

# The impact of simplified report on effectiveness of service delivery and service review: the case of Supplemental Nutrition Assistance Program

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# I. Introduction

## 1.1. Purpose of Study

- Analyzing the effect of simplified report in Supplemental Nutrition Assistance Program(SNAP) on payment error rate generated by SNAP client(recipients)
- Analyzing the effect of simplified report on payment error rates that detected in each of the three steps for error detection(SNAP Quality Control)

## 1.2. Necessity of Study

- Most of the previous studies analyze the effect of administrative burden usually use behavioral change of bureaucrats or agency.
- Other studies with more citizen oriented points of view focused on impact of reduced administrative burden on public service participation, take up, or enrollment.
- In this study, the author would like to explore how SNAP simplified affect behavior of service recipients, not applicants especially in service delivery
- Also, by using error rates caught by each error review stage as dependent variable, we try to check the relationship between simplified reporting and effectiveness of reviewing process.
- Furthermore, in previous studies, the effect of reduced administrative burden described only on one side, state government(bureaucratic) or citizen(recipient) although studies stressed the importance of state-citizen interaction. In this study, I would like to show how reduced administrative burden of bureaucrats reduces administrative burden of citizen.

# II. Literature Review

## 2.1. Administrative Burden



- The concept of 'administrative burden' has been rare in public administration research
- The perception of 'regulatory burden' has been an important issue in public sector in the early 1990s(Larsen, 2006), but only focuses on how bureaucrats behave when facing administrative burden in this era
- 'Administrative burden is an 'individual's experience of policy implementation as onerous'(Herd et al, 2013; Burden et al, 2012)
- There are three components of administrative burden; learning costs, psychological costs, and compliance costs

- Previous researches that analyze the effect of administrative burden mainly focused on how bureaucrats think or react to administrative burden. In these types of study, administrative burden is very similar to the concept of 'red tape'
- Other studies in which focusing on state-citizen interaction in public service was more important than traditional concept of administrative burden mainly analyze whether administrative burden affect citizen access to public service or not. In this type of research, 'compliance cost' is suggested to explain the relationship between administrative burden and accessibility.
- Also, although previous researches stressed the 'state-citizen interaction', they mainly deal with how reduced administrative burden encourage citizens to participate rather than focus on 'interaction'.

study	Case	Definition of administration burden	Dependent variable
Wegrich (2009)	SCM policy in Netherland	Inter organizational(government) regulation	Behavior of bureaucrats
Wilk et al. (2008)	Medicare	Paperwork generated in hospital administration	Behavior of patients
Burden et al. (2012)	Election administration	individual's experience of policy implementation as onerous	Behavior of bureaucrats
Herd et al. (2013)	Medicaid	individual's experience of policy implementation as onerous	Take up in Medicaid
Wroblewska (2017)	SNAP		SNAP participation rate
Ganong and Liebman (2013)	SNAP		SNAP take up and enrollment

- As previous studies stressed, reducing administrative burden can encourage eligible people to enter social security system.
- But what happened after they become a 'recipient' or 'beneficiaries' , not 'eligible people'? Can reduced administrative burden affect effectiveness of delivery and review process in public service? Will it go beyond the starting point(service entry) and have an impact on citizen behavior?
- Also, how can reduced administrative burden change bureaucrat's behavior and affect service recipient ultimately?

# II. Literature Review

## 2.2. SNAP and Simplified Report

- To be a recipient of SNAP, each household or individual should report their economic status to State government. Especially they have to report following changes; source of income, earned income, unearned income from public source, child support pay, who lives with you, a new or different car/vehicle and etc.
- Originally, the recipients should report their economic status in every 3 months to State government.
- But to reduce administrative burden, state governments started to extend recertification period and simplify questions with the strong recommendation of USDA. **According to brand new simplified recording policy, recipients only asked to report restricted questions about their economic status and also can have extended recertification period.**
- Under simplified reporting rules, households only required to report changes in extended period, except; 1) household monthly income exceeds 130% of the poverty level, 2) certification period is longer than 6 months, 3) if anyone in household is an Able-Bodied Adult Without Dependents(ABAWD)

NEW YORK STATE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE  
**SUPPLEMENTAL NUTRITION ASSISTANCE  
 PROGRAM (SNAP) CHANGE REPORT FORM**  
*(Please Print Clearly)*

CASE NUMBER									

**YOU MUST REPORT ANY CHANGES IN YOUR CIRCUMSTANCES  
 ACCORDING TO THE RULES LISTED BELOW.**

DATE: \_\_\_\_\_

**TO:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**COMPLETE THIS FORM AND MAIL TO:**

LOCAL DISTRICT NAME, ADDRESS AND TELEPHONE NUMBER:          
--

**YOUR RESPONSIBILITY TO REPORT CHANGES**

**Please read the questions and rules carefully. If you fail to report any changes that you are required to report under the rules, we may have to establish a claim for overpayment of Supplemental Nutrition Assistance Program (SNAP) benefits and collect the amount of the overpayment from you.**

The changes that you **MUST** report are explained below. You may still voluntarily report any change about your SNAP household and, if this change will increase your benefit level and you verify this change, we will increase your benefit.

**ARE YOU A "SIMPLIFIED REPORTER" (6 MONTH) OR A "CHANGE REPORTER"? YOU MAY ANSWER THESE QUESTIONS TO FIND OUT WHETHER YOU ARE A "SIMPLIFIED REPORTER" OR A "CHANGE REPORTER".**

1. Do you receive transitional SNAP benefits (TBA)?	<input type="checkbox"/> <b>YES – Go To "TBA" on page 3</b> (Skip questions 2 through 8)	<input type="checkbox"/> <b>NO – Go To Question #2, below</b>
2. Do you receive New York State Nutrition Improvement Project (NYSNIP) benefits?	<input type="checkbox"/> <b>YES – Go To "NYSNIP" on page 3</b> (Skip questions 3 through 8)	<input type="checkbox"/> <b>NO – Go To Question #3, below</b>
3. Are you certified for SNAP benefits for three months or less at a time?	<input type="checkbox"/> <b>YES –Go To "Change Reporting" on page 2</b> (Skip questions 4 through 8)	<input type="checkbox"/> <b>NO – Go To Question #4, below</b>
4. Does anyone in your household have earned income that is being counted in your SNAP benefit amount?	<input type="checkbox"/> <b>YES –Go To "Simplified Reporting" on page 2</b> (Skip questions 5 through 8)	<input type="checkbox"/> <b>NO – Go To Question #5, below</b>
5. Are all of the adults (18 or older) in your household either permanently disabled or 60 or older?	<input type="checkbox"/> <b>YES –Go To "Change Reporting" on page 2</b> (Skip questions 6 through 8)	<input type="checkbox"/> <b>NO – Go To Question #6, below</b>

