Office of Public Benefits Integrity

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Executive Summary

Highlights from SFY 2017-18

• Total cost avoidance savings for OPBI was approximately $311.8 million in FY 2017-18 (all programs), which included $69.6 million in state revenue savings in the Medicaid and Temporary Assistance to Needy Families (TANF) programs.

• The Benefit Investigations (BI) program in the Office of Public Benefits Integrity (OPBI) conducted 58,547 investigations resulting in more than $45.3 million in cost-avoidance savings (benefits not issued due to fraud detection) and 626 client disqualifications. As indicated in the feature about Hurricane Irma below, 44,558 of BI investigations and $14.3 million of the cost avoidance was related to the disaster food assistance events. For every $1 expended by the state in FY 2017-18, the BI program returned $21.68 in cost avoidance.

• The Benefit Recovery (BR) program in the OPBI processed more than 24,512 overpayment referrals and established 15,914 claims valued at nearly $47.9 million. Total collections were nearly $30.0 million, which included $6.8 million in revenue retained by the state. For every $1 expended by the state, the BR program produced $18.94 in accounts receivable claims to recover benefit overpayments.

• For the second year in a row, recovered overpayments through the federal Treasury Offset Program (TOP) collections hit an all-time high of $15.6 million, exceeding last year’s record collections by nearly $300,000.

• The Department of Children and Families’ (DCF) online Customer Authentication/ Identity Verification (CA/IV) tool produced more than $239.8 million in cost avoidance and Economic Self Sufficiency (ESS) Program staff efficiency savings. See Appendix B for methodology and details.

1 The Benefit Investigations (BI) program, formerly known as ACCESS Integrity, was rebranded in September 2017 to better reflect the investigative function it performs within the OPBI.

2 The FY 2017-18 State Retained Share amount is an estimate; official totals were not available at the time of publication.

OPBI is dedicated to its Objective:

Safeguarding the integrity of public assistance benefits by preventing, detecting, and recovering waste, fraud, and abuse; thereby ensuring benefits go to Floridians in need.
Accomplishments

- OPBI worked with ESS to initiate a Business Process Assessment and Redesign (BPAR) project in May 2018. The project is scheduled to complete in February 2019.
- Benefit Recovery released an upgrade to the Workload Management Tool (WMT), which changed the Claims Examiners’ focus from working referrals approaching the 180-day time standard to working the most recent referrals that are received/assigned. Several rules were applied to the WMT logic to triage and/or cancel referrals prior to assigning for processing. This is an effort to reduce the amount of time a claims examiner spends to determine if the referral is valid to create an overpayment claim.
- The Program Improvement Unit, in coordination with the DCF Office of Revenue Management, developed a streamlined process for overpayment claim refunds, reducing the processing time from 6-8 weeks to approximately one week (or less). The group participated in the annual department-wide event, showcasing this Enterprise-wide Refund Solution.
- Benefit Recovery along with the Program Improvement Unit developed a TOP State Review internet site. This site explains the TOP program, how the process works, and appeal options, and allows the household to request a review electronically instead of mailing a written request. Florida DCF is first in the nation to develop a web-based process for TOP appeals and is being touted as a best practice nationwide for other states to follow.
- When a food retailer is disqualified for trafficking in Supplemental Nutrition Assistance Program (SNAP) benefits, the recipients who participated in the trafficking commit an Intentional Program Violation (IPV). To handle the volume of these recipients involved in a large trafficking case, OPBI worked with the Office of Appeal Hearings (OAH) and the Division of Public Assistance Fraud (DPAF) to conduct the first ever Mass Disqualification Hearings in the history of DCF. It was held in Ocala and resulted in 20 disqualifications from SNAP.
- Benefit Investigations, with the assistance of the Process Improvement Unit, launched a Workload Management Tool (WMT), which enables supervisors and investigators the ability to view their caseloads from a single source. The WMT tracking capability assists with ensuring investigation time standards are met and cases are closed out timely. With the increased visibility, supervisors can manage the workflow, and investigators can easily prioritize their work. In addition, the added data fields give the investigator a snapshot into each case without having to access it.
- The Benefit Investigations Trainer created and conducted several key trainings in 2017-2018, including a Safety training designed to prepare investigators for conducting safe field visits, handling office emergencies, and dealing with escalations. A new hire training module and training guides were developed to help brand new investigators learn OPBI investigative policies and processes. Training on the WMT and Medicaid training also was provided during this time.
- The OPBI was asked by US Department of Agriculture Food and Nutrition Service (FNS) to assist in a study on the impact of identity fraud in SNAP. OPBI shared its best practices and provided extensive feedback to the vendor selected by FNS to conduct the study. The final study results were not completed/available at the time of this Annual Report.

