Department of Agriculture

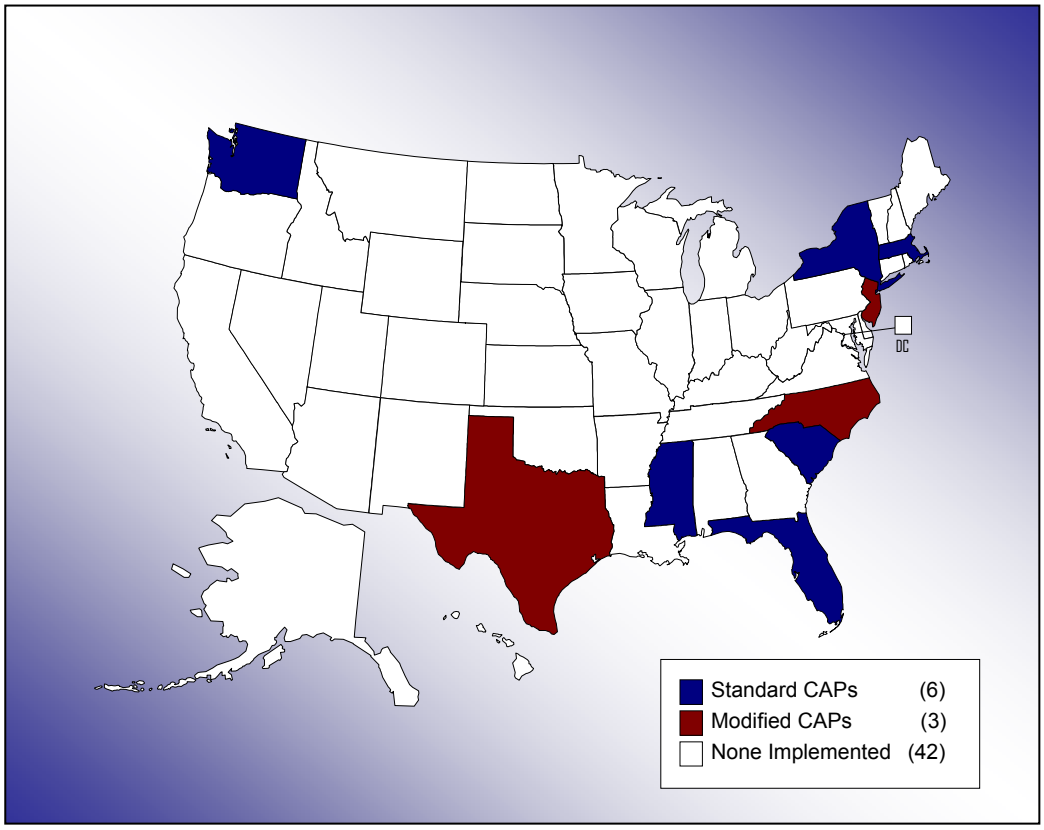
Food and Nutrition Service

Food Stamp Program

A Government Partnership to Increase Food Stamp Program Participation among the Elderly and Disabled

Combined Application Projects

Guidance for States Developing Projects



March 2005

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INTRODUCTION

Low-income seniors are among the most at-risk of food insecurity because they often live alone, have health problems, and are less mobile. For these individuals, the Food Stamp Program can serve as a primary source of nutrition assistance to improve their health and increase their independence. Historically, however, this population has underutilitzed the program despite more lenient eligibility rules and outreach efforts specifically targeted to them. In 2001, the most recent year for which participation rates are available, only 28 percent of seniors eligible for food stamps participated in the program compared to 54 percent of all eligible people.

One method of improving access to food benefits for persons with special needs is through Combined Application Projects (CAPs). These demonstration projects are a creative partnership among the Social Security Administration (SSA), State agencies and the Food and Nutrition Service (FNS) to simplify the food stamp application process for recipients of Supplemental Security Income (SSI) who live alone.

Since 1997, Federal law has required that applicants for or recipients of SSI must be given the opportunity to file a food stamp application at the SSA office when applying for SSI. This joint application process has not always worked as seamlessly as originally intended. Social Security workers may not have enough information to complete a food stamp application because of differences between the requirements of the two programs or workers may postpone getting information while waiting for disability determinations. Oftentimes, workers at the food stamp office must make additional contacts with the household to finish the application form which defeats the purpose of joint filing.

CAPs make it easier for SSI recipients to receive food stamps. Under the CAP demonstration, one-person SSI households can file a shortened food stamp application form consisting of a few questions without having a face-to-face interview at the food stamp office. Benefit amounts are either standardized or calculated automatically using one of two standard shelter expenses. Data collected from the SSA interview are electronically transferred to the food stamp office.

Today, seven State agencies are operating CAP demonstrations. The South Carolina Combined Application Project (SCCAP), the first of the CAPs, was implemented in 1995 and is still ongoing. The SCCAP demonstration has proven very successful in increasing food stamp participation among SSI recipients. The rate of food stamp participation for this group in South Carolina increased from 38 percent in 1994 to 50 percent in 1998, while the national rate of participation decreased from 42 percent to 38 percent during the same period. SCCAP outreach efforts enrolled over 8,500 new food stamp cases.

In 2001, FNS and SSA expanded the CAP demonstration to Mississippi (MSCAP), and Washington State (WASHCAP). In 2003, New York implemented its CAP known as the New York State Nutrition Improvement Project or NYSNIP. In 2005, Massachusetts implemented BAYSTATECAP and Florida implemented SUNCAP. Texas implemented a variation of the project in 2002 known as the Simplified Nutritional Assistance Program (SNAP) that does not involve application processing by SSA. Instead, Texas uses automated information provided by SSA to identify SSI recipients who are not already receiving food stamps. These individuals are sent a one-page food stamp application. If they choose to participate, the individuals complete the form and return it to the food stamp office. New Jersey and North Carolina have been approved to operate a similar model and expect to implement their projects later this year. Two other States – Louisiana and Virginia—have pending plans.

Currently, FNS and SSA are working to expand the South Carolina-model (referred to as the "standard" CAP) to one additional State – Pennsylvania. Because this type of CAP requires significant coordination with SSA offices, FNS is limited in the number of projects it can approve. FNS is, however, in the process of expanding the Texas-model (know as the "modified" CAP) to as many States that have expressed an interest in implementing the projects. States that have not already submitted a request for a modified CAP may still do so by contacting their Regional offices. FNS has limited capacity so interested States will be taken in turn.

WHAT THIS GUIDANCE CONTAINS

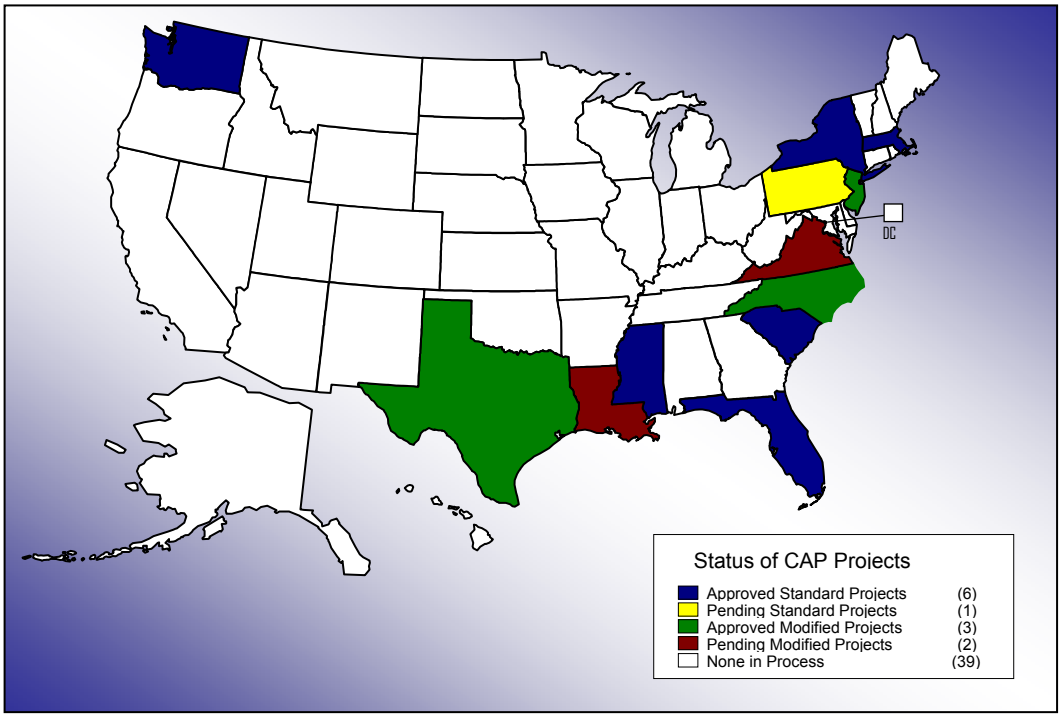
Section 1	**Status Report and Summary of Projects**
Section 2	**Waiver Checklist**
Section 3	**Standardization and Cost Neutrality Procedures**
Section 4	**Example of an Application and Approval**
Section 5	**Evaluation**
Section 6	**Quality Control Procedures**
Section 7	**Contacts and Acknowledgements**

SECTION 1 – STATUS REPORT AND SUMMARY OF PROJECTS

Combined Application Projects
Status Report – January 2005

Combined Application Projects (CAP) are a Government partnership among States, the Food and Nutrition Service and the Social Security Administration (SSA) to test streamlined procedures for providing food stamp benefits to elderly and disabled individuals. Benefits are processed for recipients of Supplemental Security Income (SSI) using increased automation, simplified calculation of allotments and by eliminating the need for face-to face interviews with Food Stamp Program staff. Two types of projects are in operation. The **"standard"** model includes simplified joint application processing by SSA as individuals apply for or are recertified for SSI. The **"modified"** model does not require coordination with SSA. Both models use information already provided to the State via the automated State Data Exchange system to identify and enroll SSI individuals using a streamlined application process.

Standard Projects		Modified Projects	
Approved Plans- 6	**Pending Plans - 1**	**Approved Plans - 3**	**Pending Plans - 2**
Florida **Massachusetts** **Mississippi** **New York** **South Carolina** **Washington State**	**Pennsylvania**	**New Jersey** **North Carolina** **Texas**	**Louisiana** **Virginia**



FNS USDA Food & Nutrition Service

Social Security USA Administration

SUMMARY OF COMBINED APPLICATION PROJECTS

UPDATED January 2005

Combined Application Project (CAP) demonstrations are a joint FNS-SSA partnership that tests streamlined procedures for providing food stamp benefits to one-person households eligible for both food stamps and Supplemental Security Income (SSI).