# II. Literature Review

## 2.2. Process of SNAP Quality Control

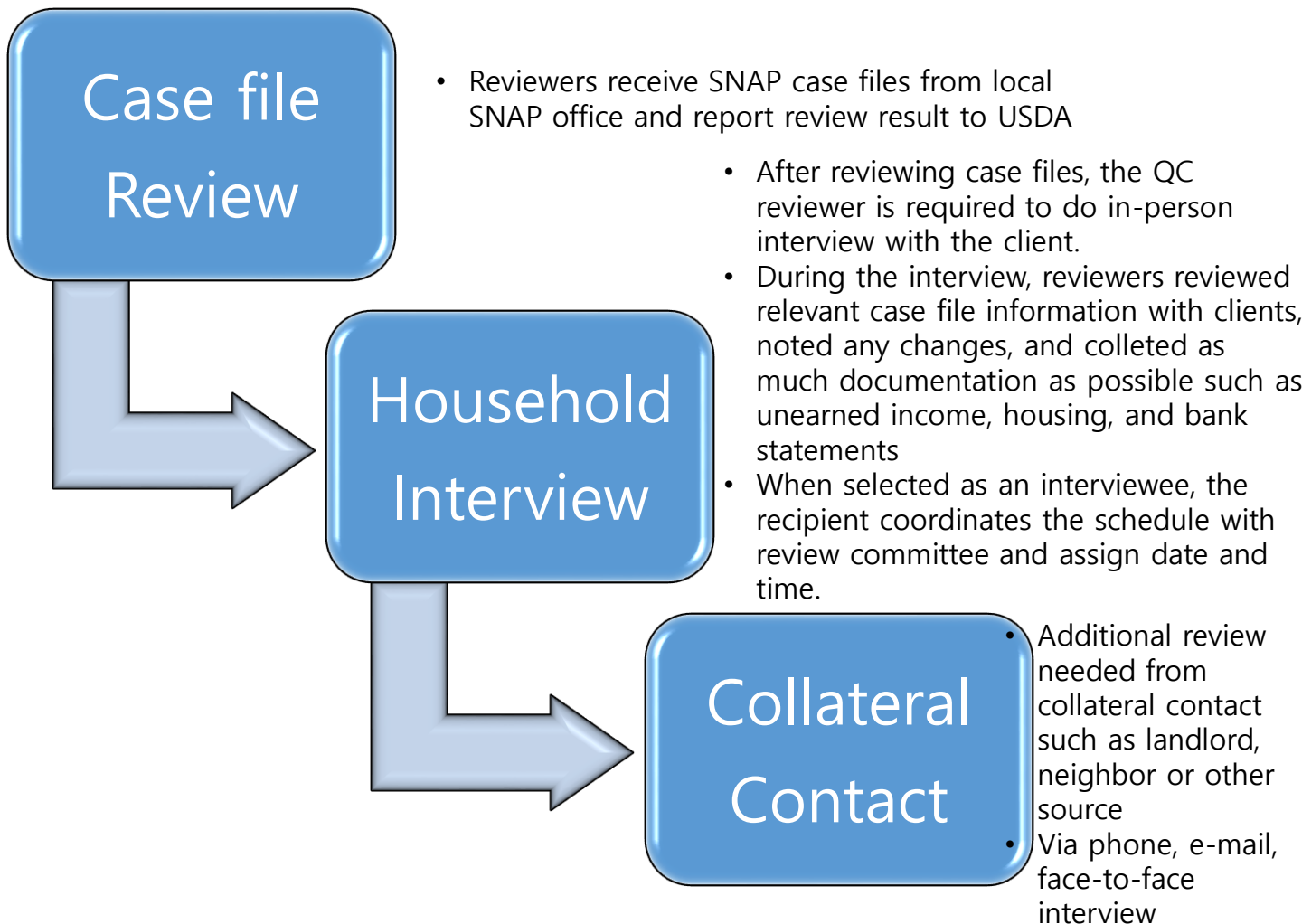
- The Food Stamp Act authorizes a quality control system that measures the accuracy of the states' eligibility decisions and benefit amounts.
- Each month, after the state issues food stamps for the month, it randomly selects a specified number of cases from two sample frames.
- The first, and the one that gets the bulk of the attention, is a sample of all cases that were issued benefits in a given month (known as active cases). Nationwide, states review about 50,000 active cases. For active cases, the state's quality control reviewers conduct both detailed examinations of the case file and in-depth field reviews.
- Based on the results of the review, the QC reviewer determines that the household was ineligible or received an incorrect allotment, the case is cited with an "error" in the dollar amount of the incorrect issuance. The state's error rate for active cases is the estimated "error amount" in dollars, as a percentage of all benefits issued in the state
- According to USDA, error rates represents whether or not benefits provided to SANP beneficiaries accurately and it can be a result of 'entry mistakes with household information', or a 'lack of documentation in the files to support changes to household information'.
- But as CalWorks(2012) of California State Government stated, among overpayment, there is overpayment not as a result of client cased or provider-caused overpayment, but as a result of fraud. The US government pays more attention to overpayment error rates than underpayment error rates for this reason (Gardner and Bowlingson, 2016). Also, investigation organizations like GAO(2010) reported overpayment error rates to explain the possibility of fraud and trafficking in SNAP delivery.



