

Paul,

I am sending this email to you at the request of Erinn Kelley-Siel, Director of the Department of Human Services (DHS).

At the Department of Administrative Services Ways and Means presentation on 2-11-13, the Committee asked Erinn Kelley-Siel to submit a response to a couple of questions:

1. Co-Chair Smith asked for information regarding monitoring and program integrity and any supporting data as it relates to Food Stamp benefits.

Please see attached document.

2. Erinn also mentioned to the Committee a hearing that was being scheduled in Rep. Tomei's House Human Services and Housing committee and the DAS Ways and Means committee members would like to know when that hearing is scheduled.

An informational hearing regarding child welfare has been set for 2-20-13 in the House Human Services and Housing Committee.

At this point, the exact date has not been set for other hearings. However, a tentative schedule suggests that a presentation regarding senior issues and elder abuse may happen on or around 2-25-13 and a presentation regarding developmental disabilities and autism may happen on or around March 4th. These last two informational hearings are tentative and subject to change.

Please let me know if you have other questions.

Thank you.

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Any fraud in public assistance programs is too much, and the Oregon Department of Human Services (DHS) is constantly strengthening its efforts to ensure public assistance programs are serving their target populations effectively and maximizing the taxpayer investment in them. In DHS, program integrity efforts include quality control, quality assurance, payment accuracy and recovery, and fraud prevention and investigations.

DHS currently has a record number of Oregonians participating in its programs and a fraud rate that is less than 1 percent. DHS has a two-pronged approach to fraud:

- *Preventing fraud from happening* by building checks into our application and eligibility processes to make sure only the people who are truly eligible for our programs are approved. DHS puts most of its fraud prevention efforts in the front-end of its processes as most attempts at fraud take place during the application and eligibility determination phases.
- *Investigating fraud allegations and pursuing appropriate consequences for violators.* The DHS Fraud Investigations Unit responded to more than 4,000 new reports of fraud in 2012. The majority of referrals come from DHS employees. Anyone can report possible fraud by calling the DHS Fraud Hotline at 1-888-372-8301 or submitting a report online at www.oregon.gov/DHS/aboutdhs/fraud/. Our fraud investigators work closely with USDA Office of Inspector General Special Agents, USDA Food and Nutrition Service Program Specialists, the Department of Justice Medicaid Fraud Unit, and federal and local law enforcement.

During the 2011-13 biennium, DHS made significant changes in its program integrity approach to boost effectiveness and intensify the agency's quality improvement and fraud efforts. More and better data is now available, and solid metrics are in place, creating new opportunities for preventing and identifying fraud, and improving program quality. Program integrity efforts include:

Increasing organizational focus on program integrity at all levels

- Created Office of Program Integrity and appointed a director
- Establishing a program integrity governance structure for monitoring, problem-solving and accountability. The governance structure includes the Program Integrity Committee for non-Medicaid programs, Medicaid Accuracy Committee and the Fraud Prevention Steering Committee.
- Regular review of issues and metrics at the highest levels of the agency through the Quarterly Business Review process that's part of the new DHS Management System
- Routine internal and external audits

Using data and data mining techniques to prevent and identify potential fraud

- The agency conducts a variety of data match activities to ensure only the people who qualify for services receive them and receive them in the right amount. Data match examples include reports identifying people who are incarcerated and should no longer receive benefits, or people who received benefits in more than one state.
- Data mining techniques are used to identify abnormalities in client or program activities

Improving internal systems and employee awareness

- Establishing security processes for protecting Oregon Trail Cards

- Having protocols that prevent worker fraud such as having one worker determine eligibility for a client and a different worker issue the Oregon Trail Card
- Placing alerts on the mainframe computer system reminding staff to protect client information and consequences for violators
- Training

Increasing client awareness to prevent fraud

- Providing information when people apply for services about the appropriate use of benefits and consequences for not doing so
- Publishing an Oregon Trail Card web page with information and safety tips at www.oregon.gov/dhs/ebt/Pages/default.aspx
- Sending warning letters to people who replaced six or more Oregon Trail Cards in a 12-month period
- Centralizing the replacement of lost or stolen Oregon Trail Cards. In fall 2012, Oregon began rolling-out a new process that requires clients to call a toll-free number to have a replacement card be sent by mail. So far, the number of replacement card requests has declined by half a percent.