

New Efficiencies from Supplement Nutrition Assistance Program (SNAP) Modernization

Now is the time to start thinking differently about public assistance programs for American citizens. The stereotype that only low wage earners participate in public assistance programs no longer applies. After recent worldwide economic recession, countless natural disasters that have temporarily displaced American citizens, and an overall depletion of resources--the "typical" picture of the public assistance recipient no longer applies. These events, along with the rising tide of need, should alert government leaders to rethink how government programs serve American citizens in times of need. In short, they should rethink who gets help and how to more efficiently deliver that help, from all perspectives from business process to technical design.

American citizens often temporarily look to government for food and nutrition assistance in times of recession and disaster. In April 2011, the United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) released a Request for Application (RFA) to States to submit proposals for a Supplement Nutrition Assistance Program (SNAP) Participation Grant. To meet the steep challenges, the FNS set aside \$5 million for SNAP modernization. The grants will fund projects for the period September 30, 2011 through August 2014. The FNS has stated these funds are only for projects that are not a part of a larger eligibility system project where costs exceed \$5 million.

FNS supports technological strategies that can improve client services and save time, resources and money. Further, FNS has an interest in funding projects that examine office processes with goals to identify and implement efficiencies. Many of these program improvements resemble those in Temporary Assistance for Needy Families (TANF), Medicaid, and other public assistance programs. These projects can include partnership with vendors or contractors addressing Business Process Reengineering (BPR) techniques to gain program improvements. Recently, FNS conducted a nationwide SNAP State Option study to justify SNAP transformation projects designed to identify and implement approaches to achieving office efficiencies.

SNAP Modernization Challenges

Out of a long-term initiative by the Office of Management and Budget (OMB) and the Federal CIO Council to improve Return on Investments (RIO), the Federal Enterprise Architecture Framework (FEAF) was published. It is designed to satisfy Enterprise Architecture (EA) best practices for the Federal Government. Each state and local government must also address the concept of an Enterprise Architecture to run government business effectively in the 21st Century Technology Age.

State and Local government public assistance programs now have business process and information technology very inter-twined. Actually, the many existing government systems evolved "without strategy" over the years and were not blue-printed from an EA concept.

Thus, very few of the staff and stakeholders can actually explain the reasons behind inefficient processes and systems. This illogical, inefficient, and inexplicable practice will continue its behemoth growth until state and local government leaders spearhead new approaches to EA.

Government's record has not been good. Many States and Local public assistance agencies desperately waited for the Federal government to invest in addressing these government challenges. But still, state CIO's and Program Directors have spent decades patching legacy systems. Adding salt to the wound, state and local government have struggled to operate due to the recent economic recession, rising unemployment, and the home mortgage crisis.

Now that the initiative to modernize SNAP is moving forward, it is very important that a chaotic transformation is not allowed to take place. This is a time where State CIO's and Program Directors can address their EA strategic plan for Medicaid Eligibility Integration. The Federal government is supportive of integration solutions. Their support is well founded, as Federal and state government do not want to recreate the public assistance stovepipes systems created two decades ago.

But now, the Federal government stands poised to lead the way for increased ROI on business modernization projects. FEAF guidance will help states to adopt more EA concepts within the public assistance programs. Medicaid business modernization projects use EA practices through the MITA (Medicaid-Medicare Information Technology Architecture) guidelines. And, many states are in the process of planning or implementing successful EA approaches to transforming Medicaid and Medicare business operations and make them more effective and efficient.

Business transformation projects were successful because agencies had the ability to capture business processes blueprints as business assets. Business Architecture allows government agencies to leverage advances in information technology to document and store business process assets in knowledge management repositories. If BPR and business transformation projects are to bear fruit, business process assets must be captured in a knowledge base repository.

