Office of Public Benefits Integrity
Annual Report
2016—2017
Executive Summary

The Benefit Investigations (BI) program in the Office of Public Benefits Integrity (OPBI) conducted 22,815 investigations resulting in $41.5 million in cost-avoidance savings (benefits not issued due to fraud detection) and 912 client disqualifications. For every $1 expended by the state, the BI program returned $17.81 in cost avoidance.

The Benefit Recovery (BR) program in the OPBI processed more than 28,905 overpayment referrals and established 16,658 claims valued at more than $43.5 million. Total collections were $29.4 million, which included $7.5 million in revenue retained by the state. For every $1 expended by the state, the BR program produced $17.37 in accounts receivable claims to recover benefit overpayments.

Recovered overpayments through the federal Treasury Offset Program (TOP) collections hit an all-time high of $15.3 million, exceeding the previous year by $7.7 million.

DCF’s online Customer Authentication/Identity Verification (CA/IV) tool, which includes Economic Self Sufficiency (ESS) Program staff efficiencies, produced more than $174.6 million in cost avoidance savings.

Total cost avoidance savings for OPBI was approximately $242.9 million in FY 2016 – 17 (all programs).

OPBI embarked on a significant data clean-up and system enhancement project to implement federal requirements for collecting benefit overpayments through TOP. As a result, TOP collections in FY 2016 – 17 reached $15,312,266, which represented a 100 percent increase from the previous year.

Historically, recipients who received benefit overpayments could establish their own

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1 The Benefit Investigations (BI) program was rebranded in September 2017 to better reflect the investigative function it performs within the OPBI. The new name is the public Benefit Investigations (BI) program. As part of the rebranding initiative, the new name is used in this report.
EXECUTIVE SUMMARY

monthly amounts to repay their debt. In September 2016, OPBI implemented a minimum amount of $45 for monthly repayment agreements. As a result, the median monthly cash payment amount increased from $30 to $45 in FY 2016 – 17.

• By law, the state can collect food assistance EBT benefits that went unused for a period of 90 days and apply these “stale” benefits to an existing client overpayment. In September 2016, DCF added language to the Notice of Case Action/Overpayment Notice that the household had 30 days to inform BR if they did not want their unused benefits to be applied to their outstanding overpayment. As a result, the amount of this collection type increased by 17.5 percent over the previous fiscal year, and generated nearly $100,000 in revenue retained by the state.

• The BI program deployed a Medicaid managed care cost avoidance calculation tool in FY 2016 – 17, which was created internally by the OPBI Program Improvement Unit. The tool enabled BI staff to increase the amount of Medicaid benefit cost avoidance by 27.6 percent over FY 2015-16.

AWARDS/RECOGNITIONS

• OPBI presented the Benefit Recovery Workload Management Tool (WMT) project in the Team Showcase at the 2017 Florida Sterling Council Conference in Orlando, Florida on June 1, 2017. The project was awarded “Best Organizational Impact.” The WMT was developed to enable benefit recovery Claims Examiners to organize, sort, and view their daily assignments, and to provide supervisors real time visibility into the workload, productivity, and performance of their staff. This was a significant accomplishment as it was the first venture into the Sterling Showcase for OPBI.

• The OPBI unit was awarded four Prudential Productivity Awards in 2017. These awards are presented to state employees whose work significantly and measurably increases productivity and promotes innovation to improve delivery of state services and saving or maximizing state dollars.
OPBI BACKGROUND

The Office of Public Benefits Integrity (OPBI) is responsible for investigating public assistance fraud or misuse in the food assistance (SNAP), cash assistance (Temporary Assistance to Needy Families—TANF), and Medicaid programs, as well as recovering benefit overpayments. OPBI reports to DCF’s Assistant Secretary of Economic Self-Sufficiency (ESS) and works cooperatively with the ESS Program Office, the Department of Financial Services’ (DFS) Division of Public Assistance Fraud (DPAF), other Florida agencies, the federal government, local/state/federal law enforcement, and the public.

The need to recover improperly issued public assistance benefits led to the development of a statewide system for the identification, investigation, determination, and collection of benefit overpayments. There are two branches in OPBI: Benefit Investigations (BI) and Benefit Recovery (BR). Both programs work to ensure that customers only receive, or keep, the amount of benefits to which they are entitled. While BI works in the present and the future to stop over issuance of benefits before they can occur, BR works in the past to recover benefits that have already been issued due to fraud or error. BI and BR work together for Administrative Disqualification Hearings (ADH) when attempted or past fraud is found. The Program Improvement Unit was established to house data analytics, contract management, and program monitoring; however, the contract management function was moved to the ESS program office in 2016 – 17. The duties of this unit are focused on helping BI and BR resources achieve the best outcomes to preserve the integrity of the department’s public assistance programs.

HISTORICAL TIMELINE

- 1935 to 1996: Aid to Families with Dependent Children (AFDC) provided financial assistance to children whose families had low or no income; it was administered by the US Department of Health and Human Services.
- 1964: The Food Stamp Act is signed, making the food stamp pilot program a permanent program.
- 1971: Florida Legislature created DPAF under the Office of the Auditor General, giving this division limited authority to investigate suspected recipient welfare fraud.\(^2\)
- 1974: The Legislature expanded DPAF’s authority to include the investigation of all suspected fraud cases referred by the Department of Health and Rehabilitative Services (HRS).
- 1974: A specialized Overpayment/Over-issuance, Fraud, and Recoupment Unit was established in each HRS district.
- 1983: The specialized Overpayment/Over-issuance, Fraud, and Recoupment Unit was moved to the Food Assistance Program Office in the Economic Services Program Office, also known as the ACCESS Program.
- 1990: The title of the program was changed to the Benefit Recovery Program.
- 1996: The Florida Legislature split HRS into Department of Children and Families (DCF) and Department of Health.
- 1996: The federal Personal Responsibility and Work Opportunity Act restructured the AFDC

\(^2\) DPAF was transferred to the Florida Department of Law Enforcement in 1999, and was subsequently moved to DFS in 2010.
program and renamed it to Temporary Assistance to Needy Families (TANF), which is also known in Florida as Temporary Cash Assistance (TCA).

• 1997: The DCF Front-end Fraud Prevention program was established in CFOP No. 165-13, effective July 1, 1998. It operates in accordance with 7CFR 273; 45CFR 233; and sections 414.095(16), 414.15(2)(d)(3), and 414.39(10), Florida Statutes. It was designed to combat fraud and reduce misspent dollars in public assistance programs.

• 1999: DCF started issuing SNAP and TCA benefits using Electronic Benefits Transfer (EBT) cards.

• 2004: DCF implemented a web-based front end to the FLORIDA mainframe to begin what is known as the ACCESS modernization initiative.

• 2005: The Integrated Benefit Recovery System (IBRS) was first used for computation of benefit overpayments, recovery of overpaid benefits, and effective accurate reporting to the federal government, specifically the USDA FNS.

• 2011: The ACCESS Integrity Program was separated from the ACCESS Program and established as a separate office to investigate public assistance fraud or misuse regarding the SNAP, TANF, and Medicaid programs by individuals.

• July 2011: Creation of the DCF Office of Public Benefits Integrity (OPBI).

