



Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

JUL 30 2019

Ms. Courtney Hawkins
Director
Rhode Island Department of Human Services
Louis Pasteur Building
25 Howard Avenue
Cranston, Rhode Island 02920

Dear Ms. Hawkins:

Today, the U.S. Department of Agriculture (USDA) released the official Supplemental Nutrition Assistance Program (SNAP) overpayment, underpayment, and payment error rates for Fiscal Year (FY) 2018 under the quality control (QC) provisions of Section 16(c) of the Food and Nutrition Act of 2008, as amended (the Act). The national performance measure (national average payment error rate) for FY 2018 is 6.80 percent.

Rhode Island was notified on July 3, 2019, that the Food and Nutrition Service (FNS), would assign the State a payment error rate for FY 2018 because Rhode Island continues to experience systemic issues with the implementation of its eligibility system, RIBridges, which has greatly impacted the State's ability to adequately staff its QC unit and complete QC cases during the FY 2018 review period. Section 16(c)(4) of the Act provides the Secretary of Agriculture the statutory authority to assign an error rate when the State fails to meet QC reporting requirements established by the Secretary. Your assigned payment error rate consists of the sum of the overpayment rate and the underpayment rate. Please note, this sum may not add up to the exact payment error rate due to rounding.

Rhode Island's assigned QC error rates for FY 2018 are:

Overpayment Rate	12.31 percent
Underpayment Rate	1.50 percent
Payment Error Rate	13.81 percent

The Northeast Regional Office is your partner in reducing payment error rates. Rhode Island's error rate increased to 13.81 percent in FY 2018 compared to 11.24 percent in FY 2017. The State's inability to complete the QC cases for both FY 2017 and FY 2018 resulted in the assignment of error rates for both years. The high payment error rate is primarily due to major systemic issues from the implementation of the RIBridges integrated eligibility system. The State continues to address these issues as part of the formal warning corrective action plan.

Ms. Courtney Hawkins

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Since the implementation of RIBridges in September 2016, FNS has provided technical assistance to your State through bi-weekly corrective action calls and frequent on-site visits. FNS will continue to work with you to identify specific root causes of the errors in your State and provide technical assistance on corrective actions. During our corrective action validation visit in August, FNS will evaluate the State's success in addressing known issues that could be contributing to the high error rate. Payment accuracy and QC will remain standing agenda items for our bi-weekly conference calls. As we work together to continuously improve payment accuracy, we also remain dedicated to the validity and accuracy of the QC system as a whole. Together we are stewards of the taxpayer's money and our collaborative efforts will serve to end hunger and improve program integrity.

Statutory authorities regarding liability determination due to excessive payment error rates have been delegated by the Secretary of Agriculture to FNS. Under the Act, a 2-year liability system is in place. Under this system, a liability amount shall be established when, for the second or subsequent consecutive fiscal year, FNS determines that there is a 95 percent statistical probability that a State's payment error rate exceeds 105 percent of the national performance measure for payment error rates.

This letter provides notice that, for FY 2018, FNS has determined that there is a 95 percent statistical probability that Rhode Island's assigned payment error rate of 13.81 percent exceeds 105 percent of the national performance measure. FY 2018 is the second consecutive year that Rhode Island has exceeded 105 percent of the national performance measure. Consequently, a liability amount of \$2,022,683.00 is being established for Rhode Island for FY 2018. In accordance with Section 16(c)(8)(C)(iii) of the Act, your State's Governor and Legislature have also been advised of the error rate and the liability amount. Please see the enclosed documents for more details about your State's liability and your settlement and appeal options.

If you have any questions or need more information, please call your Regional Administrator, Kurt Messner at (615) 565-6370.