# II. Literature Review

## 2.2. Process of SNAP Quality Control

- The QC review process for calculating client error is composed of three stages

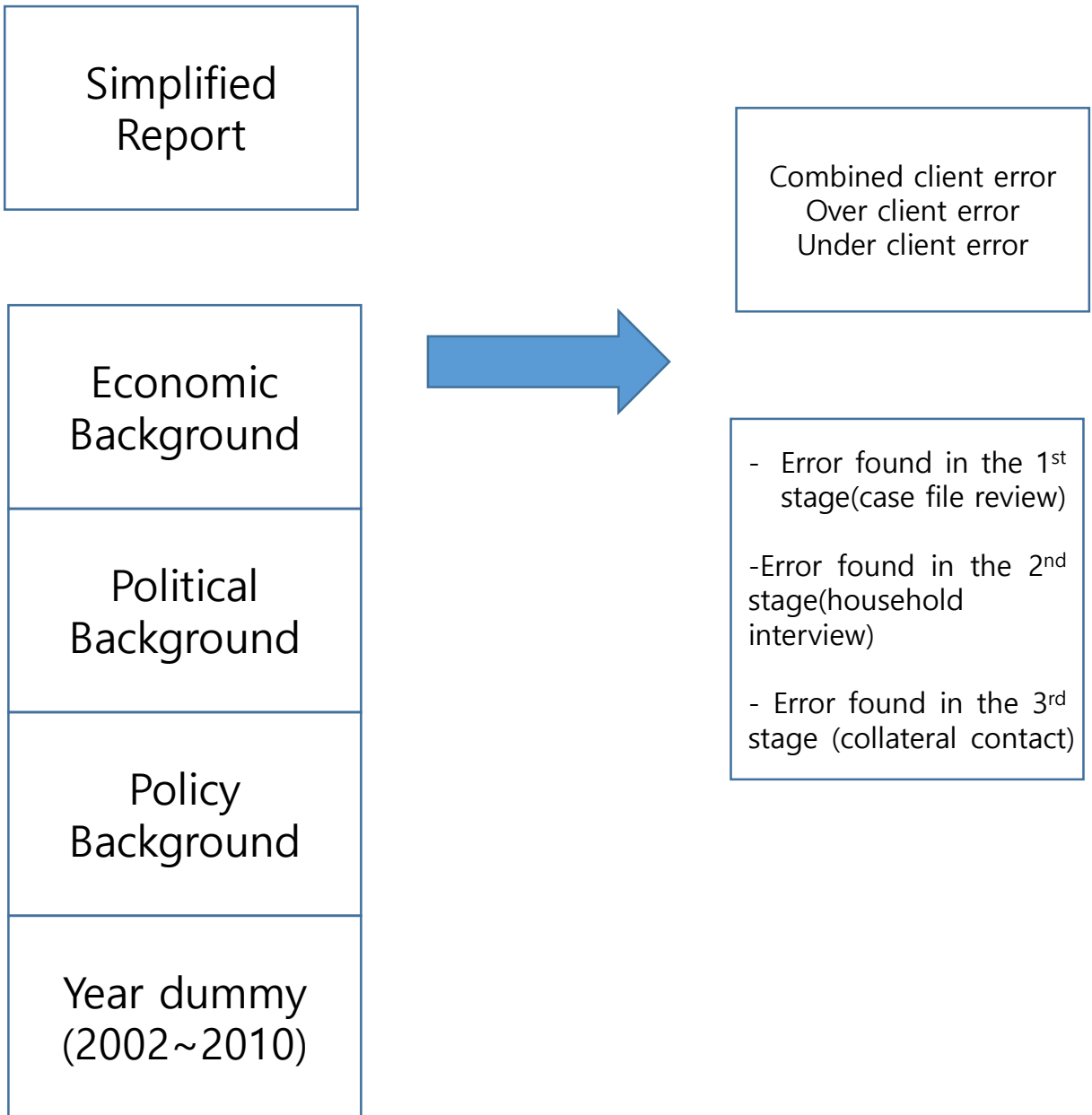


# III. Research Design

## 3.1. Data collection

- **9 year(2002-2010), 50 state panel data**
- Data sources
  - 1) USDA Quality Control Report,
  - 2) GAO report,
  - 3) USDA State Activity Report,
  - 4) EBT database (data.gov),
  - 5) US Census Bureau,
  - 6) Commerce USA

## 3.2. Analytical Frame



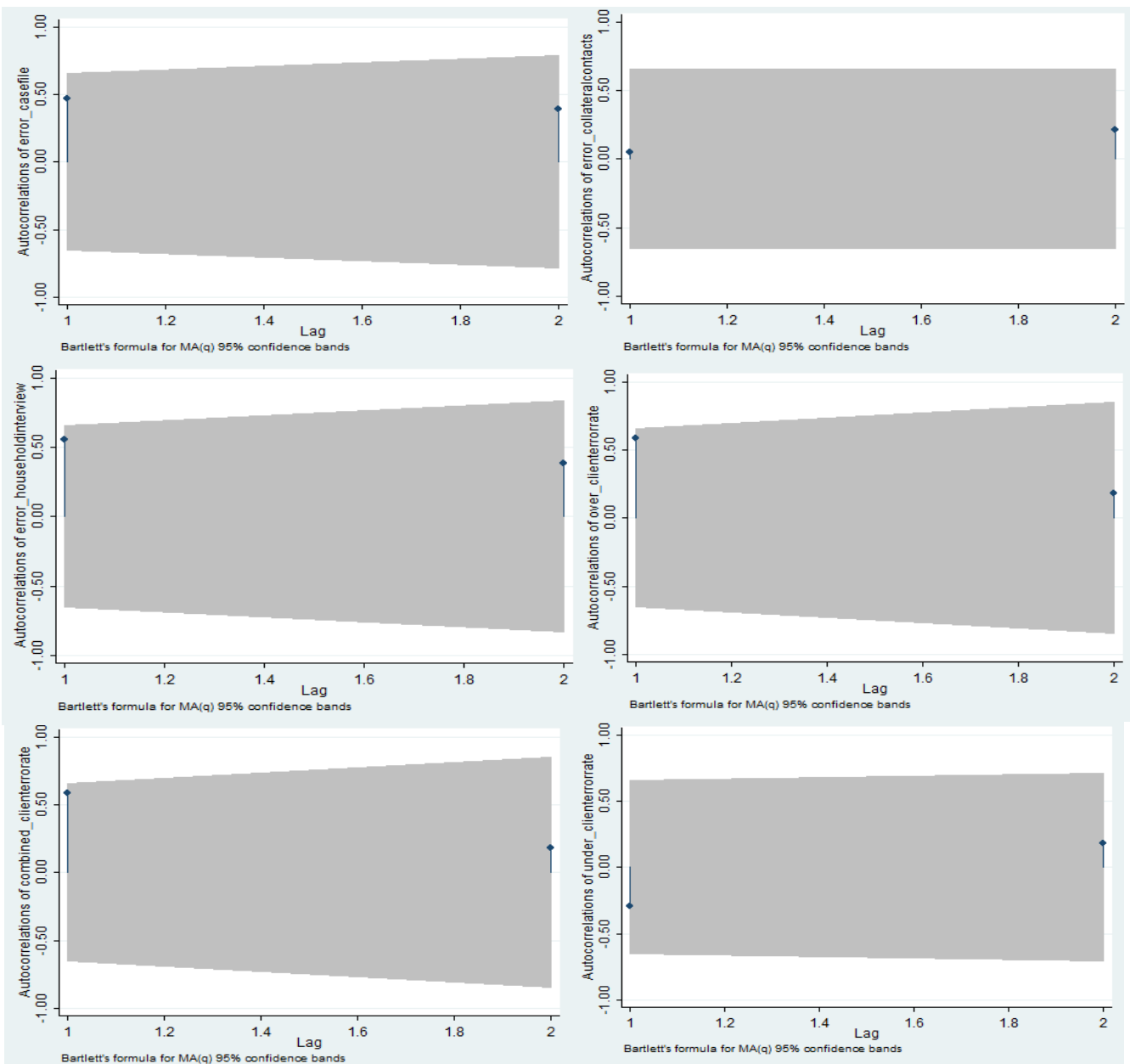
### 3.3. Variable Measurement

	category	Variable names	Description	Source
dependent variable	Service review	Error_ casefile	Error rates(%) uncovered through casefile review(1 <sup>st</sup> stage of client error review)	Quality Control Annual Report, GAO report
		Error_ household interview	Error rates(%) uncovered through face to face household interview(2nd stage of client error review)	
		Error_ collateral contact	Error rates(%) uncovered through collateral contact (3rd stage of client error review)	
	Service delivery	Combined_ client error rate	Overpayment client error rate(%) + underpayment client error rate(%)	State Activity Report
		Over_ client error rate	Dollar overpayment error rate(%) generated by client	
		Under_ client error rate	Dollar underpayment error rate(%) generated by client	
Independent variable	Administrative burden	reportsimple	For households with earnings, the State uses the simplified reporting option that reduces requirements for reporting changes in household circumstances (0=no, 1=yes)	EBT State Status Report

