



PA House of Representatives Republican Policy Committee

414, Main Capitol Building
Harrisburg, PA 17120
(717) 260-6144

Rep. Joshua D. Kail
Chairman

PA House Republican Policy Committee Hearing “Excellence in Government: Preserving Benefit Integrity”

June 5, 2024, at 9 a.m.

**Republican Caucus Room
Room 418, Main Capitol Building
Harrisburg, PA**

9:00 a.m.	Welcome and Pledge of Allegiance
9:10 a.m.	Nicholas Adolphsen <i>Director of State Government Affairs, The Foundation for Government Accountability</i>
9:15 a.m.	Roy Lenardson <i>Director of State Government Affairs, The Foundation for Government Accountability</i>
9:20 a.m.	Questions for the Panel
9:50 a.m.	Closing Comments



Testifier Biographies

PA House of Representatives Policy Committee Hearing
"Excellence in Government: Preserving Benefit Integrity"



Nicholas Adolphsen
Director of State Government Affairs, The
Foundation for Government
Accountability

Nick Adolphsen is a Director of State Government Affairs at the Foundation for Government Accountability.

Prior to joining FGA, Nick served as health care policy advisor in the office of then-Governor Paul LePage and as director of government relations and policy at the Main Department of Health and Human Services.

He holds a Bachelor of Arts in Political Science from the University of Maine.

Nick first experienced the value of work as an entrepreneur, doing roofing and carpentry, among other things. Nick believes in work as the foundation for mankind's purpose and growth.

He has found that without work, there is no growth, be it career-wise, athletic, personal, or otherwise. His passion for helping families succeed and experience growth underscores his day-to-day work at FGA. Nick has testified before several state legislative committees.

Nick is a casual fan of New England's sports teams, and lives with his family in Washington, Maine.

Roy Lenardson
Director of State Government Affairs, The
Foundation for Government
Accountability

Roy Lenardson is a Director of State Government Affairs at the Foundation for Government Accountability.

In addition to his role at FGA, Roy is president of Strategic Advocacy, a grassroots public affairs consulting company. He previously worked as a senior legislative analyst for Maine's non-partisan Office of Policy and Legal Analysis and drafted hundreds of pieces of legislation across all policy areas.

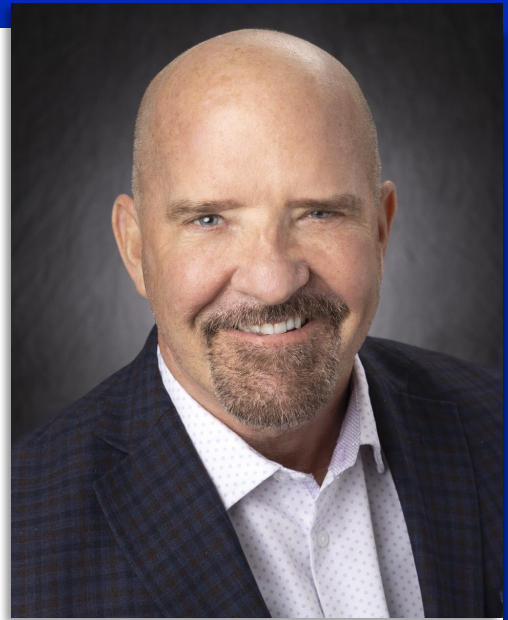
He subsequently served as Chief of Staff in the Maine Senate and orchestrated the implementation of the Republican caucus's policy agenda.

Roy holds a Bachelor of Arts in Political Science from the University of New Hampshire, as well as a Master's in Public Administration from the Muskie School of Public Affairs.

Roy first experienced the value of work shoveling seaweed onto a conveyor belt to make fertilizer. To him, work at age 12 meant being able to go to Rockland and buy your own school clothes, pencils, and notebooks.

Roy is a fan of his wife of 33 years, Joanne, and his two awesome kids—Christine, who is a mechanical engineer and works for a construction firm building hospitals, and his son, Anders, who is a First LT in the U.S. Army.

Roy lives with his wife in Ave Maria, Florida.





