WELFARE FRAUD'S LONG RAP SHEET:

How to protect against another wave of benefits theft

SEPTEMBER 25, 2020

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TOP 10 WAYS TO STOP WELFARE FRAUD

1. MANDATE DATA CROSS-CHECKS
2. IMPLEMENT MORE FREQUENT MEDICAID ELIGIBILITY REDETERMINATIONS
3. CLOSE THE BBCE LOOPHOLE
4. REFORM HOSPITAL PRESUMPTIVE ELIGIBILITY
5. LOCK OUT FRAUDSTERS
6. END AUTOMATIC RENEWALS AND PRE-POPULATED FORMS IN MEDICAID
7. MORE STATE FLEXIBILITY TO SANCTION FOOD STAMP RETAILERS
8. ALLOCATE FRAUD DETECTION AND INVESTIGATION RESOURCES MORE EFFICIENTLY IN FOOD STAMPS
9. FREEZE FOOD STAMP RETAILER AUTHORIZATION WITH CREDIBLE ALLEGATIONS
10. PROHIBIT RETAIL OWNERS FROM REDEEMING PERSONAL FOOD STAMP BENEFITS AT THEIR OWN STORE

Introduction

As the federal government continues to pump trillions of dollars into public assistance programs, shocking stories of fraud and waste mount. With hard-earned tax dollars being squandered on ineligible or undeserving recipients, just as millions of working Americans are feeling the squeeze, the public is beginning to ask questions. First, how did this happen?

The truth is, it was already happening.

Even before the pandemic, the national payment error rate in food stamps had been on the rise. In 2017, it was 6.3 percent, compared to 3.66 percent just three years earlier.[1] In 2019, that number ballooned to 7.36 percent.[2] More than $3 billion were lost to overpayments alone.[3] In public housing programs before the COVID-19 outbreak, fewer than 75 percent of households paid the correct amount of rent, including $500 million in rent improperly paid by public housing authorities rather than tenants.[4]

But Medicaid fraud dwarfs even these startling numbers. In the years leading up to the pandemic, taxpayers shelled out more than $100 billion just in improper Medicaid payments.[5] More than 60 percent of these improper payments in Medicaid are caused by eligibility errors.[6]

As frustrating as this is, it plays a crucial role in an even more expensive surge in welfare enrollment overall. Food stamp enrollment had previously surged under the Obama administration in particular, fueled by policy choices that prioritized enrolling more people over improving program integrity, and using loopholes and gimmicks to keep individuals on the program long term.[7]

In March of 2020, 37 million Americans were enrolled in food stamps.[8] In just one month, six million more enrolled.[9] Medicaid enrollment was already over 70 million before the pandemic and on an unsustainable trajectory across America thanks to ObamaCare's Medicaid expansion to able-bodied adults.[10] The pandemic is projected to cause a surge by up to 55 million more enrollees.[11] This enrollment surge arrives just as state budgets face collapse.[12] As states search for solutions, cracking down on welfare fraud is a good place to start.

> **"As hard-earned tax dollars are squandered on ineligible or undeserving recipients, just as millions of working Americans are feeling the squeeze, the public is beginning to ask questions."**

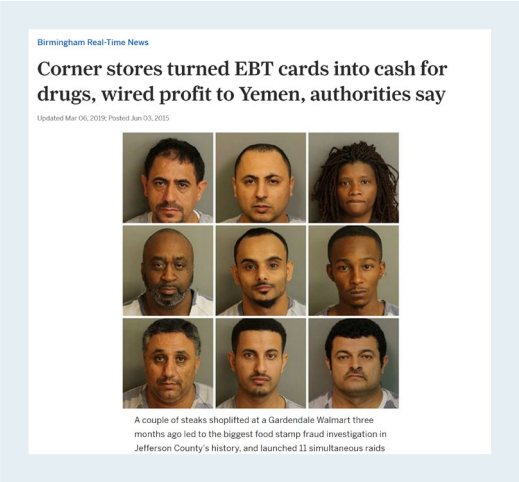
These are 10 of the worst stories of welfare fraud in recent history, although far from isolated incidents:

TEN TERRIBLE CASES OF WELFARE FRAUD

10 A LITTLE TOO CONVENIENT

In 2015, law enforcement officials in Alabama conducted Operation T-Bone, an investigation that resulted in 242 arrest warrants for 17 individuals at 11 convenience stores in Birmingham.[13] The investigation revealed that the stores were buying EBT cards for roughly 50 cents on the dollar and then using the food stamp benefits to buy food in bulk to later re-sell at their own stores.[14]

At the time of the arrest, Deputy Attorney General Cynthia Raulston said that this problem was so "enormous" and "pervasive" that law enforcement "had to cut off the number [they] were going to prosecute," because the fraud was "everywhere."[15]

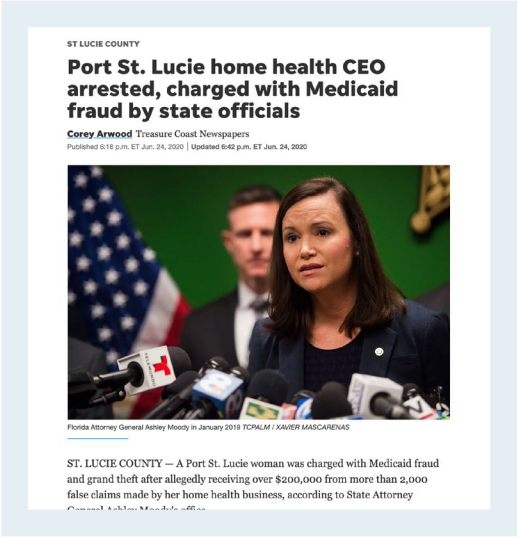


Birmingham Real-Time News

Corner stores turned EBT cards into cash for drugs, wired profit to Yemen, authorities say

Updated Mar 06, 2019; Posted Jun 03, 2015

A couple of steaks shoplifted at a Gardendale Walmart three months ago led to the biggest food stamp fraud investigation in Jefferson County's history, and launched 11 simultaneous raids



ST LUCIE COUNTY

Port St. Lucie home health CEO arrested, charged with Medicaid fraud by state officials

Corey Arwood Treasure Coast Newspapers

Published 6:18 p.m. ET Jun. 24, 2020 | Updated 6:42 p.m. ET Jun. 24, 2020

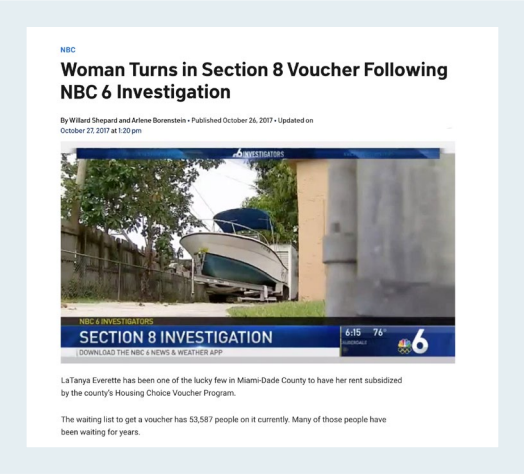
Florida Attorney General Ashley Moody in January 2019 *TCPALM / XAVIER MASCARENAS*

ST. LUCIE COUNTY — A Port St. Lucie woman was charged with Medicaid fraud and grand theft after allegedly receiving over $200,000 from more than 2,000 false claims made by her home health business, according to State Attorney

9 LIVING IN 3D

For three years, Lorna Dukes, submitted claims of service for her business, 3D Living & Home Services, to Medicaid until she was arrested by a joint task force of members of Florida Attorney General Ashley Moody's Medicaid Fraud Control Unit and the U.S. Marshals.[16] By then, Dukes had bilked more than $200,000 from Florida's Medicaid program for services not performed.

