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

FOOD STAMP PROGRAM

CORRECTIVE ACTION PLAN

November 2001 Update

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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 Corrective Action Committee[1] (CAC). The Corrective Action Committee 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 CAC 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 and Assistant Chief of Field Services; the Training Specialist; the Deputy Director; the TANF Program Officer. Additional regional management and TANF policy staff attends regularly, depending on the meeting's agenda.

The Committee recognizes that we could have the greatest influence in reducing agency errors. Agency failure to act accounted for 40% of the errors[2]. (Agency failure to act on known information caused 32% and failure to verify was 8% of FFY01 errors.)

The error rate dropped in FFY00 following some intensive corrective actions initiated in FFY99. The federally calculated payment error rate for FFY00 was 7% compared to 16% for FFY99. Although effective correction actions continued into FFY01, the state calculated payment

[1] CAC renamed effective 9/1/01 to Continuous Improvement Team (CIT).
[2] Statistics as of 10/3/01 with approximately 90% of the sampled completed.

error rate at this time is 9.5%. The CAC estimates QA errors found during the re-review process will add approximately 1%.

1.1 Alaska Food Stamp Reinvestment Plans

The State of Alaska met its obligations under the FFY97 Reinvestment Plan, and currently has open plans for FFY98 and FFY99. The QA Program Officer expects to close out spending on the FFY98 Plan by 12/31/01.

Alaska Quality Assessment provides separate quarterly status reports to FNS on corrective actions implemented under the Reinvestment Plan.

1.2 Analysis of Quality Control FFY01 Reviews

The Quality Assessment (QA) Unit, using an automated computer program, expects to randomly select approximately 304 reviews for the October 2000 through September 2001 review period. Of these, 16 were not-subject-to-review and 4 transmitted as incomplete, following the FNS 310 guidelines. The unit completed 271 reviews to date[3].

Of the 271 completed reviews, 222 were correct cases and 47 were found to be incorrect[4]. The state calculated payment error rate is 9.5% for FFY01. This number reflects:

No Error	90.5%
Ineligible	1.7%
Over Payment	6.3%
Under Payment	1.5%

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 64% despite continuing with the agency's previously effective corrective actions. A staff turnover of approximately 25% percent (primarily in the CEN and COA regions) likely contributed to the increase in agency errors from FFY00.

[3] Calculations as of 10/3/01 with approximately 90% of the sample completed.
[4] Appendices A and B provide greater error detail.

Of all FFY01 errors found to date, 43% actually were errors in calculation of earned income. The agency caused 55% (11 of 20) of the earned income errors.

Of all FFY01 reviews with payment errors, 49% had Temporary Assistance benefits. This is up from FFY00 by 8%. Of all payment errors, 3 reviews (3%) had Adult Public Assistance benefits.

The regional state-determined payment accuracy to date follows:

	Payment Accuracy					
	FFY96	FFY97	FFY98	FFY99	FFY00	FFY01[5]
Central	96.2%	89.1%	88.7%	85.3%	92.2%	87.1%
Coastal	91.7 %	89.1%	87.9%	83.3%	96.2%	91.4%
Northern	96.1%	95.8%	88.5%	83.6%	90.6%	92.1%
Southeast	100 %	94.8%	87.9%	78.0%	85.6%	95.3%
STATEWIDE	95.9%	90.3%	88.2%	83.7%	93.4%	90.5%

Southeast Region had the greatest improvement. During the federal fiscal years 2000 and 2001 this region had significant staffing issues in the Juneau District Office. During FFY01, maintenance of the caseload transferred to other units within the state. Now the Juneau District Office's caseload primarily is intake. Also during this period, the agency's most experienced staff members were loaned to Juneau for both intake and maintenance. The errors found in Juneau during this period can be attributed to breakdowns in the procedures for receiving and transferring information from the Juneau site to the maintenance site.

1.3 FFY01 Error Trends

The FFY01 Sampling Plan required selection of 304 cases for review. The error trends continue to show the majority of errors are agency caused. Of all errors, 21% were misapplication of policies. Analysis of the errors shows some common errors made in applying policies for prorating Temporary Assistance benefits in the Food Stamp budget. The second most common policy error is determination of household composition, specifically how and when to include disqualified members, aliens, and felons. Most of these errors are in the Central and Coastal regions, which could be expected as these two regions typically have at

[5] Calculations as of 10/03/01. FFY01 sample will be complete in December 2001. Final figures will be in the May 2002 CAP Update.

least twice as many cases sampled as in the smaller Northern and Southeast regions.

Agency Caused Errors	64%
Client Caused Errors	36%

Of all reviews, QA referred 4% (compared to 7% in FFY00) to the DPA Fraud Unit for follow up[6]. Half of the fraud referrals also were Temporary Assistance or Adult Public Assistance cases.

Of the FFY01 reviews with errors, families with earned income accounted for 51% of the errors. This is down from 63% with earnings in FFY00 and 59% in FFY99. This decrease in families with earnings likely reflects the general slowing of Alaska's economy.