Stopping Fraud by Design: Improving Program Integrity in PA

*Sam Adolphsen, Policy Director &
Roy Lenardson, State Affairs Director
Foundation for Government Accountability*

TheFGA.org | [@TheFGA](#)

Pennsylvania Welfare Programs	2000	Now
PA Food Stamp enrollment	760,000	1,997,000 (+1,237,000)
PA Food Stamp spending	\$655,726,000	\$4,242,921,000 (+\$3,587,195,000)
PA Medicaid enrollment	1,300,000	3,288,000 (+1,988,000)
PA Medicaid Spending	\$10,724,000,000	\$46,968,000,000 (+\$36,244,000,000)
PA Population	12,280,000	12,970,000 (+690,000)

TheFGA.org | [@TheFGA](#)

What Are Public Benefits For?

14,105

TheFGA.org | [@TheFGA](#) FGA

The Truly Needy

OPINION

More than 2,000 Pa. seniors are on waiting lists for nursing care. It's a crisis. | Opinion

Published: Apr. 23, 2023, 9:26 a.m.

10 PHILADELPHIA

WEATHER

LOCAL

SPORTS

NBC10 RESPONDS

ENTERTAINMENT

INVESTIGATORS

VIDEOS

NEWSLETTERS

73°

Wawa Welcome America

Paris Olympics

Decision 2024

Stream NBC10 24/7

Memorial Day Deals

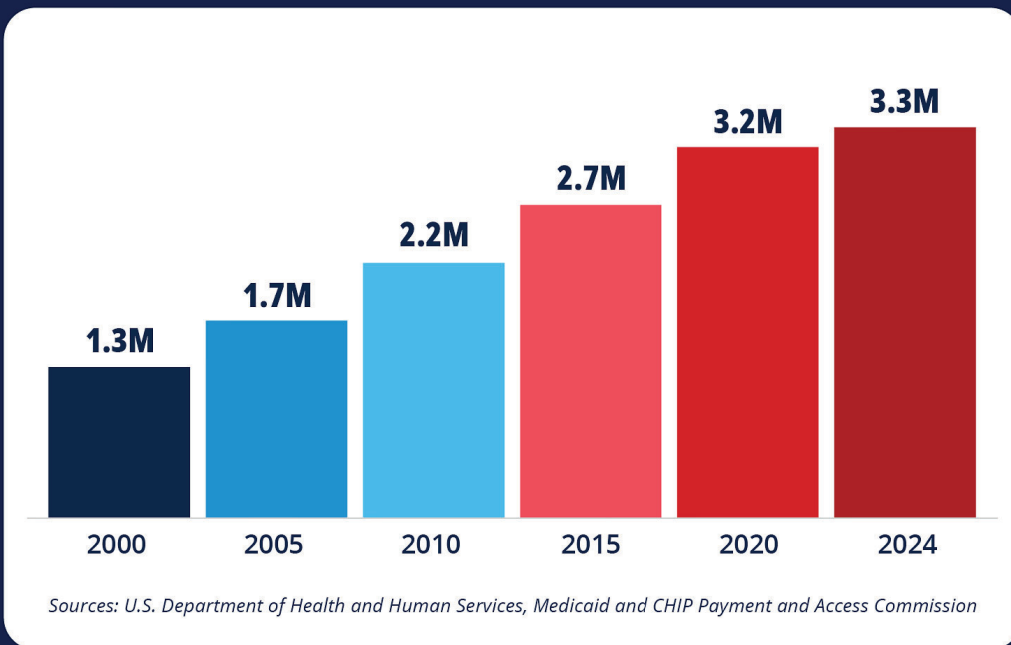
JOSH SHAPIRO

Gov. Shapiro aims to eliminate waiting list for services for Pa. adults with intellectual disabilities