Regards,



Brandon Lipps
Administrator
Food and Nutrition Service

Enclosure

BILL FOR COLLECTION

USDA-FOOD AND NUTRITION SERVICE
3101 Park Center Drive
Alexandria, VA 22302

Date: **JUL 30 2019**

Payer: Ms. Courtney Hawkins
Director
State of Rhode Island
Department of Human Services
Louis Pasteur Building
25 Howard Avenue
Cranston, Rhode Island 02920

Symbol	Description	Total Amount
121099	FY18 QC LIABILITY	\$2,022,683.00

Make check payable to: USDA - FNS - HQ

Please send payment to: USDA - FNS - HQ
P.O. Box 979027
St. Louis, MO 63197-9000

Payment is due within 30 days of the date of this bill. Interest at 1.0% per annum, computed monthly, will be charged on the unpaid balance, and will accrue from the date of this bill. However, interest charges will be waived on the debt or any portion of the debt paid within 30 days of the original billing.

PLEASE RETURN THIS PORTION WITH PAYMENT

Amount Paid _____

Vendor:
Ms. Courtney Hawkins
Director
State of Rhode Island
Department of Human Services
Louis Pasteur Building
25 Howard Avenue
Cranston, Rhode Island 02920

Mail Payment to:
USDA - FNS - HQ
P.O. Box 979027
St. Louis, MO 63197-9000

Make payment to USDA-FNS-HQ by check, money order. Address inquiries to: USDA - Food and Nutrition Service, FM, Accounting Division, Attn: Victoria McElroy, 3101 Park Center Drive, Alexandria, VA 22302. 703 605-4396, email: Victoria McElroy@fns.usda.gov

The SNAP Error Rate Liability Process

Notification

USDA is required by Section 16(c)(8)(C) of the Act to notify State agencies of payment claims or liability amounts. On June 28, 2018, your State was notified that FY 2017 was considered a first year for an excessive payment error rate and that a liability amount would be established if the same determination was made for the FY 2018 payment error rate.

Settlement Options

Your State may choose to settle with FNS by paying the whole liability amount in full or by designating 50 percent of the liability amount for new investment in approved activities to improve administration of SNAP and by designating 50 percent of the liability amount as at-risk for repayment if a liability amount for an excessive payment error rate is established for FY 2019.

New Investment

The requirements for new investment and a discussion of the State's appeal rights and procedures along with the Notice of Claim/Bill for Collection for the full amount of the liability are enclosed. If you choose to accept the 50/50 settlement option proposed above, please sign all three copies of the settlement agreement, retain one signed copy for your records and return the remaining two signed copies to your FNS regional office by September 30, 2019, following requirements at 7 CFR 275.23(e).

Appeal Process

The liability determination and associated amount is eligible for appeal following Section 16(c) of the Act. If a State agency decides to pursue an appeal, it must file a notice of appeal within 10 days of receipt of this notice of liability amount and enclosed Notice of Claim/Bill for Collection (7 CFR 283.4). However, the statute further provides that this time period may be extended for cause if so determined by USDA's Office of the Administrative Law Judges (OALJ). In accordance with 7 CFR 283.22(f) of the SNAP regulations, a request for an extension must be submitted to the OALJ prior to the original due date.

The notice of appeal or a request for an extension shall be filed with the Hearing Clerk, U.S. Department of Agriculture, Office of Administrative Law Judges, Room 1031- South Building, 1400 Independence Avenue SW, Washington, D.C. 20250-9203 within 10 days of receipt of this notice of liability amount and the enclosed Notice of Claim/Bill for Collection.

In the event that your State files a notice of appeal within 10 days of receipt of this notice of liability amount and enclosed Notice of Claim/Bill for Collection, its appeal petition providing factual arguments in support of its appeal must be filed within 60 days of receipt of this notice. See Section 16(c)(8)(D)(ii) of the Act and 7 CFR 275.23(f).

Future Actions

If FNS determines for FY 2019 there is again a 95 percent statistical probability that your State's payment error rate exceeds 105 percent of the national performance measure for FY 2019, and is at or exceeds 6 percent, a liability amount may be established for your State agency for FY 2019 and your State may also be liable for the FY 2018 at-risk amount.

SETTLEMENT AGREEMENT

The Rhode Island Department of Human Services (“State”) and the Secretary of Agriculture (“Secretary”) agree, as stated in this settlement agreement (“Agreement”), to settle the Supplemental Nutrition Assistance Program (“SNAP”) payment error rate liability amount (“Liability Amount”), Federal Fiscal Year 2018 (“FFY 2018”), for the State established pursuant to Section 16(c)(1)(C) of the Food and Nutrition Act of 2008, as amended (“Act”). This Agreement is entered into pursuant to Sections 13(a)(1) and 16(c)(1)(D)(ii) of the Act.

