

Inspections Report

Supplemental Nutrition Assistance Program

Second Level Review Process

**August 25, 2021
OIG Report No. INS-21-007**



**Inspector
General**

Texas Health
and Human Services



Texas Health and Human Services Office of Inspector General Audit and Inspections Division

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Second Level Review Process

August 25, 2021

Dear Mr. D'Aiuto:

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) has completed an inspection to determine if Health and Human Services Commission Access and Eligibility Services (HHSC AES) second level review process for the Supplemental Nutrition Assistance Program (SNAP) detects errors and prevents distribution of ineligible SNAP benefits.

A representative sample of 30 unique SNAP cases was tested during this inspection. OIG Inspections determined the second level review process is operating effectively to detect errors and prevent distribution of ineligible SNAP benefits. As a result, no observations were identified for this inspection.

However, HHSC AES policies and procedures provide limited guidance for the second level review process, which could cause inconsistent reviews and may weaken the effectiveness of the second level review process as a control. The attachment to this letter contains additional details on this inspection.

Sincerely,

Kacy J. VerColen, CPA
Deputy Inspector General of Audit and Inspections

Attachment

cc: Cecile Erwin Young, HHS Executive Commissioner
Sylvia Hernandez Kauffman, HHS Inspector General

Background

SNAP is a federal program administered by the U.S. Department of Agriculture that provides temporary nutrition benefits to low-income households. HHSC AES operates the program at the state level, determines program eligibility, and issues monthly benefit allotments in Texas. In March 2021, SNAP provided nutrition assistance to approximately 1.5 million eligible low-income individuals and families, with monthly benefits worth nearly \$460 million.

HHSC AES eligibility staff use manual and automated processes to document client eligibility in the secure web-based Texas Integrated Eligibility Redesign System (TIERS). HHSC AES eligibility staff process and verify SNAP initial and redetermination applications to determine client eligibility and to reduce errors and improper payments. AES conducts second level reviews as a preventative measure to ensure accuracy of eligibility and benefit determinations for SNAP. A second level review is the examination of a SNAP case by a second party before the case is disposed.

ATTACHMENT

Section 1: Summary of Inspection Results

Second level review is a quality control in place to verify eligibility when there is a change in an applicant's case. OIG Inspections determined the second level review process worked as designed. Thirty SNAP cases tested were determined eligible for SNAP and received the accurate amount of benefits.

The inspection team tested the following elements of the 30 SNAP cases for completeness with an HHSC AES staff member:

- Reason for second level review
- Case comments
- Budget calculations
- Applicable case dates
- Supporting documentation, if applicable

A total of 375,033 SNAP cases were disposed in March 2021, of which 29,549 (8 percent) required a second level review.¹ According to the Texas Works Handbook, a second level review is required when any one of the following circumstances exist:²

- Restored benefits³ are being issued for more than three months prior to current date.
- The total restored benefit amount for SNAP is equal to or greater than \$125.
- Restored benefits are processed manually rather than issued automatically in TIERS.
- There is an override⁴ to the system-determined Eligibility Determination Group results.

¹ Data provided by HHSC AES (Mar. 2021).

² Texas Works Handbook, Part B, § 880 and Glossary, rev. 13-3 (July 1, 2013).

³ "Restored benefits" are full or partial months of benefits for a past month that are owed to a household due to an agency error.

⁴ An "override" is a TIERS procedure that allows the user to make a change to the system-determined Eligibility Determination Group results. This procedure can be used when policy has changed and TIERS has not yet been updated to process the policy change correctly. Overrides always require Second Level Review before they can be disposed.

In addition to the Texas Works Handbook, separate guidance on the second level review process is included in multiple documents:

- Eligibility Operations Procedure Manual: an HHSC manual containing instructions on how to request and assign a second level review in the Eligibility Workload Management System.
- “Second Level Review” Training Transcript: an HHSC AES training document containing guidance on how to perform second level reviews.
- “R98-5 Updates to SNAP Second Level Reviews and One-Time Medical Expenses” Training Transcript: an HHSC AES training document containing guidance on how to perform second level reviews.

HHSC AES eligibility staff rely on all four sources for guidance during the second level review process.