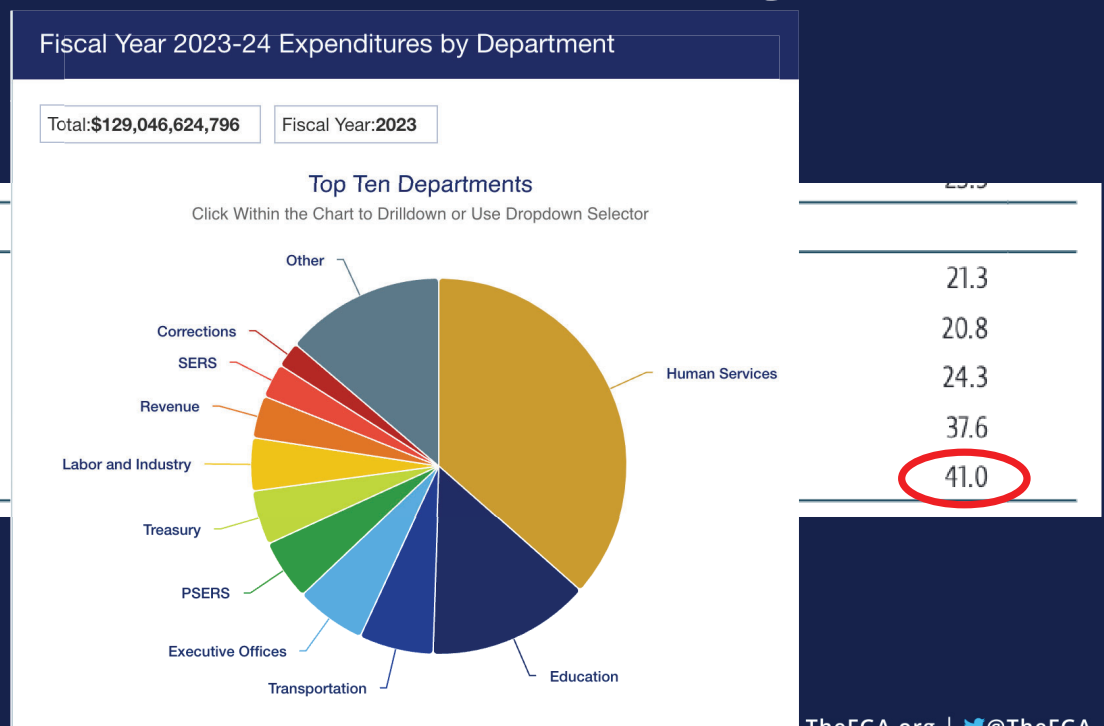
'Over the next several years, if this budget passes, there will be a plan in place to finally end that waiting list,' Pennsylvania Human Services Secretary Val Arkoosh told a discussion group at BARC Developmental Services in Warminster. 'It's a big deal'

TheFGA.org | [@TheFGA](#) FGA

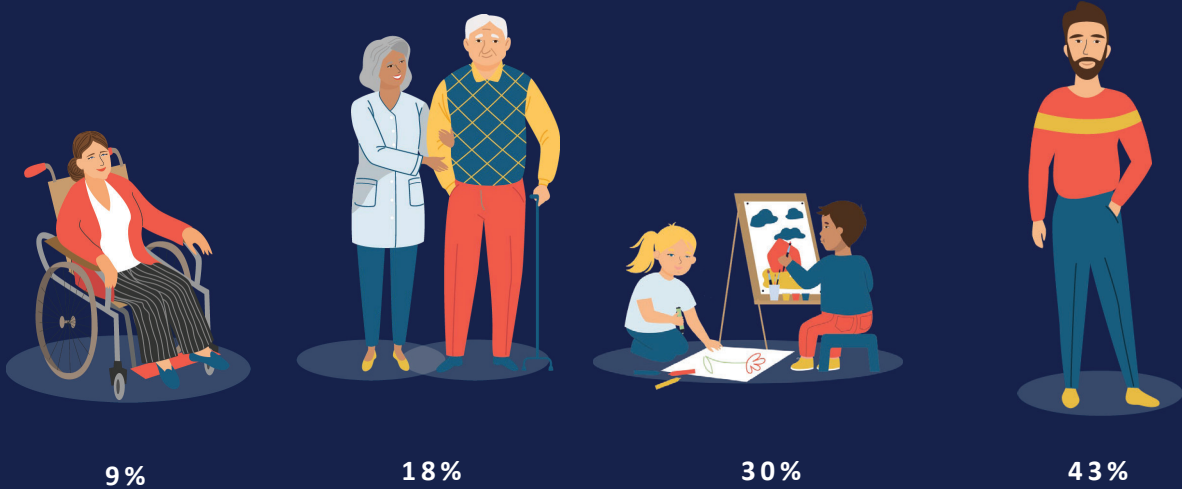
Medicaid - the wrong kind of growth



#1 in the Nation – For the Wrong Reason



Who is on Medicaid in Pennsylvania?