Awards/Recognitions

- The OPBI unit was awarded four Prudential Productivity Awards in 2017. These awards are presented to state employees whose work significantly and measurably increased productivity and promoted innovation to improve delivery of state services and save or maximize 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 (TANF), and Medicaid programs, as well as recovering benefit overpayments. OPBI reports to DCF’s Assistant Secretary of ESS and works cooperatively with the ESS Program Office, the DFS DPAF, other Florida agencies, the federal government, local/state/federal law enforcement, and the public.

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 provide data analytics, contract management, and program monitoring; however, the contract management function was moved to the ESS program office in FY 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 overseen 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.3
- 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 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 (F.S.). 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

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3 DPAF was transferred to the Florida Department of Law Enforcement in 1999, and was subsequently moved to DFS in 2010
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 2012:** The Centralized Special Investigations (CSI) Unit was created to combat identity fraud in public assistance applications statewide.
  - **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).
  - **March 2018:** The Public Benefit Investigations program was rebranded from the ACCESS Integrity Program to more accurately reflect the purpose of that program.
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 nonfood 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, F.S.

New Fraud Schemes vs Benefit Programs

Advancements in technology and improved accessibility to program assistance via online applications have 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 Customer Authentication/Identity Verification (CA/IV) tool, the fraud services provided by the EBT vendor, and increased awareness by ESS program staff have combined to provide a multi-faceted approach with nation-leading results.
Complaint from Public

01

RECEIVE COMPLAINT FROM PUBLIC
Via facsimile, phone, e-mail or www.myflfamilies.com/ReportFraud

02

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)

03

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

04

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

01

DCF ELIGIBILITY WORKER
Identifies suspected discrepancy/error/potential fraud during application/eligibility process (including recertification)

02

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)

03

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

04

RECOVER THE MONEY
DCF OPBI BR staff establish a claim based on AE, IHE, or IPV/Fraud and initiate collection
Public Benefit Investigations (BI)

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 or who have been found to have committed fraud 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 geographically distributed 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 in Tallahassee; and the Miami-based 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 information and creating evidence packets that often develop into cases sent to DPAF for criminal prosecution or to the OAH for administrative disqualification. Cases begin with OPBI referrals that are entered in the ACCESS Integrity Online system (AI 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 OPBI Program Improvement Unit and ad-hoc reports.
- FRAT referrals submitted online or received by fax or phone from the public.
- Community complaints received and forwarded by the call center or other state agencies.
- Potential fraud allegations received in the BI units by phone, fax, or through email.

Investigations by Program (Last Five Years)

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<td>60</td>
<td>59</td>
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<tr>
<td>Other</td>
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<td>22,815</td>
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<td>Grand Total</td>
<td>58,547</td>
<td>22,815</td>
<td>25,022</td>
<td>25,485</td>
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Cost Avoidance by Program (Last Five Years)

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<td>DSNAP</td>
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<td>Grand Total</td>
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<td>$32,765,815</td>
<td>$31,356,508</td>
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A primary focus of BI is preventing public assistance from being fraudulently obtained. While most investigations involve food assistance benefits, in recent years, BI has increased its efforts to stop Medicaid benefits from being obtained through fraudulent means. In FY 2017-18, BI prevented $14,053,7480 in cash assistance and Medicaid managed care benefits from being approved, which translates to state revenue savings of $5,729,858.

**Fraud Reward Program and the Fraud Reward Assessment Team (FRAT)**

The Public Assistance Fraud Reward Program was created in 2014, in section 414.39(11), F.S., and resulted in the establishment of the FRAT in October 2014. The law 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 also can 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 to the FRAT is not eligible to receive additional rewards through the Florida False Claims Act for Medicaid Fraud. 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 344781771) or by fax (850-487-0800).
In FY 2017-18, the FRAT unit received and reviewed 15,898 complaints from the public resulting in nearly $3.9 million in cost avoidance and $481,743 in overpayment claims. As of June 2018, no rewards have been paid through this program.

