

# Payment Integrity Scorecard

## Program or Activity

Food and Nutrition Service (FNS) Supplemental Nutrition Assistance Program (SNAP)

## Reporting Period

Q2 2024

## FY 2023 Overpayment Amount (\$M)\*

**\$7,478**

\*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



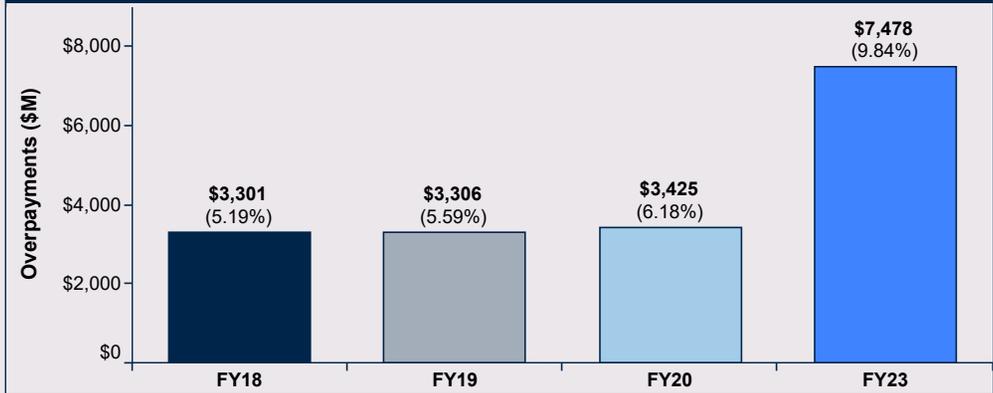
## United States Department of Agriculture

Food and Nutrition Service (FNS) Supplemental Nutrition Assistance Program (SNAP)

### Brief Program Description & summary of overpayment causes and barriers to prevention:

SNAP provides food benefits to low-income families to supplement their grocery budgets. It is the largest domestic nutrition assistance program. SNAP is a Federal program administered by States (all 50 States, D.C., Guam, and the Virgin Islands). States are responsible for determining a SNAP applicant's eligibility and issuing benefits to eligible residents following Federal requirements. Within those requirements, State agencies have flexibility to tailor the program to meet the needs of their residents through various policy options, waivers, and demonstration projects. As a result, corrective actions to address payment errors must originate in and be tailored to each individual State agency's circumstances/particular root cause of error.

## Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



## Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

- Updated the Keys to Payment Accuracy, a guidance document that provides best practices to States on how to improve payment accuracy. In quarter 3, FNS will issue the updated guide and host webinars for States to discuss the content. The guide will provide information gathered directly from States during from a series of listening sessions focused on understanding their successes and challenges in issuing accurate benefits.
- Continued developing the new National Accuracy Clearinghouse (NAC) to prevent issuance of SNAP benefits to an individual by more than one State agency simultaneously (also known as interstate duplicate participation). The system went live for the first two states on February 5, 2024, and a third state also began participating in March. The next state is anticipated to begin participation in April 2024.
- Continued work on a five-year contract to provide nationwide earnings verification services with 28 MOU's signed and 14 states onboarded. This contract will provide State SNAP administering agencies with access to two commercial databases of employment and earnings records. States can use these services to verify earned income sources and amounts for SNAP households. Since income is a key factor in the SNAP benefit calculation, these efforts are expected to help improve payment accuracy.

## Accomplishments in Reducing Overpayment

|   |   | Date   |
|---|---|--------|
| 1 | Began onboarding States to utilize the newly awarded contracts with Equifax and Experian to provide nationwide earning verification services. As of quarter 2, 14 States began using the contracts to conduct income data matches with another 28 having signed an MOU. | Mar-24 |
| 2 | Updated the Keys to Payment Accuracy, a guidance document that provides best practices to States on how to improve payment accuracy.  | Mar-24 |
| 3 | Completed a training program consisting of a series of in-person trainings to improve the quality and consistency of payment accuracy data collections.   | Apr-24 |

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| Goals towards Reducing Overpayments |  | Status   | ECD    | Recovery Method            | Brief Description of Plans to Recover Overpayments   | Brief Description of Actions Taken to Recover Overpayments  |
|-------------------------------------|--|----------|--------|----------------------------|--|---|
| 1                                   | Improve how SNAP State administering agencies collect and utilize data on improper payments to appropriately target corrective action. | On-Track | Sep-25 | 1<br><b>Recovery Audit</b> | States are required to submit a plan to FNS that describes their recovery audit functions, and quarterly reports on recipient claims recoveries. FNS provides oversight and technical assistance to ensure States establish and collect claims as required by law. | FNS doesn't perform recovery activities at the federal level. FNS does provide oversight/technical assistance to SAs regarding referral, management, and recovery of overpayments. States establish claims/maintain an accounting system for monitoring claims/ recoveries. |
| 2                                   | Provide more guidance to support State agencies in planning and implementing corrective actions to improve payment accuracy.           | On-Track | Sep-25 |                            |  |   |

| Amt(\$)         | Root Cause of Overpayment   | Root Cause Description  | Mitigation Strategy  | Brief Description of Mitigation Strategy and Anticipated Impact   |
|-----------------|---|---|--|---|
| <b>\$7,478M</b> | Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed. | Improper payments are outside FNS control because SNAP benefits are processed/administered by States. States make decisions about how to administer SNAP amongst various policy options, waivers, and demonstration projects; directly determine eligibility; and provide benefits. | Training teaching a particular skill or type of behavior; refreshing on the proper processing methods. | FNS trains State agencies and provides tools needed to conduct an individualized root cause analysis and develop targeted corrective action plans. This allows each State agency to assess root causes and target corrective actions appropriately. |