To address business efficiency problems, States should look at combining tactical and strategic initiatives from Medicaid and SNAP Modernization projects. From a tactical efficiency perspective, states should address short-term solutions within 12 to 24 month projects. These are immediate business needs that directly affect caseworkers and American citizens. Short-term solutions follow abbreviated steps within the FEAF methodology. These short-term efforts follow a Business Architecture Practice called Business Process Automation (BPA). States that need to address long-term business process goals and objectives will want to plan initiatives of 24 months or more. Long-term initiatives require the full FEA life cycle. Long-term projects align with the Business Architecture practice called Business Process Management (BPM).

Short-Term Process Change

State administration of program policy can be complicated, but it is necessary in order to interpret government regulations for public assistance programs. Government regulations are legal instruments that adhere to govern Local, State and Federal laws. BPA is a practice that record business processes as business assets to repetitively interpret program policy. A BPA tool is an instrument that can generate computer software from business processes and business rules. There by increasing the productivity of software development.

“BPA is the practice that an agency uses to contain costs and improve existing processes. It consists of integrating program policy, business rules, business processes, eligibility applications, restructuring labor resources, and using computer software applications throughout the agency.”

- Gartner Group BPA Report 2008

The SNAP Participation Grant is an opportunity for local program agencies to use BPA tools to capture business processes as assets. BPA tools excel in effectively managing necessary manual processes such as client application interviews and recertification. BPA tools can enable SNAP agencies to focus on optimization of business process efficiencies that are most beneficial to the agency.

Four key BPA benefits that help modernize State and Local Public Assistance Programs:

- Extend EA to state and local government agencies
- Record business process as business assets
- Allow public programs to compare and integrate processes
- Program control of business process assets

Public assistance programs have a difficult task of continuing to run existing social programs while attempting to implement short-term business process changes to address public demand. Many times small changes affect existing policy, thus causing delay in making the business process change. This delay is also evident from a technological standpoint. So, the technical staff will often scratch business process improvements due to the length of time it may take developers to make software changes. This loss of process improvements can be very frustrating to caseworkers who are under extreme pressure and have enormous caseloads.

The problem is very serious. Many business process improvement ideas end-up on the IT Service Request report indefinitely. It's not uncommon for IT Service Requests to remain outstanding for 36 months or more. BPA tools record process improvements as business assets which can have future use to the program agency. For example, if Medicaid and SNAP

programs perform business processes in a similar manner, the BPA tool can highlight these similarities for potential service integration. The BPA tool can evaluate thousands of business steps, both manual and automated, through simulating business workflows. This approach allows program leaders to make more informed business decisions and to migrate risk.

Recently the USDA FNS program conducted a nationwide study on State SNAP program options. This study gave State SNAP Agencies the opportunity to share their business improvement accomplishments as well as their existing business process challenges. Their business improvements included State Options such as consolidating program offices, program integration with TANF and Medicaid, no face-to-face recertification interviews, categorical eligibility, electronic application filings and many others.

The SNAP State Option study revealed fourteen trends. Here, a *trend* is indicated when at least 7 States (and no more than 27 States) elect a SNAP State Option. Note: The SNAP State Options with fewer than 7 elections or more than 27 elections are not addressed in the bar chart below (Figure 1).