HHSC AES eligibility staff initiate and process SNAP cases in TIERS. Based on the information entered and automated rules, TIERS determines whether a second level review is required and generates an alert. Once alerted, HHSC AES eligibility staff submit a second level review request through the Eligibility Workload Management System, which escalates the case for review. HHSC AES designated staff conduct second level reviews in TIERS to verify case accuracy. According to internal HHSC AES training, if a second level review has not been completed by 8:00 p.m., the task will auto-route back to the team member’s personal queue and must be resubmitted the next business day.⁵ Depending on the reason for the second level review, HHSC AES designated staff review case comments, supporting documents, case budgets, and case dates to verify eligibility and accuracy. Upon completion of the review, designated staff will either approve the case for disposition or will return the case to HHSC AES eligibility staff for corrective action.

Opportunity for Improvement

The following opportunity for improvement is not an instance of noncompliance with criteria.

HHSC AES policies and procedures provide limited requirements and guidance for the second level review process, which could cause inconsistent reviews and weaken the effectiveness of the second level review process as a control.

⁵ “R98-5 Updates to SNAP SLRs and One-Time Medical Expenses” Training Transcript (provided by AES on May 27, 2021).

Neither the Texas Works Handbook nor the Eligibility Operations Procedure Manual provides guidance to HHSC AES staff on how to conduct the actual review and what information should be verified to determine eligibility and accuracy. In addition, the training transcripts do not include all instances when a second level review is required or how to perform these reviews.

The Texas Works Handbook states second level reviews are required when authorizing restored benefits and overrides. However, TIERS requires second level reviews when other criteria are met. Table 1 outlines a list provided by HHSC AES of reasons a second level review alert is generated in TIERS.

Table 1: Second Level Review Codes and Descriptions in TIERS

Code	Description
HSE	High Shelter Expenses
HME	High Medical Expenses
RB	Restored benefits
SB	Supplemental benefits
OTTF	One time Temporary Assistance for Needy Families
OVD	Override
OCB	FS/TANF first month of eligibility more than 5 months from current month
SSNNV	SSN not valid
ELTRM	Employee Level Threshold Restored
ELTSM	Employee Level Threshold Supplement
UP	User privileges
UMR	Manually requested
DECI	Date of Death not entered
ATA	ATA EDG Number is assigned

Source: IT Business Automation, HHSC IT Social Services Applications

HHSC AES should strengthen its policies and procedures for second level reviews by incorporating, in one document (a) all instances when a second level review is required in TIERS and (b) detailed procedure steps for the completion of second level reviews. Strengthening policies and procedures for second level reviews would help ensure consistent reviews and the effectiveness of the control.

Section 2: Objective, Scope, Methodology, Criteria, and Standards

OIG Inspections completed an inspection of the second level review process for SNAP.

Objective and Scope

The inspection objective was to determine if the second level review process detects errors and prevents distribution of ineligible SNAP benefits.

The inspection scope was SNAP second level review cases disposed in March 2021, which totaled 29,549 cases.

Methodology

To accomplish the objective, OIG Inspections collected information for this inspection through (a) discussions and interviews with responsible HHSC AES staff and (b) review of the following information:

- Policies and procedures that address the objective
- Case information in TIERS for 30 SNAP cases that required a second level review during March 24, 2021, to March 26, 2021

From a population of 29,549 second level review cases disposed in March 2021, OIG Inspections selected a representative random sample of 30 SNAP cases disposed from March 24, 2021, through March 26, 2021. OIG Inspections collaborated with HHSC AES staff to test the 30 unique SNAP cases by reviewing TIERS records to determine if the second level review process detected errors and prevented distribution of ineligible SNAP benefits for the selected sample.

Criteria

OIG Inspections used the following criteria to evaluate the 30 sample cases:

- Texas Works Handbook (2013)
- Texas Health and Human Services Eligibility Operations Procedure Manual (2020)
- “Second Level Review: Web-Based Training for Customer Care Center (CCC) Staff,” HHSC AES Training Transcript
- “R98-5 Updates to SNAP SLRs and One-Time Medical Expenses,” HHSC AES Training Transcript

Standards

OIG Inspections conducts inspections of Texas HHS programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspections typically result in observations and may result in recommendations to strengthen program effectiveness and efficiency. OIG Inspections conducted the inspection in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

Section 3: Report Team

Report Team

OIG staff members who contributed to this inspection report include:

- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Bruce Andrews, CPA, CISA, Director of Inspections
- James Aldridge, Manager of Inspections
- Giovanna Gutierrez, Lead Inspector
- Pat Kremplin, Senior Inspector
- Kenin Weeks, Inspector
- Mo Brantley, Senior Audit Operations Analyst

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Section 4: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
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