• September 2011: Benefit Recovery was moved under OPBI to continue establishing claims and performing various collections duties for overpayments due to fraud, misuse, or error.

• July 2013: Benefit Recovery was restructured from geographical region assignments to a statewide model based on job functions and roles. BR also established a Lead Worker in each unit to improve leadership transitions and development.

• January 2014: Creation of the Program Improvement Unit to focus on modernizing the program, implementing current technologies, and performing data matching/analysis to enhance the effectiveness of the BR and BI programs.

• October 2014: Creation of the Fraud Reward Program by the 2014 Legislature (HB 515).
Public assistance fraud is not a victimless crime. By identifying fraud and safeguarding the integrity of public assistance programs, OPBI ensures that only eligible families get the benefits they truly need to help them become self-sufficient. Traditionally, there have been two types of fraud in public assistance; eligibility fraud and trafficking in benefits. Unfortunately, there are criminals who attempt to fraudulently obtain benefits by falsifying their application for benefits. EBT trafficking occurs when recipients exchange their food assistance benefits for cash or other non-food product or service, either at a location that accepts EBT or through solicitation attempts on social networking sites; trafficking is a crime in Florida per section 414.39, Florida Statutes (F.S.).

**NEW FRAUD SCHEMES VS BENEFIT PROGRAMS**

Advancements in technology and improved accessibility to program assistance via online applications has increased exposure to a new trend in public assistance fraud: identity theft fraud. This occurs when criminals use a citizen’s compromised Personal Identification Information to fraudulently apply for benefits or to hijack benefits currently received by an eligible Florida family/household.

OPBI has been very proactive in identifying and deterring identity theft in the state’s public assistance programs. OPBI’s Centralized Special Investigations (CSI) team is devoted to aggressively tackling this issue. In fact, the use of data analytics and CSI’s efforts at preventing identity theft uncovered the largest SNAP trafficking fraud case in federal program history. The use of data exchanges/data analysis, the OPBI CSI team, the CA/IV tool, the fraud services provided by FIS e-Funds (EBT vendor), and increased awareness by program staff have combined to provide a multi-faceted approach with nation-leading results.

**WHAT IS PUBLIC ASSISTANCE FRAUD?**

Public assistance fraud is not a victimless crime. By identifying fraud and safeguarding the integrity of public assistance programs, OPBI ensures that only eligible families get the benefits they truly need to help them become self-sufficient. Traditionally, there have been two types of fraud in public assistance; eligibility fraud and trafficking in benefits. Unfortunately, there are criminals who attempt to fraudulently obtain benefits by falsifying their application for benefits. EBT trafficking occurs when recipients exchange their food assistance benefits for cash or other non-food product or service, either at a location that accepts EBT or through solicitation attempts on social networking sites; trafficking is a crime in Florida per section 414.39, Florida Statutes (F.S.).
**PUBLIC BENEFITS FRAUD PROCESSING WORKFLOW**

### Complaint from Public

1. **Receive Complaint From Public**
   - Via facsimile, phone, e-mail or www.myflfamilies.com/ReportFraud

2. **Review Complaint**
   - DCF OPBI Fraud Reward Analysts (FRAT) review complaint and hand off to either DCF OPBI ACCESS Integrity (AI) or DFS Division of Public Assistance Fraud (DPAF)

3. **Investigate**
   - DCF OPBI AI: Pursues administrative disqualifications, refers to DPAF for criminal investigation
   - DFS DPAF: Refers to State Attorney for criminal prosecution, assigns overpayment to OPBI Benefit Recovery (BR), and/or returns to OPBI AI for administration disqualification

4. **Recover the Money**
   - DCF OPBI BR staff establish a claim based on Agency Error (AE), Inadvertent Household Error (IHE), or Intentional Program Violation (IPV/Fraud); and initiate collection. Upon successful prosecution, referrals from public are reviewed for Fraud Reward

### Complaint from Eligibility Worker

1. **DCF Eligibility Worker**
   - Identifies suspected discrepancy/error/potential fraud during application/eligibility process (including recertification)

2. **Determine Case Status**
   - If pending eligibility determination: Refers to OPBI AI for investigation
   - If open or closed: Sends suspected fraud to DPAF, and all other cases to OPBI BR (see Recover the Money)

3. **Investigate**
   - DCF OPBI AI: Pursues administrative disqualifications, refers to DPAF for criminal investigation
   - DFS DPAF: Refers to State Attorney for criminal prosecution, assigns overpayment to OPBI Benefit Recovery (BR), and/or returns to OPBI AI for administration disqualification

4. **Recover the Money**
   - DCF OPBI BR staff establish a claim based on AE, IHE, or IPV/Fraud and initiate collection.
Focus: To combat fraud and reduce misspent dollars in public assistance programs.

OPERATIONS

BI begins with referrals for potential fraud or misuse involving public assistance (see the workflow diagram on the previous page). Referrals can originate from eligibility workers, citizen fraud complaints, or internal OPBI data analytics. BI staff investigates potential fraud or discrepancies in the information reported by applicants. If fraud has caused past overpayment of benefits, the case must be referred to DPAF per section 414.411, F.S. DPAF investigates and supports the prosecution of public assistance fraud cases. If DPAF does not accept a referral for criminal or administrative action, then BI may pursue an Administrative Disqualification Hearing (ADH) on the case. Clients who waive their right to an administrative hearing are disqualified from receiving food assistance benefits for a specified period of time. See Appendix C for methodology of BI cost avoidance calculations.

Pursuant to s. 414.39, F.S., the department is required to create error-prone and fraud-prone case profiles to screen applications for public assistance. BI performs this function, and works with front-end processors to identify applications that meet these profiles to detect and prevent individuals from receiving benefits through fraudulent means.
ORGANIZATION

BI is organized into nine units: seven regional units with investigators located geographically throughout the state to efficiently conduct in-field investigations and client interviews; the Public Assistance Fraud Reward Program’s Fraud Reward Assessment Team (FRAT) is located at headquarters; and the CSI unit works statewide on identity theft cases and special investigations. BI has 78 employees throughout the state (including OPS staff). There are nine Unit Supervisors, 48 Benefit Investigators, seven CSI Investigators, five FRAT crime analysts, one Government Operations Consultant, seven administrative support staff, and one Bureau Chief.

INVESTIGATORS

Benefit Investigators are tasked with collecting vast amounts of information and creating evidence packets that often develop into cases sent to DPAF for criminal prosecution or to the Office of Appeal Hearings for administrative disqualification. Cases begin with OPBI referrals that are entered in the Benefit Investigations Online system (BI Online) when the investigation begins. While most BI referrals come from ESS Program eligibility staff, additional sources that could generate a referral include:

- Data analysis and reports that supervisors receive from headquarters, including data analytics from the Program Improvement unit and the ad-hoc tool;
- Community complaints received and forwarded by the call center or other state agencies;
- Potential fraud allegations received in the BI unit by phone, fax, or through email; and
- Fraud Reward referrals submitted online or received by fax or phone from the public.