8 FLORIDA CORRECTIONS OFFICER PLEADS FOR OVERTIME



NBC

Woman Turns in Section 8 Voucher Following NBC 6 Investigation

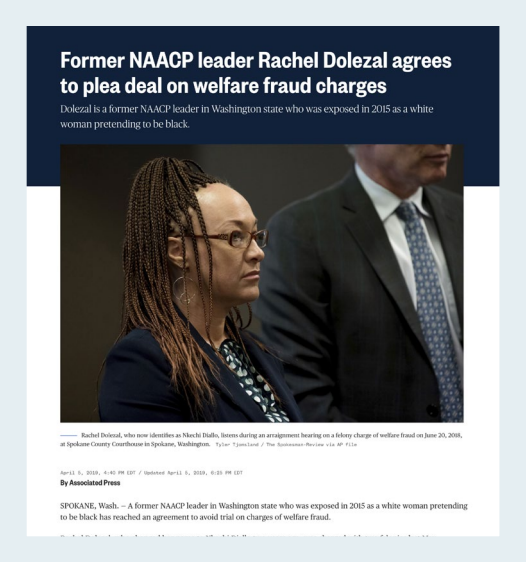
By Willard Shepard and Arlene Borenstein • Published October 26, 2017 • Updated on October 27, 2017 at 1:20 pm

LaTanya Everette has been one of the lucky few in Miami-Dade County to have her rent subsidized by the county's Housing Choice Voucher Program.

The waiting list to get a voucher has 53,587 people on it currently. Many of those people have been waiting for years.

As tens of thousands of residents of Miami-Dade County remained on waiting lists for public housing benefits, one household continued to receive generous monthly vouchers despite a job that paid more than $70,000 that put the household at twice the maximum income allowed.[17] What income did the household fail to report? A job as a corrections officer at a local prison.

Unfortunately, other states have made the same mistake. California spent more than $25,000 in food stamp benefits over four years for a household in which one member worked for the state's Department of Corrections for about $100,000 per year.[18]



Former NAACP leader Rachel Dolezal agrees to plea deal on welfare fraud charges

Dolezal is a former NAACP leader in Washington state who was exposed in 2015 as a white woman pretending to be black.

Rachel Dolezal, who now identifies as Nkechi Diallo, listens during an arraignment hearing on a felony charge of welfare fraud on June 20, 2018, at Spokane County Courthouse in Spokane, Washington. Tyler Tjomsland / The Spokesman-Review via AP File

April 5, 2019, 4:40 PM EDT / Updated April 5, 2019, 6:35 PM EDT

By Associated Press

SPOKANE, Wash. – A former NAACP leader in Washington state who was exposed in 2015 as a white woman pretending to be black has reached an agreement to avoid trial on charges of welfare fraud.

7 WASHINGTON STATE'S EVERGREEN WELFARE

Rachel Dolezal, a former NAACP chapter president who became famous for lying about her race and publicly self-identifying as black despite being white, was charged with welfare fraud in Spokane, Washington.[19] She failed to report income from her memoir in order to collect more than $8,000 in food stamp benefits.[20]

6 VIRGINIA'S BUDGET COMING UP FOR AIR

U.S. Attorneys » Eastern District of Virginia » News

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT of VIRGINIA

FOR IMMEDIATE RELEASE — Friday, May 29, 2020

Woman Sentenced to Prison for $500K Health Care Fraud Scheme

RICHMOND, Va. – A North Carolina woman was sentenced today to four years in prison for committing a $506,000 fraud on the Virginia Medicaid program

"Medicaid is a system of trust, and Jackson deliberately exploited a loophole in the Virginia Medicaid billing regulations and brazenly billed taxpayers of over $500,000. When someone commits healthcare fraud, it drives up the cost of care for everyone and creates an unfair playing field. I want to thank our team of investigators, prosecutors, and the Virginia Attorney General's Medicaid Fraud Control Unit for their terrific work on this case."

According to court documents, Paulette Jackson, 66, Williamston, was the owner and operator of United Medical Home Oxygen & Medical Supply, a Medicaid-enrolled durable medical equipment provider located in Franklin. When she sought reimbursement from Virginia Medicaid for a certain type of liquid oxygen container refills, Medicaid would reimburse Jackson for her actual oxygen cost plus 30 percent. Jackson inflated the amounts she reported to Medicaid were her actual costs of oxygen. From in 2010 through April 2016, Jackson reported to Medicaid that her costs 45 to 78 times her actual cost of oxygen. From April 2016 through August 2017, Jackson inflated her costs at a rate of 22 times her actual cost of oxygen. By falsely reporting her actual oxygen costs, Jackson, through United Medical, improperly billed Medicaid $506,058.66.