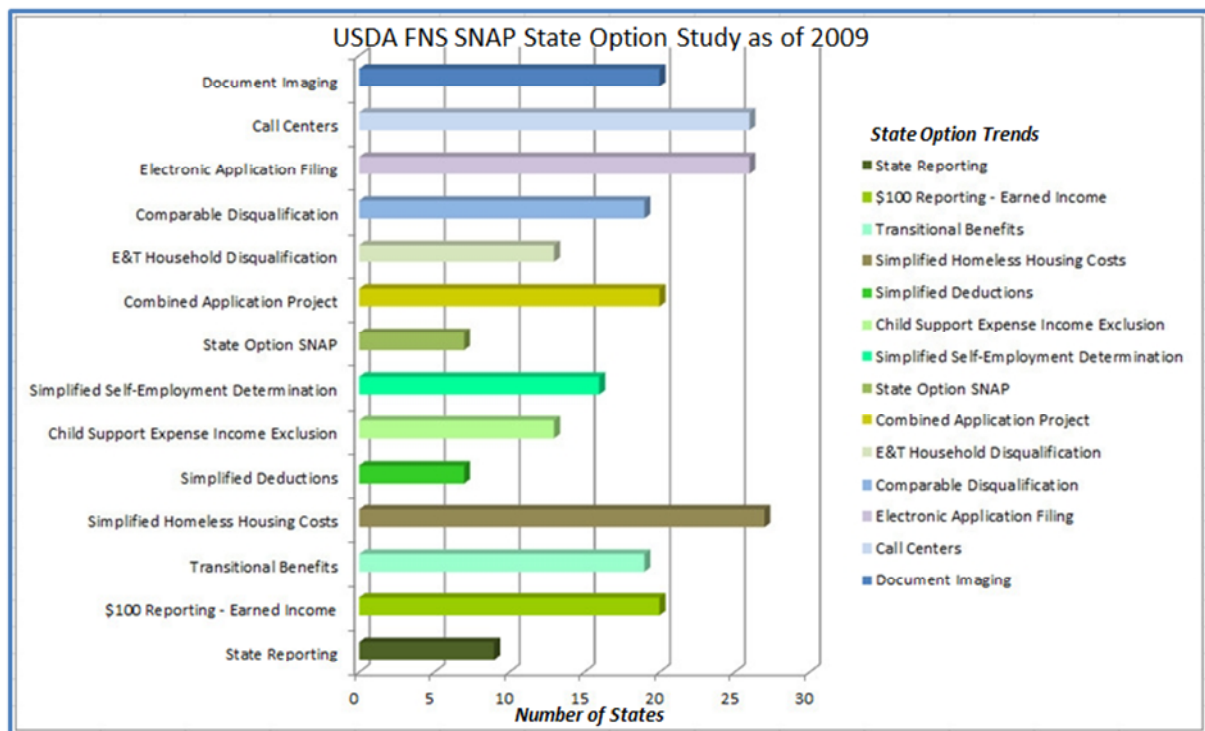


FIGURE 1 - SNAP STATE OPTION TRENDS 2009 (DATA USED FROM THE USDA FNS SNAP STATE OPTION STUDY 2009)

Based on the data shown in Figure 1, States show trends in selection the following SNAP Options:

- 27 - Simplified Homeless Housing Cost
- 26 - Call Centers
- 26 - Electronic Application Fillings
- 20 - \$100 – Reporting Earned Income
- 20 – Combined Application Project
- 20 – Document Imaging
- 19 – Comparable Disqualification
- 19 – Transitional Benefits
- 16 – Simplified Self-Employment
- 13 – Child Support Expense Income Exclusion
- 13 – E&T Household Disqualification
- 7 – Simplified Deduction
- 7 – State Option SNAP

These SNAP State Options play an integral business process for program agencies. Since many of these SNAP program options have proven most popular, it would be cost effective if these solutions could be shared by another State.

Unfortunately, these state options do not reside in a BPA knowledge management repository. So, the potential RIO from other State achievements is drastically reduced.

Need for Long Term Process Change (BPM)

Most changes in technology have an incremental impact on the way business is done, but sometimes a new technology creates a fundamental shift to software development. For years, software development was done by logging hours of interviews and workplace observations. Meaning business requirements and business processes were stored in non-manipulate formats such as pencil and paper for simple word-processing documents. These were often lost or never kept up-to-date. Business Architecture now offers the ability to blueprint the business environments with BPM tools that become the central contributor in the software development lifecycle.