Effective January 2005, the maximum Federal SSI payment for individuals living alone or living with other and paying a prorated share of housing and food costs is $579 per month. Some States supplement the Federal payment.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2005)
South Carolina **(SCCAP)**	October 1995 extended through September 2006	17,763 (12/04)	Open only to eligible one-person households with no earned income. To identify these households, the project relies on living arrangement coded by SSI as "A" (i.e., individuals living alone or living with others but paying a fare share of food and housing costs.) **Opt out** – Household may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $35; or 2) its shelter costs exceed $301/month. **Certification Periods** – two years.	Four standard benefits amount for all participants. Households with SSI only and those with SSI and other unearned income each have two levels depending on whether they have high shelter costs or low shelter costs. **SSI only** – households with monthly shelter costs at or above $215 per month receive $43; households with shelter costs below $215 receive $16. **SSI and other unearned income** – households with monthly shelter costs at or above $215 receive $34; households with shelter costs below $215 receive $10.
Mississippi **(MSCAP)**	October 2001 through September 2006	16,847 (01/05)	Essentially the same as SCCAP **Opt out** – Household may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $35; 2) its actual shelter costs (housing + utilities) are $330/month or above or 3)are eligible for a child support deduction. **Certification Periods** – three years.	4 Standardized Benefit Amounts: **SSI only** – households with combined monthly shelter costs at or above $205 per month receive $43; households with shelter costs below $205 receive $15. **SSI/SSA** – households with combined monthly shelter costs at or above $205 receive $34; households with shelter costs below $205 receive $10.
Washington **(WASHCAP)**	December 2001 through November 2006	39,783 (01/05)	More automated than SCCAP. SSA information directly downloaded into State computer system and benefits automatically generated. In SCCAP, State must manually create food stamp case based on downloaded SSA data. No flat SSI benefit, but will consider actual SSI income (which may vary because of recoupment) and unearned income. Therefore, no standard benefit. Open to one-person SSI households with no earned income. Unlike other projects, once a household is	No standardized benefit amounts. Benefits determined using actual income from SDX, current standard deduction, standardized shelter amount, and the SUA. **Income:** Actual SSI income and any other unearned income reported to SSA. Information downloaded daily from SDX. **Standard:** All households receive the current standard deduction.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2005)
			participating in WASHCAP, the household can have earned income for up to 3 consecutive months. If employment last longer, the household is terminated from the project. **Opt out** – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $35;or 2) its shelter costs exceed $529/month. **Certification Periods** – two years.	**Standardized shelter**: Households receive one of two standardized shelter amounts -- **High shelter-$329** -- households with monthly shelter expenses (excluding utilities) greater than or equal to $319 receive a standard shelter expense of $329; or **Low Shelter-$159** -- households with monthly shelter expenses (excluding utilities) less than $319 receive a standard shelter expense of $159 for housing. **SUA** – All households receive the LUA of $222. **Excess Shelter Deduction** -- The standard shelter and SUA are subtracted from ½ half of countable income. Households receive the excess deduction.
New York **(NYSNIP)—New York State Nutrition Improvement Project**	Approved 3/26/03 through September 2008 State began converting existing households in NYC in July 2003 for August 2003 benefits. Began outreach for households not receiving food stamps in 6/04 for 07/04 benefits. Full implementation of converted cases completed in January 2005.	240,000 (01/05)	More complicated than the other projects as it has 30 standardized benefit amounts – 10 levels in each of 3 different project areas. Limited to SSI households who live alone, but unlike other projects they can have earned income. NY's coding system to identify individuals living alone is more refined than in other projects and is able to eliminate SSI shared living situations. Food stamp cases would be automatically opened for all eligible SSI clients. SSI recipients would be notified by mail of their eligibility for food stamps and sent an electronic benefit transfer (EBT) card. A client's use of the EBT card to access food stamp benefits would constitute an electronic signature acknowledging his or her understanding of and agreement to the Food Stamp Program's rights and responsibilities. Under SCCAP and WASHCAP, clients are informed of the projects at the time of their SSI interview, and are required to sign a statement in which they agree to participate in the project before a food stamp case is opened. **Opt out** – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $35; or 2) its shelter costs exceed $300/month. **Certification Periods** – four years with interim contact at the end of two years.	30 standardized benefit amounts – 10 levels in each of 3 different project areas. Benefits range from $16 to $149.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2005)
Massachusetts **BAYSTATECAP**	Approved 10/4/04 for 6 years from date of implementation. Implemented 02/05.	15,000 (2/05)	Similar to WASHCAP. Calculates benefits using actual SSI income and standardized housing expenses. Open to one-person SSI households with no earned income in "AA" or "AB" living arrangement. Participants must receive at least $1.00 SSI monthly income. Once a household is participating, the household can have earned income for up to 3 consecutive months. If employment last longer, the household is terminated from the project. **Opt out** – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $35; 2) its shelter costs exceed $700/month; or 3) other unreimbursed expenses would result in higher benefits under the regular FSP. **Certification Periods** – three years. Certification periods may extend beyond the scheduled ending date of the project.	No standardized benefit amounts. Benefits determined using actual income from SDX, current standard deduction, standardized shelter amount, and the SUA. **Income:** Actual SSI income and any other unearned income reported to SSA. Information downloaded daily from SDX. **Standard:** All households receive the current standard deduction. **Standardized shelter**: Households receive one of two standardized shelter amounts -- **High shelter-$450** -- households with monthly shelter expenses (excluding utilities) greater than or equal to $450 receive a standard shelter expense of $450; or **Low Shelter-$220** -- households with monthly shelter expenses (excluding utilities) less than $450 receive a standard shelter expense of $220 for housing. **SUA** – All households receive the SUA of $268. **Excess Shelter Deduction** -- The standard shelter and SUA are subtracted from ½ half of countable income. Households receive the excess deduction.
Florida **SUNCAP**	Approved 12/28/04 for 6 years from date of implementation. Implementation scheduled for April 2005	n/a	Similar to WASHCAP. Calculates benefits using actual SSI income and standardized housing expenses. Open to one-person SSI households with no earned income in "A" living arrangement. Participants must receive at least $.01 SSI monthly income. Once a household is participating, the household can have earned income for up to 3 consecutive months. If employment last longer, the household is terminated from the project. **Opt out** – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed $50; 2) its housing costs exceed $700/month; or 3) benefits would be higher under the regular FSP. **Certification Periods** – three years. Certification periods may extend beyond the scheduled ending date of the	No standardized benefit amounts. Benefits determined using actual income from SDX, current standard deduction, standardized shelter amount, and the SUA. **Income:** Actual SSI income and any other unearned income reported to SSA. Information downloaded daily from SDX. **Standard:** All households receive the current standard deduction. **Standardized shelter:** Households receive one of two standardized shelter amounts -- **High shelter-$372** -- households with monthly shelter expenses (excluding utilities) greater than or equal to $240 receive a standard shelter expense of $372; or **Low Shelter-$199** -- households with monthly shelter expenses (excluding utilities) less than $240 receive a standard shelter expense of $199 for housing.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2005)
			project.	**SUA** – All households receive the current SUA of $198. **Excess Shelter Deduction --** The standard shelter and SUA are subtracted from ½ half of countable income. Households receive the excess deduction.

MODIFIED PROJECTS

The following projects are outreach projects only – the State uses information from SSA to identify SSI households who are not already receiving food stamps. These individuals are sent simplified food stamp application forms.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts
Texas **(SNAP) – Simplified Nutritional Assistance Program**	September 2002 through October 2008	64,000 (4/04)	State uses SSA information to identify eligible SSI recipients in either code "A" or code "B" living arrangement. These individuals are sent a simplified FSP application form that they must return. Limited to SSI recipients 65and older who are not currently receiving food stamps. Participants may have other income (either earned or unearned) in addition to SSI. Married couples can participate but are treated as separate households. Individuals currently receiving food stamps are not eligible for SNAP. Therefore, there is no conversion of current participants to SNAP (unlike SCCAP and other CAP projects). Participating households are instructed to report shelter changes to the State. The State is required to act on all changes that move the household from one shelter expense to the other. Households can opt out at any time and participate in the regular FSP. **Certification Periods** -- 3 years. Certification periods may extend beyond the ending date of the project.	2 Standardized Benefit Amounts **High Shelter** -- Households with total shelter costs at or above $289 receive $46 per month. **Low Shelter** – Households with total shelter costs below $289 receive $35 per month.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts
New Jersey Simplified Nutritional Application for Seniors (SNAS)	Approved October 2004 Implementation Pending		An individual eligible for the project has been determined eligible for SSI and is age 65 or older; not currently receiving food stamps; is living alone; has no earned income; is a New Jersey resident and declares to purchase and prepare food separately. Clients eligible for SNAS are identified using NJ SDX to identify birth date and Code A living arrangement. State forwards a report to each county welfare agency (CWA) (county-administered) on a quarterly basis that identifies potentially eligible individuals. Each CWA is responsible for forwarding a simplified application and return envelope to potentially eligible clients and is responsible for the subsequent maintenance of the case. Individuals who do not wish to participate in SNAS will be directed to check off a specific box on the cover letter stating they decline to enroll in the FSP. Potential applicants will also be advised that they may opt out if their rent and utility expenses are significantly more than $350 per month. **Certification Period** is for 24 months.	Two standardized benefit amounts: • **Low Benefit Level** = $25 for participants with shelter expenses below $371 • **High Benefit Level** = $115 for participants with shelter expenses above $371
North Carolina Simplified Nutrition Assistance Program (SNAP)	Approved January 5, 2005 Implementation Pending (Tentatively scheduled to begin August 2005).		An individual eligible for the project has been determined eligible for SSI and is age 65 or older; is in Federal Living Arrangement (FLA) Code= A; is a North Carolina resident and purchases and prepares food separately. State will receive monthly data through the SDX which will show the number of food stamp recipients not participating in the FSP who meet the criteria for SNAP. NC will generate a data set of eligible individuals and automatically mail SNAP applications to newly approved SSI recipients who meet the SNAP eligibility requirements. An individual may opt out of SNAP if shelter expenses exceed $250 or medical deductions exceed $35. **Certification period** is for 36 months.	Two Standardized Benefit Amounts: • **Low Benefit Level** = $38 for participants with total shelter expenses less than $150 • **High Benefit Level** = $62 for participants with total monthly shelter expenses of $150 or more.

SECTION 2 – WAIVER CHECKLIST

FOOD STAMP PROGRAM **THE NUTRITION SAFETY NET**

COMBINED APPLICATION PROJECTS
CHECKLIST OF PROPOSAL REQUIREMENTS

1) Complete List of Waivers—(Including the following)

- 273.1(a)—household definition
- 273.2(b)—application requirements
- 273.2(c)—filing of an application (general description; application form; rights and responsibilities; opt-out procedures; date of application; expedited service; and conversion of households participating in the regular FSP)
- 273.2(e)—interviews
- 273.2(f)—verification
- 273.9(d), 273.10(d), 273.10(e)—deductions and benefit calculations
- 273.2(k), 273.10(a) and (f), 273.14 – certification periods
- 273.12—change reporting requirements

2) Detailed Operating Procedures

- How will eligible cases be identified?
- Will cases be included that have more than SSI as income?
- What will the SSA worker be required to do?
- How will information be transmitted from SSA to the State?
- How will State calculate benefit and notify household?

3) Outreach Plan

- When will outreach start?
- How will the State identify eligible SSI households?
- How will the State notify eligible households? Letters, News conferences, Mailings to advocacy groups, radio announcements, etc? How will the State deal with nonresponses?
- How will the State handle the potentially large influx of applications? This was a problem for South Carolina, which found it could not process all the new applications in 30 days.

4) Conversion Plan

- What is the procedure/timetable for converting existing SSI/food stamp recipients?