![Investigations by Program (Last Five Years)](image)

![Cost Avoidance by Program (Last Five Years)](image)
The Public Assistance Fraud Reward Program was created by Chapter 2014-119, Laws of Florida, which amended section 414.39, F.S. It requires DCF to pay a reward to members of the public who provide and report original information relating to a criminal violation of the state’s public assistance fraud laws resulting in a fine, forfeiture, or penalty, unless the reward is declined. The complaint can also be received by the Florida Department of Law Enforcement or DFS. The reward requirement is subject to availability of funds and may not exceed ten percent of the amount recovered or $500,000, whichever is less, in a single case. An individual who receives a reward based on a complaint reported through the Public Assistance Fraud Reward Program is not eligible to receive additional rewards through the Florida False Claims Act for Medicaid Fraud. OPBI established the FRAT in October 2014.

In FY 2016 – 17, the FRAT unit received and reviewed 16,095 complaints from the public resulting in nearly $6.7 million in cost avoidance and more than $1.2 million in overpayment claims. Citizens can report instances of suspected public assistance fraud on the DCF website (www.myflfamilies.com/reportfraud), by mail (ACCESS Central Mail Center, Fraud Report, PO Box 1770, Ocala, FL 34478-1771) or by fax (850-487-0800).
FRAT also monitors and reviews social media websites for potential fraud. This year, a total of 21 social media posts were identified as likely originating from Florida. Of those, three were positively identified as DCF clients; two were referred to DPAF for criminal prosecution, and the third was dropped because there was not enough information to pursue an Intentional Program Violation (IPV).

Additionally, FRAT began working a backlog of potential claims that resulted from the National Accuracy Clearinghouse’s (NAC) “Big Bang” match with the states of Alabama, Louisiana, Georgia, and Mississippi for recipients who were receiving dual SNAP benefits in 2012 through 2014. With the state of Mississippi already completed, FRAT verified 75 NAC hits which resulted in over $65,000 in claims. The state of Georgia is currently ongoing but FRAT has already verified more than 50 NAC hits, producing over $30,000 in claims. There is no current data on Louisiana and Alabama, as FRAT has not verified claims for these states thus far.
The CSI unit has statewide jurisdiction and operates out of the Miami office. This unit primarily deals with identity theft but also has other functions. Although the automated CA/IV tool has helped to deter potential identity thieves from applying for benefits, criminals continue to actively search for new ways to defeat the safeguards in place. The CSI unit monitors applications from high identity theft areas to keep fraudulent applications that have circumvented technological and staff screening from being approved. Once new fraud trends and criminal activities are identified, the unit runs specific queries to locate additional cases of potential fraud. The CSI unit also works with other states on multi-state fraud investigations and assists DPAF and law enforcement by providing subject matter expertise on identify theft, including testimony at criminal trials. The CSI unit investigators may claim cost avoidance savings for active (post-benefits) identity theft cases they work.

There are five main referral sources for identity theft:

1. ESS/ACCESS Program eligibility staff;
2. Data Analytics from the OPBI Program Improvement Unit;
3. EBT vendor (FIS e-Funds) ad hoc reports;
4. FNS Retailer Reports/ USDA Office of Inspector General (OIG) Investigations; and
5. Community complaints received through the Fraud Reward Program www.myflfamilies.com/ReportFraud.
Focus: To help maintain the integrity of the Public Assistance programs through accurate identification of overpaid benefits and detailed accounting of all state and federal benefits recovered.

In addition to the record-breaking accomplishments in the collections arena, the BR program finalized the promulgation of a rule in the Florida Administrative Code that provides administrative law governing all public impacts of the program.

Rule 65A-1.900 Overpayment and Benefit Recovery addresses the overpayment and benefit recovery of public assistance benefits administered by the department. Updates to the Rule effective May 24, 2017, include the following: federal changes for TOP delinquency timeframes, additions to the compromise policy to define processes and requirements, additions of the Benefit Recovery client notices, and substantive language changes throughout the document for consistency purposes.

In September 2016, a newly designed Notice of Case Action/Overpayment Notice went into production. This notice included a Voluntary Repayment Agreement section advising the household of the $45 minimum monthly payment requirement (the total cost of processing a collection transaction).

Note - Claims are processed via round-robin assignment. The map (above) portrays the claimants’ geographical locations, and regional totals differ from total accounts receivable due to rounding.
**OPERATIONS**

BR acts on information from BI and DPAF, as well as information from the ESS program and the FRAT. Discrepancies can result from an error made by the recipient or the department, or from intentional fraud. Cases of overpayment that involve suspected fraud must go to DPAF for possible investigation before being sent to BR. When BR receives a referral, a Claims Examiner reviews the case and establishes a claim if an overpayment has occurred. Claims Examiners must work referrals within 180 days from the date they come into the Integrated Benefit Recovery System (IBRS) to be considered timely.

Specialized Claims Examiners review and establish BR claims for cases being considered for criminal proceedings by States Attorney Offices (SAOs). These staff also coordinate and attend administrative disqualification hearings with the Office of Appeal Hearings (OAH), and act as a witness for the state in welfare fraud court cases and during any review that is undertaken by an SAO, defendant’s attorney, or court official.

Overpayments can occur due to three types of errors: Agency Error (AE), client Inadvertent Household Error (IHE), and fraud or Intentional Program Violation (IPV). In addition to client error, many IHEs involve unproven fraud allegations. DCF is permitted to retain a share of recoveries relating to IHE and IPV for food assistance, and for all three types of errors for cash assistance and Medicaid overpayment collections. The retained portion of BR collections is returned to the department’s Federal Grants Trust Fund to be used as General Revenue.

**ORGANIZATION**

There are eight statewide units in BR: five units for claim management; one accounting unit; one collection unit; and one unit for special projects, which includes training, TOP, administrative hearings, and claim compromise specialists. Statewide, there are 96 employees in BR (including OPS). There are eight Unit Supervisors, five Lead Claims Examiners, 42 Claims Examiners, one Collection Lead, 10 Collection staff, one Accounting Lead, nine Accounting staff, 10 Special Projects staff, nine administrative support staff, and one Bureau Chief.
The BR TOP process underwent significant modifications to bring the department into compliance with the Food and Nutrition Service (FNS) Management Evaluation (ME) findings and the FNS requirement to refer delinquent overpayments to TOP for collection when they are 120-days delinquent. This project included several improvements, including a revised definition of delinquency, updated notices, and the redesign of the Integrated Benefit Recovery System (IBRS) application to encompass these IT enhancements. The total project cost was $783,042.

When an overpayment is delinquent on a food assistance claim, the household must be notified of the department’s intention of sending the debt to the U.S. Department of Treasury for federal offset if the household fails to enter into an acceptable repayment agreement and make a payment within 60 days of the notice. In October 2016, a newly designed TOP Notice, with the Voluntary Repayment Agreement, went into production. Between October 1, 2016, and March 31, 2017, the department mailed 16,754 notices and realized $1,008,231 in cash collections. Of the 16,754 TOP notices that were sent, 5,388 households enter into an acceptable repayment agreement and maintained monthly payments, and 11,366 were sent to TOP.