	Variable names	Description	Source
economic background	log (GDP)	Log of state real GDP (2009 dollar)	Commerce USA Database
	poverty rate	Poverty rate of state	US Census Bureau Database
political background	governor_d	Political party of governor (1=democratic, 0=not democratic)	State government homepage
policy background	call	The State operates call centers, and whether or not call centers service the entire State or select regions within the State (0=no, 1=yes)	EBT database
	faceini	The State has been granted a waiver to use a telephone interview in lieu of a face-to-face interview at initial certification, without having to document household hardship (0=no, 1=yes)	EBT database
	oapp_dum	The State allows households to submit a SNAP application online (0=no, 1=yes)	EBT database

### 4.3. Testing Autocorrelation of dependent variables

- Check the possibility of autocorrelation using Autocorrelation Function. In Stata, if ac function coefficient (blue bar) is located inside the gray area, we can say that AC function coefficient is not different from 0.
- As we can see from figures below, there is possibility of autocorrelation in every dependent variables. -> No need to insert time lag in regression model!



## 4.4. Panel Unitroot Test

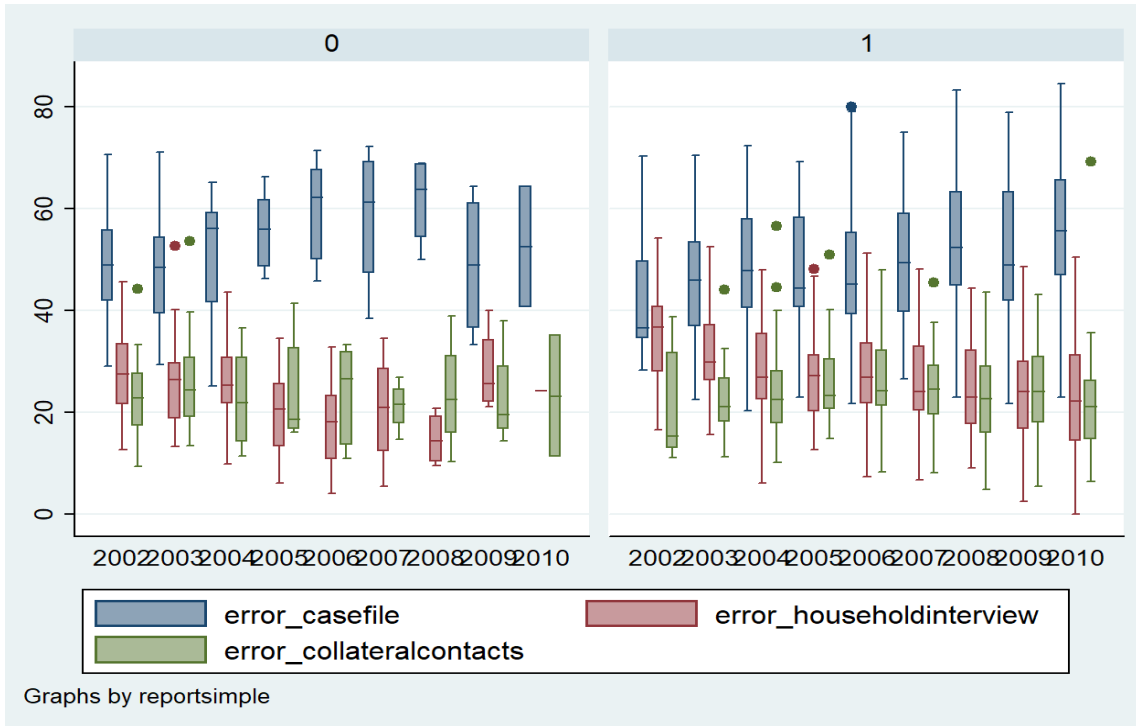
- To check whether panel data is stationary or not, we test the existence of unitroot using Levin-Lin-Chu panel unitroot test.
- Null hypothesis(panels contain unit root) is rejected in every model.
- We can see that this state panel data is **stationary**, so there is no need to use different type of empirical model.

- Levin-Lin-Chu panel unit-root test
- Ho: Panels contain unit roots
- Ha: Panels are stationary
- AR parameter: common
- Panel Means: Included
- Time trend: Included

Dependent variable	t	Statistics	P-value
Error_casefile	Adjusted t*	-13.8360	0.000
Error_householdinterview	Adjusted t*	-21.3518	0.000
Error_collateralinterview	Adjusted t*	-10.4405	0.000
Combined_client error rate	Adjusted t*	-18.4354	0.000
Over_client error rate	Adjusted t*	-21.0074	0.000
under_client error rate	Adjusted t*	-9.2944	0.000

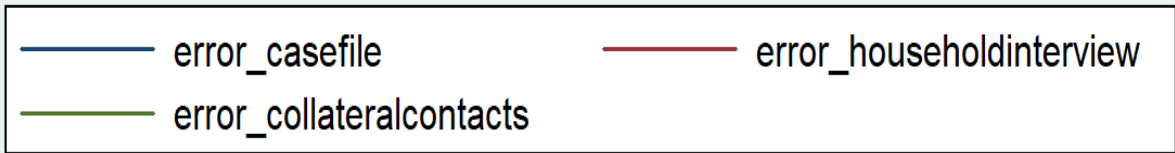
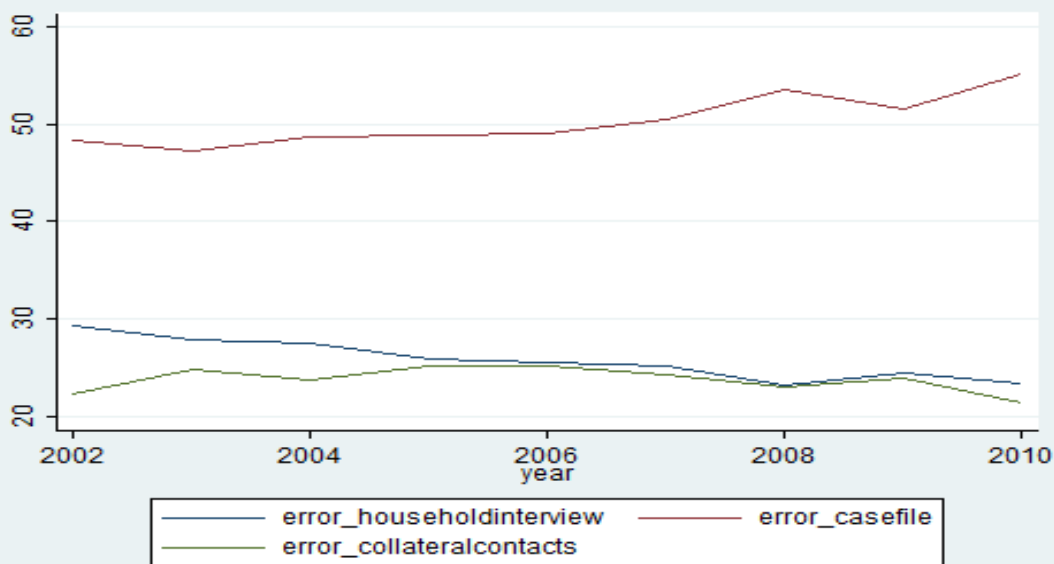
# IV. Empirical Result