FRAT also monitors social media websites for potential fraud. This year, a total of 34 social media posts were identified as likely originating from Florida. Of those, 17 were positively identified as DCF clients and were referred to USDA by DPAF for criminal prosecution. The remaining cases were dropped because there was not enough information to positively identify a DCF client and pursue an Intentional Program Violation (IPV).

The primary responsibility of the FRAT unit is to review all fraud complaints received from the public each day; however, after Hurricane Irma hit, all normal FRAT operations were suspended and staff were reassigned to D-SNAP activities from mid-September into November. During this time, the daily number of complaints received significantly increased. As of December 2017, a backlog of 1,800 unworked complaints had developed; 1,100 of these complaints were related to D-SNAP. The four FRAT members worked diligently to keep up with the daily complaints received and work the backlog of complaints. BI investigators eventually were recruited to assist FRAT, and the backlog was eliminated by mid-April 2018.
Centralized Special Investigations (CSI) Unit

The CSI unit has statewide jurisdiction and operates out of the Miami office. This unit primarily deals with identity theft, trafficking cases, and other data-based investigations. While 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. Trafficking cases often are associated with identity theft because these thieves generally are not interested in receiving food benefits, but want to convert the benefits into cash.

Once new fraud trends and criminal activities are identified, the unit runs specific queries to locate additional cases of potential fraud. They can track and obtain call center recordings involving applicants or recipients suspected of fraudulent activity. 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 identity theft, including testimony at criminal trials. The CSI unit investigators may claim cost avoidance savings for active (post-benefits) identity theft cases they work; in FY 2017-18, CSI unit investigations resulted in $1,528,730 in cost avoidance.

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
5. Community complaints received through the Fraud Reward Program www.myflfamilies.com/ReportFraud
Benefit Recovery (BR)—Overpayment Claims

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.

BR continues to realize record-breaking collections that have been recognized nationally. The USDA/FNS invited Florida to conduct a training during a Southeast Region Office FNS conference on how to effectively use different collection methods.

Operations

BR acts on information from the ESS program, BI, and DPAF, as well as FRAT. Discrepancies and benefit overpayments 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 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.

Benefit 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; no collections are retained for AE food assistance claims. The state retains a share 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 by the state.

**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): eight Unit Supervisors, five Lead Claims Examiners, 42 Claims Examiners, one Collection Lead, ten Collection staff, one Accounting Lead, nine Accounting staff, ten Special Projects staff, nine administrative support staff, and one Bureau Chief.

**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 policies. As indicated in the next graph, the dollar value of claims established has grown tremendously in the past five years. In FY 2017-18, BR Claims Examiners processed 24,512 referrals and established 15,914 claims for a record total of $47,877,848 (average of approximately $3,009 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 can affect the overall number of claims that can be established. In total for FY 2017-18, BR claims staff completed 2,893 claims for SAO cases, totaling for $16,600,133 (average of $5,738 per claim).
Collections
The BR Collection unit maintains all correspondence relating to the repayment or collection of an overpayment. 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
- Voluntary Electronic Benefit Transfer (EBT) Payments

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 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 Accounting staff interacts frequently with the DCF Revenue Management staff to ensure payment/reconciliation accuracy.

In January 2016, the department discovered an error in the system-generated data for the FNS-209 report. During FY 2017-18, BR and Revenue Management staff worked with the DCF Office of Information Technology staff to identify the source of the problem and correct the system to ensure the information provided to FNS in this report was accurate. Phase 1 of the project completed in September 2018; phase 2 of the project will be finished in December 2018. Several years of revised FNS-209 reports are expected to have to be resent when the project has concluded. For this reason, the FY 2017-18 SRS is estimated; official reports of SRS were not available for this publication.
Special Projects
This statewide Special Projects unit coordinates specialized BR activities relating to administrative disqualification hearings and fair hearings, Agency Compromise, TOP collections, and training. Specific 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 272 fair hearings and participated in 1,007 ADH proceedings.