Generally, when the TOP Notice is mailed, the household either requests a Fair Hearing on the validity of overpayment or requests a TOP State Review on the TOP collection of the debt to determine if it is legally enforceable. Since launching the revised TOP notice in October 2016, BR has received only two Fair Hearing requests and prevailed in both cases. However, BR received 116 TOP State Review requests, which had the following results:

- 103 of the reviews determined the offset was legally enforceable; and
- 13 were found in favor of the client, and the claim was adjusted or voided, and, if an offset had taken place, the amount was refunded to the household.

Once a TOP State Review decision is reached, the household may request a federal review. Of the TOP State Reviews received, 21 requested a subsequent federal review; BR prevailed in 20 of these cases and one request was withdrawn.

From January through June 2017, the department sent 11,366 overpayment claims with a total value of $20,487,215 to TOP. As of June 2017, total TOP collections from these claims was $4,742,619. Using the project IT cost of $783,042, the return on investment (total TOP collections divided by total cost) for this project was a 606 percent. When accounting for all collections from households that received a TOP 60-Day Notice because of this project and assuming the IT cost could be doubled to $1,566,084 to account for the cost of the department staff that worked on the project, the ROI is still 367 percent or $3.67 return for every dollar spent.

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Estimated Billing Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Work Plan, Requirements, and Design Deliverables</td>
<td>5/4/2016</td>
<td>$166,487.95</td>
</tr>
<tr>
<td>Construction Completion Letter</td>
<td>6/29/2016</td>
<td>$278,089.76</td>
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<tr>
<td>System Integration Test Deliverables</td>
<td>8/3/2016</td>
<td>$168,317.49</td>
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<tr>
<td>User Acceptance Test and Implementation Deliverables</td>
<td>9/12/2016</td>
<td>$170,147.04</td>
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<tr>
<td><strong>TOTAL COST</strong></td>
<td></td>
<td><strong>$783,042.24</strong></td>
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<td>Doubled cost as a proxy for DCF staff costs</td>
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<td><strong>$1,566,084.48</strong></td>
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<td>Measure</td>
<td>Number</td>
<td>Amount</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>--------</td>
<td>-----------------</td>
</tr>
<tr>
<td>1. Number of TOP 60-Day Notices sent from October 2016 through March 2017</td>
<td>16,754</td>
<td>$27,990,588.40</td>
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<tr>
<td>2. Of those claims identified in #1, how many were sent to TOP</td>
<td>11,366</td>
<td>$20,487,214.94</td>
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<tr>
<td>3. Of those claims identified in #1, how many and how much was offset in the Jan – June 2017 timeframe</td>
<td>3,873</td>
<td>$4,742,618.70</td>
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<tr>
<td>Collections from other sources</td>
<td>1,008,231.46</td>
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<tr>
<td><strong>TOTAL Collections related to #1</strong></td>
<td><strong>5,750,850.16</strong></td>
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</tr>
<tr>
<td>ROI</td>
<td>367%</td>
<td>Using doubled costs</td>
</tr>
</tbody>
</table>

**CLAIMS**

Claims Examiners must determine whether an overpayment has occurred and establish a claim in the amount of the calculated overpayment using federal and state polices. As indicated in the graph below, the dollar value of claims established has grown tremendously in the past five years. In FY 2016-17, BR Claims Examiners processed 28,905 referrals and established 16,658 claims for a record total of $43,554,189 (average of approximately $2,614 per claim).
BR created specialized claims examiners to address the growing workload of SAO cases from DPAF. The SAO Specialists are part of the Claims Examiner staff; however, when the number of SAO cases increases, the number of Claims Examiners available to work regular BR referrals is reduced, which affects the overall number of claims that can be established. These specialists completed 1,757 claims for SAO cases, totaling for $10,187,092 (average of $5,798 per claim).
COLLECTIONS

The BR Collection unit maintains all correspondence relating to the repayment or collection of an overpayment via a claim. OPBI uses several collection methods, some of which are not available to a contractor due to federal and state regulations. DCF employs the following methods of collection:

- TOP (Income Tax/Federal Payment Intercepts);
- Benefit Offsets (Recoupment);
- Cash Payments (Written Repayment Agreements);
- Probation and Parole (Court Ordered Restitution);
- Lottery Intercepts;
- Employee Payroll Deductions; and
- Voluntary Electronic Benefit Transfer (EBT) Payments.

Section 414.37, F.S., requires the department to contract public assistance recovery services. The Public Consulting Group (PCG) handles collections of public assistance overpayments. This contract was renegotiated in 2013 to reflect pay-for-performance incentives with benchmarks and deliverables based on recoveries that maximize the portion of collections that is retained by the state as revenue, called state retained share (SRS). In FY 2016-17, PCG achieved record collections of $4,491,054, which generated $1,002,757 in SRS. The following chart shows the increase in collections since FY 2014-15, which is the first full year of operations under the new contract.

<table>
<thead>
<tr>
<th>State Fiscal Year</th>
<th>PCG Collections</th>
<th>State Retained Share</th>
<th>PCG payments to PCG</th>
<th>Collections ROI</th>
<th>SRS ROI</th>
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</thead>
<tbody>
<tr>
<td>FY 2011-12</td>
<td>$2,707,764</td>
<td>$709,575</td>
<td>$574,657</td>
<td>$4.71</td>
<td>$1.23</td>
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<td>FY 2012-13</td>
<td>$2,900,861</td>
<td>$737,428</td>
<td>$539,035</td>
<td>$5.38</td>
<td>$1.37</td>
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<td>FY 2013-14</td>
<td>$2,811,195</td>
<td>$621,385</td>
<td>$463,388</td>
<td>$6.07</td>
<td>$1.34</td>
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<td>FY 2014-15</td>
<td>$3,493,731</td>
<td>$773,524</td>
<td>$610,101</td>
<td>$5.73</td>
<td>$1.27</td>
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<td>FY 2015-16</td>
<td>$4,250,203</td>
<td>$928,741</td>
<td>$668,119</td>
<td>$6.36</td>
<td>$1.39</td>
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<tr>
<td>FY 2016-17</td>
<td>$4,491,054</td>
<td>$1,002,757</td>
<td>$626,237</td>
<td>$7.17</td>
<td>$1.60</td>
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<tr>
<td><strong>Grand Total:</strong></td>
<td><strong>$20,654,808</strong></td>
<td><strong>$4,773,410</strong></td>
<td><strong>$3,481,538</strong></td>
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</tbody>
</table>

ACCOUNTING

The BR Accounting staff reconciles the nightly accounts receivable journals with the Claims Details/Claim Determination details on IBRS. The Accountant notifies the Claims Examiner/Supervisor of any discrepancies found so they can be addressed immediately. The accounting portion of IBRS is built around the federal reporting requirements of the FNS-209, the AFDC SSA-4972, and the TANF SSA-4972 reports, which reflect all the accounting entries made in the system. This unit interacts frequently with the DCF Revenue Management staff to ensure payment/reconciliation accuracy.
SPECIAL PROJECTS

This statewide Special Projects unit coordinates specialized BR activities relating to administrative disqualification hearings and fair hearings related to benefit recovery, Agency Compromise, TOP collections, and training. These activities include, but are not limited to:

- Coordinating BR fair hearings with OAH and reviewing all benefit recovery hearing requests prior to submission to OAH to ensure action has been taken appropriately and timely by BR staff. They act as the BR representative and Custodian of BR Case Record in DPAF ADH proceedings — three staff handled 417 fair hearings and participated in 366 ADH proceedings;

- Administering the federal TOP program — three staff handled $15.3 million in TOP collections. Florida currently is ranked fourth in the nation in TOP collections, behind California, Texas, and Illinois; and

- Arranging and delivering pre-service and in-service training in all areas of the BR program — 140 training sessions involving 97 percent of the BR workforce and 145-180 pre-service ESS staff.
The OPBI Program Improvement Unit (PIU) was established in January 2014. During FY 2016-17, this unit performed four main functions:

1. Data matching and data analytics;
2. BI and BR monitoring and quality assurance;
3. Developing and implementing process improvement initiatives and best practices for the BI and BR programs; and
4. Tracking and reporting of program activities/results.