5) Shelter Expense

- Effective with PRWORA, Section 17(b)(1)(B)(iv)(IV)(aa) of the Food Stamp Act prohibits demonstration projects that increase the shelter deduction to households with no out-of-pocket costs or housing costs that consume a low percentage of the household's income.
- States must develop a mechanism to better target actual shelter costs of participating households. One suggestion is to develop two shelter allowance standards or two benefit standards — one for households with little or no shelter costs, and another for households with high shelter costs. This requires the SSA worker to ask additional question to SSI/CAP applicant and additional modification of SDX screens (or how codes are understood).

6) Evaluation Plan

- Costs of project to FSP and SSA
- Impact of shelter standards on program costs
- Accuracy of benefit amounts

7) Quality Control

- CAP cases will be reviewed by Quality Control (QC) according to procedures for determining eligibility and benefit amount established in the approved project. Results from the QC review will be included in the State's payment error rate.

SECTION 3 – STANDARDIZATION AND COST NEUTRALITY PROCEDURES

Standardization Procedures for States Applying to Run SSI Joint Processing Alternative Demonstrations

This paper outlines some common issues that States must consider and provide when they submit a request to conduct a food stamp/SSI joint processing (also known as a Combined Application, or CAP project) demonstration. FNS has now worked intensively with a number of states to approve joint processing demonstrations that both serve the SSI population fairly and maintain an acceptable level of cost neutrality to the Food Stamp program.

CAP projects give one-person aged, blind, or disabled households who receive SSI an opportunity to receive food stamps via a "one-stop" process. The applicant applies for food stamps at the same time as he/she applies for SSI, and if approved for SSI, food stamp benefits begin the following month.

Combined Application Project Models

The existing joint processing demonstrations currently fall under two "models."

The Standard Model --this model focuses on both outreach to new single-person SSI applicants and converts existing SSI/FSP households to the combined application demonstration. There are two variations:

1) **Standardized Benefit Amounts** (SC & MS) Applicants are given one of four standardized food stamp benefit levels based upon their (either high or low) shelter expenses and other income.

2) **Standardized Shelter Expenses** (WA) The model takes into account an applicant's shelter expenses (high or low), then assumes standardized shelter expenses based on that high/low shelter expense determination. Individualized food stamp benefits are then calculated based on the applicant's other economic circumstances.

The Modified CAP (TX) – this model focuses on outreach only. Single person SSI households not receiving food stamps are contacted and given one of two standardized food stamp benefit levels based upon their (either high or low) shelter expenses. While existing SSI/FSP cases are not converted to the joint processing demonstration in Texas, FNS would allow for the conversion of these individuals if requested by the State.

Selecting Benefit Amounts and Shelter Expense Thresholds

Regardless of which model a State uses for its CAP project, here is some basic information that the State should consider and share with FNS to speed the approval process.

***The shelter expense characteristics of the existing SSI/FSP caseload*:** these will be used to determine high/low shelter cost categories for the potential CAP population. Utility, heating/cooling, and other shelter-related allowances may also be taken into account, depending on State-unique circumstances and the design of the State's CAP project.

***The proposed shelter cutoff levels*:** The State should offer suggested levels to distinguish between their participants with high shelter costs and low shelter costs. States should also be prepared to offer a shelter expense level at which they will suggest persons with very high shelter expenses apply to the regular Food Stamp Program.

An estimate of the State's existing single-person SSI/FSP caseload above and below the shelter cutoffs and the current food stamp benefit levels for that caseload: this is used to help determine average benefit levels if a State wishes to make standardized benefits a component of their CAP project. All of this information will be used during the evaluation to assess the effectiveness of a State's outreach efforts and the project's cost neutrality.

All CAP projects approved by FNS have recognized that some qualified households have unearned income in addition to their SSI benefit. SSI passes through the first $20. Information should be provided for both those without other unearned income and those with other unearned income.

***The proposed standardized benefit levels*:** CAP projects should ensure that participants receive a benefit amount comparable to what they might receive under the regular Food Stamp Program. The State should offer its proposed benefit levels with this in mind. At a minimum, there must be two benefit levels: one for participants with low shelter expenses and another for those with high shelter expenses.

For the standardized shelter model: The high and low standardized shelter expenses and the benefit calculation results of using them for the existing single-person FSP/SSI participating households.

Cost Neutrality

CAP projects are required to operate within an acceptable level of cost neutrality for the Food Stamp Program. Although CAPs are designed to increase participation by streamlining the application process and benefit structure, the project should not cost more than it would have cost to add new participants under the regular Food Stamp Program. States should remember this when they work on their proposed expense cutoffs and standardized shelter expense/benefit levels. FNS measures cost neutrality in terms of benefit levels only. Administrative savings are not considered in determining whether a CAP project is cost neutral.

Benefit Loss

Although CAPs are required to be cost neutral, they should also not cause excessive numbers of participants to receive lower benefits than they would receive under the regular FSP. Laws governing demonstration projects at section 17(b)(1)(B) of the Act mandate that projects reducing benefits by more than 20 percent for more than 5 percent of households in the area subject to the project may not include more than 15 percent of the State's food stamp caseload. In determining the percentage of participants losing benefits and the amount of their benefit loss, FNS takes into consideration project rules that allow participants to opt out of the project and participate in the regular FSP.

Testing the Proposed Benefit Levels and Shelter Cutoff Levels

Once the State has decided upon the suggested benefit levels and living expense cutoffs for its CAP project, FNS will require the State to test those levels by simulating their effects on their existing single-person Food Stamp/SSI population. The State generally should be prepared to:

- Collect the existing basic information about the State's current FSP/SSI single person population - to include income sources and amounts, shelter costs, medical expenses, or other pertinent living expense allowances (if those are to be part of the demonstration), geographic area where participants reside (again, if that is a factor in the demonstration), and current Food Stamp benefit levels.
- Generate a spreadsheet or some other document that applies the State's proposed standardized benefit levels to its current single-person FSP/SSI population. This should reflect as closely as possible the manner by which the State plans to treat this population in its CAP project. For example, persons with low shelter expenses should be given the benefit standard that is being proposed for that group; those with high shelter expenses should likewise be given the proposed standard for that group, etc. Persons whose characteristics would probably make them better off in the regular Food Stamp Program should also be treated as if they had the chance to opt-out of the CAP demonstration (for example, those individuals with a medical expense deduction or very high shelter costs).
- Compare the results of the simulation to current benefit levels by showing the aggregate benefit cost differences between the State's FSP/SSI population under its current benefit structure, and what aggregate benefits would look like once the State's proposed standardized benefits have been applied to that population. The State should also be prepared to show:
    - How many people gained benefits vis-à-vis the simulated demo and the regular FSP, and to what extent did they gain?
    - How many people lost benefits vis-à-vis the simulated demo and the regular FSP, and to what extent did they lose?

Once the State is able to test its proposed benefit levels, it is easier to work with FNS to make any adjustments necessary to bring their demonstration within an acceptable level of cost neutrality while ensuring fair and adequate benefit levels for project participants. At the end of this document is a list of data elements FNS needs to consider your project.

Additional Considerations

States that would like to include SSI individuals with earned income in their CAP projects should clearly inform FNS of their intent.

We will work with States to help them structure their demonstration appropriately, but States must also bear in mind that Social Security Administration (SSA) workload and technical capabilities limit the flexibility States have in designing CAP demonstrations. All CAP projects must also undergo an evaluation to determine the effects of the project on program participation, benefit levels, customer satisfaction, and other factors. We will address specific evaluation requirements in a separate paper.

Data Elements For FNS

To determine cost neutrality and the 20 percent rule and therefore to approve your CAP project, FNS needs the following data on each case for all cases used to establish the State's requested standardized benefits/shelter expenses and the State's requested shelter threshold for distinguishing between low and high shelter costs:

- Household size (if including SSI couples)
- Earned income (if included in your demonstration)
- SSI benefit amount received by the case
- Any other unearned income amount received by the case
- Shelter expense (rent or mortgage expense) reported by the case
- Utility amount reported by the case
- Utility amount used in the shelter deduction (i.e. SUA, actual expense, or any other amount)
- Medical expenses reported by the case
- Actual Food Stamp benefit received by the case
- The requested CAP benefit amount the State would assign to the case
- Any additional data not included in this list the State can supply and the State feels is needed by FNS

These data should be provided electronically to FNS in a Microsoft Excel spreadsheet in a timely manner. If the number of cases is large, the State should provide the data file on a CD since the FNS e-mail system might not accept the data file via e-mail.

Because all CAP demonstrations include outreach using SSA's State Data Exchange system, it is extremely useful to know the number of SSI cases in your State that match your eligibility criteria and are not currently receiving food stamps.

Detailed Cost Neutrality Guidance for Project Approval

Introduction

This guidance describes the information States will need to submit to the Food and Nutrition Service (FNS) for use in assessing whether the State's Combined Application Project (CAP) proposal meets the cost neutrality requirement. CAP demonstrations are intended to improve access to nutritional assistance for seniors and disabled individuals who may find it difficult to apply for food stamps through regular channels. At the same time, CAPs are not intended to provide participants with more or less benefits on average than they are eligible to receive through the regular Food Stamp Program (FSP). Cost neutrality ensures that recipients of Supplemental Security Income (SSI) throughout the nation are receiving comparable benefit amounts whether or not they live in a State with a CAP demonstration.

In addition to ensuring nationwide equity among SSI recipients, cost neutrality maintains Federal spending levels for the FSP. CAPs like all demonstration projects are conducted to determine the feasibility and cost effectiveness of nationwide implementation. In making its cost neutrality determination, FNS does not consider the additional costs stemming from higher participation among those already eligible for the Food Stamp Program if their CAP benefits do not exceed what they would have received under the FSP rules. In addition, FNS does not consider administrative costs or savings in making its determination. Finding a reliable method to measure administrative costs is difficult and requires extensive record keeping and monitoring by the State and FNS. Generally, any administrative savings at the State level are not passed on to the Federal government through staff reductions.

Background

FNS determines cost neutrality by comparing the cost of benefits to participants in the project to what would be the cost of benefits to the same population through the FSP. Participants in the project are defined as those individuals receiving SSI benefits who as a result of the project also receive a benefit based on either standardized benefits or benefits based on standardized shelter expenses. Participants do not include any of the CAP target population who opt out and receive a FSP benefit under the normal food stamp rules.

CAP benefits are defined as the allotments issued to CAP participants.

Once the project is operational, if the costs of the project's benefits are higher than what would have otherwise been provided under the normal food stamp rules, the project exceeds cost neutrality limitations. In this case the State will need to reduce project costs by modifying its CAP policy, finding other offsets such as reducing food stamp benefits to individuals not participating in the project, or the State may pay FNS for any excess

costs. Likewise, if the project's benefits are lower than what would have otherwise been provided, further adjustments may be necessary to increase CAP benefits.

While FNS is concerned about excessive costs, we also do not want to harm participants by reducing the amount they have to spend for food. By law, FNS cannot approve demonstration projects where more than 5 percent of the households in the project area (the whole State for CAPs) lose more than 20 percent of their benefits. Because the number of SSI recipients eligible for the project may be more than 5 percent of the State's caseload, the following cost neutrality discussion suggests how to ensure benefit levels are high enough so that the majority of participants do not have significant benefit losses. Project approval must include this assessment.

