SNAP Includes Extensive Payment Accuracy System
Performance Measures Should Also Emphasize Access, Customer Service

By Dorothy Rosenbaum and Katie Bergh

In coming weeks the Agriculture Department (USDA) will release overpayment and underpayment error rates for the Supplemental Nutrition Assistance Program (SNAP) for fiscal year 2023, based on the program’s extensive quality control (QC) process. The 2022 error rates, the first national and state-level SNAP error rates published since before the COVID-19 pandemic, were somewhat higher than before the pandemic, largely due to states’ ongoing challenges from the pandemic. This trend may continue in the 2023 error rates, as many of those factors were still in effect in 2023. Additionally, a policy change in 2022 — to begin counting the entire benefit amount for cases with certain procedural errors as overpayments even if the household was eligible and received the correct benefit amount based on its income and other circumstances — contributed to higher error rates for 2022 and likely will in 2023 as well.

SNAP error rates should be evaluated in the context of the program’s key role in preventing a surge in food insecurity during the pandemic. Beginning in the spring of 2020, Congress and USDA provided for temporary measures in SNAP that increased benefits and gave states flexibility to prioritize processing new applications and keeping current participants connected to SNAP. These changes helped SNAP respond quickly to support individuals and families during periods of unemployment, earnings loss, and uncertainty. Largely thanks to these and other relief efforts, food insecurity overall held steady in 2020 and 2021, and for households with children it reached a two-decade low. (By comparison, in the Great Recession food insecurity rose by more than 30 percent.) In 2022, food insecurity rose as pandemic relief measures began phasing out, especially those outside of SNAP, and costs for food and other basic needs increased sharply.¹

SNAP’s relief measures, including both benefit increases and added state administrative flexibilities, remained largely in effect throughout fiscal year 2022 and well into fiscal year 2023. They helped households grapple with the continued effects of the pandemic, including food price inflation, and helped state agencies manage their increased workloads and staffing challenges. While states had the flexibility to end the benefit increases and phase out the added flexibilities earlier, the

benefit increases ended in all states after February 2023 and most of the administrative measures began phasing out after the national public health emergency for COVID-19 ended in May 2023.  

In 2022, the national SNAP overpayment rate — the percentage of benefit dollars issued to ineligible households or to eligible households above what program rules direct — was 9.84 percent, up from 6.18 percent in 2019, the last pre-pandemic year. (Congress and USDA suspended the error rate reporting process for fiscal years 2020 and 2021 due to the pandemic, though most states continued to conduct reviews for internal monitoring purposes.) The underpayment error rate — the percent by which benefits for eligible, participating households fell short of what program rules direct — was 1.7 percent, up from 1.18 percent in 2019.  

SNAP’s pandemic-related flexibilities met their objectives of helping states process new applications and keeping people connected to SNAP at a time of severe economic challenges. Not only did food insecurity hold steady, but one measure of SNAP access (the Program Access Index, discussed below) reached its highest-ever levels in 2021 and 2022. These flexibilities, however, may have contributed to higher over- and underpayment error rates in some states because less frequent contact with SNAP applicants and recipients can make it more difficult for state staff to determine benefits accurately.  

SNAP’s error rates compare favorably to many other government activities. For example, the tax gap — or the difference between taxes owed and taxes paid — is around 15 percent in tax year 2021 (the most recently studied year), according to Internal Revenue Service projections. For some categories of income, the share that is misreported is particularly high: 55 percent of non-farm proprietor income, a subset of business income reported on individual returns (the largest source of the tax gap), is misreported.  

Payment accuracy is an important measure of SNAP’s performance; the error rate is the primary performance measure for accountability at local SNAP offices and plays a major role in driving state and federal program officials’ decisions. States and USDA rightfully devote considerable attention to achieving low error rates, monitoring them on a monthly basis, and error rates are the only SNAP performance metric that has financial penalties for states with low performance. But emphasizing payment accuracy to the exclusion of measuring SNAP’s core goal of helping people with low incomes afford a nutritionally adequate diet risks leaving policymakers and the public with inadequate information about how well the program is working for households.