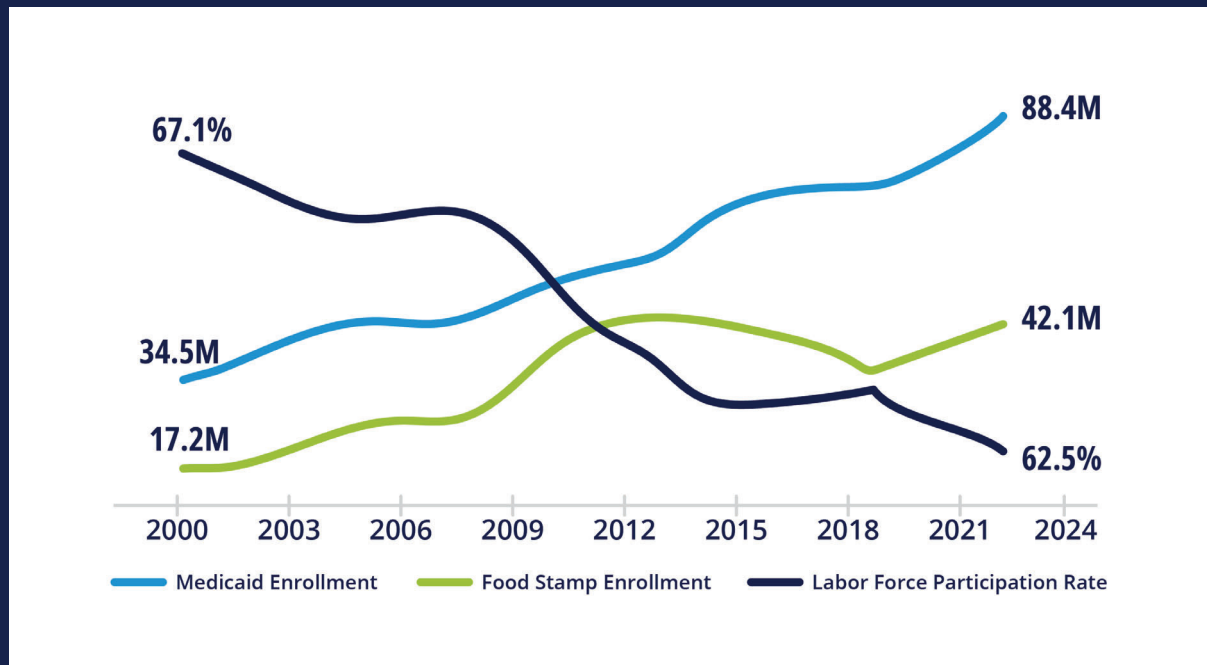
TheFGA.org | [@TheFGA](#) FGA

Able-Bodied Adults

1,536,068

TheFGA.org | [@TheFGA](#) FGA

Welfare vs. Work – X factor



Help Wanted



"Waiving" work goodbye in Food Stamps

DocuSign Envelope ID: 13241E67-FD41-40EE-864C-50F40E1F7488

USD
United States Department of Agriculture

Food and Nutrition Service

Supplemental Nutrition Assistance Program (SNAP)
Adult and Elderly Nutrition
Quarterly Review
States and Territories
Waivers and Appeals

1320 Braddock Place
Alexandria, VA 22314

August 2, 2023

Scott G. Cawthern
Acting Deputy Secretary
Office of Income Maintenance
Department of Human Services
P.O. Box 2675
Harrisburg, Pennsylvania 17120

RE: Supplemental Nutrition Assistance Program (SNAP) – Pennsylvania Request to Waive Able-Bodied Adults Without Dependents Time Limit – Initial – Approval

Dear Acting Deputy Secretary Cawthern:

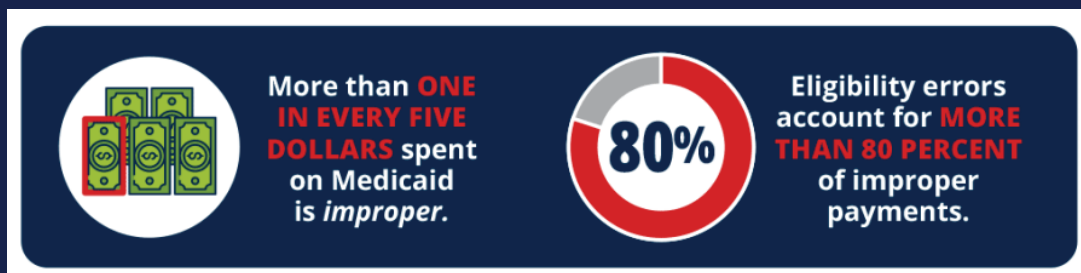
This is in response to the Pennsylvania Department of Human Services' June 30, 2023, request to waive the Supplemental Nutrition Assistance Program (SNAP) time limit for able-bodied adults without dependents (ABAWDs). The attached waiver response includes the approved areas, the supporting evidence used, and the conditions of approval. This approval, effective September 1, 2023, through August 31, 2024, replaces Pennsylvania's current Statewide ABAWD waiver, approved for October 1, 2022, through September 30, 2023.