FY 2016-17 PIU highlights include:

- Worked with OPBI management to develop a monthly performance management report that complies with the department’s standards. The unit also created a variety of data analyses and Tableau visualizations, as well as worked with several vendors to conduct data analytics on various aspects of the Opa-Locka Flea Market vendors and customers.
- Established a process to obtain recordings of phone calls from applicants or recipients suspected of fraudulent activity, and worked with BI staff to track and monitor certain calls. The process was transitioned to the CSI unit to allow closer access by investigative staff.
- Converted to quarterly reporting of fraud investigations, ADH proceedings, and prosecutions to FNS via the FNS-366B report. This report requires data from OAH, DPAF, and ESS, and previously was submitted annually.
- Worked with BR staff to implement TOP enhancement to ensure appropriate submission of claims for TOP for collections.
- Executed a Data Sharing Agreement with the Office of Early Learning, which administers the subsidized daycare program for the Department of Education, to initiate an enterprise-wide effort to identify fraud schemes occurring in both programs/agencies.
- Coordinated with LexisNexis to implement a pilot project in the Central Region to test the use of one-time password technology as a method of multi-factor identity authentication. While the pilot did not show desired efficiencies, it did yield many lessons-learned for potential future use of these types of authentication methods.
- Worked with Revenue Management to develop a report and workflow to streamline daily reconciliation of cash collections.

Nearly 89 percent of all Florida public assistance benefit applications are received electronically, which presents a risk for abuse by identity thieves. DCF obtained a federal waiver in 2012 to implement an automated identity verification solution to stop fraud before benefits are issued. The LexisNexis CA/IV tool was implemented statewide in August 2013. It leverages technology used in the financial sector for many years, which presents questions that only the actual person should be able to answer to ensure that applicants for public assistance are truly who they say they are.

The following chart depicts the steps in the CA/IV process.

In FY 2016-17, the automated customer authentication tool saved $174.6 million in benefits from being issued to individuals unable to verify their identity. See Appendix B for a detailed breakdown and explanation of the methodology used for estimating this cost avoidance savings.

Total cost avoidance associated since the implementation of this tool totals more than $844 million in taxpayer benefits not issued due to suspected fraud (ROI = 211:1).
Customer Authentication (FY 2016-17)

- Abandoned Applications: $4.8M
- Opt-Out: $31.3M
- Staff Efficiency: $0.7M
- Deceased: $0.5M
- Incarcerated: $0.2M

$174.6M

Quiz-Fail: $137.2M
Note—Component totals differ from total cost avoidance due to rounding.
Total recoveries of public assistance overpayments for FY 2016-17 were $29,376,681 (all funds). Recovered dollars are defined as the sum of actual cash collections, recoupment from ongoing benefit payments, and collections through the federal TOP, lottery intercepts, and various other sources. Dollars are recovered after a determination of overpayment is made and a claim is established. If a claimant is currently receiving assistance, a portion of the benefits will be used to pay the claim. Claimants must contact PCG to set up repayment agreements and schedule regular payments using debit or credit cards, checks, or money orders to pay their debts.

**TREASURY OFFSET PROGRAM (TOP)**

Claimants who do not make an acceptable repayment agreement and fail to make monthly payments become delinquent after 120 days. Food assistance claims that are delinquent will be referred to the U.S. Treasury for TOP intercept of nearly any type of federal payment until the state debt is paid. Total recoveries of public assistance overpayments from TOP in FY 2016-17 were $15,312,266 (food assistance only).

**RECOUPEMENT**

Total recoveries of public assistance overpayments through recoupment of current benefits in FY 2016-17 were $7,053,307 (food and cash assistance).

**CASH COLLECTIONS**

Total recoveries of public assistance overpayments through PCG collection activities in FY 2016-17 were $4,401,548 (all programs).

**PROBATION AND PAROLE RESTITUTION**

Total recoveries of public assistance overpayments through court-ordered restitution in FY 2016-17 were $1,974,808 (all programs).

**LOTTERY INTERCEPTS**

OPBI intercepts lottery winnings in excess of $600 and applies the recovery to the client’s overpayment balance until it is paid off. Total recoveries of public assistance overpayments from intercepting lottery payments in FY 2016-17 were $642,686 (all programs).

**OTHER SOURCES**

The public assistance collections from other sources totaled $617,375 in FY 2016-17. These sources include recovery of unused benefits ($567,595), miscellaneous payments ($32,402), voluntary state employee payroll deduction ($15,947), and child support credits ($1,431).

**REFUNDS AND RESTORATIONS**

Total refunds and restorations for FY 2016-17 were -$625,309. Refunds occur when claims have a credit balance. Restorations occur when benefit offsets exceed claim balances.
Benefit Recovery Collections by Source

- **Lottery**: 2.2% ($0.6M)
- **Other**: 2.1% ($0.6M)
- **Refund/Restore**: -2.1% ($0.6M)
- **Probation/Parole**: 6.7% ($2.0M)
- **Cash**: 15.0% ($4.4M)
- **Recoupment**: 24.0% ($7.1M)
- **Treasury Offset**: 52.1% ($15.3M)

**Total**: $29.4M
Total cost avoidance of public assistance benefits for FY 2016 – 17 was $242,896,900 (all programs), $58,566,646 in savings specific to Florida (TANF & Medicaid).

Cost avoidance is the amount of state or federal benefit expenditures that would have occurred, or were anticipated to occur, without OPBI intervention. Due to administrative and criminal case processing times, accurate savings numbers change and become more accurate over time. FY 2016 – 17 cost avoidance savings were calculated in January 2018, and are depicted in the chart below.

Cost avoidance is calculated both conservatively and differently by business function, as summarized in this Appendix.

**BENEFIT INVESTIGATIONS**

Total cost avoidance associated with benefit investigations conducted in FY 2016 – 17 was $41,507,896 (all programs).

**CUSTOMER AUTHENTICATION/IDENTITY VERIFICATION (CA/IV)**

Total cost avoidance associated with the CA/IV process for FY 2016 – 17 was $174,636,558 (all programs). Some non-tangible benefits of the CA/IV solution include improved integrity of the state’s public benefits programs and an expedited application process for Floridians truly in need of assistance.