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For example, is SNAP currently reaching a large share of eligible households? How difficult is it for people to access the program through state offices, online, or through call centers? Is the program accessible to people in rural or remote areas, people with disabilities, or people who lack a fixed permanent address? These kinds of performance metrics are also important. A program is not successful if it has high payment accuracy but fails to reach those who need it, or if access challenges impose a significant tax on participants in terms of time and resources.

The upcoming farm bill, the legislative vehicle where SNAP policy is reauthorized roughly every five years, provides an opportunity to improve SNAP performance metrics in ways that better balance payment accuracy with customer service and timely access. SNAP’s success should be measured not only by how accurately it calculates benefits, but also by how well it centers participants’ experience and makes benefits accessible to people in all areas of the country.

### SNAP Includes Rigorous Payment Accuracy System

For decades, SNAP has had among the most rigorous eligibility determination and payment accuracy measurement systems of any federal benefit program. SNAP was among the few programs that already met the high standards of the Improper Payments Act when it was enacted in the early 2000s.

An emphasis on achieving and maintaining low error rates pervades SNAP culture and program operations. A significant number of federal and state personnel are assigned to upfront eligibility determinations and program integrity monitoring. USDA and the states, which administer SNAP under federal guidelines, track SNAP error rates throughout the year and share best practices.

The error rate is the primary performance measure for accountability at local SNAP offices and even for individual state staff. It also plays a major role in driving state and federal program officials’ decisions, in ways that have brought attention to payment accuracy but also can result in barriers that make it harder for households to access needed benefits.

#### Upfront Eligibility Determinations Require Substantial Scrutiny

Under SNAP’s rules, households applying for SNAP must report their income and other relevant information, such as household members, shelter costs, immigration status, and other factors relevant for determining their eligibility, available deductions, and benefit level. A state eligibility worker interviews a household member and verifies the accuracy of the information using data matches or paper documentation from the household or by contacting a knowledgeable party, such as an employer or landlord.

Households must reapply for benefits periodically, usually every six or 12 months. Between reapplications, households must report income and certain other changes that would affect their eligibility or benefit level.

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5 While the USDA Food and Nutrition Service publishes annual measures of state participation rates, they are issued with a long time lag and no penalties or incentives are associated with them.
QC System Rechecks for Accuracy

In addition to these upfront eligibility certification activities, the SNAP QC system requires states each month to select a representative, random sample of SNAP cases totaling about 50,000 cases nationally over the year. An independent state QC reviewer then checks the accuracy of the state’s eligibility and benefit decisions for each household within federal guidelines.6

The QC review includes another detailed examination of the household’s circumstances for the sample month, including another interview with a household member and additional, more extensive documentation. Federal officials then re-review a subsample of about half of states’ sampled cases to ensure the validity and integrity of each state’s review.

QC System Produces Error Rates, Assesses Sanctions for Poor Performance

USDA annually releases state and national payment error rates based on the QC reviews. These error rates measure how accurately states determine eligibility and benefit amounts. States are subject to fiscal penalties if their error rates are substantially above the national average for two or more years in a row. In addition, to help lower error rates, most states (except the highest performers) must submit a corrective action plan for USDA approval outlining measures they will take to address the root causes of errors.

USDA has issued error rates every year since the early 1980s, except for two short gaps. In addition to the congressionally directed suspension of the QC system during the pandemic (discussed below), USDA did not report SNAP QC error rates for fiscal years 2015 or 2016 due to an Office of Inspector General report that drew attention to concerns about data quality issues with error rates in many states. During this time, USDA conducted detailed reviews in all states and took action to address the quality and consistency of the measure.