- Administering the federal TOP program – three staff handled $15.6 million in TOP collections. Florida currently is ranked fourth in the nation in TOP collections, behind California, Texas, and Illinois.

- Arranging and delivering pre-service and in-service training in all areas of the BR program. The BR trainer delivered 149 training sessions to the BR workforce and 125 pre-service sessions for ESS staff. Special training for 22 BI staff (NAC project) also was provided.
### Operations

The Program Improvement Unit (PIU) was established in January 2014. During FY 2017-18, this unit performed four primary functions:

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

### Activities

FY 2017-18 Program Improvement Unit highlights include:

- Publishing and reviewing monthly performance management reports with unit supervisors so they can see how their performance compared to other units and can identify areas in need of improvement.
- Implemented a Workload Management Tool (WMT) for BI and revised the BR-WMT to accommodate the priority reset of overpayment referrals.
- Set up an OPBI Test Development Steering Committee and proposed a test development methodology to build a valid and appropriate competency-based exam for new BI and BR staff. The initiative was put on hold due to the Business Process Assessment and Redesign project.
- Coordinated data exchanges with sister agencies, including Department of Economic Opportunity, Agency for Health Care Administration, and the Office of Early Learning in the Department of Education to identify fraud schemes occurring across programs/agencies.
- Collaborated with Revenue Management to identify inefficient and redundant business processes that were impeding the timely recognition, posting, quality assurance, and remittance of refunds due to the state’s most vulnerable public assistance recipients. The initiative resulted in the following specific improvements:
  - Manual processes were eliminated and automated.
  - Use of a Clearing Fund at the bank was no longer needed; the Clearing Fund was closed, which reduced costs and removed the need for this monthly reconciliation process.
  - The amount of time to process refund requests by more than 87 percent; most BR refund requests now are processed within 15 calendar days from receipt, rather than the months under the previous process.
  - The project reduced the cost to issue a refund by more than a 53% ($7.75 per refund before vs. $3.63 per refund after).
  - Conducted extensive data analytics involving 24 risk factors to identify potential fraud in D-SNAP benefit issuance.

### Customer Authentication/Online Identity Verification Tool

Nearly 77 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 2017-18, the automated CA/IV tool saved more than $239.8 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 savings in the five years since the implementation of the CA/IV tool exceeds $1 billion in taxpayer-funded benefits not issued due to suspected fraud and staff efficiency (ROI = 223:1).

Note—Component totals differ from total cost avoidance due to rounding.
Total Cost Avoidance FY 2017-18

- Abandoned Applications: $4.3M
- Staff Efficiency: $0.6M
- Deceased: $0.5M
- Incarcerated: $0.1M
- Opt-Out: $39.6M
- Quiz-Fail: $194.8M

Total: $239.8M
Hurricane Irma made landfall in Cudjoe Key, near Key West, on September 10, 2017, bringing severe storms, damaging winds, and flooding, which caused extensive power outages to most Florida counties in the state. Florida requested federal Disaster Supplemental Nutrition Assistance Program (D-SNAP) approval for the 48 counties included in the Presidential Disaster Declaration. The declaration for individual assistance was approved by the U.S. Department of Agriculture (USDA), Food and Nutrition Services (FNS). DCF staff established sites in 48 counties throughout the state, providing a way for residents to request and receive the funds to feed themselves and their family members in the wake of this hurricane. It was the largest D-SNAP event in the history of the program, serving 3,154,758 customers and issuing $1,051,922,607 in disaster food assistance.

The OPBI had the responsibility of safeguarding the integrity of the D-SNAP benefits to ensure they only go to Floridians in need. Due to the unprecedented scope of this D-SNAP event, OPBI reassigned all of its staff to D-SNAP activities and BI operations were suspended to take on the disaster responsibilities. There were 77 OPBI and 41 non-OPBI staff (including staff from the DCF Office of the Inspector General and the DPAF in the Department of Financial Services [DFS]) sent out to the 48 counties needing assistance. Many staff members were away from home for weeks, traveling from county to county to operate and manage the Public Benefits Integrity presence at each site.

OPBI staff reviewed D-SNAP applications that were flagged as meeting a fraud-prone profile and other suspicious applications identified by the eligibility staff at the site. The information entered into the online D-SNAP application was analyzed to prevent instances of fraud using guidelines to identify discrepant or questionable cases, and flag these cases for on-site follow-up.

