



Office of Temporary and Disability Assistance

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Informational Letter

Section 1

Transmittal:	21-INF-06
To:	Social Services District Commissioners
Issuing Division/Office:	Audit and Quality Improvement
Date:	June 24, 2021
Subject:	Cost Avoidance Calculations for Program Integrity Initiatives
Suggested Distribution:	Fraud Directors Front End Detection System (FEDS) Coordinators Temporary Assistance (TA) Directors Supplemental Nutrition Assistance Program (SNAP) Directors Staff Development Coordinators Fair Hearings Staff
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Attachments:	Attachment 1 - Cost Avoidance Calculation Chart

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
06 INF-16 08 INF-13 11 INF-05 14 INF-09 14 INF-09T	18 INF-14				

Section 2

I. Purpose

The purpose of this Informational Letter (INF) is to update the cost avoidance figures promulgated in 18 INF-14.

The accompanying attachment provides the revised cost avoidance figures for case action taken as the result of an OTDA/Program Integrity initiative (PI) on or after April 01, 2021.

II. Background

Local Social Service Districts (districts) are tasked with determining the eligibility of every applicant. They are also required to reexamine recipient eligibility based on new, verified information or a change in household circumstances. District eligibility and investigative staff are responsible for assisting individuals and families with accessing benefits for which they may be eligible, while safeguarding local/State/federal resources from those who are not eligible.

OTDA/PI has developed numerous initiatives to support districts in this endeavor. These initiatives include:

- Electronic Benefit Transfer (EBT) Out-of-State TA Match
- Front End Detection System (FEDS)/Eligibility Verification Review (EVR)
- Intentional Program Violation(s) (IPV)
- National Directory of New Hires (NDNH)/Verified Employment Data (VED) Match
- Prison Match (Federal & State)
- Public Assistance Reporting Information System (PARIS) Match

To assess the value of these initiatives, OTDA employs a formula based on the outcomes of districts' investigations. Cost avoidance occurs when a district denies an application, closes a case, or reduces a grant based on these PI initiatives. The cost avoidance formula is ultimately an estimate of what a case *would have cost* local/State/federal governments if the issue had not been addressed and/or corrected.

Cost avoidance figures are based on statewide data. Districts may opt to use these figures or develop their own amounts.

Districts may also find cost avoidance calculations helpful when considering eligibility and investigative staffing levels, as they can aid in projecting budgetary savings against the cost of these positions.

III. Program Implications

The accompanying attachment contains estimated cost avoidance figures for each of the PI initiatives. The values are arranged by initiative, outcome (denial, closing, and grant reduction), and case assistance type.

A grant reduction is when the investigation determines that the applicant or recipient is still eligible for assistance, but at a lower amount than if the investigation had not occurred.

Cost avoidance amounts are calculated using the monthly benefit amount (based on statewide data) multiplied by a designated timeframe, known as the cost avoidance period. Monthly benefit amounts include a value for Temporary Assistance (TA), Supplemental Nutrition Assistance Program (SNAP) and Medical Assistance (MA). The only exception is for Non-Temporary Assistance SNAP (NTA-SNAP) applications or cases, which reflect only SNAP benefits.

The cost avoidance period for PI initiatives is either six (6) or twelve (12) months, with the exception of IPV-related cost avoidance. For IPV, the cost avoidance period must be based on the length of the IPV, which is dependent on the particular program in which the violation occurred, the nature of the program violation and existence of previous disqualifications.

A. Electronic Benefit Transfer (EBT) Out-of-State TA Match

The EBT Out-of-State Match identifies TA recipients who are consistently transacting their benefits outside of New York State. A cost avoidance savings is calculated when districts close a case identified by this match.

See Attachment 1, Section 1 for the monthly cost avoidance amount for this match. This monthly amount is multiplied by 12 months to determine the total cost avoidance for the action taken.