The 2018 farm bill required USDA to update its regulations to ensure that the QC system produces accurate, statistically valid results and to regularly review states’ QC processes. USDA issued an interim final rule in August 2021 and followed up with a proposed rule with more substantial revisions to the SNAP QC system in September 2023. The revised SNAP error rates for 2017 through 2019 were higher than the rate published in 2014 (see Figure 1); USDA attributed the increase to an improved measurement process rather than an actual increase in improper payments.

Fiscal year 2023 will be the first year since before the pandemic that some states will be subject to financial penalties based on their second consecutive year of high error rates; the penalties can total millions or even tens of millions of dollars. Such states can opt to “reinvest” up to half of these amounts in new activities that improve SNAP administration, such as computer system improvements to address problem areas in the state’s workload management or staff trainings that target root causes of errors.7 The other half is placed “at-risk” and must be paid if the state remains in sanction status the following year.

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7 The reinvestment activities must be approved by USDA.
Most QC Errors Represent Mistakes, Not Fraud

Relatively few SNAP errors represent dishonesty or fraud on the part of recipients, such as lying to eligibility workers to get benefits. Given its nature, the exact extent of fraud is difficult to pinpoint, but it is clear that the overwhelming majority of SNAP errors result from honest mistakes by recipients, eligibility workers, data entry clerks, or computer programmers. USDA reports that about half of overpayments and 80 percent of underpayments in fiscal year 2019 were states’ fault; most others resulted from simple errors by households, not intentional fraud. Individual households must pay back overpayments — even when due to the state agency’s error — and the state issues corrections for underpayments.

Recent Policy Change Increased Error Rate But Overstate Overpayments

Some of the increase in SNAP’s payment error rate between fiscal years 2019 and 2022 reflects a federal policy change in how QC reviews are conducted. Starting in fiscal year 2022, USDA changed how the QC process treats cases where required forms or other information, such as the participant’s signature, are incomplete or missing from the case record. Previously, a state’s QC reviewer would take additional steps to determine whether the household’s eligibility determination and benefit calculation were substantively correct, despite these procedural mistakes, before determining whether the case represented an error.

Under the new policy, however, the reviewer no longer takes those additional steps when they discover certain procedural deficiencies. Instead, the reviewer must deem the household to be wholly ineligible regardless of their eligibility for SNAP benefits based on their income and other circumstances. All benefits issued to the household since their last complete certification or required report are considered overpayments that the household must repay, even if the household otherwise met the eligibility criteria and was receiving the correct benefit amount. This policy change substantially increased the payment error rate reported for some states and raised the overall error rate nationwide.

This change in policy also fundamentally shifted what SNAP’s QC process and payment error rate measure. In addition to assessing improper payments to households who are ineligible or receiving an incorrect allotment, the error rate now also includes cases of procedural mistakes, regardless of whether there was any loss to the federal government.

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Improper Denials, Terminations Not Included in Underpayment Rate

SNAP’s underpayment error rate understates the magnitude of underpayments because it only covers instances where states gave some benefits to a household but not as much as the household should have received under SNAP rules; it does not include cases when an applicant was incorrectly deemed ineligible for benefits entirely. USDA and states use a separate sample of denials and terminations to estimate each state’s “case and procedural error rate” (CAPER), which measures whether states properly denied, suspended, or terminated SNAP benefits and properly notified those households of its decision in the required timeframes.

Nationally, in 2022 over 44 percent of states’ actions to deny or terminate SNAP benefits were found to be improper, up from 34 percent in 2019. (CAPERs were also suspended in 2020-2021 due to the pandemic.) Twelve states’ CAPERs exceeded 50 percent.

