Transforming Lives

Economic Services Administration
060 - M2 - XK - QUALITY ELIGIBILITY DETERMINATION

Agency Submittal: 2015-17 Final 2017 Sup **Budget Period: 2015-17**

SUMMARY

Using The Work Number (TWN), an online income verification system, contributes to the department's excellent customer service and best-in-nation ranking in food assistance accuracy and quality of eligibility determinations for cash, medical assistance and child care subsidies. The costs for this service have increased an average of 20 percent each year for the last three years. Additionally, for Fiscal Year 2017 (FY17) the TWN contract changed and set a base number of hits for a flat monthly fee, and included an additional per hit rate for anything above that base. Costs for this service have approximately doubled since 2013 and have finally reached a level that the Economic Services Administration (ESA) cannot meet all of its expenses without more funding. ESA requests $296,000 ($210,000 GF-State) for FY17 for these increased costs.

PROBLEM STATEMENT

ESA must verify income to determine eligibility for programs including Temporary Assistance to Needy Families (TANF), the Aged, Blind, or Disabled programs, the Supplemental Nutrition Assistance Program (SNAP), child care subsidy programs, and the medical assistance programs jointly administered with the Washington Health Care Authority. ESA uses TWN since many employers will not verify income over the telephone or complete and return verification forms. Employers who do return the forms often provide partial information and waiting on return calls or mail delivery cause eligibility processing delays. Consequently, ESA has used TWN since 2006 and currently obtains an average of 34,925 verifications per month. Costs to use TWN have increased an average of 20 percent each year and have finally reached a level that ESA cannot pay for all of its expenses without more funding.

In FY17, the monthly cost will increase by approximately $24,000 per month to $122,667 per month. The base payment will allow ESA to access up to 460,000 billable employment and income verifications for all of FY17. If ESA exceeds 460,000 verifications, ESA will be required to pay an additional $3.40 per check. Costs for hits above the monthly base cost are not included at this time, since it is unknown whether ESA will exceed hits covered by the base funding.

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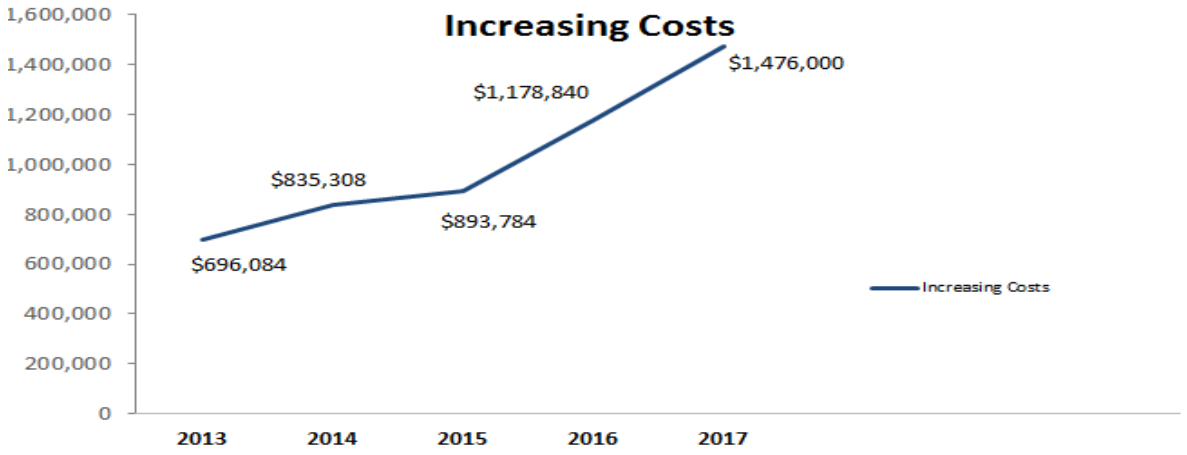
Trend in Increasing Costs Since SFY 2013

Over time ESA have covered cost increases within its appropriation through FY 2016. However, since costs have doubled in four years, ESA can no longer accommodate this increased expense in FY 2017 and beyond.



SOURCE: DSHS Economic Services Administration, August 2016.

