. When impossible, the reviewer strives to complete the review through telephone and mail contacts.

Quality Assessment (QA) reviewers document errors found, and identify the apparent causes. The field managers complete the CAP#11 form, identifying the causal factors for each error finding, and develop corrective actions. The QA Coordinator provides additional analysis and works with policy and training staff to implement corrective actions related to clarification of policy and QA process.

The Division of Public Assistance has a formal Continuous Improvement Team¹ (CIT). The Continuous Improvement Team meets monthly to review the current Food Stamp Error report and to discuss error trends and possible corrective actions. The Quality Assessment Program Officer chairs regular meetings, distributes minutes, and each month distributes Food Stamp Error Reports based on the QC reviews completed to date. The CIT members are the QA Field Manager and the QA Research Analyst; the Food Stamp Program Officer and the Policy Specialist; the Chief of Field Services; the Training Specialist; Systems Operations Program Officer; the TANF Program Officer; and four regional managers. Additional regional management and TANF policy staff attends regularly, depending on the meeting's agenda.

In January 2002 the Central Region front-line managers and lead workers developed a regional CIT that meets monthly. (In three regions, QA reviewers also participate in the monthly meetings.) By May 2002 the other three regions developed regional CITs. All four teams, plus the Food Stamp Policy Specialist and QA Program Officer, met in June and October 2002 to discuss error trends and share corrective actions². The regional teams each meet monthly then meet quarterly as a group. This effort added a new dimension to the corrective action effort in each region.

¹ CAC renamed effective 9/1/01 to Continuous Improvement Team (CIT).

² Minutes to the October meeting are in Appendix F.

The Teams recognize that we could have the greatest influence in reducing agency errors. Agency failure to act accounted for 28% of the errors. (Agency failure to act on known information caused 24% and failure to verify was 4% of FFY02 errors.) Central Region did see an improvement in accuracy, which might be a result of the added attention to issues by the regional CIT members.

The error rate did not change significantly between FFY01 and FFY02. Although effective correction actions continued into FFY02, the state calculated payment error rate remained at 9.8%.

1.1 Alaska Food Stamp Reinvestment Plans

The State of Alaska met its obligations under the FFY97, FFY98, and FFY01 Reinvestment Plans, and currently has an open plan for FFY99. Alaska Quality Assessment provides separate quarterly status reports to FNS on corrective actions implemented under the Reinvestment Plans.

1.2 Analysis of Quality Control FFY02 Statewide Reviews

The Quality Assessment (QA) Unit, using an automated computer program, randomly selected 406 reviews for the October 2001 through September 2002 review period³. As of November 25, 2002, 15 were not-subject-to-review and 14 transmitted as incomplete, following the FNS 310 guidelines. The unit completed 371, and the QA reviewers have the remaining 6 in the QA process.

Of the 371 completed reviews, 288 were correct cases and 83 were found to be incorrect⁴.

The state calculated payment error rate is 9.8% for FFY02. This number reflects:

No Error	90.2%
Ineligible	2.6%
Over Payment	4.5%
Under Payment	2.8%

³ As of 11/25/02.

⁴ Appendices A and B provide greater statistical detail.

STATE OF ALASKA
FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN
NOVEMBER 2002

Compared to FFY01, the no-error findings are about the same and the ineligible findings are 1% higher. Overpayments dropped by 1.5% and underpayments increased by 1.3%.

In FFY97, the number of client caused and agency caused errors were nearly equal in the earned income element. In FFY98, the clients caused nearly three times as many errors as the agency in the earned income element. In FFY99, 66% were agency caused. In FFY00 this number dropped to 59%. In FFY01 the agency caused errors increased to 65% despite continuing with the agency's previously effective corrective actions. The agency errors for FFY02 are 60%, which may reflect the agency's switch to change reporting and prospective budgeting in October 2001. Also, early in this review period the Central Region restructured operations in three of the four offices.

Of all FFY02 errors, 36% actually were errors in calculation of earned income. The agency caused 50% (15 of 30) of the earned income errors. This is only a difference of three cases from FFY01.

Of all FFY02 reviews with payment errors, 54% had Temporary Assistance benefits (45 of 83). This is up from FFY01 by approximately 9%. Five or 6% had Native Family Assistance. Of all payment errors, 7 reviews (8%) had Adult Public Assistance benefits, a difference of one APA case from FFY01.

