



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

September 12, 2016

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: KIM MCCOY WADE
Chief
CalFresh Branch

SUBJECT: CALFRESH QUALITY CONTROL STATE SAMPLE

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The U.S.D.A. Food and Nutrition Service (FNS) recently conveyed to the California Department of Social Services (CDSS) that California would not be subject to any fiscal penalties tied to the active error rate for FFY 2015 and FFY 2016 (see enclosure). Thus, the CDSS made the decision, in consultation with the counties, to waive the required completion of the State sampled cases, which are the reviews identified with “M” for primary and “N” for secondary, **only** for the sample months of August and September 2016. For these two sample months, the completion of the state sampled cases is optional. The State sampled cases are completed by the 19 performance measurement counties (PMC) as part of California’s commitment to maintain a statistically valid sample size to base any fiscal penalties tied to the active error rate.

All Federally sampled Active cases must continue to be reviewed and completed by the PMC and will be re-reviewed by CDSS. The CDSS’s intent is for the PMC to be able to utilize this 2 month reprieve from the State sampled cases to begin establishing business processes needed in preparation for the upcoming changes to the Quality Control Handbook, FNS 310, and the transition of the negative cases to the PMC.

The PMC are as follows: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Merced, Monterey, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, Santa Clara, Solano, Stanislaus, Tulare, and Ventura.

The CalFresh Branch looks forward to continued open communication regarding ongoing CalFresh Quality Control changes. If you have any questions or concerns, please direct

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your inquiries to Tami Gutierrez, Chief of CalFresh Operations Bureau,
at (916) 653-5420 or Tami.Gutierrez@dss.ca.gov. Thank you for your partnership.

Enclosure



United States Department of Agriculture

JUN 24 2016

Office of the Secretary
Washington, D.C. 20250

Mr. Will Lightbourne
Director
Department of Social Services
744 P Street, MS 8-17-11
Sacramento, California 95814

Dear Mr. Lightbourne:

Our efforts to improve SNAP program integrity while ensuring access to benefits for those in need of food assistance rely on a strong partnership between the Food and Nutrition Service (FNS) and your State Agency. It is imperative that we work together to manage this responsibility and exercise strong stewardship of taxpayer resources. The U.S. Department of Agriculture (USDA) has made program integrity a top priority and since 2000, we have worked with you to strengthen the ability of States to correctly determine eligibility and benefit amounts through policy simplification, improved use of technology, and business process reengineering.

In 2015, USDA began a thorough review of the State Quality Control (QC) systems in all 53 State agencies to improve administration of SNAP in line with guidance from the USDA's Office of the Inspector General (OIG). To date, USDA has completed reviews of 33 State agencies and is expected to complete all reviews no later than December 31, 2016, at which time USDA will release an updated quality control error rate for the fiscal year (FY) 2015.

As reviews of State QC operations are completed, States will receive a written report documenting any violations of the Food and Nutrition Act of 2008 and FNS regulations, if any should exist, and outlining the corrective action steps that must be taken. FNS will provide States with technical assistance and closely monitor progress as States implement corrective actions to be fully compliant with Federal regulations. USDA is also updating its overall review process for future FYs to better reflect OIG recommendations and findings of the USDA reviews of State procedures.

In my letter of September 23, 2015, I outlined a list of concerns in the QC system, including those raised by USDA's OIG, and indicated that FNS would continue its efforts to complete reviews of States' QC systems in 2016. USDA is taking the OIG findings seriously and is working with States to address many of them already. The ongoing review is part of that effort and is looking at both intentional and unintentional non-compliance in the QC process as documented by OIG and FNS, such as States misinterpreting FNS requirements or providing inadequate oversight of their QC review process, or a lack of cooperation with FNS QC monitoring efforts. These issues reflect actions by States, not by low-income households participating in SNAP.

Mr. Will Lightbourne
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USDA will complete its thorough review of the QC systems in all States before making decisions about the disbursement of payment accuracy bonuses for FY 2013, FY 2014 and FY 2015. USDA will not issue bonuses or establish State liabilities for FY 2016 as it works to make these changes.

As part of the updated process to further improve SNAP QC, FNS will implement additional activities within the next 90 days, including establishing a new national QC training curriculum; revising FNS's QC policy guidance (FNS Handbook 310) to clarify rules and procedures; and developing a new QC integrity management evaluation guide to regularly re-assess State QC operations. USDA is also strengthening training of FNS QC reviewers through development of a revised, policy-focused curriculum that will be completed by the end of the fiscal year.

To establish a national QC error rate for FY 2016, FNS staff will work with State QC reviewers to pull a new sample of FY 2016 cases and complete case reviews. Liabilities and payment accuracy bonuses for FY 2016 will be suspended as efforts are underway to improve State QC procedures. State agencies must grant Federal reviewers access to the documentation and State systems necessary to complete these case reviews. I request your State's assistance in making this process as efficient as possible. This FY 2016 review is expected to begin later this calendar year. Your input is appreciated as we finalize the details of this process.

Though FNS reviewers will be conducting the 2016 reviews to compute a national QC error rate, States must continue to report FY 2016 case results to FNS so that we can use this process as an opportunity to review internal procedures and conduct training to ensure that all State QC reviewers are operating in accordance with program rules and the QC system for FY 2017 is sound.

With these measures in place, we will continue to improve the integrity of SNAP for low-income Americans who need this vital program, in accordance with the Food and Nutrition Act of 2008. If you have any additional questions, please contact your FNS Regional Administrator.

Sincerely,


Kevin W. Concannon

Under Secretary
Food, Nutrition, and Consumer Services