PROPOSED SOLUTION

The TWN service connects to the largest database of payroll information in the nation and currently provides a monthly average of 34,925 (approximately 419,000 annually) employment verifications to ESA workers. Access to online income verification not only benefits clients through fast and accurate eligibility processing, it benefits employers and the department by eliminating the need for paper forms and mailing or faxing documents. It also benefits taxpayers by preventing overpayments and fraud from unreported income. ESA is requesting additional funding to cover the anticipated cost increases.

EXPECTED RESULTS

By funding this request, ESA expects to continue to efficiently confirm client eligibility for the services it provides, while also maintaining funding for other critical client services.

STAKEHOLDER IMPACT

This proposal is supported by the Health Care Authority and the following DSHS areas: Aging and Long Term Services Administration, the Children's Administration, and the Office of Fraud and Accountability. These entities rely on access to TWN to perform eligibility, anti-fraud, and other services.

There are no stakeholders known or expected to oppose this proposal.

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Program Contact: Dianna Wilks (360) 725-4524

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. **Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**
   Goal 4: Healthy and Safe Communities - Supported People - Help the most vulnerable people become independent and self-sufficient.

2. **The decision package meets the following DSHS' strategic objectives:**
   1.1: People below 125 percent of the Federal Poverty Level will have greater access to Basic Food assistance.

3. **Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? Yes

e) Responds to specific task force, report, mandate or executive order? No

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? No

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? No

4. **Please provide a detailed discussion of connections/impacts identified above.**
   The Heath Care Authority also uses TWN for eligibility purposes and reimburses ESA for the cost. Other DSHS administrations use the service, but are not charged due to the small number of searches.

Alternatives/Consequences/Other

5. **What alternatives were explored by the agency, and why was this alternative chosen?**
   Research with other states and providers found that the TWN service is the only data source capable of providing the high volume of instant income verifications DSHS needs to expeditiously process public assistance applications and re-certifications.

6. **How has or can the agency address the issue or need within its current appropriation level?**
   ESA has negotiated with TWN to keep rates lower but the costs continue to rise to the point that ESA can no longer maintain the increased costs within the current appropriation level.

7. **Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**
   ☒ **No**
   ☐ **Yes (Include an IT Addendum)**

Fiscal Detail — **060 - M2 - XK - Quality Eligibility Determination**

Operating Expenditures	FY 2016	FY 2017	FY 2018	FY 2019
001-1 General Fund-State	0	210,000	210,000	210,000
001-2 General Fund-Federal	0	68,000	68,000	68,000
001-C General Fund-Medicaid	0	18,000	18,000	18,000
Total Cost	**0**	**296,000**	**296,000**	**296,000**

Staffing	FY 2016	FY 2017	FY 2018	FY 2019
FTEs	**0.0**	**0.0**	**0.0**	**0.0**

Performance Measure Detail

Activity:		Incremental Changes FY 2016	FY 2017	FY 2018	FY 2019
Program: 060					
F120	CSD Field Support Services	0	0	0	0

No measures submitted for package

Object Detail		FY 2016	FY 2017	FY 2018	FY 2019
E	Goods and Other Services	0	0	296,000	296,000
X	OFM Adjust to Agency	0	296,000	0	0
	Total Objects	**0**	**296,000**	**296,000**	**296,000**

DSHS Source Detail

Overall Funding

Operating Expenditures		FY 2016	FY 2017	FY 2018	FY 2019
Fund 001-1, General Fund-State					
Sources	**Title**				
0011	General Fund State	0	146,000	146,000	146,000
GFS2	General Fund State TANF Moe	0	64,000	64,000	64,000
	Total for Fund 001-1	**0**	**210,000**	**210,000**	**210,000**
Fund 001-2, General Fund-Federal					
Sources	**Title**				
E61L	Food Stamp Program (50%)	0	68,000	68,000	68,000
	Total for Fund 001-2	**0**	**68,000**	**68,000**	**68,000**
Fund 001-C, General Fund-Medicaid					
Sources	**Title**				
19UL	Title XIX Admin (50%)	0	18,000	18,000	18,000
	Total for Fund 001-C	**0**	**18,000**	**18,000**	**18,000**
	Total Overall Funding	**0**	**296,000**	**296,000**	**296,000**