## 4.1. Descriptive Statistics of Dependent variables: Quality Control Review



- Errors uncovered through three stages of error rate review; 1) casefile review, 2) face-to-face household interview, 3) collateral contact
- Errors uncovered in the first stage(casefile review) increase as simplified report implemented
- On the other hand, errors found by household interview and collateral contact decrease as time goes by
- With the adoption of simplified reports, SNAP payment errors are most found in the first stage(case file review).

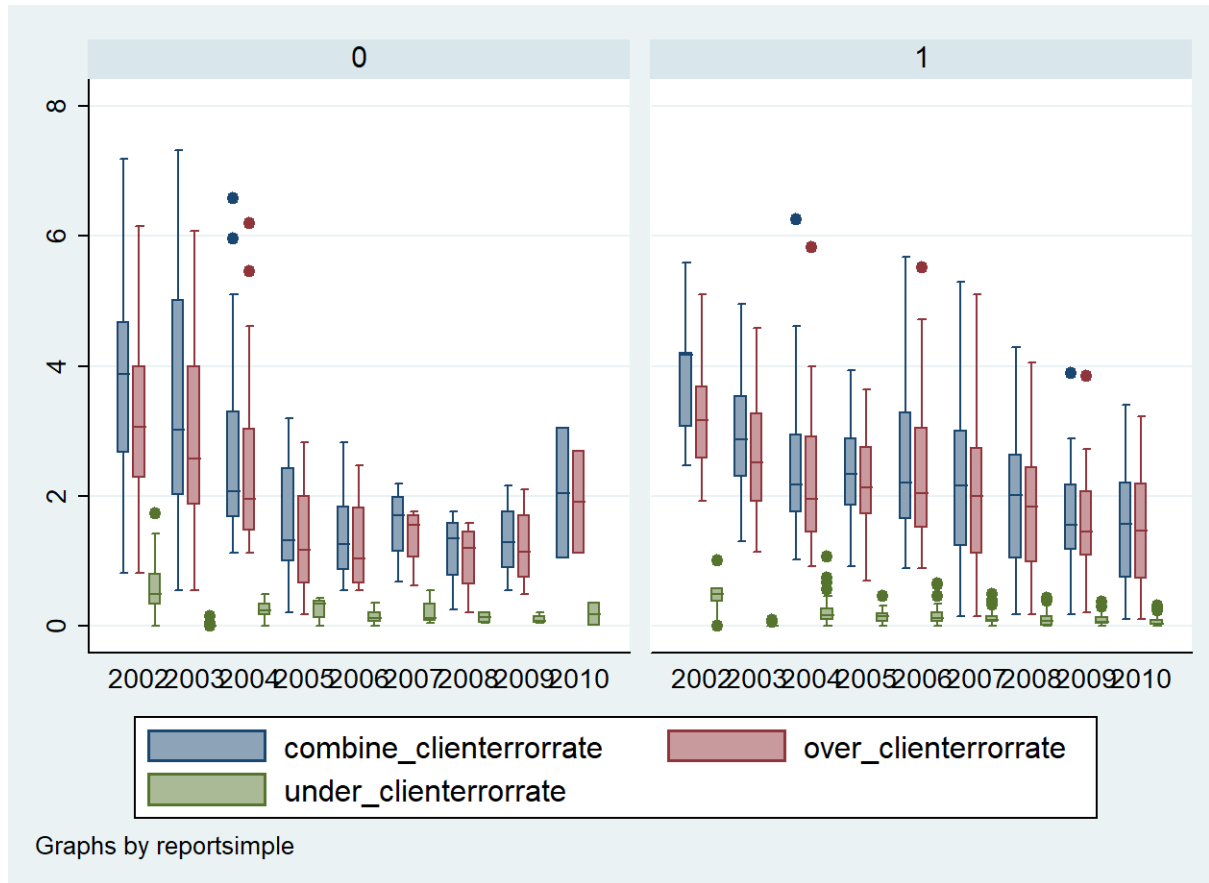




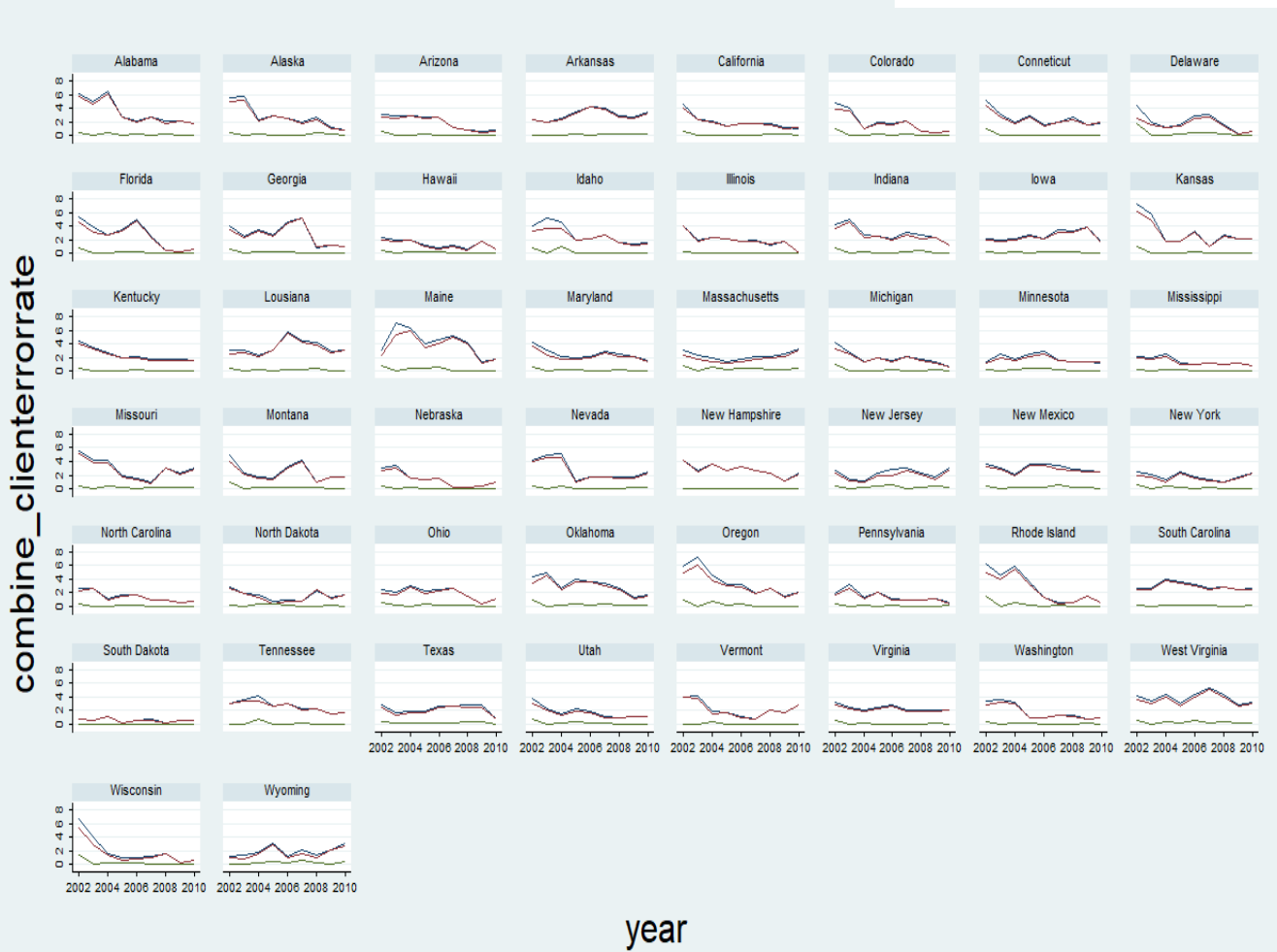
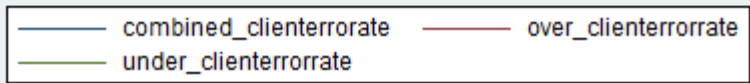
Graphs by state

# IV. Empirical Result

## 4.1. Descriptive Statistics of dependent variable: Clients

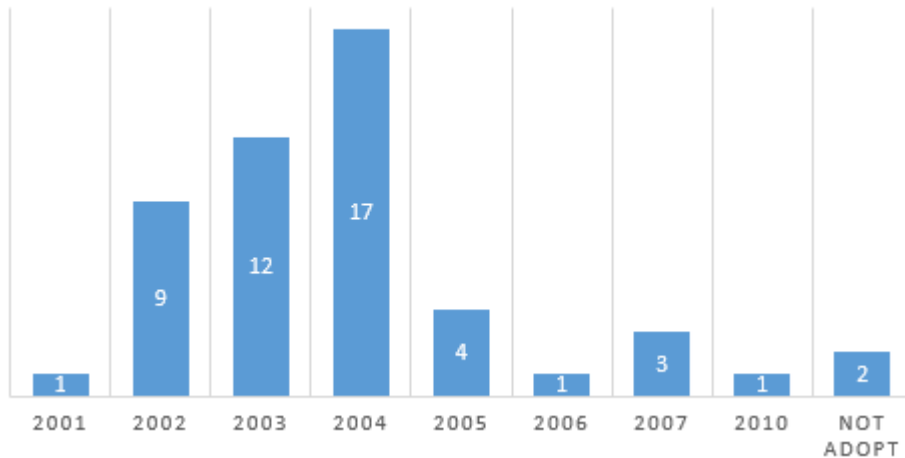


- Client error rate show quite big difference between before and after the introduction of simplified report.
- Especially combined client error rate and overpayment client error rate show significant and continuous decrease after simplified report started.



Graphs by state