Cost avoidance for CA/IV is calculated using several different methods based on the type of transaction and savings by program. The cost avoidance calculations for each program used the average number of months a person received each type of benefit in FY 2016 – 17:

- Expedited Food Assistance—1.4 months (based on date of application);
- Regular Food Assistance—6 months (based on date of application);
- Cash Assistance—4.6 months (based on date of authorization); and
- Managed Care Medicaid—9.6 months (based on the month of application).

The Medicaid cost avoidance is based on the average monthly expenditures for managed care services during FY 2015 – 16 (data provided by the Agency for Health Care Administration), which is calculated as follows:

<table>
<thead>
<tr>
<th>Managed Care Medicaid Benefit Calculation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipients</td>
<td>2,482,301</td>
</tr>
<tr>
<td>Total Managed Care Benefits</td>
<td>$6,743,608,707</td>
</tr>
<tr>
<td>Average Annual Benefit per Recipient</td>
<td>$2,717</td>
</tr>
<tr>
<td>Average Monthly Benefit per Recipient</td>
<td>$226</td>
</tr>
</tbody>
</table>

**OPT OUT DENIALS**

The federal waiver allowed DCF to implement the solution but did not make it mandatory, i.e., applicants can opt-out of taking the authentication quiz. This cost avoidance category captures individuals who did not take the CA/IV quiz (opted out), were required to have a full or abbreviated application review, did not have their identities verified in any way, and were not approved for benefits. These individuals are believed to have been deterred from proceeding in the application process due to the anti-fraud rigors of the CA/IV process. If any person with the circumstances described above was subsequently approved and received public assistance (any program) two months after denial, then no CA/IV cost avoidance was counted for that case.
Opt-out denial cost avoidance calculations are based on the benefit amount that the assistance group would have received during the certification period for the programs indicated on the application. The benefit amount was based on a statistically significant random sample of Opt-Out Denial applications for each assistance group in FY 2016 – 17. The FY 2016 – 17 Opt-out Denial cost avoidance of $31,344,153 was calculated as follows:

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Sample Count</th>
<th>Percent</th>
<th># of Expedited SNAP</th>
<th># of Regular SNAP</th>
<th>Expedited SNAP $</th>
<th>Regular SNAP $</th>
<th># of TCA</th>
<th>TCA $</th>
<th># of Medicaid</th>
<th>Medicaid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>268</td>
<td>71.09%</td>
<td>2,933</td>
<td>9,412</td>
<td>$540,437</td>
<td>$7,431,972</td>
<td>1,882</td>
<td>$1,932,557</td>
<td>3,955</td>
<td>$8,596,538</td>
</tr>
<tr>
<td>2</td>
<td>46</td>
<td>12.20%</td>
<td>503</td>
<td>1,615</td>
<td>$167,330</td>
<td>$2,301,022</td>
<td>323</td>
<td>$321,012</td>
<td>679</td>
<td>$1,475,285</td>
</tr>
<tr>
<td>3</td>
<td>36</td>
<td>9.55%</td>
<td>394</td>
<td>1,264</td>
<td>$203,024</td>
<td>$2,791,922</td>
<td>253</td>
<td>$312,673</td>
<td>531</td>
<td>$1,154,826</td>
</tr>
<tr>
<td>4</td>
<td>21</td>
<td>5.57%</td>
<td>230</td>
<td>737</td>
<td>$144,906</td>
<td>$1,992,600</td>
<td>147</td>
<td>$214,888</td>
<td>310</td>
<td>$673,540</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>0.80%</td>
<td>33</td>
<td>106</td>
<td>$24,302</td>
<td>$334,157</td>
<td>21</td>
<td>$35,688</td>
<td>45</td>
<td>$96,735</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>0.53%</td>
<td>22</td>
<td>70</td>
<td>$18,854</td>
<td>$259,256</td>
<td>14</td>
<td>$26,119</td>
<td>29</td>
<td>$64,092</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>0.26%</td>
<td>11</td>
<td>34</td>
<td>$12,333</td>
<td>$169,561</td>
<td>7</td>
<td>$17,077</td>
<td>14</td>
<td>$31,448</td>
</tr>
<tr>
<td></td>
<td>377</td>
<td>100.00%</td>
<td>4,126</td>
<td>13,239</td>
<td>$1,111,186</td>
<td>$15,280,489</td>
<td>2,647</td>
<td>$2,860,014</td>
<td>5,564</td>
<td>$12,092,464</td>
</tr>
</tbody>
</table>

**QUIZ-FAIL DENIALS**

This cost avoidance category captures individuals who did not correctly answer the required number of questions on the CA/IV quiz, were required to have a full or abbreviated application review, did not have their identity verified in any way, and were denied for benefits. These individuals are believed to have been deterred from proceeding in the application process due to the rigors of the CA/IV process. If any person with the circumstances described above was subsequently approved and received assistance (any program) two months after denial, then no cost avoidance is counted for CA/IV. Quiz-fail denial cost avoidance calculations are based on the benefit amount the assistance group would have received for the certification period for the programs indicated on the application. The benefit amount was based on a statistically significant random sample of Quiz-Fail Denial applications for each assistance group in FY 2016 – 17. The FY 2016 – 17 Quiz-Fail Denial cost avoidance of $137,207,898 was calculated as follows:

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Sample Count</th>
<th>Percent</th>
<th># of Expedited SNAP</th>
<th># of Regular SNAP</th>
<th>Expedited SNAP $</th>
<th>Regular SNAP $</th>
<th># of TCA</th>
<th>TCA $</th>
<th># of Medicaid</th>
<th>Medicaid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>254</td>
<td>66.32%</td>
<td>12,227</td>
<td>41,775</td>
<td>$2,252,780</td>
<td>$26,940,259</td>
<td>8,543</td>
<td>$8,773,332</td>
<td>17,375</td>
<td>$37,762,167</td>
</tr>
<tr>
<td>2</td>
<td>68</td>
<td>17.76%</td>
<td>3,274</td>
<td>11,187</td>
<td>$1,088,421</td>
<td>$13,015,655</td>
<td>2,288</td>
<td>$2,274,077</td>
<td>4,653</td>
<td>$10,112,426</td>
</tr>
<tr>
<td>3</td>
<td>30</td>
<td>7.83%</td>
<td>1,444</td>
<td>4,932</td>
<td>$743,783</td>
<td>$8,894,530</td>
<td>1,009</td>
<td>$1,247,505</td>
<td>2,051</td>
<td>$4,458,350</td>
</tr>
<tr>
<td>4</td>
<td>19</td>
<td>4.96%</td>
<td>914</td>
<td>3,124</td>
<td>$576,564</td>
<td>$6,894,589</td>
<td>639</td>
<td>$931,168</td>
<td>1,299</td>
<td>$2,824,191</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>2.35%</td>
<td>433</td>
<td>1,480</td>
<td>$318,956</td>
<td>$3,814,125</td>
<td>303</td>
<td>$510,049</td>
<td>616</td>
<td>$1,338,074</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>0.26%</td>
<td>48</td>
<td>164</td>
<td>$41,323</td>
<td>$494,162</td>
<td>33</td>
<td>$623,478</td>
<td>68</td>
<td>$148,042</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>0.52%</td>
<td>96</td>
<td>328</td>
<td>$96,419</td>
<td>$1,153,044</td>
<td>67</td>
<td>$145,476</td>
<td>136</td>
<td>$296,085</td>
</tr>
<tr>
<td>8</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>383</td>
<td>100.00%</td>
<td>18,436</td>
<td>62,990</td>
<td>$5,118,245</td>
<td>$61,206,365</td>
<td>12,881</td>
<td>$13,943,953</td>
<td>26,199</td>
<td>$56,939,335</td>
<td></td>
</tr>
</tbody>
</table>
DECEASED ALERT DENIALS