Finding the right balance between those who gain benefits and those who lose benefits is difficult to achieve and may require the State to evaluate a number of options for standardizing benefit or shelter amounts or both. While the initial standardized amounts are set at a level that is expected to achieve cost neutrality, actual results are measured through the on-going evaluation process. If the evaluation shows that too many or not enough benefits are being issued, the State may have to adjust these amounts once the project is up and running. If this happens, FNS will work with the State to develop appropriate modifications and allow the State sufficient time to implement the changes.

Cost neutrality is considered in the approval process and throughout the operation of CAP projects. The following guidance focuses on how to assess cost neutrality to obtain initial approval. It relies on using information about SSI beneficiaries who also currently participate in the Food Stamp Program and fit the State's target CAP population. Because CAP projects intend to improve access for individuals who might otherwise find it difficult to apply for food stamps, the project's participants may have characteristics that differ from current SSI food stamp participants. To determine actual project costs after approval, the evaluation criteria requires periodically pulling a sample of CAP participants and gathering from them the information necessary to calculate the normal food stamp benefit.

Guidance on Assessing Cost Neutrality and Other Criteria for CAP Approval

Data File

Much of the information on what is needed for assessing cost neutrality is contained in the Combined Application Projects Guidance for States Developing Projects booklet Section 3 – Standardization and Cost Neutrality Procedures. The listed data elements (with some elaboration) that are needed for each case:

- Case Identification (not needed for calculations, but useful for reference and discussion—do not send Social Security Numbers)
- Household size (particularly if proposing a method that would include SSI couples and a calculation of a two-person standardized benefit)
- Earned income (if such cases are proposed for inclusion in the demonstration)

- SSI benefit amount received by the case
- Any other unearned income amount received by the case (listed by source, if available)
- Shelter expense (rent or mortgage expense) reported by the case (list all data elements used in your data system, such as mortgage, real estate taxes, insurance, etc.)
- Utility amount reported by the case (listed by type of utility, if available)
- Utility amount used in the shelter deduction (SUA value, actual expense, listing each data element used in your data system)
- Out-of-pocket medical expenses reported by the case
- Actual Food Stamp benefit received by the case
- Any additional data not included in this list that the State can supply and the State feels is needed by FNS.

The State needs to determine:

- Which of the CAP models it wishes to propose (standardized benefit or standardized shelter expense).
- Who it will target in the demonstration.
- What shelter cost component it will use for distinguishing between low and high shelter groups (non-utility shelter costs versus total shelter costs including utilities). It is our experience that shelter defined only as housing costs – rent, mortgage, etc. –may be easier to use when the State has opted to have mandatory standard utility allowances.
- How it will deal with mandatory standard utility allowances (SUAs) in the standardized shelter cost model. The State can examine the frequency of its mandatory SUAs or average value, etc. to inform its decision.
- The chosen shelter cost threshold to divide cases into the shelter groups
- The opt out shelter cost value for cases with very high shelter costs above the threshold
- If it will convert existing food stamp cases with SSI to the demonstration, how it will deal with those cases that would lose benefits under the demonstration compared to the regular Food Stamp Program.

In making these choices, FNS expects the State to use data from existing cases in their State that meet the target criteria. Using this data, you should select a sample of cases to analyze. The State can decide how many cases they wish to pull, but FNS asks that if your population of cases is less than 10,000 that you submit the whole population for FNS analysis. If your population is greater than 10,000 cases, please select a random sample of cases such that the sample is between 5,000 and 7,000 cases. This is not a rule, but rather a guideline. Individual States may vary depending on population size.

Case By Case Calculations

Once cases are selected, you will need to pull enough data for each case (see the list of data elements at the start of this section) to do two types of benefit calculations – the regular Food Stamp Program eligibility and benefit determination and several CAP benefit calculations. FNS prefers the data to be in a Microsoft Excel workbook. This data should be sent to OANE at FNS via CD-Rom. OANE needs both raw data, the State's determination of each case's CAP benefit under a variety of situations, and the State's calculations of cost neutrality so we can verify that the State's estimates are valid.

Most States choose to allow some cases that fit their CAP household eligibility criteria to opt out of the demonstrations. Usually these are cases with large enough out-of-pocket medical expenses to qualify for the medical deduction, or cases with large enough shelter expenses that applying for food stamps under the normal food stamp rules would provide a much larger benefit than the CAP demonstration. Additional information about this opt out criteria is provided in the outreach materials and/or CAP application sent to current SSI participants not participating in Food Stamps. With this information they can make an informed choice about participating in the CAP demonstration. Because we do not know which choice they may make, the first CAP value calculation described in the following paragraph provides instructions for how to calculate CAP benefits if they choose to forego the opportunity to opt out and accept the CAP demonstration benefit. The second CAP value calculation provides instruction for how to calculate CAP benefits if they choose to opt out and participate in Food Stamps under the normal rules. The third CAP value calculation provides instructions for how to calculate CAP benefits if the State is converting existing food stamp participants into the CAP demonstration and the State has made decisions to protect some cases from a reduction in benefits that might result from the demonstration. Later in the paper are instructions for how to combine these values into the cost neutrality calculation.

To facilitate FNS' review the State should provide for each case up to three CAP values.

1. In the first case, the CAP value as if there are no options to opt out of the demonstration. This scenario represents a plausible outcome for all SSI cases fitting the target population who are not currently participating in Food Stamps that are contacted through outreach and choose to participate.
2. In the second case when cases are allowed to opt out, the CAP value that includes substituting the food stamp allotment for cases that meet the opt out criteria, often those cases with exceptionally high shelter costs or high medical expenses. In this way, when the column is summed, cases are not lost from the database when they would opt out (to simplify later calculations) but gives them the benefit they would receive if they did opt out. This scenario represents a plausible outcome for outreach cases with most choosing CAP but some choosing food stamps once they are informed that with their very high shelter expenses (or medical expenses) they likely would be better off applying for food stamps than accepting the CAP benefit.

3. In the third case, the CAP value that includes the State's choice for how to deal with those cases already participating in Food Stamps and SSI who are converted to the CAP benefit. Again, if the State chooses a method to protect some or all of the cases that would lose benefits in the conversion, the assigned benefit should be the food stamp allotment for the protected cases.

For each of these three CAP benefit calculation scenarios, the State should also determine the number of cases that lose more than 20 percent. FNS is required by statute to limit the coverage of demonstration projects where more than 5 percent of households in the area subject to the demonstration (the whole State in CAP projects) lose more than 20 percent of their benefit. A straightforward way to determine this is to divide the CAP benefit by the food stamp benefit in one column (for each scenario) and then assign a value of 1 in another column for each case where the ratio is less than 0.80 and assign a value of 0 otherwise. Summing the column then gives the count of cases losing more than 20 percent.

Before producing the cost neutrality calculations, the State needs to determine from Social Security's SDX file the count of all cases that fit the target population of the CAP demonstration. This count minus the count of target cases already participating in Food Stamps from the State's Food Stamp administrative data is the potential total count of new participants if the outreach achieves 100 percent participation. The count of potential new participants together with the count of current target food stamp participants forms the weights for combining the information from the three scenarios.

Calculation Examples

Let's illustrate the different calculations. For simplicity the example will use very small counts and a small sample of cases to easily show the calculations. Suppose that the SDX shows that there are 50 SSI cases that fit the population definition for the demonstration. Currently 10 of the 50 SSI cases participate in Food Stamps. A random sample of 4 cases is chosen to analyze for the cost neutrality calculations. Although the sample would contain many more data elements, the example will only show those necessary to illustrate the three CAP values discussed earlier that are needed for the cost neutrality calculations. In each of the examples a total and average for the sample cases are calculated for the Food Stamp benefit, the CAP benefit, and the count of cases losing more than 20 percent.

Assume that the State is considering a shelter threshold of $150 to divide cases into low- and high-shelter cost groups with a high shelter cost standardized benefit of $89 and a low shelter cost standardized benefit of $65.

Example 1	Shelter Expense	FSP Benefit	CAP benefit	CAP/FSP	1 if < .80
Case 1	$140	$67	$65	0.97	0
Case 2	$386	$141	$89	0.63	1
Case 3	$100	$55	$65	1.18	0
Case 4	$200	$85	$89	1.05	0
Sum:		$348	$308		1
Average:		$87	$77		0.25

In the next example, cases can opt out if their shelter cost exceeds $250. Look at the values in example 1 and see how they change in example 2.

Example 2	Shelter Expense	FSP Benefit	CAP benefit	CAP/FSP	1 if < .80
Case 1	$140	$67	$65	0.97	0
Case 2	$386	$141	$141	1.00	0
Case 3	$100	$55	$65	1.18	0
Case 4	$200	$85	$89	1.05	0
Sum:		$348	$360		0
Average:		$87	$90		0

In the last example, all current Food Stamp participating cases that would lose benefits if they were converted to the demonstration are left in the regular Food Stamp Program. Again, compare example 1 to example 3 to see how the values change.

Example 3	Shelter Expense	FSP Benefit	CAP benefit	CAP/FSP	1 if < .80
Case 1	$140	$67	$67	1.00	0
Case 2	$386	$141	$141	1.00	0
Case 3	$100	$55	$65	1.18	0
Case 4	$200	$85	$89	1.05	0
Sum:		$348	$362		0
Average:		$87	$90.50		0

Cost Neutrality Estimates

Having all of the data for the sample, you can then begin the cost neutrality estimates. The first step is determining the number of cases expected in each of the examples. As mentioned earlier for our example, the SDX showed that 50 cases met the target population and 10 of these were already participating in Food Stamps. The outreach efforts will contact 40 cases (50 minus 10). In general, we assume an expected participation rate of 60% among the outreach target cases (based on 56% in 5 months in Texas and 60% in 2 years in Washington), and assume half of the expected outreach participants (30% of the outreach total) have the costs of scenario 1 where no one opts out and the other half (30% of the outreach total) are like scenario 2 where those that can opt out do so. In this example, 30% of the 40 outreach cases are 12 cases. Therefore we expect 12 cases will have the average experience in example 1, 12 more cases will have the average experience in example 2, and the 10 cases currently participating in Food Stamps will have the average conversion experience in example 3.

For our example, total benefits under the regular Food Stamp Program for the demonstration targeted population are:

(12*$87) + (12*$87) + (10 * $87) = $2,958 Food Stamps

The cost of CAP benefits issued through the demonstration rules using the average CAP benefit cost is expected to be:

(12 * $77) + (12 * $90) + (10 * $90.5) = $2,909 CAP

The total relative monthly change in benefits for the demonstration is calculated as the CAP benefit cost minus the Food Stamp benefit cost (complete cost neutrality would equal 0):

$2,909 - $2,958 = $-49

The number of cases expected to lose more than 20% under the demonstration rules is:

(12 * 0.25) + (12 * 0) + (10 * 0) = 3 cases lose 20% or more

FNS compares these calculations for the expected demonstration target population to determine the expected percent change in benefits and the percent of demonstration participants expected to lose 20% or more. For the first calculation using the example, form the ratio of the expected CAP cost to the Food Stamp cost (complete cost neutrality would equal 1.00):

$2,909 / $2,958 = 0.98.

In the next calculation, form the ratio of the count of cases losing 20% or more to the count of expected participants to see the proportion of demonstration participants expected to have large benefit loses:

3 / (12 + 12 + 10) = 3 / 34 = 0.088 = 8.8%.