## 4.2. Descriptive statistics: independent/control variables

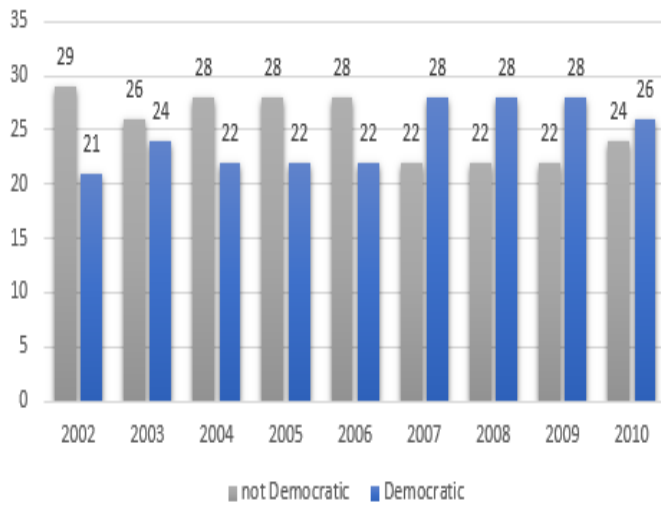


Most of the States adopted simplified report during FY2002- FY2004(based on Jan each year). California and Wyoming did not implement simplified report until FY 2010.

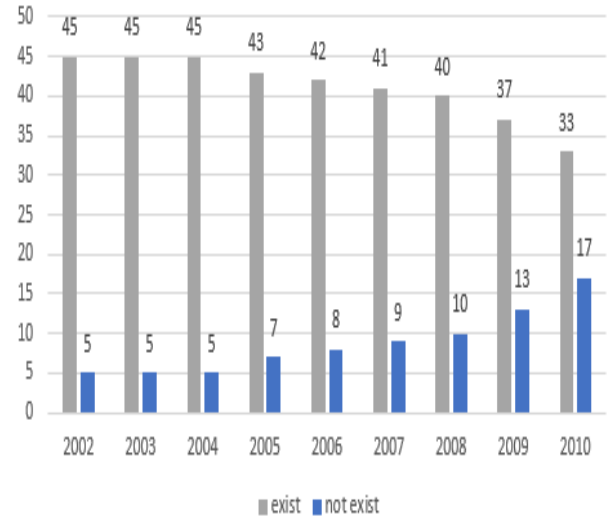
State name	Adoption year	State name	Adoption year
Alabama	2005	New Hampshire	2002
Alaska	2004	New Jersey	2002
Arizona	2003	New Mexico	2004
Arkansas	2004	New York	2002
California	X	North Carolina	2004
Colorado	2003	North Dakota	2007
Connecticut	2003	Ohio	2003
Delaware	2003	Oklahoma	2003
Florida	2004	Oregon	2004
Georgia	2003	Pennsylvania	2004
Hawaii	2007	Rhode Island	2005
Idaho	2004	South Carolina	2003
Illinois	2004	South Dakota	2010
Indiana	2004	Tennessee	2002
Iowa	2004	Texas	2004
Kansas	2004	Utah	2007
Kentucky	2003	Vermont	2003
Louisiana	2002	Virginia	2004
Maine	2004	Washington	2005
Maryland	2002	West Virginia	2002
Massachusetts	2003	Wisconsin	2004
Michigan	2002	Wyoming	x
Minnesota	2001		
Mississippi	2006		
Missouri	2002		
Montana	2003		
Nebraska	2004		
Nevada	2005		