“BPM is a regulatory approach focused on the alignment of all aspects of an agency with the process assets and requirements of user community. It represents a holistic management approach that promotes business efficiency through innovation, technology and flexibility. It involves business process automation through use of advanced software to substitute and supplement manual processes for managing work and information flow within an agency to reduce costs, lower risk and increase effectiveness.” - Wikipedia

BPM maximizes shareholder RIO by becoming the critical component to the software development life cycle. This method ensures that business stakeholders drive the business process and business operations. Program leaders should direct and control business process improvement initiatives to comply with strategic plans. It also helps in justifying program budgets by actually illustrating pros and cons to process improvement initiatives.

As previously mentioned, BPA software tools expedite business process automation and are an integral component within the BPM practice.

“BPM has been characterized as the study of those methods, techniques, and software that can be used to design, enact, control, and analyze operational processes involving humans, organizations, applications, documents and other sources of information.” - A Collaboration and Productiveness Analysis of the BPM Community by H. Reijers, M. Song, H. Romero, U. Dayal, J. Eder and J. Koehler

Another important enabler of BPM is the strong support from the Chief Information Officer (CIO) who drives the technology strategic plan. The SNAP program requires support from the CIO as a stakeholder in gathering business process assets and housing them within the BPM knowledge based repository. Over the last 15 years, a number of enterprise architecture practices have matured greatly. Many states and some local program agencies are working very closely with state CIO's to revamp statewide legacy systems. Many of these old, siloed systems still exist today! In the 1990's few statewide eligibility and case management systems were able to transfer to any other state's system. So, many of these statewide systems led to siloed solutions. Proper EA governance can avoid another decade of public assistance silos.

The USDA FNS leadership has the opportunity to insist on increased RIO from the upcoming modernization projects. EA practices will avert both chaos as well as costly business reengineering and software development projects. Increased RIO will also result in states leveraging solutions from other states based on common business architecture practices through the use of BPM tools. These business architecture practices will deliver Software Oriented Architecture (SOA) and Web Services. For example, one state may implement an extremely successful call center business process. Then, they could allow other states to reuse the business service component. The result would be to reduce the cost to that other state which would no longer be starting from square one. In the final analysis, states electing to perform similar SNAP Program Options will save Federal and state taxpayer millions of dollars.

A prominent example of reuse of public assistance solutions can be derived from the creation of the State of Ohio CRIS-E (Client Registry Information System Enhanced) project in the early 1990's. This eligibility and case management system integrated Food Stamps, TANF and Medicaid programs into one public assistance intake process. The CRIS-E system was later transferred to the State of Florida and the State of Indiana. The CRIS-E system was also

used as the system framework for public assistance programs in the State of Wisconsin, Texas and Pennsylvania. After more than 20 years, many of these systems are still in operation today.

The key to successful business process improvement is to allow business personnel to capture processes and rules in a business knowledge-based repository. This process closely matches what technical staff does to computer software code. For decades, software developers saved programming code as a technology asset. The technology community calls this practice version control. Software code is a technology asset and is backed-up very frequently. Back-up amounts to millions and millions of lines of software code. Then, software developers reuse well-written software code to support similar business processes. The software development community self-governs quality software code from undesirable software code. This approach leverages success and discourages isolation efforts. Present day software tools address business process assets much like software code. BPM tools allow business personnel to document business processes and business rules as blueprint and store them in a knowledge based database

Need for Organizational Change Management

Internal and external factors create opportunities for change within program agency. External factors include such challenges as political interference; legislative agendas; public demand, and Federal oversight. Internal factors include challenges such as leadership directives, and process inefficiencies. Both external and internal factors create the overall organizational culture and human behavior.

Program agency culture and human behavior include assumptions, beliefs, values, attitudes, expectations, unwritten codes of conduct and behavior, such as practices that are acceptable and those that are unacceptable. Although program agency culture is created through the interaction between internal and external factors, once the culture is entrenched in an agency it is very difficult to rid the staff of the behavior. Thus, changing the performance of an agency requires more fundamental changes than just minor software changes.