Lastly, we need to examine how the demonstration is expected to affect the State as a whole, particularly to ensure that the demonstration does not violate the statutory restriction that no more than 5 percent of households in the area subject to the demonstration (the whole State in CAP projects) lose more than 20 percent of their benefit. In our example let's assume that the monthly State caseload is 125 cases and total monthly issuance is $10,000. We estimated that 3 cases would lose 20% or more, so for the State as a whole it is:

3 cases / 125 cases = 0.024 = 2.4% (well below the maximum of 5%).

In the final calculation we form the ratio of the total relative monthly change in benefits from the demonstration to the total State monthly issuance (complete cost neutrality would equal 0). In our example:

$-49 / $10,000 = -0.0049 = -0.49%.

SECTION 4 – EXAMPLE OF AN APPLICATION AND APPROVAL

NORTH CAROLINA'S REQUEST FOR A CAP

NOTE: PROVIDED AS GENERAL GUIDANCE – PROCEDURES MAY HAVE CHANGED

Waiver Requests

North Carolina requests the following waivers for implementation of the simplified application process:

- 7 CFR 273.1(a) - Household definition - Waive the current household definition and define household as an individual who SSA has determined is eligible for SSI and is age 65 or older, not institutionalized and lives in North Carolina.

- 7 CFR 273.2(b) - Application requirements - Waive the current requirements for application content and use a simplified application form that contains a single question requesting the amount of the household's shelter expenses (rent and mortgage). North Carolina will mail a simplified application form to SSI recipients who have been identified as meeting SNAP eligibility criteria.

- 7 CFR 273.2(e) (1, 3) - Interviews - Waive current interview requirement and allow mail-in application in lieu of an interview. Applications will be processed without a face-to-face or telephone interview.

- 7 CFR 273.2(f) - Verification - Waive current verification requirements and accept information received from SDX as verification. Also, accept client statement as verification of shelter expenses.

- 7 CFR 273.9(d) - Allowable deductions - Waive current requirements for allowable deductions and allow standardized allotments based on shelter costs.

- 273.10(d); and 273.10(e) - Benefit calculations - Waive current requirements for budgeting income and expenses and allow standardized allotments based on shelter costs.

- 7 CFR's 273.2(k); 273.10(a) and (f); and 273.14 - Certification periods - Waive current certification period requirements and allow thirty-six (36) month certification periods. Also, benefits are not prorated in initial month.

- 7 CFR 273.12 - Change reporting requirements - Waive current change reporting requirements for households. Households are not required to report changes in their circumstances. Information received through the SDX file will be acted upon as needed.

Detailed Operating Procedures

Eligible Cases

North Carolina will identify eligible cases by running a Food Stamp Information System (FSIS) report to identify the individual count of active Food Stamp/Supplemental Security Income (FS/SSI) recipients 65 years of age or older. This report will be compared to the individual count of active Supplemental Security Income recipients with Federal Living Arrangement Code = A and 65 years of age or older as shown in the Social Security Administration (SSA) database. The individuals identified in the SSA database who are not currently receiving Food Stamp benefits are the targeted group. A match will be completed and all eligible SSI recipients age 65 or older will be mailed an application form.

The participation requirements for the Simplified Nutrition Assistance Program (SNAP) include the following criteria:

- Supplemental Security Income (SSI) recipients 65 years of age or older;
- Federal Living Arrangement Code = A;
- Resides in North Carolina; and
- Purchases and prepares food separately.

A SNAP participant who resides in a household in which other members later apply and receive food stamps through the regular Food Stamp Program (FSP) would be considered a separate household and his or her circumstances would not be considered when determining the eligibility and benefit level of the other household members.

Social Security Administration (SSA) Worker Requirements

The Social Security Administration (SSA) worker will not be involved in the SNAP application process. The SSA will follow current procedures by asking individuals if they are interested in applying for regular Food Stamp benefits.

Information Transmitted from Social Security Administration (SSA) to the State

The State will receive monthly data from the Social Security Administration (SSA), through the SSA's State Data Exchange (SDX). This data will show the number of eligible food stamp recipients who are not participating in the Food Stamp Program and who meet the criteria for SNAP. The data will be generated monthly, by the State, to determine potentially eligible applicants.

Application Process

All newly approved SSI recipients who meet the age, residence, and living arrangement requirements will receive a SNAP application form. North Carolina will generate a data set of eligible individuals and automatically mail SNAP applications to the individuals contained in the data set. The application packet will include an application, detailed instructions and an

explanation of SNAP, as well as the application process. A second application will be mailed if the individual does not return the initial application within 30 days. There will be no expedited food stamp benefits with SNAP.

State Calculation of Benefits and Notification to Households

North Carolina will consider several factors when determining the benefit levels for SNAP. The State will look at the variations of the shelter cost in determining the benefit level. A household will receive a $62 allotment if the total monthly shelter expenses are $150 or more. A household will receive $38 if the total monthly shelter expenses are less than $150. Total monthly shelter expenses are defined as rent or mortgage. If the household has shelter expenses that exceed $250, or medical deductions that exceed $35, they will receive guidance that it may be to their benefit to opt out of SNAP and apply for regular food stamp benefits.

Once the individual is determined eligible, the household will receive a notice of eligibility specifying the allotment amount and the certification period. The household will remain eligible for food stamp benefits for up to six years (with a recertification after 3 years) as long as eligibility requirements are met.

North Carolina has determined that the proposed allotment amounts of $62 and $38 will be cost neutral as compared to current benefit levels. The proposed allotment amounts were determined by statistical analysis of North Carolina's current food stamp participants that meet SNAP criteria, current allotment amounts, and shelter expenses.

Verification Process

SNAP verification will be fulfilled by use of SDX data verified under SSI regulations. Any household that meets the verification criteria for the SSI Program and additional State criteria meets the verification criteria for SNAP.

Change Reporting Requirements

Households will not be required to report changes as the SDX update process will satisfy reporting requirements for demonstration project purposes. If a project participant reports a change that impacts the household’s eligibility for SNAP or benefit amount, the appropriate office will handle the change.

For changes in shelter costs, the State/local office will be required to act on changes in shelter costs that it becomes aware of either from the household or from another source that would move the household from one shelter expense to the other. SNAP participants will be notified that they are to report changes in their shelter costs to the appropriate office.

Redetermination Process

Certification periods of thirty-six (36) will be assigned to all SNAP cases. All SNAP participants will receive a recertification form two months prior to the end of the certification

period. The recertification form will be the system-generated application form that is in use at the time of the recertification.

Outreach Plan

Start Date for Outreach

North Carolina's Simplified Nutritional Assistance Program (SNAP) is tentatively scheduled to begin during the month of August 2005. The program will begin with the mailing of SNAP applications and the conversion of active Food Stamp participants who meet the guidelines of SNAP.

The North Carolina Division of Social Services will coordinate with the Division of Aging to assist in outreach efforts. North Carolina plans to begin a coordinated outreach effort a month prior to program implementation. Outreach will consist of notices, mailings to advocacy groups, and press releases.

State Plan to Identify SSI Households

The State has identified eligible cases by creating a Food Stamp Information System (FSIS) report identifying the active Food Stamp/Supplemental Security Income (FS/SSI) recipients 65 years of age or older. This report was compared to the individual count of active Supplemental Security Income recipients, 65 plus with a Federal Living Arrangement Code of A shown in the Social Security Administration (SSA) database. The data comparison identifies 32,768 potentially eligible individuals who do not currently receive food stamp benefits. There are 15,787 food stamp recipients who will be evaluated for automatic conversion to SNAP. Data analysis indicates that there are approximately 8,700 cases that will be automatically converted to the low allotment amount of $38 and approximately 1,500 cases that will be automatically converted to the high allotment amount of $62. The remainder of the cases will not convert because the SNAP allotment amount is lower than the current allotment amount for the regular Food Stamp Program.

Notifying Eligible Households

Supplemental Security Income (SSI) recipients who are age 65 or older and do not currently receive food stamp benefits will receive a system-generated notice explaining the Simplified Nutritional Assistance Program (SNAP) and the application process a few weeks prior to receiving the application form.

North Carolina will mail system-generated SNAP applications, information and instructions to potentially eligible individuals. Applicants will be responsible for providing the amount of their total monthly shelter costs, sign and date, and mail the application to the local department of social services. If the application has not been received within 30 days, a second application will be mailed.

Processing Applications

There are 100 counties in North Carolina that will be responsible for processing the Simplified Nutritional Assistance Program (SNAP) applications. The total number of non-food stamp recipients potentially eligible to receive this benefit is 32,768.

The potentially large influx of applications will be handled in the following manner:

There will be a three month conversion process to gradually incorporate all eligible applicants who meet the SNAP criteria.

> Month #1: System-generated SNAP applications will be mailed to those potentially eligible individuals whose last name begins with letters A – G. Applications will be keyed into FSIS and processed within 30 days of receipt by the local department of social services. Individuals whose initial applications are not keyed into FSIS within 30 days will receive another application in Month #2.
>
> Month #2: System-generated SNAP applications will be mailed to those potentially eligible individuals whose last name begins with letters H - P. Applications will be keyed into FSIS and processed within 30 days of receipt by the local department of social services. Individuals whose initial applications are not keyed into FSIS within 30 days will receive another application in Month #3.
>
> Month #3: System-generated SNAP applications will be mailed to those potentially eligible individuals whose last name begins with letters Q - Z. Applications will be keyed into FSIS and processed within 30 days of receipt by the local department of social services. Individuals whose initial applications are not keyed into FSIS within 30 days will receive another application in Month #4.
>
> Month #4 and Ongoing: System-generated SNAP applications will be mailed to those potentially eligible individuals who are newly approved SSI recipients. Applications will be keyed into FSIS and processed within 30 days. Individuals whose initial applications are not keyed into FSIS within 30 days will receive another application the following month.

Individuals who return the application will be certified for 36 months without an interview or additional verification (beyond SSI verification requirements), and will receive the standardized benefit for the entirety.

Counties will identify additional staff to assist in the conversion process. Staff may be assigned on a temporary or permanent basis. State staff will provide technical assistance as needed. State staff will also assist counties with staffing needs during the conversion process should the need arise.

Conversion Process for Existing SSI/Food Stamp Recipients

North Carolina plans to automatically convert approximately 10,200 existing food stamp cases to SNAP. The process will include identifying all one-person food stamp cases containing an SSI recipient age 65 or older with a Federal Living Arrangement Code = A. Current shelter expenses will be compared to $150 to determine the correct allotment amount. The food stamp case will convert to a SNAP case if the new allotment amount is equal to, or more than the existing allotment amount.

FSIS will create a report containing Food Stamp recipients who are age 65 or older and receive SSI with a Federal Living Arrangement Code = A. This report will contain data elements that will be used to determine if an individual may benefit from SNAP. The data elements include shelter expenses, medical expenses and current allotment amounts. Those who will receive a higher benefit amount from SNAP will receive detailed information concerning SNAP. Information will include a notice explaining that the regular Food Stamp Program may be more beneficial if an individual incurs high medical costs or monthly shelter costs of $250 or more. Individuals will be given the opportunity to opt out of the automatic conversion process.