The CAPER is not directly comparable to the overpayment and underpayment error rates. It is based on a separate state sample of denials, suspensions, and terminations, and the review of the state’s decision is not as rigorous as for the payment errors. States and USDA do not undertake a full re-review to assess whether the household was actually ineligible or the dollar amount of benefits that improperly denied households would have received. The CAPER review primarily measures whether the state followed proper procedures, such as properly documenting the reason for the decision and issuing a clear notice in a timely fashion.
For the 2022 CAPERs, USDA for the first time released detailed information about the various types of improper denials or terminations that the CAPER measures. Notably, USDA reported that in 17 percent of denials or terminations, the action was “inaccurate,” meaning the information in the case record did not support the reason given for the agency’s action. USDA also found that the notice the state provided to the participant was inaccurate or insufficiently clear in about 20 percent of denials and terminations.9

States are not penalized for persistently high CAPERs, which means that states and USDA spend less time and energy analyzing and trying to fix processes that result in a large share of eligibility denials and terminations being improper. But more attention is warranted here. When a state wrongly denies or terminates benefits for a household, this withholds food assistance that the household qualifies for and needs to make ends meet. Missing out on food assistance causes significant harm to households who can least afford it — significantly more harm than is done when agencies modestly overpay a household that meets the stringent eligibility requirements and has low income.

**Pandemic-Era Changes in SNAP Procedures Prioritized Food Security**

At the onset of the pandemic, Congress enacted and USDA implemented several temporary changes to help SNAP counter the expected rise in food insecurity and to help states weather the extraordinary challenges of operating remotely without any advance warning. Additional benefits helped households afford food during a time of considerable economic strain. And states had new options to simplify how they ran the program, which helped them adjust to remote operations and significant workload strain as many agencies saw their caseloads rise and staffing fall.

These measures produced impressive results. During the Great Recession, the share of households that were food insecure rose from 11.1 percent in 2007 to 14.7 percent in 2009, according to Agriculture Department estimates. In contrast, food insecurity held steady in 2020 and 2021 at just over 10 percent, statistically unchanged from the 2019 level.10 In fact, in 2021 food insecurity fell for households headed by a Black adult and reached a two-decade low for households with children, thanks largely to SNAP and other relief efforts. Food insecurity subsequently rose in 2022 as pandemic relief measures began phasing out and price inflation for food and other basic needs rose sharply.11

It’s clear that SNAP and other COVID relief efforts prevented food insecurity from surging during the pandemic the way it did during the Great Recession. The three major reasons for SNAP’s success were the program’s structural ability to respond to increased need, the increased benefits, and the administrative flexibility that allowed states to keep participants connected to SNAP while processing new applications for families and individuals newly experiencing financial challenges.

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These temporary changes, which continued well into 2023 but have largely since ended, also likely influenced SNAP QC error rates to varying degrees.

**QC Reviews Omit Emergency Allotments, Overstating Errors**

Congress enacted a temporary SNAP benefit increase in March 2020 to “address temporary food needs” during the pandemic.\(^\text{12}\) Beginning in March 2020, under a Trump Administration interpretation, a household’s Emergency Allotment (EA) was the amount needed to raise the household’s benefits to the SNAP maximum benefit for its household size.\(^\text{13}\)

Under this approach, however, the lowest-income SNAP households — the nearly 40 percent of SNAP households that already received the maximum benefit — missed out on additional benefits. The Biden Administration revised this policy, and, from April 2021 through February 2023 (when the authority for EAs ended), all households in states issuing EAs received EAs of at least $95 a month. The total average SNAP benefit during this time was roughly $9 per person per day.

USDA instructed SNAP QC reviewers to evaluate whether the eligibility worker determined the *regular* SNAP benefit accurately, not the amount with the EA included. As a result, the errors the QC system reports for fiscal years 2022 and 2023 overstate the amount of over- and under-issuances in terms of the benefits households should have received and the cost to the government.

For example, if a state failed to count the full amount of income for a household of two and the QC reviewer determined the SNAP benefit under *regular* SNAP rules should have been $250 instead of the $350 the eligibility worker determined, the QC system in fiscal year 2022 would count this as a $100 overpayment — even though, with the EAs in place, the household received *the right amount*: the $459 maximum benefit for a household of two. Similarly, if the QC reviewer determined that the benefit level under regular SNAP rules was $100 greater than the eligibility worker determined (due to failure to correctly calculate a deduction), the QC system would count this as a $100 underpayment, even though the household correctly received the maximum, EA-adjusted benefit.