G. Zachary Terwilliger, U.S. Attorney for the Eastern District of Virginia; Brian A. Benczkowski, Assistant Attorney General of the Justice Department's Criminal Division; Mark R. Herring, Attorney General of Virginia; and Maureen R. Dixon, Special Agent in Charge of the Office of Inspector General for the U.S. Department of Health and Human Services (HHS), made the announcement after sentencing by U.S. District Judge John A. Gibney, Jr. Assistant U.S. Attorney Jessica D. Aber and Trial Attorney John Scanlon of the Criminal Division's Fraud Section prosecuted the case.

A copy of this press release is located on the website of the U.S. Attorney's Office for the Eastern District of Virginia. Related court documents and information are located on the website of the District Court for the Eastern District of Virginia or on PACER by searching for Case No. 3:19-cr-20.

More than any other welfare program, Medicaid opens state budgets up to incredible amounts of waste and fraud. For example, for six years, one woman stole half a million dollars from Virginia's Medicaid program via fraudulent reimbursements. While operating United Medical Home Oxygen and Medical Supply, Paulette Jackson charged the state's Medicaid program up to 78 times her actual cost of oxygen.[21]

5 A FAMILY TRADITION IN ORANGE COUNTY

A mother-daughter team in Orange County, California stole almost $200,000 in public housing benefits by using multiple birth certificates and identification cards.[22] When they were finally caught, they had more than $600,000 in their bank accounts. Housing is expensive in California, but this is still illegal.

NEWSCRIME AND PUBLIC SAFETY

Westminster mother, daughter accused of 'largest housing fraud case in Orange County history,' DA says

The pair are accused of bilking more than $190,000 from the county.

By EMILY RASMUSSEN | erasmussen@scng.com | Long Beach Press-Telegram
PUBLISHED: August 2, 2019 at 5:08 p.m. | UPDATED: August 2, 2019 at 5:08 p.m.

A mother and daughter from Westminster are facing felony welfare fraud charges in what the Orange County District Attorney's office says is the "largest housing fraud case" in county history.

Errica Madkins Mickens, 55, and Brittany Monet Mickens, 29, were arrested Thursday, Aug. 1, on suspicion of bilking more than $190,000 from county housing services.

The pair are accused of concealing their identities to gain funds from Orange County's Housing Authority Section 8, which provides rental assistance to low-income households, and In Home Supportive Services, which provides benefits to its disabled clients such as support for family care.

NEWS

Lottery winner who kept taking food stamps found dead

Megha Satyanarayana, Detroit Free Press
Published 7:35 p.m. ET Sep. 29, 2012 | Updated 7:38 p.m. ET Sep. 29, 2012

DETROIT -- Amanda Clayton, who caused a stir by continuing to take food stamps after winning the state lottery's $1 million *Make Me Rich!* game show, has died of a possible drug overdose, police said Saturday.

Clayton was found dead by police at about 9 a.m. at a home in Ecorse, Ecorse police Sgt. Cornelius Herring said.

No further details were released by police.

Clayton was propelled into the spotlight after a local news outlet learned she had won the game show in September 2011 but continued to take welfare benefits. At the time, she said she was entitled to the payments because she still needed help.

Amanda Clayton holds her ceremonial $1 million lottery check. She collected welfare despite winning the prize and later was sentenced to probation. *AP*

4 MICHIGAN DIDN'T MAKE HER RICH ENOUGH

Amanda Clayton lived an unusual and ultimately deadly rags-to-riches life in Michigan. On a game show called *Make Me Rich!*, Clayton won $1 million.[23] Yet, Clayton failed to report this income and proceeded to collect food stamp and Medicaid benefits from the state, for which she was ultimately charged and ordered to pay restitution.[24]

3 MINNESOTA MILLIONAIRE EXPOSES THE BBCE LOOPHOLE IN FOOD STAMPS

The worst welfare fraud is fraud that is encouraged by the government itself. The broad-based categorical eligibility loophole in food stamps, or BBCE loophole, is exactly that—state sanctioned fraud—and it purposefully allows millionaires to receive food stamp benefits.