The state-determined regional payment accuracy⁵ to date follows:

	Payment Accuracy					
	<u>FFY97</u>	<u>FFY98</u>	<u>FFY99</u>	<u>FFY00</u>	<u>FFY01</u>	<u>FFY02⁶</u>
Central	89.1%	88.7%	85.3%	92.2%	86.4%	89.6%
Coastal	89.1%	87.9%	83.3%	96.2%	92.2%	91.8%
Northern	95.8%	88.5%	83.6%	90.6%	92.8%	85.0%
Southeast	94.8%	87.9%	78.0%	85.6%	95.8%	89.8%
STATEWIDE	90.3%	88.2%	83.7%	93.4%	90.8%	90.2%

1.3 FFY02 Statewide Error Trends

The FFY02 Sampling Plan required selection of at least 372 cases for review. The caseload increased in FFY02, resulting in a random selection of 406 cases for review.

⁵ Error Elements by Region are in Appendix D.

⁶ State calculated error rates as of 11/25/02.

STATE OF ALASKA
FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN
NOVEMBER 2002

The error trends continue to show the majority of errors are agency caused, although it also shows a slight increase of 4% in client caused errors. Of all errors, 19% were misapplication of policies, and 8% were math errors.

Agency Caused Errors	60%
Client Caused Errors	40%

Of all reviews, QA referred 6% (compared to 4% in FFY01) to the DPA Fraud Unit for follow up⁷. This reflects 24 cases, and is a typical percentage of referrals. A third of the fraud referrals (8 of 24) also were Temporary Assistance, and two were Native Family Assistance Program cases. One was an Adult Public Assistance case.

Of the FFY02 reviews with errors, families with earned income (48 of 83) accounted for 58% of the errors. This is up from FFY01 at 50%, down from 63% with earnings in FFY00. This slight increase might reflect renewed efforts during the spring of 2002 by DPA to help Temporary Assistance families who were reaching their 60-month time limit gain paid employment.

Historically, Alaska's highest element in error has been wages and salary. In FFY02, the wages and salary element continued as the highest percentage of payment errors at 45.6%.

A profile of the case errors in this element follows:

Wage and Salary Errors of all case errors	36%
Wage and Salary Errors with TANF	50%
Wage and Salary Errors-Agency Caused	50%
Wage and Salary Errors-Agency Caused with TANF	30%
Wage and Salary Errors-Client Caused	50%
Wage and Salary Errors-Client Caused with TANF	20%

The number of error reviews with TANF increased significantly from FFY01. Some of this may be attributed to the agency's switch on 10/1/01 to prospective budgeting and status change reporting. Both field staff and QA reviewers struggled with the concepts of anticipating income and related budget methods to convert income into monthly amounts during the first months of the fiscal year.

⁷ The field staff may have determined additional cases warranted a fraud referral. That number is unknown.

STATE OF ALASKA
FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN
NOVEMBER 2002

In FFY02 there was a shift in the primary cause of errors. For the past few years the primary cause was failure to act on known information. In FFY02 the number one cause of case errors at 19.5% was incorrect application of policy, and specifically new policy in converting income for prospective budgeting. The second most common error (16.9%) was failure to act on known or reported information, including failure to verify known information. The third cause of errors at 8.4% was math errors, where the adding and multiplying sums are incorrectly calculated (not related to incorrect conversion policy). This is evident only in the early months of the review period.

QA reviewers found a few child support, household composition, and shelter errors in FFY02. Although the number of errors declined, the same types and causes seen in FFY01 were present in these elements for FFY02.

2. ANALYSIS OF QC FFY02 NEGATIVE REVIEWS

The Food Stamp Quality Control Negative Review consists primarily of a desk audit of the case file for accuracy of the action to suspend, deny, or terminate benefits. If the eligibility determination cannot be supported by documentation in the file, the reviewer conducts an expanded field investigation using collateral contacts.

In FFY02, QA reviewers completed 221 negative reviews⁸ out of 243 sampled⁹. The statewide negative error rate is 7% (rounded). This is twice the error rate of FFY01 and FFY00.

