

# FGA Stop the Scam



## What is Stop the Scam (or enhanced eligibility verification)?

Stop the Scam is a common-sense, anti-fraud initiative that ensures individuals receiving welfare benefits are actually eligible. It uses 21st century tools to root out waste, fraud, and abuse by frequently checking applicants' and enrollees' eligibility for various welfare programs – including Medicaid, food stamps, and temporary cash assistance – against existing government and commercial databases. As a result, limited public resources are preserved for the truly needy.



## Why should states check eligibility more frequently?

Most states only verify eligibility once a year, despite the fact that life changes happen much more frequently and often go unreported. Many factors impact welfare eligibility, including when an enrollee finds employment, gets married, increases their hours, receives a raise, moves out-of-state, or even dies. States need to have access to this information so they can be sure only eligible individuals are receiving limited welfare benefits. Federal law allows eligibility determinations to be made any time a state receives information about enrollees' circumstances that may affect eligibility and Stop the Scam allows states to get this information more often.



## Why should states check more data sources more often?

Many states only do the minimum eligibility verification that is required by federal law. But by simply sharing information across agencies, numerous states have uncovered fraud. For example, states have found enrollees still collecting welfare benefits after winning lottery jackpots and even after death.

Increasing the number of checked data sources also significantly increases the ability of a state to protect resources for only those who qualify. For example, if an enrollee purchases a new cell phone after moving, commercial data sources can often obtain that new address in close to real-time. The more frequently the state learns of changes that affect eligibility, the sooner it can remove enrollees who are no longer eligible, protecting limited resources for the truly needy.



## What kind of life changes should be monitored more frequently?

States should monitor any significant change that could affect eligibility. These changes typically include new records of employment, changes in wages, reported lottery or gambling winnings, changes in addresses, incarceration, and death. These changes should be monitored at least monthly or quarterly, though some states monitor changes even more frequently. State welfare agencies can sign memoranda of understanding with other agencies to ensure access to existing state data. States may also contract with independent vendors to obtain additional commercial data to supplement state-collected information.



## Will Stop the Scam save taxpayers money?

Stop the Scam can be an important tool in protecting limited taxpayer resources. The experiences in other states indicate that states can conservatively expect to save between 2 percent and 4 percent of total Medicaid spending. If every state implemented Stop the Scam, it could generate up to \$8 billion per year in savings for state taxpayers and up to \$11 billion per year for federal taxpayers.