## 4.2. Descriptive statistics: independent/control variables

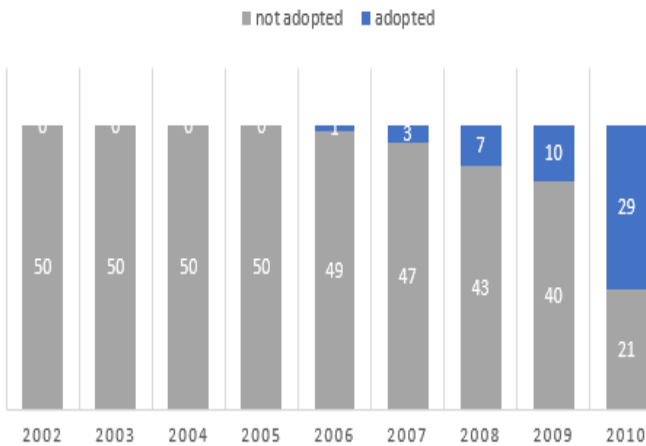
### Political Party of Governor



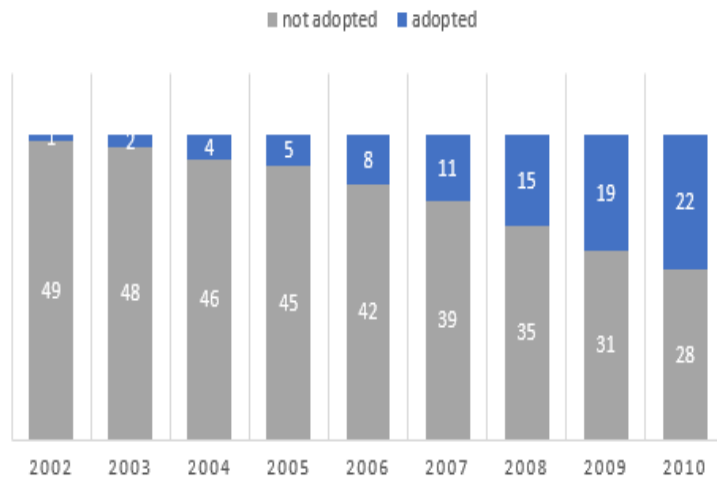
### Call Center



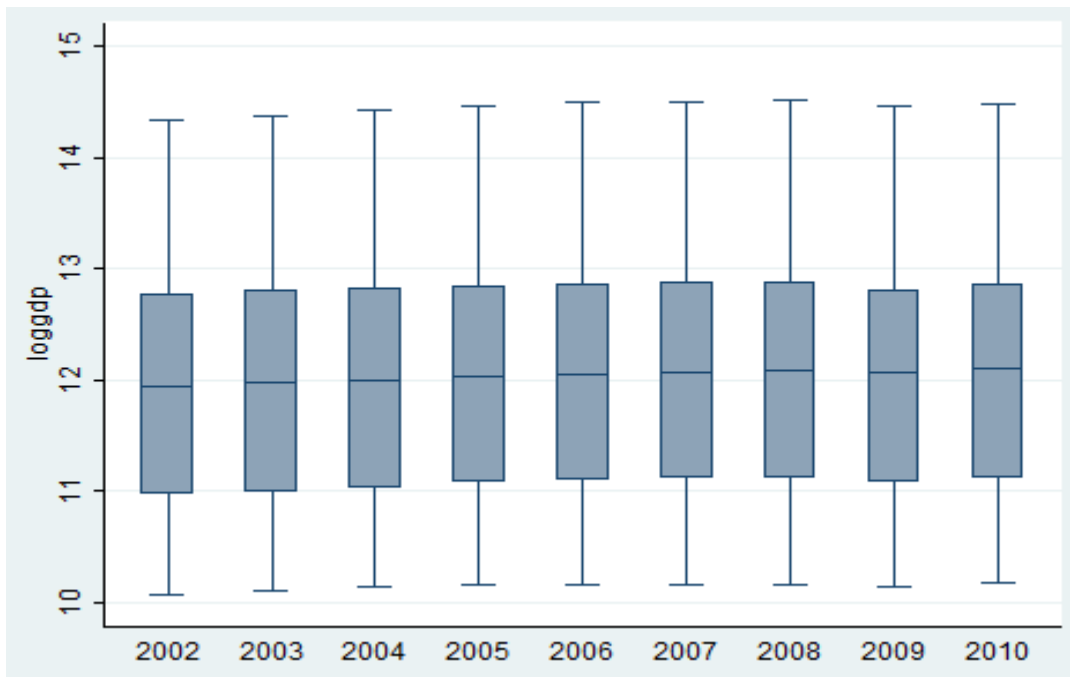
### PHONE INTERVIEW



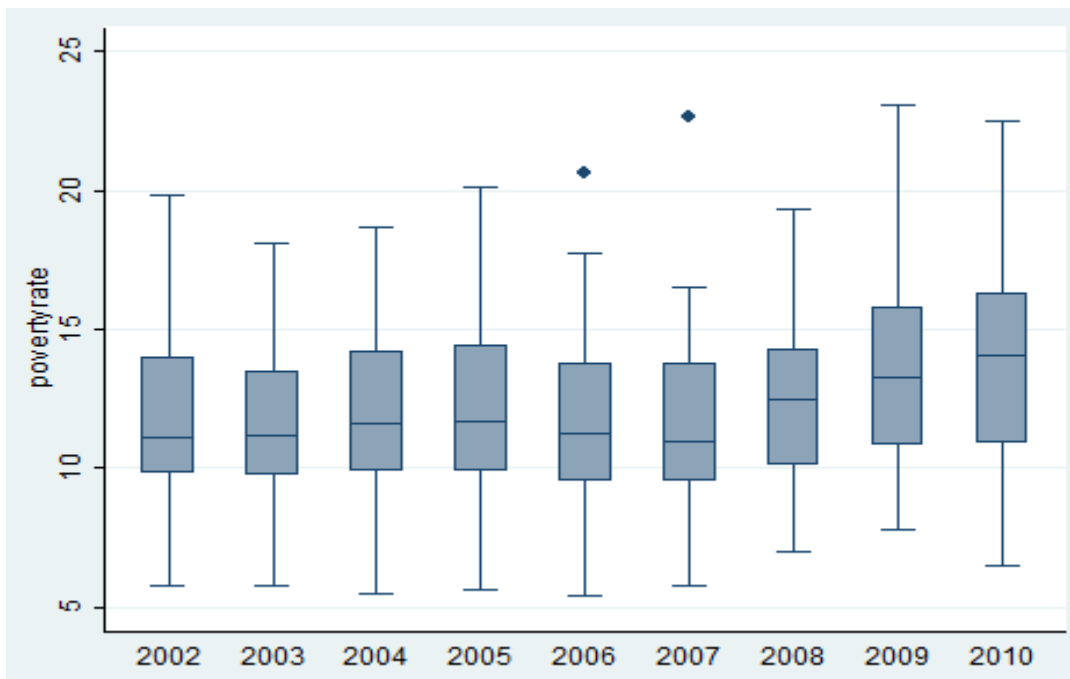
### ONLINE APPLICATION



## 4.2. Descriptive statistics: Control variable



- Log of state real GDP and the poverty rate are string variables inserted in the model.
- Both variables show slight change over time



### 4.3. Panel Fixed Effect Analysis: Government

Variables	Dependent Variable					
	Service Delivery			Service Review		
	Combined client error rate	Over client error rate	Under client error rate	Error_ casefile review (1 <sup>st</sup> stage)	Error_ face to face interview (2 <sup>nd</sup> stage)	Error_ collateral contact (3 <sup>rd</sup> stage)
	Coef.	Coef.	Coef.	Coef.	Coef.	Coef.
Reportsimple	<b>-1.026***</b> (0.186)	<b>-0.792***</b> (0.170)	<b>-0.146***</b> (0.032)	<b>6.161***</b> (1.520)	-1.563 (1.251)	<b>-4.598***</b> (1.314)
Loggdp	2.071 (1.322)	2.166* (1.203)	0.050 (0.228)	5.760 (10.780)	1.982 (8.871)	-7.743 (9.318)
povertyrate	<b>-0.106***</b> (0.041)	<b>-0.085***</b> (0.038)	<b>-0.018***</b> (0.007)	0.421 (0.338)	-0.433 (0.278)	<b>0.012***</b> (0.292)
governor_d	0.211 (0.143)	<b>0.272***</b> (0.130)	<b>-0.064**</b> (0.025)	0.510 (1.164)	-0.915 (0.958)	0.405 (1.007)
call	0.227 (0.242)	0.185 (0.221)	0.029 (0.042)	<b>-5.012***</b> (1.976)	<b>5.776***</b> (1.626)	<b>-0.762***</b> (1.708)
faceini	-0.291 (0.208)	-0.228 (0.189)	-0.031 (0.036)	<b>4.544***</b> (1.694)	<b>-2.469**</b> (1.394)	<b>-2.073**</b> (1.465)
oapp	0.182 (0.189)	0.208 (0.172)	-0.023 (0.033)	<b>-3.374***</b> (1.539)	<b>2.237**</b> (1.267)	1.135 (1.331)
_lyear_2003	<b>-0.352**</b> (0.196)	-0.290 (0.178)	<b>-0.501***</b> (0.034)	-2.590 (1.598)	-1.146 (1.315)	3.737 (1.381)
_lyear_2004	<b>-0.670***</b> (0.229)	<b>-0.502***</b> (0.208)	<b>-0.222***</b> (0.039)	<b>-3.396**</b> (1.866)	-1.095 (1.536)	4.493 (1.613)
_lyear_2005	<b>-1.007***</b> (0.251)	<b>-0.806***</b> (0.228)	<b>-0.282***</b> (0.043)	<b>-3.654**</b> (2.047)	<b>-2.934**</b> (1.684)	6.589 (1.769)
_lyear_2006	<b>-0.967***</b> (0.270)	<b>-0.753***</b> (0.246)	<b>-0.298***</b> (0.047)	-3.357 (2.203)	<b>-3.543**</b> (1.813)	6.901 (1.904)
_lyear_2007	<b>-1.131***</b> (0.289)	<b>-0.911***</b> (0.263)	<b>-0.306***</b> (0.050)	-2.430 (2.355)	<b>-3.888***</b> (1.938)	6.319 (2.036)
