



Building Integrity First: Securing Benefits for the Truly Needy

Trevor Carlsen, Senior Research Fellow

Kaitlyn Finley, Associate Fellow

Foundation for Government Accountability

Safety Net Stretched: Medicaid and Food Stamp Growth

Pennsylvania Welfare Programs	2000	Now	Percent Increase
Food stamp enrollment	777,000	1,989,000	156 %
Food stamp spending	\$655,726,000	\$4,268,000,000	550 %
Medicaid enrollment	1,492,000	3,003,000	101 %
Medicaid spending	\$10,724,000,000	\$44,971,000,000	319 %
Pennsylvania population	12,280,000	13,078,000	7 %

***Restore
Program
Integrity***

Medicaid & Food Stamps

Protect the Truly Needy

Stop Fraud at the Source

Empower Independence

2015 Average Medicaid Enrollment

18%



Current Medicaid Enrollment

28%



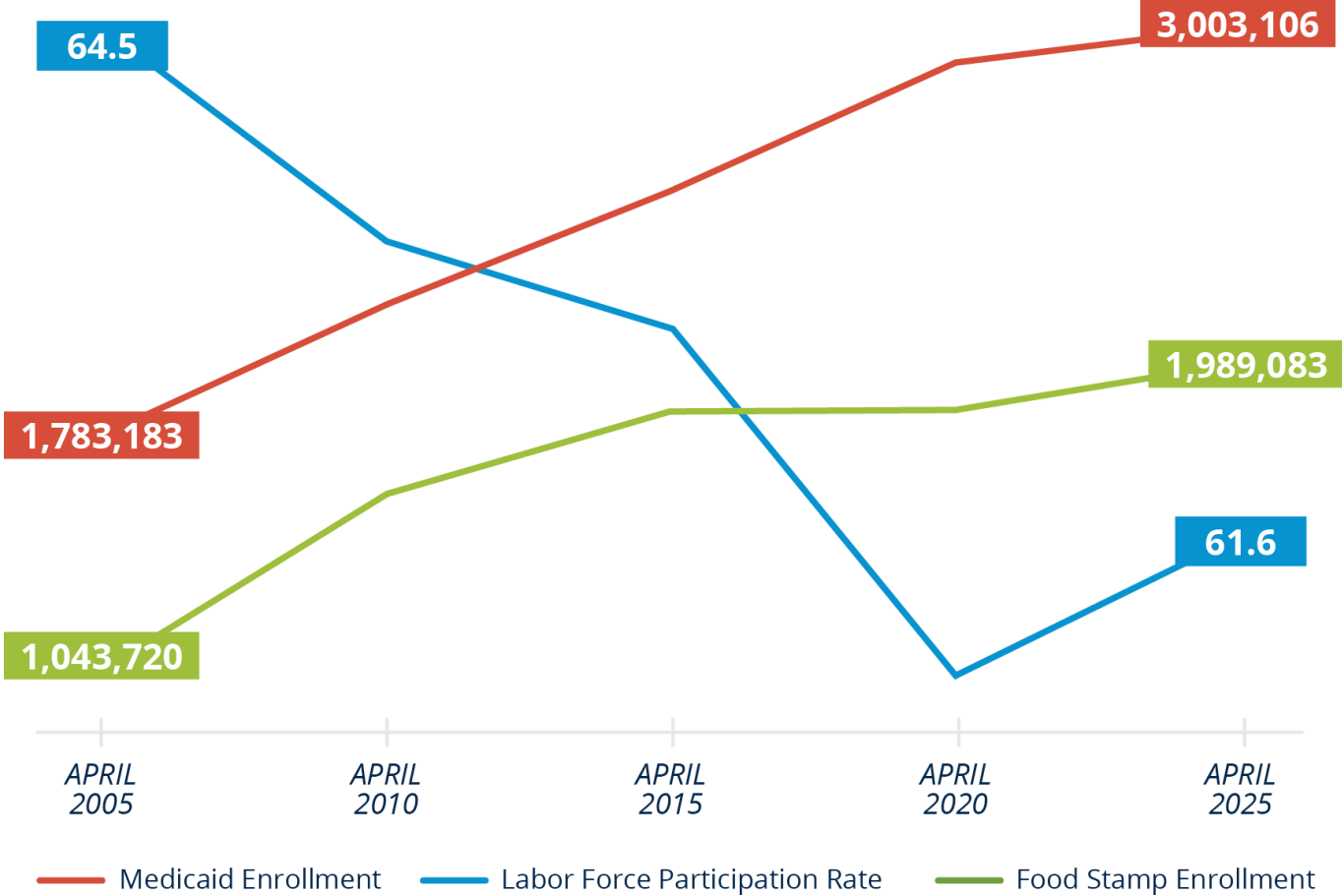
Myth of the Medicaid Worker



Nearly 578,000 able-bodied adults reported no earned income in 2022.