There are approximately 5,600 Food Stamp cases that meet SNAP criteria but will not automatically convert to SNAP. These cases will not convert due to allotment amounts that exceed SNAP allotment amounts for the appropriate shelter expense level. A report will be generated to show the allotment amounts of the current participants in comparison to participating in the Simplified Nutritional Assistance Program (SNAP). Should a regular Food Stamp Program recipient inquire about SNAP and opt to participate, the individual will be asked to complete a SNAP application, and eligibility will be determined according to SNAP eligibility requirements.

Shelter Expenses

North Carolina proposes to divide allotment amounts into two categories. The categories are: (1) households with "low" shelter expenses and (2) households with "high" shelter expenses. The cutoff amount to determine whether shelter expenses are considered low or high is $150.

Evaluation Plan

North Carolina plans to complete an annual evaluation to determine costs to the Food Stamp Program, the impact of shelter standards on program costs and the accuracy of benefit amounts.

The North Carolina Division of Social Services Performance Management Section will conduct the annual evaluation. SNAP is expected to achieve two major objectives: (1) increase enrollment in the Food Stamp Program among the target population, and (2) do so at no additional cost to the current Food Stamp Program through cost neutrality. The evaluation study will examine the extent to which these objectives have been met. The evaluation will

involve case sampling to assess initial cost neutrality methodology so we can adjust allotments if necessary to remain cost neutral, and client surveys to assess why SNAP resulted in increased participation.

The evaluation process will include 200 cases selected through a random sample process. The sample will include both outreach and conversion cases. Regular cases will be compared to the random sample to determine if cost neutrality exists.

Quality Control

SNAP cases will be reviewed by Quality Control (QC) according to procedures for determining eligibility and benefit amount established in the approved project. Results from the QC review will be included in North Carolina's payment error rate.

NORTH CAROLINA'S APPROVAL

NOTE: PROVIDED AS GENERAL GUIDANCE – PROCEDURES MAY HAVE CHANGED

SIGNED JANUARY 5, 2005

Mr. Pheon Beal
Director
North Carolina Division of Social Services
MSC 2401
Raleigh, North Carolina 27699-2401

Dear Mr. Beal,

This is to inform you that North Carolina's proposal and request for waivers to implement a combined application project named the Simplified Nutrition Assistance Program (SNAP) has been approved. This approval is contingent upon submission of an acceptable evaluation plan within 60 days of the date of this letter.

SNAP is a demonstration project that provides an alternative to the joint processing provisions of the Food Stamp Act for providing benefits to households eligible for both food stamps and Supplemental Security Income (SSI). The demonstration project is designed to improve the delivery of benefits and increase participation of the State's elderly SSI recipients in the Food Stamp Program.

This demonstration project and associated waivers are approved for a period of six years from the date the State begins certifying households for the project. A list of waivers approved for the SNAP project is enclosed. If you have any questions concerning this approval, please contact Shelia Little (shelia.little@fns.usda.gov) at (703) 605-0727.

Sincerely,

/s/ January 5, 2005

Jessica Shahin
Acting Deputy Adminstrator
Food Stamp Program

Enclosure

North Carolina Simplified Nutrition Assistance Program (SNAP) Approved Waivers

General

The SNAP CAP waivers are approved in accordance with requirements to operate demonstration projects under Section 17(b) of the Food Stamp Act. The waivers in this section apply only to SNAP eligible households. The waivers do not apply to recipients of Supplemental Security Income (SSI) and food stamps who do not meet the eligibility criteria for SNAP.

Eligibility for SNAP/Household Definition

Waivers: Section 3 (i) of the Food Stamp Act and 7 (CFR) 273.1(a)

The definition of household in the SNAP project is:

An individual who the Social Security Administration (SSA) has determined is eligible for SSI and:

- is 65 years of age or older
- is in Federal Living Arrangement (FLA) Code = A
- resides in North Carolina
- purchases and prepares food separately

SSI Application/Redetermination Procedures

Waivers: 7 CFR 273.2(b), (c), (f), (i), (k)

The SSA worker will not be involved in the SNAP application process. The SSA will follow current procedures by asking individuals if they are interested in applying for regular food stamp benefits.

The State will receive monthly data from the SSA through the State Data Exchange (SDX). This data will show the number of eligible food stamp recipients who are not participating in the Food Stamp Program (FSP) and who meet the criteria for SNAP. North Carolina will generate a data set of eligible individuals and automatically mail SNAP applications to newly approved SSI recipients who meet the SNAP eligibility requirements.

Certification periods of thirty six months will be assigned to all SNAP cases. Benefits will not be prorated in the initial month. All SNAP participants will receive a recertification form

two months prior to the end of the certification period. The recertification form will be the system-generated application form that is in use at the time of the recertification.

1) SNAP Application Form

The application packet will include an application, detailed instructions and an explanation of SNAP as well as the application process. A second application will be mailed if the individual does not return the initial application within 30 days.

In addition, the application form includes four questions that ask the applicant:
1) How much they pay for rent/mortgage per month
2) If they live with other people (and if yes, do they purchase and prepare food separately)
3) If they pay a heating expense, including the type of heat; and
4) Their date of birth.

2) Expedited Service

There will be no expedited food stamps for the SNAP project

3) Verification Process

SNAP verification will be fulfilled by used of SDX data verified under SSI regulations. Any household that meets the verification criteria for the SSI Program and additional State criteria meets the verification criteria for SNAP.

Applicant Interviews

Waivers: 7 CFR 273.2(e) and 7 CFR 273.2(e) (3)

Applications will be mailed in and processed without a face-to-face or telephone interview.

SNAP Benefit Levels

Waivers: Section 5(e) and 8(c) of the Food Stamp Act of 1977, 7 CFR 273.9(d). 7 CFR 273.10(d) and 7 CFR 273.10(e)

A household will receive a standard monthly benefit amount of $62 allotment for the upper benefit level for participants with total monthly shelter expenses are $150 or more. Participants with total shelter expenses of less than $150 will receive the lower benefit level of $38. Total monthly shelter expenses are defined as rent or mortgage.

Redetermination process

Waivers: 7 CFR 273.10 (a) & (f) and 7 CFR 273.14

Certification periods of thirty-six (36) months will be assigned to all SNAP cases. All SNAP participants will receive a recertification form two months prior to the end of the certification period. The recertification form will be the system- generated application form that is in use at the time of the recertification.

Eligibility to Opt Out of SNAP

If a household has shelter expenses that exceed $250, or medical deductions that exceed $35, they will receive guidance that it may be to their benefit to opt out of SNAP and apply for regular food stamp benefits.

Notification to Households

Once an individual is determined eligible for food stamp benefits, the household will receive a notice of eligibility specifying the allotment amount and the certification period. The household will remain eligible for food stamp benefits for up to six years with a recertification after 3 years as long as eligibility requirements are met.

Change Reporting Requirements

Waivers: 7 CFR 273.12

Households will not be required to report changes as the SDX update process will satisfy reporting requirements for demonstration project purposes. If a project participant reports a change that impacts the household's eligibility for SNAP or benefit amount, the appropriate office will handle the change.

For changes in shelter costs, the State/local office will be required to act on changes in shelter costs that it becomes aware of either from the household or from another source that would move the household from one shelter expense to the other. SNAP participants will be notified that they are to report changes in their shelter costs to the appropriate office.

Outreach Plan

1) Start Date

SNAP is tentatively scheduled to begin during the month of August 2005. North Carolina plans to begin a coordinated outreach effort a month prior to program implementation. Outreach will consist of notices, mailings to advocacy groups and press releases. The North Carolina Division of Social Services will coordinate with the Division of Aging to assist in outreach efforts. The program will begin with the mailing of SNAP applications and the conversion of active food Stamp participants who meet the guidelines of SNAP.

2) State Plan to Identify SSI Households

The State has identified eligible cases by creating a Food Stamp Information System (FSIS) report that identifies the active Food Stamp/SSI recipients 65 years of age or older. This report was compared to the individual count of active SSI recipients, 65 plus with a FLA Code of A as shown in the SSA database. The data comparison identified 32,788 potentially eligible individuals who did not currently receive food stamp benefits. Of the 32,788, there were 15,787 food stamp recipients who will be evaluated for automatic conversion to SNAP. Data analysis indicated that approximately 8,700 cases will be automatically converted to the lower allotment amount of $38 and approximately 1,500 cases will be automatically converted to the high allotment amount of $62. The remainder of the cases will not convert because the SNAP allotment amount is lower than the current allotment amount for the regular Food Stamp Program.

3) Notifying Eligible Households

SSI recipients 65 years of age or older and not currently receiving food stamp benefits will receive a system-generated noticed explaining SNAP and the application process a few weeks prior to receiving the application form.

The State will mail system-generate SNAP applications, information and instructions to potentially eligible individuals. Applicants will be responsible for providing the amount of their total monthly shelter costs, signing, dating and mailing the application to the local department of social services. A second application will be mailed if the application has not been received within 30 days.

4) Application Processing

In North Carolina, there are 100 counties that will be responsible for processing the SNAP applications. There will be a three-month conversion process to gradually incorporate all eligible applicants who meet the SNAP criteria. Counties will identify additional staff to assist in the conversion process. State staff will provide technical assistance as needed.

Conversion Plan

North Carolina plans to automatically convert approximately 10,200 existing food stamp cases to SNAP. The process will include identifying all one-person food stamp cases meeting SNAP criteria. Current shelter expenses will be compared to $150 to determine the correct allotment amount. The food stamp case will convert to a SNAP case if the new allotment amount is equal to, or more than the existing allotment amount.

FSIS will create a report containing food stamp recipients who are age 65 or older, receive SSI with a FLA Code = A. The report will contain data elements that include shelter expenses< medical expenses and current allotment amounts that will be used to determine if an individual may benefit from snap. Individuals who will receive a higher benefit amount will receive detailed information concerning SNAP. The information will also include a notice explaining that the regular FSP may be more beneficial if an individual incurs high

medical costs or monthly shelter costs of $250 or more. Individuals will be given the opportunity to opt out of the automatic conversion process.

Approximately 5,600 food stamp cases that meet SNAP criteria will not automatically convert to SNAP because their allotment amounts exceed SNAP allotment amounts for the appropriate shelter expense level. A report will be generated to show the allotment amounts of the current participants as compared to participating in the SNAP. If a regular FSP recipient inquires about SNAP and opts to participate, the individual will be asked to complete a SNAP application and eligibility will be determined according to SNAP eligibility requirement.

Evaluation Plan

Approval of the SNAP demonstration project is contingent upon the development and submission of an acceptable evaluation plan within 60 days of the date of this letter. The State has provided preliminary information concerning plans for evaluating the SNAP demonstration project. The evaluation plan must follow the criteria provided in the FNS June 2004 "CAP Guidance for States Developing Projects". FNS staff will provide assistance to the State in developing the evaluation component for SNAS.

Quality Control

SNAP cases will be added to the QC sample, reviewed and included in the North Carolina payment error rate. Cases subject to SNAP waivers will be reviewed according to the Food and Nutrition Service requirements for CAP cases.

Waiver Time Frame

This demonstration project and associated waivers are approved for 6 years from the date the State begins certifying households for the project.

SECTION 5 – EVALUATION

EVALUATION GUIDELINES
Combined Application Projects

The evaluation of the **[insert project name]** must include, at a minimum, the following items and must continue throughout the duration of the project unless the Food and Nutrition Service (FNS) notifies the State otherwise.

