

# **TRANSCRIPT**

United States Department of Agriculture • Office of Communications • 1400 Independence Avenue, SW  
Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: [oc.news@usda.gov](mailto:oc.news@usda.gov) • Web: <http://www.usda.gov>

---

## **USDA Food and Nutrition Service Press Conference Call about the Increased Program Integrity in SNAP**

June 16, 2011

Speakers:

**Kevin Concannon**, USDA Under Secretary for Food, Nutrition and Consumer Services

**Audrey Rowe**, Administrator for Food and Nutrition Service

**David Wilkins**, Secretary of Florida Department of Children and Families

**Thomas Suehs**, Commissioner, Texas Health and Human Services Commission

**Jennifer Hrycyna**, Associate Director for Policy and Field Operations, Illinois Dept. of Human Services

**Rich Adams**, Deputy Director, Indiana Division of Family Resources, Family and Social Services Administration

**Moderator:** Hello everyone and thank you for joining us for this morning's media briefing. Today's discussion is on the National Payment Accuracy Rate of SNAP, reaching a historic high with negative error rates also showing improvement.

We have a number of callers that will be participating in today's briefing. On the phone we have Kevin Concannon, USDA's Under Secretary for Food and Nutrition and Consumer Services.

Here in the studio we have USDA's Food and Nutrition Service Administrator, Audrey Rowe. Others who will be on this call they're on the line, and they include David Wilkins, Secretary of Florida's Department of Children and Families, Thomas Suehs, Commissioner of Texas Health and Human Services Commission, Jennifer Hrycyna who is the Associate Director for Policy and Field Operations at the Illinois Department of Human Services and Rich Adams who is the Deputy Director of the Indiana Division of Family Resources.

All of them are going to give a brief opening statement. Reporters, if you want to ask a question of our panel, let us know by pressing star 1 on your touchtone pad.

And with that I turn it over to Under Secretary Kevin Concannon. Good morning.

**Kevin Concannon:** Good morning and I want to thank both the state partners who are with us online today, as well as the administration from Food and Nutrition Service for joining us on this extremely important announcement.

SNAP, or the Supplemental Nutrition Assistance Program, popularly known across the country in many places as the Food Stamp Program, is our country's largest nutrition assistance program.

And Americans are living through a particularly challenging period that has extended over the past 3-1/2 years, where the SNAP program has become one of the most important safety lines for Americans.

And over the years that SNAP program, which is administered by state governments in all of the states of the country - that program has demonstrated a particular ongoing focus on program integrity and sound stewardship of taxpayer dollars.

Well today I am particularly proud to announce the lowest combined payment error rate in the history of the Supplemental Nutrition Assistance Program.

That payment error rate for fiscal year 2010 is 3.81%, down from over 4% the previous year. And perhaps putting it in perspective, even more importantly over a ten-year period way back in the year 2000, it was nearly 9%.

And in the '90s and '80s it was in the teens, so we have been on a steady march to improve the payment accuracy. What this means is 96.19% of American households and individuals receive the proper amount of benefit through that program from states across the country.

And as those on the line are very much aware, we have been serving record numbers of Americans in the last fiscal year for which we are reporting today.

On average more than 40 million Americans were depending on those benefits each month. And even more tellingly, state governments across the country are meeting this challenge at a time when they are struggling with reduced revenues or reduced numbers of public employees or public furloughs, so we are particularly knowing that tremendous achievement.

I strongly believe that the SNAP program integrity is one of the best examples in fulfilling President Obama's expectations of all federal governments on reducing improper payments.

Our government wide efforts to combat improper payments underscore the commitment we have to make the right investments in people so that those folks can compete and win in the future, but to do so without compromising sound stewardship of these taxpayer resources.

The SNAP program again as I mentioned is the nation's largest nutrition assistance program. It makes a difference every day of the year in every state and county in the country, and these days it's serving well in excess of 44 million Americans, half of whom are children.

Americans we know support putting healthy food on the table for struggling individuals and families, but they also want to be assured that taxpayer funds are being used wisely.

So SNAP we know is going to be ultimately sustainable with public support and public confidence that we are responding to the need, but also doing so in a way that meets the accountability expectations of Americans.