lied
– 2nd

TheFGA.org | @TheFGA FGA

Medicaid and Food Stamp Error Rate

- National error rate: 20% - \$80 billion in fraud and waste
- 87% due to lack of documents and "eligibility errors"
- **Beware the Claims of "Improvement" in Error rates in PA – closer to 20% in Medicaid and CHIP, and 14% in Food Stamps**



TheFGA.org | @TheFGA FGA

Fraud by Design

State	Self-Attestation Rejected for Residency	Self-Attestation Rejected for Age	Self-Attestation Rejected for Household Composition	Frequent Death Record Cross-checks	Frequent Residency Cross-checks
Ohio	No	No	No	No	No
Michigan	No	No	No	Unknown	Unknown
Pennsylvania	No	Yes	No	No	No
West Virginia	No	Yes	No	Yes	No
Kentucky	Yes	No	No	Yes	Yes
Indiana	Yes	Yes	Yes	Yes	Yes

Source: Centers for Medicare and Medicaid Services

EBT Card Fraud

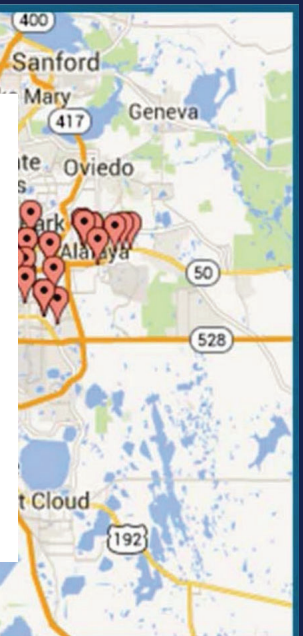
PENNSYLVANIA NEWS

Bloomsburg, Pa. — A Shickshinny woman is facing felony charges for lying about her income to get food stamps, officials say.

Regina C. Slipper, 47, reportedly took thousands of dollars in SNAP benefits for which she wasn't eligible, then bragged about "screwing the system."

According to Ruth Gola of the Office of State Inspector General:

On Jan. 12, the Columbia County Assistance Office began investigating a tip that Slipper was lying about her household income in order to receive SNAP benefits. Agents reviewed her income statement and benefits, which showed Slipper had received \$4,588 in SNAP benefits from August of 2022 though March of 2023.



What can we do right now in Medicaid?

- Mandate increased oversight and approval of “unwinding” waivers and state plan amendments
- Stop allowing self-attestation (income/household composition)
- More robust data cross-checks
- 3-strikes hospital presumptive eligibility rules

Big opportunities in 2025?

- Medicaid Work requirement waiver
- Hospital presumptive eligibility waiver
- Fraud lockout waiver
- Biannual redeterminations waiver
- Enrollment cap waiver

Food Stamp reforms

- Broad Based Categorical Eligibility (BBCE)
- ABAWD work requirement waivers (*188,000 able-bodied with no kids in house*)
- Mandatory E&T for all work registrants (*Another 320,000+*)
- "Simplified" reporting

Unemployment Insurance

Less fraud and more accountability

- Lots of Fraud in Pennsylvania
 - Over \$1 **BILLION** in state fraud in 2020 and 2021
 - \$6 **BILLION** in federal pandemic UI fraud in Pennsylvania
- Plenty of ways to fix the Fraud and the UI Program
 1. **Verify** who's getting the checks
 2. **Fewer weeks** to find a job
 3. **Look** for work more often
 4. **Show up** for interviews
 5. **Lock out** fraudsters

The Challenge

- 1 450,000 open jobs
- 2 Fraud in the billions
- 3 Unemployment vs Reemployment

3 ways to **protect** benefit integrity

- 1 Right-size benefits
- 2 Promote work
- 3 Stop fraud

1

Indexing benefits

How does it work?