The OPBI staff at each D-SNAP site could access a variety of data sources to verify the information provided in the application. Some of these sources included the FLORIDA system to determine current eligibility, the state’s Driver and Vehicle Information Database (DAVID), property appraisers’ websites, Clerk of the Court Information System (CCIS), and the State Employee Salary Database. They talked with clients to verify and often adjust the information provided on their applications. They then approved or denied benefits based on the correct information provided.

Many cases were denied due to unreported income and assets. Some of the more egregious examples include:

- A man applied for himself and his wife. He listed their only income as approximately $800 per month in self-employment income. Upon further investigation, it was discovered that his wife had quarterly earnings of $250,000 and when questioned, he admitted she is a physician.
- An application was denied when it was discovered the applicant had more than $100,000 in the bank. When denied, he became extremely upset and he stated that he did not think he should have to use his money to buy food.
- A DCF fraud investigator alerted sheriff’s deputies working the D-SNAP detail to a suspicious transaction. The investigator observed a man at the event on multiple occasions to apply for assistance on the behalf of others. He presented signed authorization and a state of Florida ID card for a female who was already receiving benefits. After contacting the female named on the ID, she confirmed she did not authorize the suspect to apply for benefits on her behalf. The suspect was arrested for public assistance fraud and criminal use of personal identification information.
**Hurricane Irma in Florida**

- **Investigations Conducted**: 44,558
  - The number of applications reviewed by OPBI.

- **Applications with Reduced Benefits**: 4,229
  - The number of applications where benefits were reduced due to OPBI review.

- **Denied Applications**: 9,696
  - $0
  - The number of applications denied by OPBI.

- **Cost Avoidance**: $14,309,280
  - The total amount of DSNAP dollars saved due to OPBI review.

- **% of Reduced Benefits**: 9.5%
  - The percentage of applications reviewed by OPBI where benefits were reduced.

- **% of Denied Applications**: 21.8%
  - The percentage of applications reviewed by OPBI that were denied.
Appendix A—Benefit Recovery

Benefit Recovery

Total recoveries of public assistance overpayments for FY 2017-18 were $29,964,540 (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 debt is paid.

Total recoveries of public assistance overpayments from TOP in FY 2017-18 were $15,634,989 (food assistance only).
Recoupment
Total recoveries of public assistance overpayments through recoupment of current benefits in FY 2017-18 were $6,954,653 (food and cash assistance).

Cash Collections
Total recoveries of public assistance overpayments through PCG collection activities in FY 2017-18 were $4,464,729 (all programs).

Probation and Parole Restitution
Total recoveries of public assistance overpayments through court-ordered restitution in FY 2017-18 were $2,619,821 (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 2017-18 were $625,193 (all programs).

Other Sources
The public assistance collections from other sources totaled $273,203 in FY 2017-18. These sources include recovery of unused benefits ($259,670), miscellaneous payments ($3,422), and voluntary state employee payroll deduction ($10,112).

Refunds and Restorations
Total refunds and restorations for FY 2017-18 were -$608,048. Refunds occur when claims have a credit balance. Restorations occur when benefit offsets exceed claim balances.
Appendix B—Cost Avoidance

Total cost avoidance of public assistance benefits for FY 2017-18 was $311,794,100 (all programs), $69,591,544 in Florida general revenue savings for TANF and 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 2017-18 cost avoidance savings were calculated in September 2018, and are depicted in the chart below.

<table>
<thead>
<tr>
<th>Cost Avoidance Method</th>
<th>SNAP</th>
<th>TANF</th>
<th>Medicaid</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Investigations</td>
<td>$31,265,646</td>
<td>$803,298</td>
<td>$13,250,450</td>
<td>$45,319,394</td>
</tr>
<tr>
<td>CA/IV</td>
<td>$125,723,629</td>
<td>$24,917,205</td>
<td>$88,570,977</td>
<td>$239,799,853*</td>
</tr>
<tr>
<td>Asset Verification System</td>
<td>$0</td>
<td>$0</td>
<td>$25,766,450</td>
<td>$25,766,450</td>
</tr>
<tr>
<td>Dept. of Correction Auto Closure</td>
<td>$908,403</td>
<td>$0</td>
<td>$0</td>
<td>$908,403</td>
</tr>
<tr>
<td></td>
<td>$157,897,678</td>
<td>$25,720,503</td>
<td>$127,587,877</td>
<td>$311,794,100*</td>
</tr>
</tbody>
</table>

*Total includes $588,042 in staff efficiency savings, which cannot be attributed to individual programs.