NOTE: Other evaluation components may be added to take into consideration any unique characteristics of the State's approved project.

I. Evaluation Components

A. Determine the project's impact on benefit levels and costs:

1. For each fiscal year of the project's duration, calculate the difference between the benefit amount issued under the project and the benefit amount that project participants would have received under the regular Food Stamp Program (FSP) based on actual household circumstances.

   Method – We believe the best way to obtain this information is by conducting reviews of project households that have been selected using a statistically valid, random sample. The review will compare the benefit amount the household received in the project during a specific month to the benefit amount the household would have received under the regular FSP for that same month based on the household's actual circumstances. The size of the random sample must be large enough so that at least [number to be determined by FNS] cases are reviewed. The reviews may be conducted during a single month or spread out over a period of time using information that has been obtained *by contact with the client* such as telephone or mail-in form. For each fiscal year, the State will report the difference in benefit amounts between the project and the regular FSP for each case reviewed. While we believe use of a random sample is the most reliable way to obtain this information, the State may submit to FNS for approval an alternative methodology that achieves the same degree of reliability.

2. What is the number and percent of project participants who either gain or lose benefits compared to what they would have received under the regular FSP? What is the variation in the amount of gain or loss?

   Method -- Reviews of random sample cases.

3. Calculate the number and percent of households that opt out of the project and participate in the regular FSP because they have unreimbursed medical expenses of more than $35 per month and/or housing costs greater than the cutoff amount for participation [insert amount]. When individuals opt out of the project to participate in the regular FSP, how many more benefits do they receive under the regular FSP?

   Method – System Reports and regular FSP data.

4. For households with earned income, what is the amount of their monthly earnings over a 6-month consecutive period? What is the variation in earnings from month-to-month during that period of time? [Only needed if project includes earners.]

Method -- Provide an Excel file containing Supplemental Security Income (SSI) benefits and earned income amount for the 6-month period during the 1st and 2nd years of the demonstration. Data can be obtained from SDX or system reports.

5. Depending on the project, we may require collection of information on households incorrectly certified to participate in the project such as those who are not single-person households.

B. Determine the project's effect on food stamp participation rates:

1. Does participation increase among the project population? How many SSI recipients were receiving food stamps before the start of the project (baseline) compared to the number of SSI recipients receiving under the project? How many SSI recipients receiving food stamps were converted to [insert project name] at the start of the project?

   Method -- Data can be obtained from SDX match and system reports.

2. How many demonstration participants actually use their benefit?

   Method -- Data can be obtained from SDX match and system reports such as information provided on Electronic Benefit Transfers.

C. Determine the effect of outreach for bringing into the project individuals who had not participated in the regular FSP during the previous 60 days.

1. How many SSI recipients were eligible for food stamps but were not receiving benefits during the 60 days prior to the start of the project (baseline). How many SSI recipients were eligible for benefits but are not participating in the project or the regular FSP?

   Method -- Data can be obtained from SDX match and system reports.

2. How many SSI recipients not receiving food stamps were brought into the project through intake at the Social Security Administration?

   Method -- Data can be obtained from SDX match and system reports.

3. How many SSI recipients were brought into the project by the State (either conversion or intake)?

   Method -- Data can be obtained from SDX match and system reports.

D. Determine client satisfaction among project participants.

Survey a sample of [number to be determined by FNS] clients near the end of the second year of the demonstration to assess client's understanding and perception of the application and eligibility process. [The sample may need to be stratified if the project has different standardized benefit amounts or shelter expenses for different localities within the State.] Topics to be addressed by the survey should include, at a minimum:

1. Social and economic demographic characteristics such as age, sex, ethnicity, race, urbanization, gross income, monthly shelter costs, and unreimbursed medical expenses.

2. For recipients converted from the regular FSP into the project, the extent to which these individuals understand: how the food stamp benefit will be calculated; the impact that the project will have on their benefit amount; the alternatives available to them if they so choose.

3. For individuals who were not participating in the FSP prior to the project, were they aware of the FSP before? Had they ever applied for benefits under the regular FSP? Why or why not? Did they understand that their benefits might be lower under the demonstration?

4. Did participants understand that they could opt out of the demonstration and apply for food stamps at the food stamp office if their medical or shelter expenses reached a certain threshold?

II. Reporting Requirements

A. The evaluation data listed under items A, B, and C above will be submitted to FNS throughout the duration of the project at intervals of 15 months after benefits are first issued under the project. Information should be reported separately for each fiscal year.

B. The client survey under items D above should be submitted to FNS once during the duration of the project, 30 months after benefits are first issued under the project. If the project is extended, FNS may request a follow-up survey.

C. Unless otherwise directed, prepare and submit a final report to FNS at the end of the demonstration period. Include a description of implementation issues, processes involved in implementation, and lessons learned.

SECTION 6 – QUALITY CONTROL PROCEDURES

GENERAL QUALITY CONTROL PROCEDURES

BACKGROUND

Initially, the Food and Nutrition Service (FNS) determined that CAP cases should be excluded from the Quality Control error rate. As CAP demonstrations have become more mainstream, FNS reversed its initial position and decided that these cases should be reviewed and included in the error rate as an other case. Following are the review procedures effective for all CAP demonstrations.

CURRENT PROCEDURES FOR ALL STATES

Combined Application Project cases will be added to the Quality Control (QC) sample, reviewed, and included in the State agency's payment error rate. If the QC reviewer finds that the household is correctly participating in the project, the case would be assigned a case classification "1" code and reviewed according to the project's approved waivers. If the household is not correctly classified for participation in the project, eligibility and benefit amounts shall be reviewed against regular Food Stamp Program (FSP) rules, taking into account any FNS-approved waivers (other than those for this demonstration project) or any State selected options to deviate from specific provisions.

Any variance exclusions that apply to the regular FSP apply to this project. For example, variances resulting from the use of information provided by any Federal agency are excluded in accordance with regulations at 7 CFR 275.12(d)(2)(v) providing the State agency has correctly processed the information. Consequently, variances resulting from incorrect information provided by the Social Security Administration (SSA) that the State uses to determine if a household is eligible to participate in the project or to certify benefits for households in this project would be excluded so long as the State processes the information correctly. This exclusion applies even when the household reports incorrect information to SSA. Households incorrectly participating in the project based on SSA information that the State agency correctly processes will be reviewed according to the project's requirements rather than regular FSP rules. Conversely, households incorrectly participating in the regular FSP based on SSA information that the State agency correctly processes will be reviewed according to regular FSP rules.

SIGNED AUGUST 6, 2004

SUBJECT: Food Stamp Program – Exclusion of Quality Control Errors for Certain Cases Certified Under the Combined Application Project Demonstrations

TO: Food Stamp Program Directors
All Regional Offices

Attached is a letter we are requesting you send to the States in your region notifying them of changes in Quality Control (QC) review procedures used for cases with households participating in Combined Application Project (CAP) demonstrations. Effective October 1, 2004, States should exclude certain QC errors resulting from the incorrect certification of households to participate in CAP based on the household's statement of separate status. At this time, we believe it is appropriate to use the demonstration evaluation process to determine if households are incorrectly certified for project participation rather than to hold States accountable for mistakes made by the household. Once we have enough information from these evaluations, we will determine what, if any, changes we may need to make in the design of CAP demonstrations and in these QC procedures. Although States will not be held responsible for QC errors, States must still remove individuals incorrectly participating in CAPs when they become aware of the mistake and notify these households that they may be eligible for food benefits under the regular Food Stamp Program.

Questions about CAPs in general may be directed to Connie Slough at (703) 305-2762 or Shelia Little at (703) 605-0727. Questions about QC procedures should be directed to Dan Wilusz at (703) 305-2460.

/s/

Jessica Shahin
Acting Deputy Administrator
Food Stamp Program

Attachment

The purpose of this letter is to advise you of changes the Food and Nutrition Service (FNS) is making to the Quality Control (QC) review procedures used in cases certified for participation in the Combined Application Project (CAP) demonstration. Effective October 1, 2004, certain errors will be excluded when the State certifies an ineligible individual for participation in the project based on the household's incorrect statement of separate status. The FNS believes that it is appropriate to gather information about these types of mistakes for the evaluation process rather than to hold States accountable during the testing phase of the CAP demonstration. Once we have enough information from the evaluations, we will determine what, if any, changes we may need to make in the design of these projects and if the exclusion is still appropriate.

A critical component of CAP demonstrations is outreach to individuals who are not receiving food stamps. During this phase, the State sends a shortened food stamp application form to single-person households who are receiving Supplemental Security Income (SSI) but not participating in the Food Stamp Program (FSP). The form asks whether the individual lives alone or purchases and prepares food separately from other individuals. In most cases, the individual is certified for participation based on the information provided in the application without any interview. If the individual declares separate household status and meets other criteria, the individual is certified for the project. If the individual does not purchase and prepare food separately from others, the individual is not included in the project.

To identify potential single-person households, the State relies on a classification code used by the Social Security Administration (SSA) to identify living arrangement for purposes of SSI payments. For all projects except Texas', participation is limited to households coded by SSA as living arrangement "A" – individuals who live alone or who live with others but pay their fair share of housing and food costs. Individuals may have a code "A" living arrangement for SSI purposes but are not considered single-person households for food stamp purposes such as a household consisting of a husband and wife.

One State in the process of implementing a CAP has raised a concern that use of the shortened application form without an interview may lead to errors resulting from individuals not fully understanding what it means to "purchase and prepare food" separately from others. The FNS understands and agrees that it is difficult to fully explain how individuals qualify for separate status on a short application form because there are so many exceptions. For example, certain groups of individuals must be considered a single household even if the members do purchase and prepare food separately from others. While this explanation is covered during the interview process for applicants under the regular FSP, CAP participants brought into the program through outreach efforts are certified without an interview. We believe the State's concerns are valid and are revising QC procedures accordingly.

CURRENT QC PROCEDURES

Current QC procedures for the CAP demonstration require that the reviewer first determine if the participant is eligible to be included in the project. If that individual is correctly participating, the reviewer will then determine the correct benefit amount using the CAP rules. If the individual should not be participating in CAP, the reviewer will determine the

correct benefit level using the rules of the regular FSP. Since the project is limited to single-person households (except in Texas), households found by QC to have more than one person at the time the household is certified are considered to be incorrectly participating and are reviewed according to regular FSP rules.

QC PROCEDURES EFFECTIVE OCTOBER 1, 2004

For CAP cases with a review date of October 1, 2004 or later, the QC reviewer will consider the case correctly classified for participation in CAP and review the allotment amount according to CAP rules so long as the household has been classified by SSA as a code "A" living arrangement and the individual declares on the application to either live alone or purchase and prepare food separately from others. Although the reviewer will consider the case correctly classified for purposes of completing the final QC review determination, the reviewer will have to determine whether the household was correctly certified as a 1-person household and exclude the appropriate variances.