41 percent = not working

WELFARE VS WORK: X-FACTOR



Costly Errors: Improper Payments

Medicaid Payment Error
Rate Measure (PERM)

14 percent

=

\$2.3 billion

Food Stamps Payment
Error Rate

17 percent

=

\$725 million

Costly Errors: The Price of Improper Food Stamp Payments

- Food stamp benefits are currently paid entirely using federal tax dollars.
- Congress is introducing a state share of at least 5 percent that increases up to 25 percent for states with high improper payment rates.

FY 2024 Food Stamp Spending for Pennsylvania was \$4.27 billion

@ 5 percent

=

\$213 million state share

@ 25 percent

=

\$1 billion state share

PRESS RELEASE

Philadelphia Man Pleads Guilty to Defrauding the Government of More Than \$1 Million in SNAP, Medicaid Benefits

Tuesday, April 29, 2025

Share



For Immediate Release

U.S. Attorney's Office, Eastern District of Pennsylvania

PHILADELPHIA – United States Attorney David Metcalf announced that James Sessoms, 60, of Philadelphia, Pennsylvania, entered a plea of guilty today before United States District Court Judge Chad F. Kenney on one count of Supplemental Nutrition Assistance Program (SNAP) fraud, seven counts of false statements in connection with health care benefits, and seven counts of Social Security fraud.

Sessoms was charged by indictment with those offenses in October of 2024, arising from his scheme to use stolen identities and Social Security numbers (SSNs) to file for government benefits, including SNAP and Medicaid, with a total loss to the government of \$1,063,633. As part of the scheme, the defendant would sell the fraudulently acquired SNAP cards for profit at a local supermarket.

FRAUD

BY DESIGN

Fraud by Design: Medicaid

<i>State</i>	Self-Attestation Rejected for Residency	Self-Attestation Rejected for Age	Self-Attestation Rejected for Household Composition	Frequent Wage or Employment Cross-checks	Frequent Death Record Cross-checks	Frequent Residency Cross-checks
<i>Delaware</i>	No	No	No	Yes	No	Yes
<i>Maryland</i>	No	Yes	No	No	Yes	Yes
<i>New Jersey</i>	No	No	No	No	No	Yes
<i>Ohio</i>	No	No	No	No	No	Yes
<i>Pennsylvania</i>	No	Yes	No	Yes	No	Yes
<i>West Virginia</i>	No	Yes	No	No	Yes	Yes