Cost avoidance is calculated both conservatively and differently by business function, as summarized in this Appendix. The state’s general revenue savings is based on the state’s share of funding for the benefits that are prevented from being issued. Since SNAP benefits are 100% federally funded, state revenue savings are associated only with Medicaid and TANF benefits. The following chart shows the estimated state revenue calculations. The share for TANF is based on the percent of funding the state provided in FY 2016-17, which was 80.17%. Similarly, the share for Medicaid reflects the state’s share of funding, but is based on a federal fiscal year; the percentages for FY 2017-18 were 39.9% for July-Sept 2017 and 38.21% for Oct 2017 - June 2018.

<table>
<thead>
<tr>
<th>Cost Avoidance Method</th>
<th>Cost Avoidance</th>
<th>GR Share</th>
<th>Cost Avoidance</th>
<th>GR Share</th>
<th>Cost Avoidance</th>
<th>GR Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Investigations</td>
<td>$803,298</td>
<td>$644,004</td>
<td>$13,250,450</td>
<td>$5,085,854</td>
<td>$14,697,752</td>
<td>$5,729,858</td>
</tr>
<tr>
<td>CA/IV</td>
<td>$24,917,205</td>
<td>$19,976,123</td>
<td>$88,570,977</td>
<td>$33,955,755</td>
<td>$133,464,305</td>
<td>$53,971,878</td>
</tr>
<tr>
<td>Asset Verification System</td>
<td>$0</td>
<td>$0</td>
<td>$25,766,450</td>
<td>$9,889,808</td>
<td>$25,766,450</td>
<td>$9,889,808</td>
</tr>
<tr>
<td></td>
<td>$25,720,503</td>
<td>$20,620,127</td>
<td>$127,587,877</td>
<td>$48,971,417</td>
<td>$173,928,507</td>
<td>$69,591,544</td>
</tr>
</tbody>
</table>

Benefit Investigations

Total cost avoidance associated with benefit investigations conducted in FY 2017-18 was $45,319,394 (all programs). The methodology for calculating BI cost avoidance savings is explained in Appendix C.

Customer Authentication/Identity Verification (CA/IV)

Total cost avoidance associated with the CA/IV process for FY 2017-18 was $239,799,853 (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 2017-18:

- Expedited Food Assistance—1.5 months (based on date of application)
- Regular Food Assistance—5.6 months (based on date of application)
- Cash Assistance—4.8 months (based on date of authorization)
- Managed Care Medicaid—9.3 months (based on the month of application)

The Medicaid cost avoidance is based on the average monthly capitation rates for Medicaid managed care recipients over one year of age. The overall average Medicaid capitation rate for FY 2017-18 was $221.71 per month, or $2,061.90 for 9.3 months.