The CA/IV solution sends an alert to the ESS Worker when records indicate the person is deceased. When these cases are denied and did not have identity verified in any way, cost avoidance is counted for CA/IV because of this alert. Cost avoidance calculations for deceased alert denials are based on the average benefit applied for and the number of persons in the household. Based on a random sample, 88.6 percent of deceased alert denials were a single-person household and 11.4 percent involved two or more people. Cost avoidance calculations for deceased alert denials for a single person household use the benefit amount the person would have received for the certification period for the programs applied for on the application. Cost avoidance calculations for cases involving more than one person used the overall average benefit amount per month for the certification period. For FY 2016 – 17, the assistance group calculations for Deceased Alert Denials were based on a statistically significant random sample. The total cost avoidance for Deceased Alert Denials of $491,484 was calculated as follows:

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Sample Count</th>
<th>Percent</th>
<th># of Expended SNAP</th>
<th># of Regular SNAP</th>
<th>Expended SNAP $</th>
<th>Regular SNAP $</th>
<th># of TCA</th>
<th>TCA $</th>
<th># of Medicaid</th>
<th>Medicaid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>256</td>
<td>88.58%</td>
<td>115</td>
<td>327</td>
<td>$23,129</td>
<td>$220,790</td>
<td>38</td>
<td>$13,369</td>
<td>80</td>
<td>$173,263</td>
</tr>
<tr>
<td>2+</td>
<td>33</td>
<td>11.42%</td>
<td>15</td>
<td>42</td>
<td>$2,359</td>
<td>$28,308</td>
<td>5</td>
<td>$7,928</td>
<td>10</td>
<td>$22,338</td>
</tr>
<tr>
<td></td>
<td>289</td>
<td>100.00%</td>
<td>130</td>
<td>369</td>
<td>$25,488</td>
<td>$249,098</td>
<td>43</td>
<td>$21,297</td>
<td>90</td>
<td>$195,601</td>
</tr>
</tbody>
</table>

INCARCERATED ALERT DENIALS

As part of the department’s implementation of the Stop Inmate Fraud Program, the CA/IV solution sends an alert to the ESS Worker when records indicate the person is incarcerated. Cost avoidance is counted for CA/IV when the case was denied and did not have identity verified in any way. If any person with an Incarcerated Alert was receiving assistance (any program) two months after denial, then no cost avoidance was counted for CA/IV. Cost avoidance calculations for Incarcerated Alert Denials for a single person household use the benefit amount the person would have received for one month because (as indicated below under Department of Corrections Matching) single head-of-household cases involving incarcerated individuals are automatically closed. Only one month of food or cash benefits are avoided for these types of applications; no Medicaid benefits are included in the cost avoidance because the Agency for Health Care Administration suspends cases involving incarcerated individuals. If a household contains more than one member, savings are calculated using the overall average benefit amount for one person for one month. For FY 2016 – 17, the total cost avoidance for Incarcerated Denials of $150,718 was calculated as follows:

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Sample Count</th>
<th>Percent</th>
<th># of Expended SNAP</th>
<th># of Regular SNAP</th>
<th>Expended SNAP $</th>
<th>Regular SNAP $</th>
<th># of TCA</th>
<th>TCA $</th>
<th>TCA $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>279</td>
<td>87.19%</td>
<td>246</td>
<td>571</td>
<td>$32,360</td>
<td>$75,162</td>
<td>108</td>
<td>$24,138</td>
<td></td>
</tr>
<tr>
<td>2+</td>
<td>41</td>
<td>12.81%</td>
<td>36</td>
<td>84</td>
<td>$4,058</td>
<td>$9,425</td>
<td>16</td>
<td>$5,575</td>
<td></td>
</tr>
<tr>
<td></td>
<td>320</td>
<td>100.00%</td>
<td>282</td>
<td>655</td>
<td>$36,418</td>
<td>$84,587</td>
<td>124</td>
<td>$29,713</td>
<td></td>
</tr>
</tbody>
</table>
ABANDONED APPLICATIONS

This measure estimates cost avoidance associated with applications that are not e-signed and are left incomplete at the Customer Authentication Quiz page in the online application. The calculation for Abandoned Applications is based on the parameters for Quiz-Fail Denials. The total estimated CA/IV cost avoidance for the 4,885 Abandoned Applications in FY 2016 – 17 was $4,787,334.

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Sample Count</th>
<th>Percent</th>
<th># of Expedited SNAP</th>
<th># of Regular SNAP</th>
<th>Expedited SNAP $</th>
<th>Regular SNAP $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>268</td>
<td>66.32%</td>
<td>745</td>
<td>2,495</td>
<td>$137,292</td>
<td>$1,969,878</td>
</tr>
<tr>
<td>2</td>
<td>46</td>
<td>17.76%</td>
<td>200</td>
<td>668</td>
<td>$66,331</td>
<td>$951,702</td>
</tr>
<tr>
<td>3</td>
<td>36</td>
<td>7.83%</td>
<td>88</td>
<td>295</td>
<td>$45,327</td>
<td>$650,371</td>
</tr>
<tr>
<td>4</td>
<td>21</td>
<td>4.96%</td>
<td>56</td>
<td>187</td>
<td>$35,139</td>
<td>$504,142</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>2.35%</td>
<td>26</td>
<td>88</td>
<td>$19,436</td>
<td>$278,879</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>0.26%</td>
<td>3</td>
<td>10</td>
<td>$2,517</td>
<td>$36,134</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>0.52%</td>
<td>6</td>
<td>20</td>
<td>$5,874</td>
<td>$84,313</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td><strong>377</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,124</strong></td>
<td><strong>3,761</strong></td>
<td><strong>$311,915</strong></td>
<td><strong>$4,475,419</strong></td>
</tr>
</tbody>
</table>

STAFF EFFICIENCY SAVINGS

This measure quantifies the reduced staff time required to perform the identity verification/customer authentication activities for public assistance applications. Many of the CA/IV staff efficiencies occur when customers pass the quiz and authenticate their identities upon application. Total staff efficiency savings due to CA/IV implementation in FY 2016 – 17 was $654,971.

ASSET VERIFICATION SYSTEM (AVS)

The SSI-Related Medicaid eligibility process requires individuals to disclose their assets to qualify for benefits. The federal Supplemental Appropriations Act of 2008 (Public Law 110-252) mandated all states to establish an Asset Verification System (AVS) consistent with the verification system implemented by the Social Security Administration. The AVS uses an automated match with financial institution data to verify disclosed assets identified during the application process and to uncover assets that were not disclosed to ensure an accurate determination of eligibility. AVS has been a valuable tool for program integrity improvement.