Well, this wonderful report today, and I can say this as a career State Director in many, many states, the fact that we're able to report this wonderful - the lowest number in history of incorrect payments or improper payments has come about through actionable strategies that states have adopted across the country.

And you're going to be hearing today from four states who have done a tremendous job. I know these states directly. I know their prior challenges. Some of them were some of the most challenged states in the country in terms of these accountabilities.

And they have really turned the corner and we're thrilled that this has occurred. We're very confident that we can keep going in this direction as a country and as state and federal governments, and I very much am pleased that all of us are here today.

**Moderator:** Okay, our next speaker is Audrey Rowe with the Food and Nutrition Service. She is the Administrator.

**Audrey Rowe:** Thank you (Moderator). Just want to add a few comments to the Under Secretary's announcement and put this into some perspective for you. The total expenditure in our SNAP program, or Supplemental Nutrition Assistance Program, for 2010 was \$6.8 billion.

As Secretary Conannon announced, the national average for the - that same year has been in terms of payment error for SNAP - is now reduced to 3.8%. What does that mean?

That means for federal taxpayers approximately \$311 million in over-issuance were saved, and for SNAP participants approximately \$45 million of benefits were correctly provided to eligibles who otherwise would not have received them.

This success is directly attributed to a strong partnership with USDA and the states. Also as a former State Commissioner in several states, I'm extremely proud and pleased to have four states on this call that have done exceptionally well to improve the integrity of the program for their participants, as well as being good stewards of the taxpayers' dollars.

Florida has outranked all the rest by achieving the best payment accuracy rate of point - 0.78%. Congratulations Florida and we look forward to hearing about how you achieved this remarkable accomplishment.

We have representatives from Texas, Illinois and Indiana all on the call because these three states exceeded all others in achieving the most important payment accuracy rate.

The payment accuracy rate for Texas in fiscal year 2010 was 2 point - was - sorry. They - fiscal 2010 Texas earned a 2.13% payment error rate, which is down from 6.9% in fiscal year '09 and a 4.77% improvement.

For fiscal year 2010, Indiana earned a 2.6% payment error rate, down from 7.13% in fiscal year '09, a 4.53% improvement. And in Illinois, a state in which I have worked and I'm very proud of, earned a 1.70% payment error rate, down from 6.7 - 6.17% in fiscal year '09, a 4.47% improvement.

We give bonus awards to top performing states for their excellence in administering SNAP. Each of these states on the call today will receive a bonus award, and this year Texas and Illinois are getting two awards for excelling in both the best payment accuracy category, and the most improved accuracy category.

I want to mention, for the second straight year states overall have improved their negative error rates. This is a measure which determines denials, terminations and suspensions.

The national negative error rate for 2010 is 8.43%, compared to 9.41% in 2009. So this again represents the second year in a row of a decrease in our negative error rate.

So again maintaining payment accuracy, improving our negative error rates are the results of shared nationwide commitment to reduce error payments and improve the administration of the Supplemental Assistance Program.

I am so proud of the states. I am so proud of our staff in Washington and our continued effort and focus on reducing payment error and maintaining the integrity of the program, and certainly maintaining the confidence of the American public.

We will now hear from some of the top performing states who are with us today.

**Moderator:** And David Wilkins is on the line and he's Secretary of Florida's Department of Children and Families, and we'll hear from him next.

**David Wilkins:** Okay, Audrey thank you so much for your kind words and I - especially on behalf of the employees in the State of Florida I want to thank you again for this recognition.

You know, Florida's - will soon be the nation's third largest state and the impact of the economic downturn has been pretty dramatic, with more than 3 million Floridians now receiving food stamp benefits.

And despite the increased workload our employees have not only maintained their diligence, but have improved their efficiency. We have better management.

We have smarter use of technology and a true frontline devotion to using taxpayers' resources correctly. And these are the primary reasons for us to continue to achieve these amazing results.

But really, you know, it comes down to the fact that our employees truly care about the mission of efficiently helping those who need temporary assistance. The success of this assistance program in Florida proves that with everything we do at this Department, it cannot be done without the right balance of accountability to taxpayers while helping our friends and neighbors return to self-sufficiency and the pursuit of the American dream of independence. So I want to thank you again for this reward and for the opportunity to serve.

**Moderator:** Thank you very much. Thomas Seuchs is the Commissioner with the Texas Health and Human Services Commission.