Rob Undersander, the "Minnesota Millionaire," set out to prove this point.[25] Using the BBCE loophole, he was able to qualify for food stamp benefits by receiving a nominal benefit from Minnesota's cash welfare program. Minnesota, like most states, abuses this loophole to skip asset test verification for applicants.[26] States that use this loophole allow applicants with any amount of assets, including millionaires like Undersander, to receive benefits despite federal asset limits.[27]

2 ILLINOIS'S WALKING DEAD

Illinois may no longer allow the dead to vote, but the deceased continue to receive state Medicaid benefits. When federal auditors tracked Illinois's program over two years, they found that of 94 beneficiaries sampled, 80 were dead.[28] Illinois failed to recoup any of these lost payments.[29]

Illinois Medicaid Managed Care Organizations Received Capitation Payments After Beneficiaries' Deaths

08-20-2019 | Audit (A-05-18-00026) | Complete Report | Report in Brief

Why OIG Did This Review

Previous OIG reviews found that States had improperly paid Medicaid Managed Care Organizations (MCOs) capitation payments on behalf of deceased beneficiaries. We conducted a similar review of the Illinois Department of Healthcare and Family Services, which administers the Medicaid program. Our objective was to determine whether Illinois made capitation payments on behalf of deceased beneficiaries.

How OIG Did This Review

Our audit covered 11,358 monthly capitation payments, totaling $5.9 million, with service dates during the period October 1, 2015, through September 30, 2017 (audit period), made on behalf of beneficiaries reported as deceased. To identify our population of deceased beneficiaries, we matched the Medicaid

A previous state audit should have surprised policymakers in Springfield enough to forcefully address the issue. That audit had already discovered that over two years, more than 8,000 Medicaid enrollees in the state were dead.[30] These enrollees may have used Medicaid to access medical care during their life. But it is difficult to imagine that the $12.3 million spent on them after their death benefited either them or taxpayers.[31]

Couple Bilked Medicaid for $13 Million to Pay for Lavish Lifestyle, U.S. Says

Latisha and Timothy Harron spent the money on a private jet, shopping sprees at Tiffany, wine and clothes that they flaunted on social media, prosecutors said.

By Neil Vigdor

May 28, 2020

They shared photos on social media of their private jet, stacks of Tiffany & Company boxes and a crystal decanter of Louis XIII cognac, often accompanied by the hashtags #jetsetter, #millionaire, #billionaire and #entrepreneur.

But prosecutors said that the lavish lifestyle that Latisha and Timothy Harron flaunted online was one that they could not afford and was attained through fraud.

On Wednesday, the Harrons were indicted in a yearslong Medicaid billing scheme, in which the couple back-billed the program for $13 million in home health care services that they didn't provide, according to a criminal complaint unsealed on Wednesday.

timharron
1,122 followers
View Profile

View More on Instagram

1 GOING TO CAROLINA IN THEIR MINDS

For years, one Las Vegas couple lived the highlife. They flew on a private jet and flaunted royal decanters of cognac, Tiffany's jewelry, and clothes bought in Beverly Hills.[32] But they are not the "entrepreneurs" they said they were, unless Bonnie and Clyde were also "entrepreneurs." They are criminals and their scheme was simple.

They picked names from obituaries in North Carolina and charged Medicaid for fraudulent services to the recently deceased that were never actually provided. In all, using the ironically named Assured Healthcare Systems as a front, they received $13 million in reimbursement from Medicaid.[33]

WELFARE FRAUD OPPORTUNITIES HAVE INCREASED DURING THE COVID-19 PANDEMIC

Unfortunately, opportunities for welfare fraud have only increased during the COVID-19 pandemic. While fraud is still running rampant, the focus has not been on stopping it, and so it's hard to say how many cases there are in total. But here are some of the worst cases of welfare fraud that have occurred since the COVID-19 outbreak:

WISCONSIN FOOD STAMP PROGRAM GETS MILKED

In July of this year, two men who operated a restaurant called JD's in Madison, Wisconsin were caught supplying their restaurants with more than $90,000 worth of food bought with 358 different SNAP cards issued by Wisconsin's food stamp program. Unfortunately, this is a story that is often found in newspapers around the country.