Cost avoidance is calculated based on the benefits that would have been issued in cases in which unreported assets were identified through AVS and the individual was deemed to be ineligible for Medicaid benefits. Total cost avoidance due to AVS activities in FY 2016 – 17 was $25,696,550 in Medicaid benefits.
EBT CONTRACTOR FRAUD SERVICES

The current EBT vendor, FIS/eFunds Corporation, works closely with the OPBI Program Improvement Unit to provide actionable referrals for potential public assistance fraud to BI supervisors for assignment and investigation. They also provide online tools, i.e., Fraud Navigator and Fraud Central, which provide real time alerts when pre-defined high-risk EBT transactions occur. FIS/eFunds also provides ad hoc reports to the CSI unit and fraud staff statewide to aid in the investigation of suspicious activities that can indicate new fraudulent schemes. In addition, FIS/eFunds has a fraud team that works hand-in-hand with OPBI providing assistance whenever needed. In FY 2016 – 17, 551 FIS/e-Funds referrals lead to $512,415 in cost avoidance; this amount is included in the $41.4 million reported million reported in the Benefit Investigations section.

STOP INMATE FRAUD PROGRAM

Section 414.40, F.S., establishes and provides guidelines for the state’s Stop Inmate Fraud Program. The law authorizes data from correctional institutions or other detention facilities to be compared with DCF’s active client files to identify persons wrongfully obtaining public assistance benefits. In FY 2016 – 17, this program prevented issuance and expenditures of $1,323,311 (all programs).

APPRISS MATCHING

DPAF sends OPBI inmate data that is provided from a private vendor (APPRISS). OPBI uses the APPRISS file to conduct monthly matches to identify open or pending public assistance cases involving applicants/recipients who have been in jail at least 60 days, and who also have a release date of 45 or more days in the future. Total cost avoidance from using APPRISS data to identify and remove incarcerated individuals from the cash and food assistance rolls in FY 2016 – 17 was $267,415; this amount is included in the cost avoidance reported in the $41.4 million reported in Benefit Investigations section.

DEPARTMENT OF CORRECTIONS AUTO CLOSURES

The department implemented an automated process to close food or cash assistance cases involving single household members who are identified by the Department of Corrections as incarcerated. In cases involving more than one person in the household, the incarcerated individual is removed from the case and benefits are adjusted accordingly. This initiative produced $1,055,896 in benefit cost avoidance savings in FY 2016 – 17.
BENEFIT COST AVOIDANCE CALCULATION

BENEFIT INTEGRITY Cost Avoidance must meet the following criteria to be reportable:

1. The case must be referred or identified through data analytics and involve intervention at the application, reapplication, certification, recertification, or monitoring phase;
2. The work performed by the BI staff facilitates eligibility determination or monitoring of ongoing cases to identify public assistance fraud and abuse and ensure the receipt of the correct amount of applicable benefits based on the referral reason;
3. An Individual Case Report is completed and maintained in the BI Online system; and
4. No post fraud or other special program monies are included.

BENEFIT SAVINGS/COST AVOIDANCE CALCULATION is the method by which BI reports investigations/monitoring savings made in a public assistance program based on the results of BI findings.

Benefit savings/cost avoidance may be calculated on cases placed in a pending status by ESS processors and subsequently referred to BI for fraud:

• Providing the customer does not produce the correct information within the allocated time period for which they were pended; and
• Providing BI verifies/resolves the previously pended information, which results in a reduction of benefits.

Benefit savings/cost avoidance also may be calculated if there are no findings and the case is subsequently closed or benefits are reduced providing an actual investigation was conducted.

• Any recoupments deducted from assistance are disregarded in the benefit savings calculation.

The following example illustrates benefit savings calculations for pre-eligibility cases:

Monthly amount that the applicant would have received initially $300
Multiply by the number of months would have been approved x 6
(Equals the benefit that would have been awarded) $1,800
Minus actual amount of benefits awarded (e.g. $100 x 6*) -600
Equals Total Savings $1,200
(* may be the same or fewer number of months than original certification period)

In the example above, the recipient would have received $300 per month for six months with the initial information. Based on the investigative findings, the recipient was approved for only $100 per month for six months.

*If the final approval had been for $100 per month for three months, then the amount deducted (on line four of the example above) would be $300 instead of $600, for a total savings of $1,500. This situation could occur because the number of months at final approval could be shortened based on the BI findings.
The following example illustrates benefit savings calculations for monitoring cases involving ongoing benefits:

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly amount of benefits applicant is receiving</td>
<td>$500</td>
</tr>
<tr>
<td>Number of months/benefits left in certification period not expended</td>
<td>x 4</td>
</tr>
<tr>
<td><strong>Equals Total Savings</strong></td>
<td><strong>$2,000</strong></td>
</tr>
</tbody>
</table>

*In the example above, the recipient would have received $500 per month for the length of their certification period (six months) based on the monitoring findings, the certification period was shortened by four months. Therefore, a total of $2,000 in savings was attributed to BI’s efforts.*

If the amount of monthly benefits remaining is reduced due to BI’s efforts, calculate the remaining number of months times the difference between the newly reduced monthly benefit and the previously approved monthly benefits to derive the total savings. Example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly amount of benefits applicant is receiving</td>
<td>$500</td>
</tr>
<tr>
<td>Revised monthly amount of benefits due to Benefit Investigations monitoring</td>
<td>$350</td>
</tr>
<tr>
<td>Difference between previous and revised monthly benefit</td>
<td>$150</td>
</tr>
<tr>
<td>Number of months remaining in certification period</td>
<td>x 4</td>
</tr>
<tr>
<td><strong>Equal total savings</strong></td>
<td><strong>$600</strong></td>
</tr>
</tbody>
</table>

If the initial month of benefits was pro-rated, use the pro-rated amount in the computations for the first month, and the full amount for subsequent months.

**DETERRENT COST AVOIDANCE SAVINGS CALCULATIONS**

Deterrent Savings/Cost Avoidance Calculation is the method by which BI reports savings in public assistance programs because of food assistance and cash assistance program disqualifications due to referral to an Administrative Hearing or the applicant or recipient signing of an Administrative Disqualification Hearing waiver (CF-ES 3410/3410A).

Deterrent savings will be automatically calculated in the AI Online system. The savings will be based on the maximum allotment for a single person household and the number of months the person is disqualified from the food and/or cash assistance programs minus the number of months calculated for benefit savings (already claimed) on the initial referral.

The following is an example of deterrent savings calculation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum monthly program benefits for one person</td>
<td>$152</td>
</tr>
<tr>
<td>Number of months of disqualification (e.g. 24) minus the number of the related referral benefit savings months (e.g. 6) (24-6=18)</td>
<td>x 18</td>
</tr>
<tr>
<td><strong>Equals total deterrent savings</strong></td>
<td><strong>$2,736</strong></td>
</tr>
</tbody>
</table>

*In the example above, a BI referral produced six months of food assistance benefit savings. An ADH was completed on the same referral and applicant was disqualified for 24 months. Deterrent savings was calculated based on the maximum amount of a one-person household times 18 months.*

Deterrent savings are calculated and recorded after receipt of acknowledgment from the Administrative Hearings Office that the case was classified as an intentional program violation. It is not necessary to wait for the disqualification to be initiated to be able to calculate deterrent savings.