**Thomas Seuchs:** Thank you Audrey and I'd like to take this opportunity to thank Under Secretary Kevin Concannon because I think the - at least Texas' turnaround would not have been possible without Kevin's support and willingness to help us refocus and get our state back to the basics.

Texas over the last two years experienced a demand of around a 30% increase in enrollment - clearly unexpected increase in demand. So we went back to the basics of focusing in on two things really.

I guess really four things: focusing in on the clients, re-looking at their access points and process to assure that we were not creating barriers; two, focusing on our workers and listening to the workers, to their suggestions on how they improve the system and how to help clients through the system.

We improved our training, improved processes - I think a third area and probably unique to Texas, we established partnerships with community-based programs, primarily food banks in the four major metropolitan areas who were getting the brunt of the economic downturn.

When people needed emergency food they came to the food bank, so it just seemed naturally for us to link up with the food bank partners as somewhat of an outreach where they could process the basic paperwork and interview, and then turn it over to our state worker for the eligibility determination.

That seemed to be very successful in the state. And then the fourth area of improvement was focusing on getting our automated integrated eligibility system in the right area and implemented throughout the state.

We now have - about 80% of the state will be after this week in the new eligibility system that in the long run will make it a lot easier for both the client and our worker.

So I think the major things that I'd like to emphasize, Texas' turnaround on that was the partnership between the state and the regional Office of FNS and Under Secretary and his staff at the central office there - us all working together.

Again I have to give the full credit to the frontline worker who rolled up their sleeves, put in the extra hours that it took to get through the client process in a timely manner and accurately, so I want to thank those workers primarily. Thank you.

**Moderator:** Thank you. Also on our panel, Jennifer Hrycyna. She's the Associate Director for Policy and Field Operations for the Illinois Department of Human Services

**Jennifer Hrycyna:** In Illinois we share the challenge of many states with decrease in staffing combined with the tremendous increase in demand as a result of the current recession, and that has made accuracy and efficiency all the more critical in Illinois.

And we have been working really closely with our policy and our field staff to find every possible avenue for improvement, with the ultimate goal of ensuring that our customers receive the benefits to which they're entitled in a timely and accurate manner.

Two of the main changes we have recently implemented that we believe significantly contributed to the improvement in our payment accuracy are simplified reporting, which means customers don't have to report minor changes in their situation during their certification period.

And we have also eliminated the asset test for most SNAP recipients, which makes the whole process of applications and re-certifications more efficient and more accurate.

These two changes have moved us towards overall simplification and have reduced the workload and improved our customer service, which is critical in light of the tremendous increase in demand that we've seen.

And we continue to explore additional paths towards improvement as necessary to keep up with this increase. And as other states have mentioned, it really comes down to tremendous efforts by our policy, quality control and field staff to really go above and beyond in order to make sure our customers are serviced timely and accurately.

So we want to really thank FNS for this award and their continued support during these challenging times. Thank you.

**Moderator:** And last but not least is Rich Adams and he joins us from Indiana. He is the Deputy Director of the Indiana Division of Family Resources.

**Rich Adams:** Thank you very much. We share a lot of commonality with the road to improvement that I've heard already from Florida, Illinois and Texas. I really want to congratulate the other states and - as well as the states that aren't on the call.

I'm sorry that they can't be also chiming in with their best practices. In Indiana we know how much work it takes and how much coordination it takes to achieve this high level of performance.

I also want to thank our Governor, Mitch Daniels, for his support and patience and encouragement along the way, and our Secretary, Michael Gargano and our DFR Director Mike Carr for their leadership.

Our Midwest Regional FNS office has been a great help to us, the - ably led by Ollice Holden, Jim English and Trish Solis so I want to thank them also. But lastly, as the other states have mentioned our local office teams and staff have been the ones who have given us feedback and have gone above and beyond to enable the state to receive this award.

In 2007 we embarked on a road toward modernization of our eligibility system. Prior to that it had been maybe - mainly a paper case file pretty traditional system.

Looking back on that it's a good thing we did because that's when the pickup in applications occurred. We faced a rising caseload and demand just as the other states have noted, and in order to meet those demands we had to make some mid-course connections at the beginning of the federal fiscal year 2010.