B. Front End Detection System (FEDS)/Eligibility Verification Review (EVR)

FEDS is State mandated for TA applications. This includes Family Assistance (FA) and Safety Net Assistance (SNA) applicants. Districts have the option to include NTA-SNAP in their FEDS' plan, as well.

FEDS occurs at application and is based on specific criteria, known as indicators. Eligibility workers refer an application for FEDS investigation when the applicant cannot satisfactorily explain or support the relevant indicator(s). An example of such an indicator is **“Supported by loans or gifts from family or friends.”** A cost avoidance savings is calculated when the investigation results in either an application denial or a grant reduction.

EVR is an optional initiative. It is based on pre-identified populations such as **“TA recipients sanctioned due to failure to comply with work rules,”** and can occur at application, undercare, or recertification. A cost avoidance savings is calculated when the investigation results in either an application denial or a grant reduction.

See Attachment 1, Section 2 for the monthly cost avoidance amount for both FEDS and EVR. This monthly amount is multiplied by 6 months to determine the total cost avoidance for the action taken.

Please Note: OTDA no longer collects FEDS/EVR data for Child Care or Medical Assistance-Only cases. Please contact the Office of Children and Family Services' (OCFS) Bureau of Child Care or your Department of Health (DOH) Medical Assistance Program Representative for data related to these programs.

C. Intentional Program Violations (IPVs)

Applications and cases must be investigated for a variety of reasons. Investigative units may receive referrals resulting from the FEDS process, anonymous tips, etc. If the investigation indicates that the applicant or recipient willfully attempted to defraud the assistance program(s), an Intentional Program Violation (IPV) is pursued. A cost avoidance savings is calculated when the IPV is proven and the individual is prohibited from receiving assistance for a specified amount of time.

See Attachment 1, Section 3 for the monthly cost avoidance amount for a successful IPV. This amount is then multiplied by the number of months of the sanction period:

- The length of an FA or SNA IPV will be either 6, 12, 18 or 60 months
- The length of a SNAP IPV will be either 12, 24 or 60* months

* The maximum cost avoidance period used for SNAP IPV is 60 months. For ten-year and permanent SNAP IPVs, the monthly cost avoidance amount is multiplied by the cost avoidance period of 60 months.

D. National Directory of New Hires (NDNH)/Verified Employment Data (VED) Match

The NDNH Match identifies TA and SNAP recipients who have potentially secured a job. The data received from the match is verified upon receipt, and once confirmed, OTDA notifies eligibility workers of this income through the NDNH/VED resource contained in the Welfare Management System's (WMS) Resource File Integration (RFI) Subsystem. The eligibility worker must review the provided data to determine if the NDNH income has been budgeted properly in the case. A cost avoidance savings is calculated when the income is included in the budget resulting in a case closure or a grant adjustment.

See Attachment 1, Section 4 for the monthly cost avoidance amount for NDNH case actions. This monthly amount is multiplied by 6 months to determine the total cost avoidance for the action taken.

E. Prison Match (Federal & State)

The Prison Match identifies recipients who are incarcerated and are, therefore, ineligible for benefits. It does not include individuals who will be released in less than 30 days or those previously investigated for incarceration and found to be eligible for benefits. A cost avoidance savings is calculated when the district prohibits that individual from receiving assistance due to their incarceration.

See Attachment 1, Section 5 for the monthly cost avoidance amount for this match. This monthly amount is multiplied by 12 months to determine the total cost avoidance for the action taken.

F. Public Assistance Recipient Information System (PARIS) Interstate Match

The PARIS Interstate Match identifies recipients who are actively receiving assistance in other states. Cost avoidance savings is calculated when the district either removes the active individual from a multiple person case or closes a single person case.

See Attachment 1, Sections 6A and 6B for the monthly cost avoidance amounts for this match. These amounts must be multiplied by 12 months to determine the total cost avoidance for the action taken. Section 6A contains amounts for a multi-person case closing, while Section 6B contains amounts for a single person case closing.

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