### 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 2014-15. The FY 2017-18 Opt-out Denial cost avoidance of $39,577,586 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>2,537</td>
<td>13,462</td>
<td>$471,400</td>
<td>$9,338,455</td>
<td>2,621</td>
<td>$2,824,468</td>
<td>5,197</td>
<td>$10,715,694</td>
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<tr>
<td>2</td>
<td>46</td>
<td>12.20%</td>
<td>474</td>
<td>2,311</td>
<td>$156,790</td>
<td>$2,853,946</td>
<td>450</td>
<td>$468,797</td>
<td>892</td>
<td>$1,839,215</td>
</tr>
<tr>
<td>3</td>
<td>36</td>
<td>9.55%</td>
<td>401</td>
<td>1,808</td>
<td>$208,504</td>
<td>$3,509,762</td>
<td>352</td>
<td>$454,411</td>
<td>698</td>
<td>$1,439,206</td>
</tr>
<tr>
<td>4</td>
<td>21</td>
<td>5.57%</td>
<td>273</td>
<td>1,055</td>
<td>$173,333</td>
<td>$2,500,814</td>
<td>205</td>
<td>$313,191</td>
<td>407</td>
<td>$839,193</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>0.80%</td>
<td>124</td>
<td>151</td>
<td>$92,045</td>
<td>$418,459</td>
<td>29</td>
<td>$50,635</td>
<td>58</td>
<td>$119,590</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>0.53%</td>
<td>49</td>
<td>100</td>
<td>$43,571</td>
<td>$331,968</td>
<td>20</td>
<td>$39,285</td>
<td>39</td>
<td>$80,414</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>0.00%</td>
<td>16</td>
<td>0</td>
<td>$15,539</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>0.27%</td>
<td>6</td>
<td>50</td>
<td>$6,669</td>
<td>$207,480</td>
<td>10</td>
<td>$23,514</td>
<td>20</td>
<td>$41,238</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>377</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>3,880</strong></td>
<td><strong>18,937</strong></td>
<td><strong>$1,167,851</strong></td>
<td><strong>$19,160,884</strong></td>
<td><strong>3,687</strong></td>
<td><strong>$4,174,301</strong></td>
<td><strong>7,311</strong></td>
<td><strong>$15,074,550</strong></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 2017-18. The FY 2017-18 Quiz-Fail Denial cost avoidance of $194,751,641 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>11,921</td>
<td>60,930</td>
<td>$2,215,041</td>
<td>$42,266,532</td>
<td>12,109</td>
<td>$13,049,022</td>
<td>23,582</td>
<td>$48,623,726</td>
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<tr>
<td>2</td>
<td>68</td>
<td>17.75%</td>
<td>3,192</td>
<td>16,312</td>
<td>$1,055,850</td>
<td>$20,144,341</td>
<td>3,242</td>
<td>$3,377,418</td>
<td>6,313</td>
<td>$13,016,775</td>
</tr>
<tr>
<td>3</td>
<td>30</td>
<td>7.83%</td>
<td>1,408</td>
<td>7,196</td>
<td>$732,104</td>
<td>$13,969,163</td>
<td>1,430</td>
<td>$1,846,044</td>
<td>2,785</td>
<td>$5,742,392</td>
</tr>
<tr>
<td>4</td>
<td>19</td>
<td>4.96%</td>
<td>892</td>
<td>4,558</td>
<td>$566,349</td>
<td>$10,804,466</td>
<td>906</td>
<td>$1,384,151</td>
<td>1,764</td>
<td>$3,637,192</td>
</tr>
<tr>
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<td>9</td>
<td>2.35%</td>
<td>422</td>
<td>2,159</td>
<td>$313,251</td>
<td>$5,983,129</td>
<td>429</td>
<td>$749,055</td>
<td>836</td>
<td>$1,723,748</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>0.26%</td>
<td>47</td>
<td>240</td>
<td>$41,792</td>
<td>$796,723</td>
<td>48</td>
<td>$94,284</td>
<td>93</td>
<td>$191,757</td>
</tr>
<tr>
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<td>2</td>
<td>0.52%</td>
<td>94</td>
<td>480</td>
<td>$91,291</td>
<td>$1,740,312</td>
<td>95</td>
<td>$210,158</td>
<td>187</td>
<td>$385,575</td>
</tr>
<tr>
<td>8</td>
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<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></td>
<td>383</td>
<td>100.00%</td>
<td>17,976</td>
<td>91,875</td>
<td>$5,015,678</td>
<td>$95,704,666</td>
<td>18,259</td>
<td>$20,710,132</td>
<td>35,558</td>
<td>$73,321,165</td>
</tr>
</tbody>
</table>

Decreased 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 2017-18, 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 $452,744 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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>580</td>
<td>87.19%</td>
<td>159</td>
<td>497</td>
<td>$19,696</td>
<td>$79,023</td>
<td>84</td>
<td>$18,791</td>
</tr>
<tr>
<td>2+</td>
<td>85</td>
<td>12.81%</td>
<td>23</td>
<td>73</td>
<td>$2,410</td>
<td>$1,679</td>
<td>12</td>
<td>$1,184</td>
</tr>
<tr>
<td></td>
<td>665</td>
<td>100.00%</td>
<td>182</td>
<td>570</td>
<td>$22,106</td>
<td>$80,702</td>
<td>96</td>
<td>$19,975</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 4,681 Abandoned Applications in FY 2017-18 was $4,307,057.