We took over management of our eligibility system from a vendor. We kept - in our implementing of our hybrid system we kept the best of what we had been experiencing with our modernization, electronic applications, which allowed remote ability to apply as opposed to coming into the local office.

We kept electronic case files which are the result of document imaging, a paperless system, and we kept our interactive voice response telephone system which allowed clients to get information about their case without having to wait to talk to an individual, but it also enabled them to talk to an individual should they desire to do so.

We increased the number of managers in the field to make sure that our staff were fully supported and had their questions answered. We implemented work performance metrics and quality indicators that provide data for making sure our quality stayed high.

So we think these improvements have been the basis for the result of improved payment accuracy, and we're honored to have been chosen for this award. Thank you very much.

**Moderator:** I want to thank all of our panelists for their opening statements. Reporters, the lines are now open. If you want to ask a question of any of our panel members, let us know by pressing star 1 on your touchtone pad.

We actually have a reporter on the line, Bob Garrett with The Dallas Morning News. When you ask your question, or I should say when you answer a question panelists, please make sure that you identify yourself since we have so many different voices. Bob?

**Questioner (Dallas Morning News):** Yes, I guess I'm directing this to Under Secretary Concannon, and that is this looks primarily at error rates. Are you now, since you visited Texas a couple of years ago, pleased overall with timeliness in the overall performance of Texas on food stamp?

**Kevin Concannon:** I appreciate the question and as you recall, several years ago Texas really was mired before Commissioner Seuhs came on board. The system was overwhelmed with time limits problems, that is there were literally tens of thousands of cases that were backed up that had not been responded to adequately in terms of time.

And payment accuracy got into the mix, but I would cite Texas as one of the best examples of a very large, complex system that has really made a sustained turnaround in the form of addressing those time limits issues, clearing that backlog, developing a sense of strategy that was shared right across that state agency and basically putting a focus back on the workers out on the line, on training for those workers.

And you may recall Texas had this sort of two-part technology system that was really difficult I think for - like learning two languages for many employees.

And Commissioner Seuhs and his leadership put the focus on training, on simplifying that - the access for consumers and then getting rid of that backlog.

And again I would - I was quite critical of Texas to be perfect - well as you may recall. And I think Texas - I would put in my category of one of the best turnarounds in a public system in several years that is, you know, should go down in the textbooks.

**Moderator:** We continue with our callers on the line. Melanie Mason with the Los Angeles Times. Melanie.

**Questioner (Los Angeles Times):** Hi, this is a question for Rich Adams of Indiana. I wanted to ask about the pretty staggering decline in negative error rate after the modernization. And if you could describe a little bit of the changes in error rate that you've seen for the counties that have the modernization, and my understanding that some counties are still on the old system prior to the initial privatization. If you can kind of compare and contrast what you're seeing there that'd be great.

**Rich Adams:** Well of course I haven't seen the data on negative error rates yet, so I'm not sure I can comment on that. I know we anticipated having a much lower error rate.

I think a lot of our error rate reduction in negatives is probably attributable to - I'm getting in the weeds here but a system change to automatically send out what's called a NOMI, or notice of missed interview. I'm sorry.

**Questioner (Los Angeles Times):** Oh I'm - go ahead.

**Rich Adams:** Okay, and also of course the management structure. Our local office folks being in charge of the SNAP application processing have led to not only a better positive error rate or I'm sorry, a positive accuracy rate, but also a negative error rate. Now what was...?

**Questioner (Los Angeles Times):** It is my understanding that there are - that the counties - there are only certain counties that have been through the modernization and other counties that have, and I'm just wondering not necessarily looking at the numbers, but if you could say why you think that there has been such a marked change overall in the state.

Do you think that we're seeing that concentration in the counties that have had the modernization, or is it statewide in all those?

**Rich Adams:** That's the question. The improvement - it's statewide. We took over management and we - the - we don't treat clients any differently in what we call our as-is environment than we do in our hybrid environment.

So there have been improvements and timeliness, improvements in backlog reduction, which also must occur if you're going to be more timely, and improvement in accuracy rates across both environments.

**Questioner (Los Angeles Times):** Great, thank you.

**Moderator:** All right, up next we have Maureen Groppe with Gannett.

**Questioner (Gannett):** Hi, similar questions on Indiana. First a similar question for the Under Secretary that was posed about Texas. USDA has been working with Indiana telling them they had to make improvements.