SNAP eligibility workers understood that with the EAs in place, getting income or deductions exactly right was less important as long as the family was eligible for SNAP, since most households received the maximum benefit.

**State Certification Flexibilities Prioritized SNAP Access**

Early in the pandemic, SNAP caseloads were rising even as states needed to quickly adapt to remote operations. Congress and USDA provided state agencies with temporary flexibilities to help them prioritize their ability to process new applications and keep participating households connected to SNAP. Specifically, states could waive interview requirements at initial certification and


\(^{13}\) SNAP’s maximum benefits are based on the cost of the Thrifty Food Plan, a USDA estimate of the cost of purchasing and preparing a nutritionally adequate diet, consistent with the Dietary Guidelines for Americans, for people in low-income households, assuming they take significant steps to stretch their food budgets. SNAP households are expected to spend 30 percent of their net income on food; SNAP makes up the difference between the household’s contribution and the maximum benefit.
recertification, lengthen certification periods so households did not need to reapply as often, and adapt telephone signatures to ease remote application processing. Almost every state used one or more these options during the pandemic.14

These administrative flexibilities played a major role in enabling states to keep eligible households connected to SNAP. In 2021, despite the workforce challenges of the pandemic, states in the aggregate attained the highest Program Access Indices (PAI) on record, at 77.1 percent nationally; in 2022 the national PAI rose further, to 77.9 percent. PAI is one of USDA’s measures of the degree to which low-income people receive SNAP benefits; it represents the average monthly number of SNAP participants as a share of all individuals in households with income below 125 percent of the poverty line.15

But these important administrative flexibilities may have caused higher error rates. States use the interview and recertification process to confer with households about their income, expenses, and other circumstances, so less frequent interviews and recertifications may contribute to modestly higher error rates. And, as noted above, in fiscal year 2022 and about half of 2023, EAs were in place in most states. This means that if the state made a modest error — such as using an income level to calculate benefits that was outdated and thus slightly too low — the QC system treated that as an error even if the household actually received the right benefit level because of the structure of the EAs. As a result, reducing the frequency of some of the checks may have caused measured error rates to increase more than actual erroneous payments.

**QC Suspended for Parts of 2020 - 2021**

USDA allowed states to suspend QC operations from March through May 2020 because of “extraordinary temporary situations” that made it difficult for states to complete reviews as they adapted to remote operations and other workload issues. Congress then extended the suspension through June 2021.

USDA encouraged states to continue conducting QC reviews during this period for internal management purposes, and most states did. But because states were not required to report results, USDA determined it could not establish national SNAP error rates for fiscal year 2020 or 2021. States started reporting error rates to USDA in July 2021, so QC operations were fully in effect for fiscal years 2022 and 2023, even though many of the pandemic-related flexibilities were still in place in many states.

**Policymakers Should Prioritize Both Accuracy and Access**

It is appropriate that Congress, USDA, and states take their roles seriously as stewards of public funds and emphasize program integrity throughout SNAP program operations. But they should also ensure that a program with a core purpose of addressing food insecurity reaches as many people who qualify as possible in a timely manner.

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During the pandemic, Congress and USDA asked states to quickly shift that balance more toward access to prevent hardship by enabling more households to get or keep needed food assistance. But during more normal times, SNAP’s performance measurement system is heavily tilted to payment accuracy. The program does far too little to measure and prioritize access. And policymakers and the public often lack adequate information about how well the program is performing in terms of the human experience of applying for and maintaining benefits.

The 2018 farm bill eliminated state performance bonuses that rewarded higher participation rates among eligible people and timely delivery of benefits, but it maintained fiscal penalties for high payment error rates. The result was to gives states an incentive to prioritize payment accuracy over access and customer service.