[1] Pursuant to Section 16(c)(1)(C) of the Act, for FFY 2018, the Secretary has established a Liability Amount of \$2,022,683.00 for the State. Pursuant to Section 16(c)(1)(D)(i)(I) of the Act, the Secretary has determined that \$1,011,341.50, which is fifty (50) percent of the Liability Amount, be used by the State for new investment (“New Investment Amount”), and determined that the remaining \$1,011,341.50 is an at-risk amount (“At-Risk Amount”) that would be paid to the Secretary in accordance with Section 16(c)(1)(D)(i)(II) of the Act in the following FFY if a liability amount is again established for FFY 2019. The Secretary has notified the State about the statutorily established At-Risk Amount by separate letter. The At-Risk Amount is not affected by this Agreement.

[2] The State agrees to invest a New Investment Amount, totaling \$1,011,341.50, which is fifty (50) percent of the FFY 2018 Liability Amount established for the State, in mutually agreed upon activities for improving SNAP administration within the State. This New Investment Amount shall not be eligible for Federal matching dollars, and shall be in addition to the cost of the minimum program administration required by law and regulation. For the purpose of complying with this Agreement, the State may not transfer or borrow funds from existing SNAP operational activities to fund new investment activities.

[3] The State shall submit a proposed New Investment Plan to the Secretary within ninety (90) days of the effective date of this Agreement. The New Investment Plan shall state how the New Investment Amount will be expended by the State. The New Investment Plan and any modifications to the plan are incorporated into this Agreement as addenda to this Agreement.

[4] Costs of investment activities funded by the New Investment Amount shall be allocated in accordance with the State’s approved New Investment Plan. One hundred percent of the funds invested by the State under this Agreement may be credited as SNAP administrative expenditures so long as the approved activities are aimed at improving SNAP administration, regardless of whether other State programs may also benefit from investments.

[5] Once the State completes an investment expenditure as part of the New Investment Plan, the expenditure is final and not subject to any future adjustment due to subsequent changes in law. In the event that the State fails to make the expenditures necessary to satisfy the terms of this Agreement, or fails to comply in whole or in part with the New Investment Plan required in paragraph [3], the Secretary shall collect from the State the unpaid cash payments or the amount of funds not timely invested according to the New Investment Plan, by withholding such funds

pursuant to Section 13(a)(1) of the Act from amounts that would otherwise be payable to the State by the Secretary.

[6] Any monies expended by the State for administrative purposes described in Section 16(a) of the Act that are in addition to, and exceed, the amount of the New Investment Amount stated in paragraph [1] may be eligible for Federal matching funds.

[7] The State shall provide periodic reports as requested by the Secretary concerning the State's compliance with the terms of this Agreement, the expenditure of funds, and the efforts of the State to improve SNAP program administration.

[8] This Agreement shall constitute complete settlement and satisfaction of all administrative claims and causes of action which have been or could have been asserted by the State against the Secretary, or by the Secretary against the State, relating to the State's Liability Amount (including New Investment Amount) for FFY 2018.

[9] This Agreement shall only affect the State's SNAP error rate Liability Amount for FFY 2018, and shall not affect any liability of the State in future years for exceeding the national performance measure error rate in accordance with Section 16(c)(1)(C) of the Act.

[10] This Agreement may be signed in separate counterparts and shall become effective only upon the signature affixed by the representatives of the Secretary and the State.

[11] If entering into this agreement, this Agreement shall be signed by the State and submitted to the Northeast Regional Office by September 30, 2019.

AGREED:

JUL 30 2019

Date: _____



On Behalf of the Secretary:
Brandon Lipps
Administrator
Food and Nutrition Service,
United States Department of
Agriculture

Date: _____

Courtney Hawkins
Director
Rhode Island Department of Human
Services

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Food and Nutrition Service,
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Administrator
Food and Nutrition Service,
United States Department of
Agriculture

Date: _____

Courtney Hawkins
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Rhode Island Department of Human
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