

## Benefit Document

### Terminating Benefits for Incarcerated Individuals

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#### Executive Summary of the Initiative and Benefits

The Children, Adults and Families Services Division (CAF) issues approximately \$80,000,000 in Supplemental Nutritional Assistance Program (SNAP) benefits to approximately 290,000 households (cases), comprised of approximately 616,000 individuals per month. Individuals incarcerated in a penal institution are ineligible for SNAP and medical benefits based on length of incarceration, therefore, it is essential to identify incarcerated individuals receiving benefits to discontinue benefits to avoid overpayment and fraud of the incarcerated individuals benefits.

#### Improvement Summary

Prior to process improvements, the Office of Payment and Recovery (OPAR) Automation Unit (OAU) sent a referral list of incarcerated clients to CAF's Self Sufficiency field office staff to process case closures. The OAU was hindered in identifying incarcerated individuals due limited access to penal institutions which resulted in a limited and incomplete list. To further compound the problem, due to staffing shortages and increased workloads, field staff delayed processing the referral list from OAU, missing closure opportunities yielding few benefits saved.

From June through August of 2009, Self Sufficiency Program and OPAR staff reviewed the current process. The team changed the process by centralizing the entire process within OPAR's Automation Unit and negotiating a contract with the company APPRISS to provide an electronic database on individuals incarcerated in the State of Oregon every 30 days. The negotiation of the APPRISS contract has afforded the OAU unit to use electronic data files to cross reference with the Self Sufficiency Program databases.

The following improvements have been realized:

- Cases are now closed or inactivated in a timely manner, saving the Federal and State government \$1,637,127 in SNAP and \$1,135,953 in medical benefits. From October 2009 to June 2010, estimated annual State savings is \$454,381. Federal and state savings vary based on Medicaid match of approximately 60 percent federal fund, and 40 percent state fund.
- The inactivation of electronic benefit cards preserves benefits that have been issued to incarcerated individuals prior to incarceration for use upon release, anecdotally reducing the number of stolen and misplaced cards, and the potential fraudulent use of benefits. The decision to inactivate or close a case varies depending on the length of an individual's incarceration.

## **Redeployment Plan**

For the period between October 2009 and June 2010, the initial results of this initiative created a savings of \$1,637,127 in federal SNAP benefits, and \$1,135,953 in medical benefits (\$454,381 state funds and \$681,572 federal funds). Per our division's agreed upon reinvestment plan all savings will be reinvested back to the agency for payment of future Medicaid and SNAP benefits.

## **Benefit/Outcome Description (October, 2009-September, 2010)**

### **Cost Savings**

Cases are now closed in a timely manner, saving the federal and state government an estimate of \$2,182,836 annually in SNAP benefits, and \$1,514,604 annually in Medical benefits.

The purchase of APPRISS data on individuals incarcerated in Oregon cost the State approximately \$80 per month but eliminated the need for staff to manually look up incarcerated individuals. This change created an annual time savings of 2,082 hours, equaling an annual savings of \$48,219 in salary and benefits.

It is estimated that the annual number of SNAP case closures is 4,624, while the annual number of electronic benefit card inactivation is estimated to be 6,424.

### **Logic Description**

The OAU tracks all case closures and the exact benefit amount awarded and paid to a client on a monthly basis. Projected annual SNAP and medical benefit savings are determined by adding each of the monthly actual savings to date to total a 12-month period of savings. Savings will be reported to the CAF Metrics Analyst quarterly, and will reflect actual monthly savings amounts.

Prior to the purchase of APPRISS, two Office Specialist 2s spent eight hours a day, every other day, identifying incarcerated individuals. Annual salary and benefit savings is determined by multiplying the amount of time (eight hours, every other day, by two employees for a year) by the salary and benefit amount of \$23.16 per hour.

### **Sustainability Plan (October 2009 through September 2010)**

The OAU will sustain all ongoing work related to the investigation, identification, electronic benefit card inactivation and case closures of single person SNAP and medical recipients

### **Ongoing Metrics**

The OAU counts case closures, and electronic benefit card inactivations, as well as benefits savings and reports to the CAF Metrics Analyst on a monthly basis. These monthly figures will be reviewed to ensure ongoing success of the project, as well as reported to CAF Executive Staff and to the Transformation Office.



**Annualized Projection Amount**

\$48,219 in salary and benefits.  
\$2,182,836 annually in SNAP benefits.  
\$1,514,604 annually in Medical benefits.

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**Attachments:**

*(Briefly describe all backup material that a reader may need to understand the Benefit Document).*

- Data Spreadsheet
  - Reinvestment Plan
  - Business Case
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**References:**

*(Briefly describe all reference material that a reader may need to understand the Benefit Document).*

Surveys – customer/client:  
Reports – internal/external:  
Web links: