



United States
Department of
Agriculture

SEP 8 4 2009

Food and
Nutrition
Service

Southwest Region

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Dallas, TX
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Tom Suehs
Executive Commissioner
Texas Health and Human Services Commission
Office 7100, MCBH-1000
P.O. Box 13247
Austin, Texas 78711

Dear Commissioner Suehs:

Thank you for the opportunity to meet with you and your staff regarding the Texas Health and Human Services Commission's (HHSC) administration of the Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program. I appreciate the candid and productive discussion regarding the multiple issues facing customers and the HHSC in properly administering this important nutrition assistance program.

This letter is intended to underscore and provide advance warning to HHSC that corrections must be made to bring HHSC's administration of SNAP into compliance with Federal law related to application processing timeliness or HHSC will be at risk for suspension or disallowance of Federal funds in accordance with CFR 276.4(d)(1). After our conversation, I understand clearly that you are committed to making necessary improvements, however, the Food and Nutrition Service (FNS) found through data review and program access reviews that urgent and immediate corrective action is required to ensure HHSC comes into statutory compliance.

FNS understands that the problems HHSC is experiencing (application processing timeliness well outside the Federal statutory requirements and high error rates not only in terms of over/under issuance, but also improper denials and terminations of cases) developed over several years and cannot be corrected fully in the short term. However, as we all agreed, the current status of SNAP administration in Texas is unacceptable and actions must be taken immediately to address both short and long term solutions. While HHSC is experiencing multiple challenges in all areas of administration, we agreed in our meeting that the most immediate issue to address is application processing timeliness with a focus in those large urban offices (e.g., Dallas, Houston) experiencing especially long lead times for interviews.

As a part of this advance warning letter, FNS requests that HHSC provide a detailed corrective action plan (CAP) no later than sixty (60) days from receipt of this letter. The plan should include both short term and long terms strategies to address issues related to administration of SNAP with a focus on application processing timeliness in the immediate steps, but with consideration for full management of the Program

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over the long term. The plan should also include deliverables, timelines, and expected outcomes that can be tracked and reported to FNS on a regular basis. FNS expects that the plan will include, at a minimum, most, if not all, of the strategies we discussed in our meeting, such as:

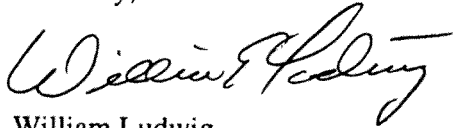
1. **Meeting with other States who are successfully administering the Program.** FNS will work with HHSC to set up this meeting, including initial contact with other States that have information and experience to share as best practice solutions for managing increasing caseloads with limited or dwindling resources. FNS will use Federal State Exchange Funds to pay travel costs for the States to come to Texas to meet and share promising practices.
2. **Considering current State options that can simplify administrative burden.** FNS will work with HHSC to consider available options to reduce administrative workload through State options and policy waivers including maximizing use of telephone interviews and eliminating the asset test completely as a part of expanded categorical eligibility.
3. **Suspending the finger imaging requirement for SNAP.** Given Texas' severe timeliness problems, HHSC will explore the option of suspending finger imaging of SNAP applicants as a way to reduce workload and improve access and customer service.
4. **Establishing a single and accountable point of contact for the CAP.** HHSC will consider having one responsible State agency level leader to consider the administration of SNAP in its totality, an "owner" of the plan to make the required improvements in administration of the program. It was agreed that multiple approaches are needed—a review of business process, technology opportunities, and policy options—to improve administration. This person will own the process improvement fully, and be held accountable for the outcome of improvement in the administration of the Program.
5. **Using community partners more extensively and efficiently in application assistance.** HHSC will consider how to expand and more effectively use community partners so that submitted applications are complete and ready for review and eligibility determination by State workers.
6. **Assessing phone capacity to maximize the use of telephone interviews.** Recognizing the emergency, HHSC will assess current capacity to determine how and when improvements can be made to allow for the use of client friendly telephone interviews which could also improve the situation of overcrowded offices.

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Again, I would like to express my appreciation for the productive and candid discussion. Your commitment to improving administration of SNAP was clear and I look forward to working with you and your staff to ensure access to nutrition assistance for needy Texas citizens consistent with the intent of Federal law and regulations. My staff and I are available for any questions or technical assistance you may need as you develop your CAP. We can be reached at 214-290-9800.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Ludwig".

William Ludwig
Regional Administrator
Supplemental Nutrition Assistance Program