<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>254</td>
<td>66.32%</td>
<td>497</td>
<td>2,607</td>
<td>$92,348</td>
<td>$1,808,450</td>
</tr>
<tr>
<td>2</td>
<td>68</td>
<td>17.75%</td>
<td>133</td>
<td>698</td>
<td>$43,994</td>
<td>$861,988</td>
</tr>
<tr>
<td>3</td>
<td>30</td>
<td>7.83%</td>
<td>59</td>
<td>308</td>
<td>$30,678</td>
<td>$597,902</td>
</tr>
<tr>
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<td>4.96%</td>
<td>37</td>
<td>195</td>
<td>$23,492</td>
<td>$462,236</td>
</tr>
<tr>
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<td>2.35%</td>
<td>18</td>
<td>92</td>
<td>$13,361</td>
<td>$254,955</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>0.26%</td>
<td>2</td>
<td>10</td>
<td>$1,778</td>
<td>$33,197</td>
</tr>
<tr>
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<td>2</td>
<td>0.52%</td>
<td>3</td>
<td>22</td>
<td>$2,914</td>
<td>$79,764</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>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>66.32%</td>
<td>497</td>
<td>2,607</td>
<td>$92,348</td>
<td>$1,808,450</td>
</tr>
</tbody>
</table>

Staff Efficiency Savings
This measure quantifies the reduced staff time required to perform the CA/IV 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 2017-18 was $588,042.

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 2017-18 was $25,766,450 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 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 2017-18, 551 FIS/e-Funds referrals lead to $253,518 in cost avoidance; this amount is included in the $45.3 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 2017-18, this program prevented issuance and expenditures of $1,569,945 (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/recipient 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 2017-18 was $661,542; this amount is included in the cost avoidance reported in the $45.3 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 $908,403 in benefit cost avoidance savings in FY 2017-18.
Appendix C—Benefit Investigations

Benefit Savings/Cost Avoidance Calculation

BI 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;
4. No post fraud or other special program monies are included.

Benefit savings/cost avoidance calculation is the method by which BI reports public assistance program savings based on BI findings. BI 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;
- 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:

<table>
<thead>
<tr>
<th>Monthly amount of benefits that would have been approved</th>
<th>$300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiply by the number of months would have been approved</td>
<td>x6</td>
</tr>
<tr>
<td>Total amount that the applicant would have received initially</td>
<td>$1,800</td>
</tr>
<tr>
<td>Minus actual amount of benefits awarded (e.g. $100 x 6*)</td>
<td>-600</td>
</tr>
<tr>
<td><strong>Equals Total Savings</strong></td>
<td><strong>$1,200</strong></td>
</tr>
</tbody>
</table>

*May be the same or fewer number of months than original certification period.

*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.*

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.

The following example illustrates benefit savings calculations for monitoring cases involving ongoing benefits:

<table>
<thead>
<tr>
<th>Monthly amount of benefits applicant is receiving</th>
<th>$500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of months/benefits left in certification period not awarded</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 the certification period (six months). The certification period was shortened by four months due to the BI findings; 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, the remaining number of months is multiplied by the difference between the newly reduced monthly benefit and the previously approved monthly benefits to derive the total savings. Example:

| Monthly amount of benefits applicant is receiving | $500 |
| Revised monthly amount of benefits due to BI findings | $350 |
| Difference between previous and revised monthly benefit | $150 |
| Number of months remaining in certification period | x 4 |
| **Equals Total Savings** | **$600** |

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 Aviodance Savings Calculations**

Deterrent savings/cost avoidance calculation is the method by which BI reports savings in food assistance and cash assistance programs because of program disqualifications due to ADHs or the applicant or recipient signing of an ADH 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:

| Maximum monthly program benefits for one person | $152 |
| Number of months of disqualification (e.g. 24) minus the number of the re-lated referral benefit savings months (e.g. 6) (24-6=18) | x 18 |
| **Equals Total Savings** | **$2,736** |

*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 multiplied by 18 months.*

Deterrent savings are calculated and recorded after receipt of acknowledgment from the OAH 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.