The QA results revealed that both Coastal and Central regions had an increased negative error rate. Further, that these are the only two regions with negative errors.

Coastal region's errors (8.5%) vary in type. The only repeated error was failure to correctly identify three categorically eligible families, however, these errors were in different offices and unlikely to reflect a trend.

Central region's errors were primarily in two units. The errors in the APA unit vary by type without any noticeable trends. In the Gambell unit, the repeated errors related to determining countable income but within that broad element the errors varied. Further, the errors made in the Gambell unit were primarily in the beginning of the review period and coincide with implementation of new prospective budget policies.

⁸ Appendix C has more detail on the negative errors.

⁹ As of 11/25/02.

3. ANALYSIS OF QC FFY02 VARIANCES

The federal agency (FNSQC) selected for re-review 209 of the transmitted¹⁰ FFY02 cases for accuracy of the state's quality control findings. This is 60% of the transmitted reviews (209 of 406), and a typical sub-sample for Alaska.

The SAQA payment errors reflect 18 reviews where the FNSQC findings differed from SAQA (\$359 total difference). Two were conversion errors, three incorrectly identified household members, and three related to the implementation date of a waiver. The errors in converting monthly income were made in the first months of change reporting and prospective budgeting. No other trends were apparent.

SAQA submitted six reviews to the National Arbitrator¹¹.

Alaska SAQA Re-Reviews

	FFY96	FFY97	FFY98	FFY99	FFY00	FFY01	FFY02 ¹²
Total Variances	38	31	16	20	23	11	25
Incomplete Reviews	2	24	8	3	5	2	2
Dropped Reviews	2	1	4	3	8	0	2
Payment Errors	15	7	8	9	4	7	14
Incorrect ¹³ Negative	N/A	N/A	N/A	N/A	4	1	6
NSR	0	0	0	0	2	0	1
Arbitrated	0	6	1	5	0	2	6

¹⁰ As of 11/25/02.

¹¹ As of 11/25/02, the Nat'l Arbitrator has not ruled on the AK reviews.

¹² As of 11/15/02 and batch 9.

¹³ FNS started re-review of negatives in FFY00.

STATE OF ALASKA
FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN
NOVEMBER 2002

The following table details the variances and incomplete reviews found in FFY02 during the federal review process.

Review #	Month	State Concur¹⁴	Federal Reason	Amounts State/Fed
30694	October 2001	Yes	Conversion	\$78/\$65
44881	October 2001	Yes	NSTR	
30730	November 2001	Yes	Waiver related	\$91/\$38
30732	November 2001	Yes	Incomplete	
30744	November 2001	No	To Arbitrator	\$0/\$146
30762	December 2001	Yes	Waiver related	\$0/\$47
30774	December 2001	Yes	Disqualified Alien	\$198/\$251
30778	December 2001	Yes	Incorrectly coded	
30782	December 2001	No	To Arbitrator	\$87/\$200
30793	January 2002	No	Waiver related	
30799	January 2002	No	To Arbitrator	\$0/\$30
44958	January 2002	Yes	Invalid NSTR	
30833	February 2002	No	To Arbitrator	\$0/\$40
30846	February 2002	Yes	NSTR	
44963	February 2002	No	To Arbitrator	
44974	February 2002	No	Invalid denial	
44979	February 2002	No	To Arbitrator	
30872	March 2002	Yes	Incomplete	
30875	March 2002	Yes	Invalid drop	
30885	March 2002	Yes	Drug Felon	\$0/\$53
30887	March 2002	Yes	Comp I/II	\$0/\$110
44991	March 2002	Yes	Invalid NSTR	
30920	April 2002	Yes	HH Comp	\$167/\$0
30895	May 2002	No	Mortgage pmt	
30960	May 2002	No	Recoupment	
Strike thru means successful informal resolution				

¹⁴ As of 10/15/02, research on issue is incomplete/no decision made to concur.

APPENDIX A

Detailed Statistical Data on FFY02 QA Findings – Actives

APPENDIX B

Synopsis of FFY02 FS Errors - Actives

APPENDIX C

Detailed Statistical Data on FFY02 QA Findings - Negatives

APPENDIX D

Error Elements by District Office

APPENDIX E

Corrective Actions

APPENDIX F

Regional CITS' Meeting Minutes