_lyear_2008	<b>-1.380***</b> (0.299)	<b>-1.156***</b> (0.272)	<b>-0.307***</b> (0.052)	0.391 (2.440)	<b>-5.613***</b> (2.008)	<b>5.223**</b> (2.109)
_lyear_2009	<b>-1.558***</b> (0.301)	<b>-1.346***</b> (0.274)	<b>-0.298***</b> (0.052)	-1.558 (2.453)	<b>-4.314***</b> (2.019)	5.872 (2.120)
_lyear_2010	<b>-1.384***</b> (0.351)	<b>-1.187***</b> (0.319)	<b>-0.303***</b> (0.060)	0.227 (2.860)	<b>-4.887***</b> (2.354)	4.660 (2.473)
_cons	-19.621 (15.836)	-21.608 (14.415)	0.214 (2.727)	-26.134 (129.145)	10.883 (106.281)	115.263 (111.629)
N of obs	450	450	450	450	450	450
R_squared	0.4262	0.3603	0.5110	0.1787	0.1474	0.0792

# V. Conclusion

## 5.1. Summary of findings

- Simplified report variable turned out to be significant in all models with client error rates and signs are negative(-).
- Payment errors caught in case file review, the first stage of error review process increased after simplified report implementation. On the other hand, errors found in the last stage reduced after policy adoption.

## 5.2. Implications

- Simplified report increase effectiveness of service delivery and service review.
- Reduced administrative burden reduces SNAP payment errors generated by client. As certification period extended, recipients might able to have more time to learn eligibility status, process of SNAP implementation and conditions they have to report. This result implicate that administrative burden can increase effectiveness of service delivery by reducing learning cost clients face.
- Payment error is found mostly in the first stage of service review and errors found in 2<sup>nd</sup> and 3<sup>rd</sup> stage were either insignificant or decreased. Administrative burden may reduce learning cost of review committee so that most error cases were found in the first stage. As a result, effectiveness of service review process increased after simplified report adopted.
- Also, as mentioned above, unlike first stage of review process, household interview and collateral contact needs coordination and assignment interview schedule, which is another administrative burden to recipients. In this sense, simplified report make additional administrative burden by reducing learning cost of review committee.
- Lastly, although overpayment error rate does not mean 'fraud' or 'trafficking', still this concept is closely related to fraud. The possibility of fraud might not increase even after simplified report adopted, according to our empirical result.



Thank you for listening!