The exclusion applies only to:

- **households certified for project participation through mail-in applications without a face-to-face interview.** Households already receiving food stamps who are converted to the project are not covered under this exclusion because the State has already conducted an interview with the individual and explained the rules concerning household status. In addition, households certified for project participation at the local office rather than through mail-in applications are also not covered under this exclusion because the eligibility worker can explain program requirements when the household is certified.
- **errors resulting from incorrect reporting by the household regarding living arrangements or separate purchasing and preparing of food until the household is recertified with a face-to face interview**. Errors resulting from the household incorrectly reporting other elements of eligibility such as incorrect expenses are not excluded because an interview is not needed to explain other information being requested (i.e., how much is your rent or mortgage payment).
- **all projects except Texas**. In the Texas Simplified Nutritional Assistance Program (SNAP) demonstration, participation is not limited to "A" households or to single-person households. Consequently, errors are not cited for incorrect household composition.

STATE RESPONSIBILITY TO REMOVE INCORRECTLY CERTIFIED PARTICIPANTS FROM THE PROJECT

Once the State has learned that a household is incorrectly participating in a CAP demonstration, it must remove that household from the project through the regular notification process and inform the household that they may be eligible for food benefits through the regular FSP. QC, however, will not review whether the State has removed a non-eligible individual as part of its review.

Combined Application Project Quality Control Review Procedures

COMBINED APPLICATION PROJECT
General QC Procedures

CAP cases are:

1. **Added to the QC Sample;**

2. **Reviewed using procedures established for the project; and**

3. **Included in the State's payment error rate.**

COMBINED APPLICATION PROJECT
For Households Participating in CAP

Short Review Procedures

1. Is the household eligible to participate in CAP?

2. Did the household receive the correct allotment?

COMBINED APPLICATION PROJECT
For Households Participating in CAP

Step 1

Is household eligible to participate in CAP?

YES

Assign case classification code 1, review using project rules.

Go to Step 3

NO

Go to Step 2

COMBINED APPLICATION PROJECT

For Households Not Eligible to Participate in CAP

Step 2

Determine Source of Incorrect Information

SSA

Review using project rules.

Go to Step 3

CLIENT

Did client report separate HH status on application?

(Refer to August 2004 memo)

YES

NO

AGENCY

Review according to regular FSP Rules

COMBINED APPLICATION PROJECT

Review Procedures for Households Correctly Participating in CAP

Step 3 – Allotment Test

Did the household receive the correct allotment according to the State's waivers?

YES

Review over. Dispose of case as correct.

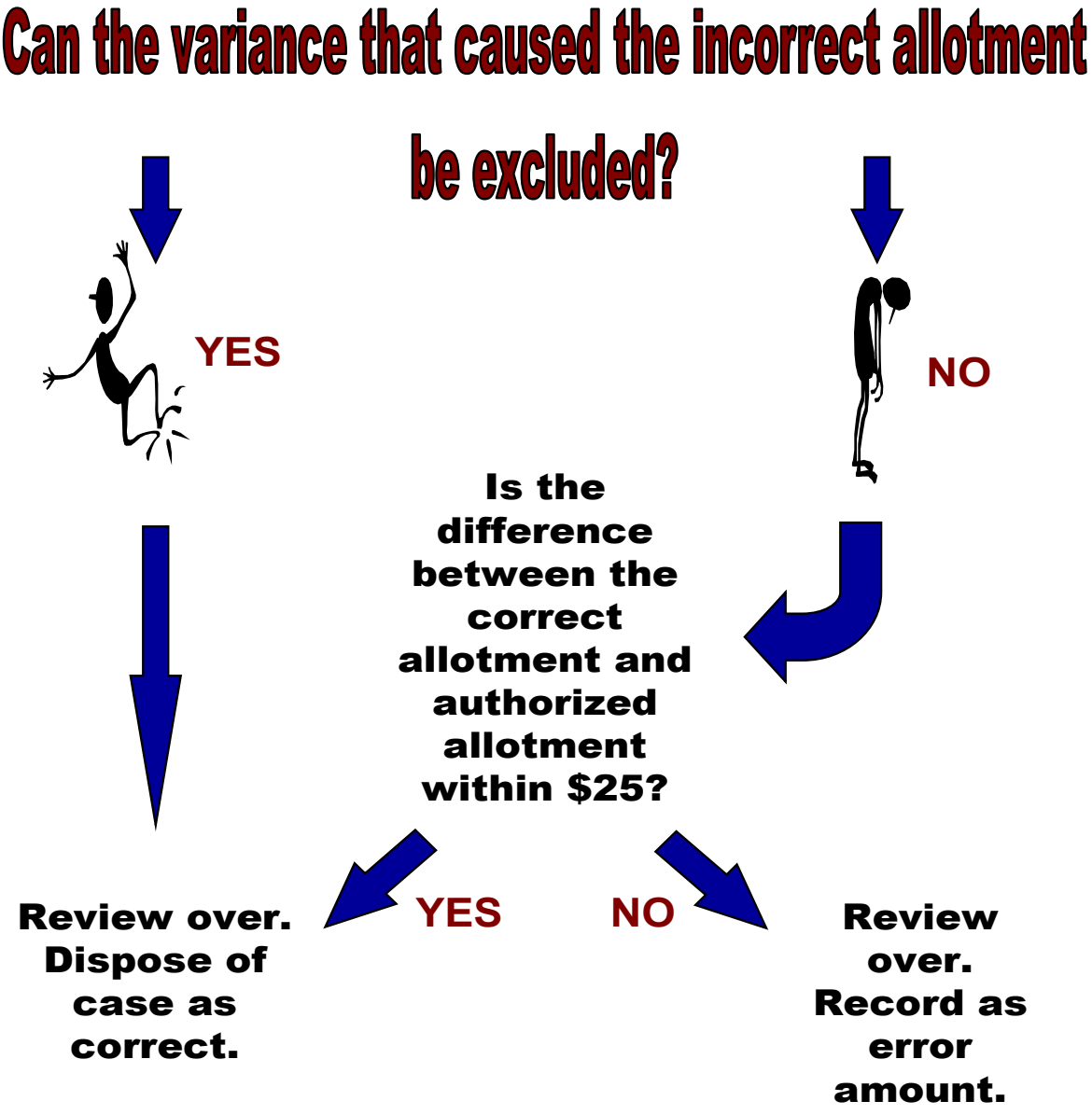
NO

Go to Step 4

COMBINED APPLICATION PROJECT

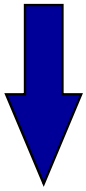
Review Procedures for Households Correctly Participating in CAP

Step 4 – Allotment Test



COMBINED APPLICATION
PROJECT Quality Control
Review Procedures

Household Received Food Stamp Benefits But Should Have Been in CAP



Review using regular Food Stamp Rules

SECTION 7 – CONTACTS AND ACKNOWLEDGEMENTS

COMBINED APPLICATION PROJECTS – CONTACTS

AGENCY	NAME	TITLE	TELEPHONE	E-MAIL
Food and Nutrition Service	John Knaus	Chief, Program Design Branch	(703) 305-2098	john.knaus@fns.usda.gov
	Shelia Little	Senior Program Analyst	(703) 605-0727	shelia.little@fns.usda.gov
Program Design Branch	Connie Slough	Senior Program Analyst	(703) 305-2762	connie.slough@fns.usda.gov
Food and Nutrition Service Office of Analysis, Nutrition & Evaluation	Bob Dalrymple	Chief, Family Programs Analysis Branch	(703) 305-2138	bob.dalrymple@fns.usda.gov
	Kate Fink	Program Analyst	(703) 305-2106	kate.fink@fns.usda.gov
	Michael DePiro	Program Analyst	(703) 605-0229	Michael.
EXISTING PROJECTS				
Florida Department of Children and Families – SUNCAP	Patti Swann	SUNCAP Coordinator	(850) 922-5505	patti_swann@dcf.state.fl.us
Massachusetts Department of Transitional Assistance BAYSTATECAP	Lauren Arms	Food Stamps Program Manager	(617) 348-5452	lauren.arms@dfa.state.ma.us
Mississippi Department of Human Services – MSCAP	John Davis	Director, State Operations	(601) 359-4834	jdavis@mdhs.state.ms.us
New York State Office of Temporary and Disability Assistance – NYSNIP	Tom Hedderman	Temporary Assistance Specialist II	(518) 486-6939	tom.hedderman@dfa.state.ny.us
South Carolina Department of Social Services – SCCAP	Sissy Jeffords	SCCAP Coordinator	(803) 898-0955	sjeffords1@dss.state.sc.us
Texas Department of Human Services SNAP	Boyd Graves	Policy Section Manager	(512) 438-3458	boyd.graves@dhs.state.tx.us
	Ana Bonilla	Program Administrator	(512) 908-8115	ana.bonilla2@dhs.state.tx.us
	Elisa Garza	Policy Specialist IV	(512) 206-4545	elisa.garza2@hhsc.state.tx.us
Washington Department of Social and Health Services – WASHCAP	Linda Baskin	Unit Administrator	(360) 413-3105	baskilj@dshs.wa.gov
PROJECTS UNDER DEVELOPMENT				
Louisiana Department of Social Services – LaSNAP	Nan Poston	Assistant Program Director	(225) 342-4061	nposton@dss.state.la.us
New Jersey Division of Family Development – SNAS	Marybeth Schaedel	Coordinator Food Stamp Program	(609) 588-2197	mary.schaedel@dhs.state.nj.us
North Carolina Division of Social Service – SNAP	Rhonda McLamb	Program Coordinator Food Assistance and Energy Programs	(919) 715-0023	rhonda.mclamb@ncmail.net
Pennsylvania Department of Public Welfare – PA CAP	Ed Zogby	Director Bureau of Policy	(717) 787-4081	ezogby@state.pa.us
Virginia Department of Social Services – VaCAP	Pat Kearney	Food Stamp Manager	(804)-726-7375	patricia.kearney@dss.virginia.gov

ACKNOWLEDGEMENTS

CAP demonstrations are truly a collaborative effort between State and Federal government agencies. Because the success of these projects depends on many key players, we want to take this opportunity to recognize their contributions.

We are grateful to the States that have taken the initiative to implement or plan to implement CAPs. In particular, we want to thank the State staff listed as the project contacts in the preceding page for their work and dedication to making these projects successful.

The standard CAPs are operated in partnership with SSA. We would like to thank SSA staff involved in the development of these projects and in particular for the technical assistance provided by Jim Carey, Senior Program Advisor and Cynnie Mages, Social Insurance Specialist.

A considerable amount of time in the development of the projects is spent by FNS' Office of Analysis, Nutrition and Evaluation in assessing the impact these projects will have on benefit levels for participants and on costs to the Federal government. We are grateful for the continuous support provided by Bob Dalrymple, Chief Family Programs Analysis Branch, Kate Fink, Program Analyst, and Mike DePiro, Program Analyst.

We also want to recognize the leadership role FNS' Southeast region has provided to support these projects and in particular the work of Charlie Simmons, Food Stamp Program Director, and Glenda Smith, Senior Program Specialist. We especially want to recognize the significant contributions made by Nora McMillan, Deputy Director, who passed away in March 2004.

FOR ADDITIONAL INFORMATION

For more information about CAPs, please contact John Knaus, Shelia Little, or Connie Slough of FNS' Program Design Branch in Alexandria, Virginia. Telephone numbers and e-mail addresses for these individuals may be found in the preceding contact list.

The Food Research and Action Center (FRAC) recently released a guide on CAPs that contains detailed information about each project. Their report may be found on FRAC's Web site: http://www.frac.org/pdf/CAPreport.pdf.