Benefits are tied to jobless rate



TIME
CUT IN
HALF



SPENDING
WENT
DOWN



TAXES
WENT
DOWN

1

Indexing benefits

What Happened in States that Indexed UI Benefits?

Unemployment trust funds Replenished.

- North Carolina up \$5.7 billion
- Kansas increased by 900 percent to nearly \$1 billion.
- Florida built up its trust fund to \$3.9 billion by 2018

Back to work more quickly vs. non-indexing states.

- North Carolina and Florida cycled off the program nearly twice as quickly as individuals in non-indexing states.
- Kansas: four weeks sooner than pre-indexing.

A stronger workforce and lower UI taxes on businesses.

- North Carolina saw employer taxes drop by 75%.
- Florida, reduced unemployment taxes by 79%.

2

Promote Work



Require employers to **REPORT REFUSALS**



Penalize **Ghosting**



Make **Work Search** Work



South Carolina:
The Department of
Reemployment NOT
Unemployment

3

Program Integrity: **Stop Fraud**

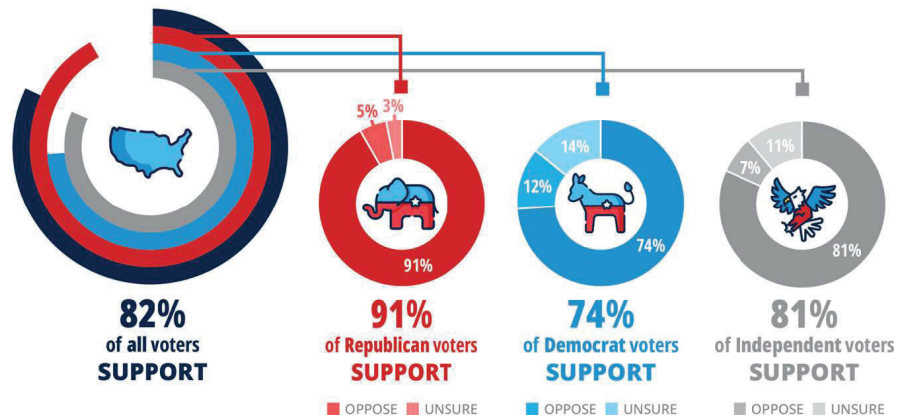
CROSSCHECK and VERIFY

- ✓ **Cross-check** State and federal **death** records
- ✓ **Cross-check** State and federal **incarceration** records
- ✓ **Cross-check** with the **new hires** databases
- ✓ **Verify** claims from IP addresses **outside of the state**
- ✓ **Verify** claims for residence and identity when **multiple claims** are associated with the **same bank account** or **address**

3

Program Integrity: Strong support

When asked if they support crosschecking UI claims...



TheFGA.org | @TheFGA FGA

End Government by Bureaucrat

Regulations from Executive In Need of Scrutiny

The RULES for new rules:

If the new Rule costs
\$1 Million over 5 years



State legislators most
approve the new rule

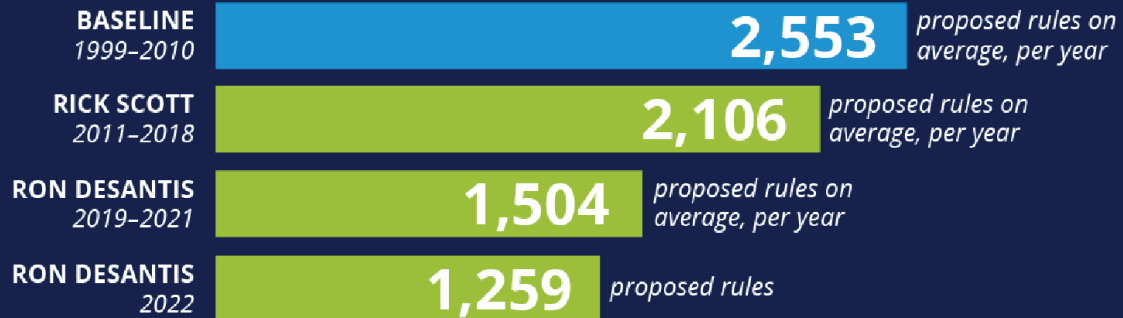
TheFGA.org | @TheFGA FGA

End Government by Bureaucrat

The Florida Story

NEW RULES CONTINUE TO DECLINE IN FLORIDA

New Proposed Rules Per Year



Source: Joint Administrative Procedures Committee