Are you happy now with Indiana's performance and what is the negative error rate? Is it still above average in Indiana, as well is there still a problem with timeliness?

**Kevin Concannon:** The last question in there - negative error rate is about 4%, but Indiana is certainly headed in the right direction. I mean, we certainly have been monitoring them closely over the past two years.

It was a very troubled system and we have been working closely with the state so that it unveils its newer, hybrid systems gradually over the course of the state sort of in digestible increments if you will or sections of the state, so we work closely with them.

We think we're on a very sound course and I think that's reflected in these data today.

**Questioner (Gannett):** And what bonus - what's the amount of bonus they're getting for their improvement in the error rate?

**Kevin Concannon:** For Indiana - just a sec here. I have it right in front of us. Indiana will receive \$1.6-1/2 million.

**Questioner (Gannett):** Thank you.

**Moderator:** We continue on the line. Up next, Leslie Weidenbener with The Courier-Journal.

**Questioner (Courier-Journal):** I did want to follow up on Indiana as well. I wondered Mr. Concannon if you could elaborate a little. You said Indiana had been a very troubled system.

Were you talking about recently when they got rid of the management vendor, or were you talking about even further back? And then also a question for Rich Adams.

I wondered if you could elaborate a little more on what the difference is with SNAP between the hybrid and as-is counties. You said that they - everybody was treated the same.

I just wondered if you could sort of explain how they could be treated the same even though they're under a different system.

**Kevin Concannon:** Yes I would say, you know, in Indiana I think the troubles go back to not so much the recent issues, but when they moved to the modernization. That's where I think - where they had some issues even before that, but I think they were exacerbated by that modernization.

It just didn't work the way the state expected nor our expectations. It didn't meet them so I think it's been on a much better course post-that period.

**Rich Adams:** Yes, I agree with the Secretary's comments Leslie. If I said they're the same system I screwed up. I didn't mean to say that. It's just that the clients in both systems are treated well so that payment accuracy is stressed in the as-is system, as well as the hybrid system.

Of course the obvious differences are in as-is there is no document imaging. There's no electronic application. There's no IVR phone system. It's the old welfare department if you will way of handling cases, that it's been that way since 1993.

**Moderator:** All right reporters, if you want to ask a question, please let us know by pressing star 1. We continue on the line now with the Wall Street Journal's Sara Murray.

**Questioner (Wall Street Journal):** Hi, thanks very much. This question's for the Under Secretary. I'm just wondering if there's any way to tell sort of how much of the improvement in the error rate is due to kind of more stringent requirements at the state level and, you know, following up on that.

Or if it has to do more with sort of removing the asset test and, you know, kind of allowing more people to be eligible for the program overall.

**Kevin Concannon:** I think it's a combination of both. Actually we have been going around the country promoting simplified processes, urging states and assisting states to go out to places like Oregon and Washington State to look at what they have done by way of simplifying the process, sending them down to Florida for example.

Florida as the Secretary mentioned in his remarks, you know, has had to deal with massive changes in the economy. And I think Florida had to accommodate more than 1.3 million additional consumers in the SNAP program in like an 18-month period.

Well they did so by deploying their resources differently, simplifying the application, but also to your point states have adopted broad-based categorical eligibility.

Some 42 states across the country now have that provision, and the provision allows states to bypass the issue of assets and assets were often the source of mistakes when caseworkers or eligibility workers were assessing the amount of money a person would be eligible for.

So it's definitely helped but I think introduction of technology - the Secretary from Indiana just made reference to imaging or imaging of documents that come in.

Many states have adopted that and that really solves paper transfer, allows systems to manage whole caseloads rather than individual caseworkers having to track a case.

So it's technology, it's program simplification; it is broad-based categorical eligibility as well.

**Questioner (Wall Street Journal):** Thank you.

**Moderator:** All righty, that's going to be our last call. We want to thank everybody for joining us on the line today. For a full listing of the states that are being recognized for their performance rates and improvements, and you can get all the details as well on the individual states, go to [www.fns.usda.gov](http://www.fns.usda.gov).

I want to thank all of our panelists as well as all of those who were on the call, and that concludes this mornings' media briefing.

**Kevin Concannon:** Thank you.

**Coordinator:** Thank you for calling the digital replay service.

END