**Next Farm Bill Provides Opportunity for Improvements**

The upcoming farm bill presents an opportunity for Congress and the Administration to strengthen SNAP’s performance measurement in ways that center participants’ experience and ensure SNAP is accessible to all people in all areas of the country. But the farm bill proposals put forward thus far take very different approaches to performance measurement.

The House Agriculture Committee-passed farm bill takes no steps to restore balance to SNAP’s performance measurement system; in fact, it would likely worsen this balance while offering no clear benefits for program integrity. Under SNAP’s current QC system, overpayments and underpayments below $56 per month do not count toward a state’s error rate calculation, though states are still required to identify, report on, and correct these small errors. This “tolerance threshold” is designed to allow states to focus their program integrity efforts on larger errors that have a more substantial cost to the federal government. But the House bill would eliminate the tolerance threshold entirely, so all errors would count toward the error rate. This change would increase the reported error rate and associated fiscal penalties for states, giving states an incentive to add more up-front verification requirements that could create access barriers for eligible households — particularly those with volatile earnings.

A framework put forward by Senator John Boozman, the ranking Republican on the Senate Agriculture Committee, includes the same change as the House bill and would go even further. Under the Boozman proposal, states with persistently high error rates would be responsible for paying a portion of SNAP benefit costs for the first time. This could radically shift states’ financial incentives toward preventing errors, regardless of the impacts on access and customer service.

In contrast, the framework put forward by Senate Agriculture Committee Chair Debbie Stabenow would create on Office of Technical Assistance at USDA to provide tailored assistance to states in identifying the causes of errors and developing a plan to reduce payment errors. It also would require states to submit monthly reports with data regarding SNAP application processing and certification activities and would provide additional federal funding to support the tracking and reporting of these metrics. USDA would then use this state data to calculate an annual “customer service metric” that would be reported alongside the state’s payment error rate. While the full details of Chair Stabenow’s proposal are not yet available, such changes would mark an important first step in measuring the human experience of accessing benefits across states.
Performance Measures Should Be Strengthened, Augmented

As the farm bill process moves forward and the Administration and states refocus on assessing program integrity in the aftermath of the pandemic, policymakers should focus on two areas for introducing more balance to SNAP’s performance measurement system.

First, policymakers should look for ways to strengthen existing performance metrics related to customer service. Currently states and USDA measure SNAP participation rates and timeliness of application processing. To the greatest extent possible, USDA should report on existing measures on a more regular basis (including timeliness of recertification) and provide these metrics by subgroup of SNAP participants, such as people in rural and remote areas, older adults, people with disabilities, and people of all races and ethnicities. SNAP is the nation’s most effective tool at combating hunger, helping people across a range of demographic groups and reducing disparities resulting from discrimination, fewer economic opportunities in rural and remote areas, and other factors. But SNAP could do more to reduce disparities further and help participants position themselves to thrive. More information is also needed about which state policies, procedures, and best practices have been most successful at improving the accessibility and timeliness of SNAP benefits.

Second, Congress should establish the new “customer service” performance measure described above to give state and federal policymakers insight into the human experience of obtaining and retaining SNAP benefits, and should specify a few key metrics — or “vital signs” — that states must reported under this measure. These could include, for example:

- **Call center answer rates and wait times**, where poor performance can reflect issues intrinsic to telephone service or more systemic problems;
- **Procedural denials**, that is, the number and percent of applications and recertifications that are denied or closed not because of financial ineligibility, but for procedural reasons such as the household’s failure to submit a recertification application, the household’s or state’s failure to complete the interview, or missing verification;
- **Churn**, that is, the percent of cases that lose coverage during a renewal or periodic report and re-enroll within the following 90 days; and
- **Customer satisfaction**.

These vital signs would constitute a useful starting point because they would provide a sense of how program operations are faring on the ground but would be relatively straightforward for states to implement. Additional measures may be worth pursuing over the longer term, but would likely need further testing and conversation with states to determine exactly how to calculate them and to ensure comparability across states.

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