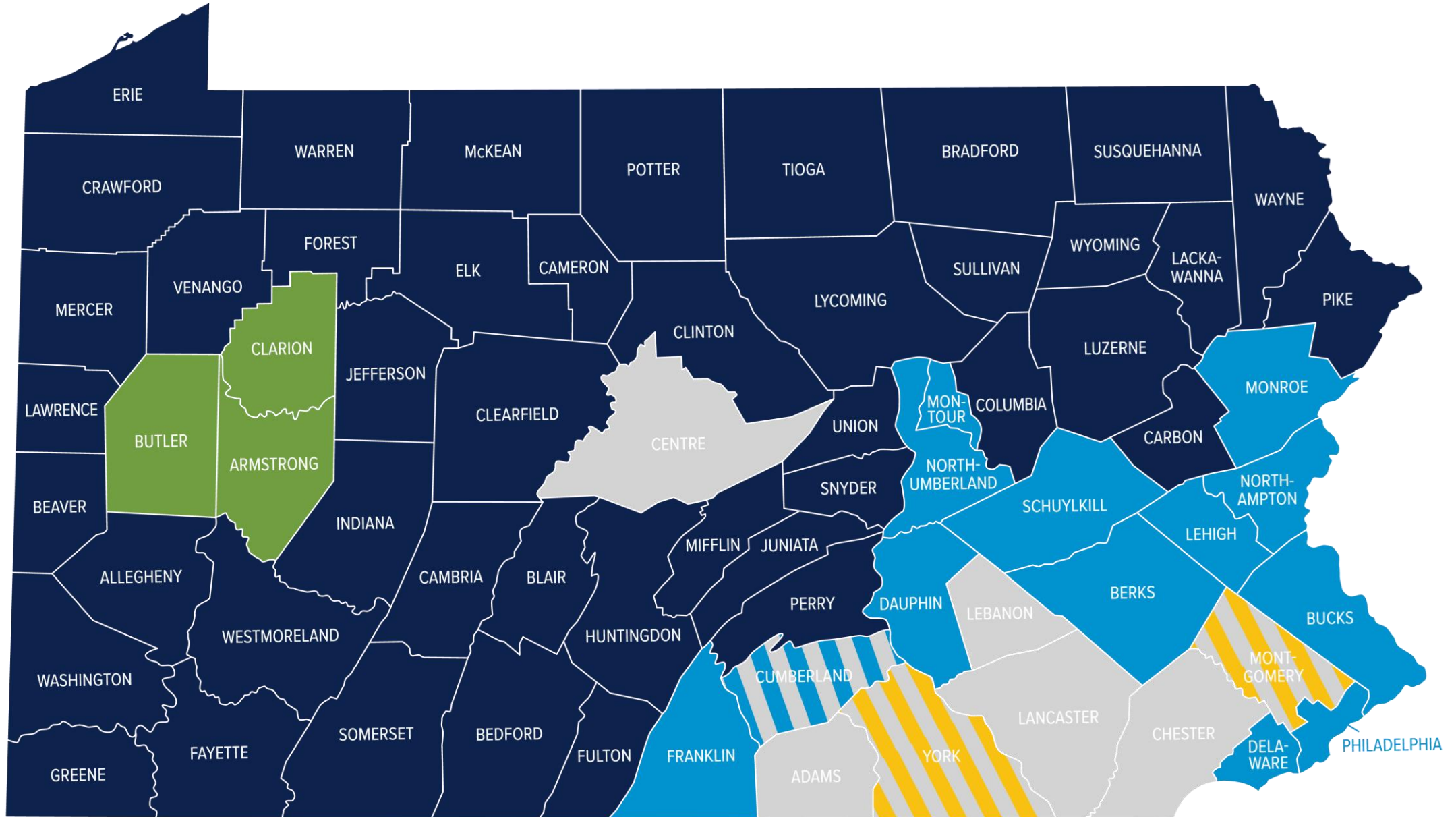
Fraud by Design: Hospital Presumptive Eligibility (HPE)

HPE Recipients Referred to DHS for Full Medicaid Application	Referred HPE Recipients Found Eligible for Medicaid	Confirmed Eligible for Medicaid
68 percent	61 percent	49.87 percent

FRAUD

BY DESIGN

Fraud by Design: Waiving the Food Stamp Work Requirement



Fraud by Design: BBCE Loophole

BBCE Keeps More Americans Stuck in Dependency

The BBCE loophole **allows states to ignore income and asset limits** under federal law for food stamp applicants and enroll individuals who are not eligible.

The widespread use of this loophole has **allowed millions of people—including millionaires—to enroll in food stamps** without meeting federal eligibility criteria for assets, income, or both.

What Counts as an Asset?



ASSETS:

Cash, bank deposits, recreational vehicles, boats, second homes, stocks, bonds, and other liquid assets



EXEMPT:

Primary residences, one or more vehicles*, household or personal goods, life insurance, pension funds or retirement accounts, education savings accounts, burial plots

*All states exempt at least one vehicle; most states exempt all

Restoring Integrity to Medicaid

Stop fraud at the source

- Stop accepting self-attestation
- More robust data cross-checks and frequent redetermination checks
- Reform hospital presumptive eligibility rules

Provide pathways to independence

- Work, train, or volunteer

Restoring Integrity to Food Stamps

- ABAWD work requirements
- End Broad Based Categorical Eligibility (BBCE)
- Mandatory E&T for all work registrants

Medicaid & Food Stamps

Protect the Truly Needy

Stop Fraud at the Source

Empower Independence

***Restore
Program
Integrity***



Questions?

Medicaid expenditures

Medicaid	FY 2000	FY 2024
Percent of state expenditures:	27.9 percent	39.5 percent
Total Medicaid spending:	\$10,724,000,000	\$44,971,000,000

- Pennsylvania's Medicaid spending as a percentage of state expenditures is the 2nd highest in the nation.

WELFARE VS WORK: X-FACTOR