Historically, Alaska's highest element in error has been wages and salary. In FFY01, the wages and salary element continued as the highest percentage of errors at 42.6%. A profile of the errors in this element follows:

Wage and Salary Errors of all errors[7]	43%
Wage and Salary Errors with TANF	30%
Wage and Salary Errors-Agency Caused	55%
Wage and Salary Errors-Agency Caused with TANF	15%
Wage and Salary Errors-Client Caused	45%
Wage and Salary Errors-Client Caused with TANF	15%

The most common causes of agency caused earned income errors are: failure to act on known information and using net income instead of gross.

In FFY01, client errors in reporting other unearned income were the second highest element in error (10%). Three cases with relatively high payment errors caused this element to rank second.

Errors in reporting child support income and in counting child support caused the third highest element in error at 8%. Although ranking third in payment errors, several reviews had child support errors listed as secondary error elements. Analysis of the traditional QA reviews and the QA Lite reviews reveals that failure to check the CSED interface is

[6] The field staff may have determined additional cases warranted a fraud referral. That number is unknown.
[7] 7 wage and salary errors; 4 agency caused; 3 client caused.

the primary cause of child support errors. Historically the CSED agency has had difficulty with their information system (NSTAR) that the field staff use as verification, which could be why field staff are not using the verification source. Analysis also revealed some miscoded child support deductions that caused EIS to disregard the expense in the food stamp budget.[8]

Alaska implemented new change reporting and prospective budgeting (removing retrospective budgeting and monthly reporting) policy beginning with the October 2001 benefits. Analysis of the FFY01 errors reveals approximately 21% of the errors can be attributed to incorrectly applying retrospective or prospective budgeting policies. Implementing a single budget process and change reporting will eliminate those type of errors. The new risk lies in the high percentage of reviewed cases found in error because the agency failed to act on reported changes or adequately document estimated income amounts.

In FFY00, the error rate was declining to 9% in April 2000 and finished the federal fiscal year with a 7% state-calculated error rate. In April 2001, the error rate was 9%, however the trend was an increasing error rate. For the remainder of FFY01, the error rate fluctuated between 8% and 10%, with a current calculation at 9.5%[9].

[8] QA Lite findings also identified errors made in counting child support as income and allowing it as a deduction.
[9] Calculations as of 10/3/01, with 90% of the sample completed.

2. ANALYSIS OF QC FFY01 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 FFY01, QA reviewers completed 318 negative reviews[10] out of the 350 sampled. The statewide error rate is 3.5% (rounded). This is a slightly improved rate than FFY00 at 3.9% (FFY99 at 5% and FFY98 at 5.4%).

The early results[11] reveal that Coastal Region's negative error rate at 2.6% dropped by nearly 4% from FFY00. Central Region's error rate increased to 5.3% from 4.2%.

Of the FFY01 errors, 54% were caused by premature denial of benefits. This trend was evident early in the fiscal year. Policy staff immediately took corrective action by issuing policy clarifications, which seems to have eliminated the cause of the error. This is the only noted trend and it was early in the FFY01 sample. With only 11 error cases statewide, it is difficult to view the other individual errors as trends.

[10] Appendices C and D have more detail on the negative errors.
[11] Calculations as of 10/3/01

3. ANALYSIS OF QC FFY01 VARIANCES

The federal agency (FNSQC) selected for re-review 159[12] of the transmitted FFY01 cases for accuracy of the state's quality control findings. This is 65% of the transmitted reviews, and a typical sub-sample for Alaska. Of these, 3 reviews were returned by FNSQC citing payment discrepancies.

The SAQA payment errors will add approximately 1% to the state's error rate, reflecting three reviews where the FNSQC payment findings differed from SAQA ($219 difference). Of the three SAQA payment errors, SAQA submitted one review to the National Arbitrator, who ultimately upheld the FNSQC finding.

The variance with the largest dollar amount ($127) was an incorrect determination of household composition. The error resulted in clarifying policy on when to include reported changes in the QA budget calculation.

Alaska SAQA Re-Reviews

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

[12] As of 9/20/01.
[13] FNS started re-review of negatives in FFY00.

The following table details the variances and incomplete reviews found in FFY00 during the federal review process.

Review #	Month	State Concur	Federal Reason	Amounts State/Fed
30378	Oct 00	Yes	Verified child care not allowed	$0/$42
30365	Oct 00	No	Incorrect HH comp; sent to arbitrator	$10/$127
30466	Feb 01	Yes	Missed CANO note that affected benefit	$7/$67
30504	Mar 01	Yes	Code 2 should be 4	

APPENDIX A

Detailed Statistical Data on FFY01 QA Findings – Actives

APPENDIX B

Synopsis of FFY01 FS Errors - Actives

APPENDIX C

Detailed Statistical Data on FFY01 QA Findings - Negatives

APPENDIX D

Corrective Actions