BPR practices allow agencies to prepare for change by analyzing existing business operations and cultures. These types of preparatory evaluation go beyond the minor software and manual packet work. They are broad spectrum and encompass all of the necessary data to fully prepare the agency for change. They are unlike the... "state government modernization and BPR projects which were lackluster, to say the least. These disappointments are largely due to public agencies not being able to align management goals with business operations.

The FNS SNAP Study shows state capability and maturity levels differ widely. Some states implement very few SNAP Options, while other States have deployed more than half of the SNAP Options. The States that have successfully implemented may begin to see substantial

ROI. Ultimately, SNAP Modernization projects aim to reduce costs while providing more efficient public service.

According to Boston Consulting Group's (BCG) recent SNAP Access Study revealed, some Minnesota State administration of SNAP is more expensive and less effective than other States,—only five states have higher costs to administer SNAP; and this Minnesota trails all but seven states in SNAP participation with only 302,000 of the state's 670,000 income-eligible residents receiving benefits.

BCG Group suggests that by enrolling currently eligible but non-participating individuals into the program, Minnesota would add \$210 million to its annual economy as a result of direct benefits and a multiplier effect as new recipients shop in local food stores. And by bringing the state's SNAP per-case cost closer to the national average, this State would potentially save \$29 million annually in administrative costs. In total by becoming a cost-effective and high-performing administrator of SNAP, Minnesota could see nearly \$240 million in annual economic stimulus, local jobs and savings. — SNAP Access study by Boston Consulting Group (BCG)

Many BPR projects come to a grinding stop after a storm of politics; resistance to change tends to derail plans. The FNS SNAP Study does not address organizational change management. Why? These are critical issues for both inter-state and inter-agency, which are out of scope from a Federal perspective.

State and Local leaders must influence change of norms, beliefs, practices and behaviors of both client participants and caseworkers. Will leadership get 100% support for modernization from client participants and caseworkers? The answer is **no**, but to do nothing will certainly prolong the process inefficiencies.

To address effective organizational change, a number of new concepts and methods must be adopted by states and Local Program Agencies. Many of these organizational changes can begin sooner rather than later. For instance, training and coaching can begin immediately.

"Identify the Adaptive Challenges: Be in a position where you know what will happen next. If you assess and forecast where the adaptive challenges will arise you can start working with the people and units affected – moving them to surface and resolving the difficult tensions and tradeoffs related to their changing roles, capabilities, loyalties and identity." — Next Generation of Human Services: Realizing the Vision (A Report from the 2010 Human Service Summit at Harvard by Leadership for Network World and Antonio M. Oftelie).

There is a sea change in education for local program staff to learn and adjust their behaviors. Change can start with terms and language used by caseworkers as they relate to business process improvement. Terms like *Business Architecture*, *Business Process Analysis*, *Use Cases*, *Reuse*, *Service Oriented Architecture*, and *Enterprise Architecture* are words and phrases that must be introduced to program agencies. Terms like *Business Architecture*, *Business Process Analysis*, *Use Cases*, *Reuse*, *Service Oriented Architecture*, and *Enterprise Architecture* are words and phrases that must be introduced to program agencies. Eventually, organizational change will call for job description and employee performance review to align with the goals and objectives of modernization and business transformation. Addressing human factor before embarking on a modernization project will reduce stress levels and allow for a smoother change process. In addition, an organizational change assessment is a good method of confirming the size and nature of the modernization project, as it aligns State and Local strategic plans. These efforts are very important tactical approaches to help prepare the organization for future change.

For further information regarding Business Process Redesign for SNAP Public Sector services contact:

Delden J. Fane, General Partner
BreadLine Consulting
www.BreadLineConsulting.com
djfane@BreadLineConsulting.com
4355 Cobb Parkway, Suite J133
Atlanta, GA 30339
Phone: 404.468.6267