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## Hill, Carson seek review of Indiana's food stamp changes

*By Ken Kusmer  
Associated Press*

INDIANAPOLIS — Two Indiana congressmen have asked U.S. Agriculture Secretary Tom Vilsack to review his agency's approval of the state's privatization and automation of food stamp delivery amid growing legislative and federal scrutiny of the project.

Democratic Reps. Baron Hill and Andre Carson co-signed a letter to Vilsack dated July 30, about a month after the Agriculture Department's food stamp program chief told Gov. Mitch Daniels that Indiana's food stamp error rates exceeded U.S. averages last year.

Marcus Barlow, a spokesman for the Indiana Family and Social Services Administration, called the Hill-Carson letter political and said Friday that the agency was working with its private partners to fix problems.

A coalition of firms led by Armonk, N.Y.-based IBM Corp. and Dallas-based Affiliated Computer Services Inc. privatized Indiana's processing of food stamps, Medicaid and other welfare benefits under a 10-year contract, worth \$1.34 billion, signed by Daniels in December 2006.

Indiana needed the Agriculture Department's approval because the federal agency pays for food stamps.

Hill, representing Southern Indiana's 9th District, and Carson, representing Indianapolis, asked Vilsack to review "the policy determination by the USDA Office of General Counsel that resulted in the approval" of the program, formally known as the Supplemental Nutrition Assistance Program.

Indiana got the USDA approval under Republican President George W. Bush's administration.

With the agency now run by Democrats, the Carson-Hill letter raises the possibility that approval could be revoked.

Carson and Hill also asked Vilsack to review the impact of privatization and "modernization" on food stamp clients, and possible errors by the Family and Social Services Administration and the IBM-ACS team.

The USDA's Food and Nutrition Service, which oversees food stamps, was preparing its response to the letter Friday, service spokeswoman Jean Daniel said. She said the agency is committed to working with Indiana and ensuring eligible clients get food stamps.

Nancy Griffin, an advocate working with welfare recipients in obtaining benefits, said she spoke to Vilsack at an Indianapolis event in June. "He said they were aware of the problems here in Indiana and the USDA had expressed their concerns as early as last summer," she said. "He said they were monitoring the situation closely."

Clients, advocates and lawmakers have harshly criticized the privatization initiative under which the state turned over 1,500 state welfare caseworkers to Affiliated Computer Services in March 2007 and

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began rolling out automation, including telephone call centers, a Web site and document imaging. Critics complain of lost documents, delays in approving benefits, lengthy call-hold times and other problems.

At Food and Nutrition's request, Family and Social Services last year paused the rollout after the program had been introduced in 59 of Indiana's 92 counties, home to roughly a third of the state's welfare caseload of 1.2 million people.

Food and Nutrition pays half the state's costs for administering the program, with the federal share coming to \$47 million for the federal fiscal year expiring Sept. 30, documents show. The agency is reviewing the state's request that it share costs for the federal fiscal year that begins Oct. 1, spokesman Alan Shannon said.

Besides the possible loss of the Food and Nutrition funding, the state faces the threat of other financial penalties. Food and Nutrition Administrator Julia Paradis, in a June 26 letter to Daniels, told him Indiana's food stamp payment error rate of 7.5 percent was one and a half times the national average. Indiana's 13.6 percent rate for improperly denying food stamps exceeded the national rate of 10.9 percent.

Barlow did not answer directly when asked what Family and Social Services would do if USDA revoked its approval for the privatization initiative.

"State and coalition employees are focused on making the system better," he said. Reminded that the state could lose Food and Nutrition funding, he said, "It's in our interest to make sure the system works."

At the request of Daniels and Family and Social Services Secretary Anne Murphy, IBM has outlined an improvement plan that calls for adding 350 employees to the project and new technology.

Murphy said the state would consider canceling the IBM contract, and she expects to see marked improvement by the end of next month.

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