ANOTHER KIND OF PIPELINE IN THE KEYSTONE STATE

In June of this year, two Pennsylvanians pled guilty and were sentenced for welfare fraud on a truly epic scale.[34] For six years, Larita Walls and Tionne Street participated in a conspiracy by which several entities received millions of dollars fraudulently from Pennsylvania's Medicaid program using bogus documentation and fake medical services.[35]

THE KIDS ARE NOT ALRIGHT

Starting an operation in Georgia before expanding to Louisiana and Florida sounds like an American success story. But Matthew Harrell didn't take the traditional course of an entrepreneur. Instead, the youth football coach began his criminal career by taking the personal information of young players provided by their families and submitting bills to Medicaid pretending to be their mental health provider.[36] When he expanded to Louisiana, Harrell managed to purchase a list of 13,000 children enrolled on Medicaid with stolen identities to bill more than half a million dollars for fake services that were never provided.

Top 10 ways to stop welfare fraud

Policy matters. Different states find fraud at such radically different rates that the disparities cannot be explained by state differences alone.[37] The following policies can help improve program integrity dramatically in these federal programs that states run:

#10: PROHIBIT RETAIL OWNERS FROM REDEEMING PERSONAL FOOD STAMP BENEFITS AT THEIR OWN STORE

Currently, a recipient of food stamp benefits may also be the owner of a business that operates an authorized retail store. While owning a retail food store should not disqualify someone from participation in the program, there must be proper controls to ensure that potential conflict does not lead to fraud. A food stamp enrollee who is also an authorized retailer should not be allowed to redeem personal benefits in their own establishments. This is a common problem among fraud cases.[38]

#9: FREEZE FOOD STAMP RETAILER AUTHORIZATION WITH CREDIBLE ALLEGATIONS

In the Medicaid program, a state health care fraud agency can make the determination that there is a "credible allegation of fraud" and remove a provider from active Medicaid payment status.[39] A food stamp retailer, however, can continue to operate until all investigations—and often even criminal trials—are completely adjudicated.[40] Retailers should be shut down immediately upon a credible allegation of fraud unless the investigation chooses to leave the retailer operating for purposes of an investigation.

#8: ALLOCATE FRAUD DETECTION AND INVESTIGATION RESOURCES MORE EFFICIENTLY IN FOOD STAMPS

At the federal and state levels of food stamp program oversight, there is too little money devoted to fraud detection. Current rules provide that states can retain 35 percent of funds collected from intentional program violations for use on investigations. But this revenue is unpredictable and insufficient. As a result, many states are woefully understaffed and do not have the correct data or technology tools in place. States should be allowed to retain 50 percent of intentional program violation collections.[41]

#7: MORE STATE FLEXIBILITY TO SANCTION FOOD STAMP RETAILERS

Current rules only allow the federal government to penalize and disqualify offending retailers. But USDA has very limited resources in this area and cannot handle the volume of investigations or sanctions necessary to ensure program integrity. States should be authorized not only to investigate, but also remove offending vendors from program participation.[42]

#6: END AUTOMATIC RENEWALS AND PRE-POPULATED FORMS IN MEDICAID

Eligibility errors drive at least 62 percent of improper payments.[43] Most of these errors stem from enrollees failing to provide accurate or complete information.[44] Current regulations require states to proactively renew eligibility with some forms requiring pre-populating information for enrollees.[45] This makes fraud hard to detect. States should request a waiver to require able-bodied adults to fill out and submit their own Medicaid renewal forms.[46]

#5: LOCK OUT FRAUDSTERS

Weak reporting requirements allow people ineligible for welfare benefits to continue receiving benefits after their change in circumstances render them ineligible. Under federal law, states have some discretion in how often they require food stamp recipients to report changes in circumstances that may affect their eligibility.[47]

In food stamps, state leaders should require all enrolled households to report changes within 10 days to reduce fraud and waste.[48] In Medicaid, states should request authority to waive certain federal regulations and implement a rule locking out individuals who knowingly commit fraud.[49] Individuals who fail to report required changes should be subject to a six-month waiting period before re-enrollment eligibility in the Medicaid program with exemptions for seniors and people with disabilities.

#4: REFORM HOSPITAL PRESUMPTIVE ELIGIBILITY (HPE)

Under Obama-era regulations, hospitals can qualify people for Medicaid that they think meet eligibility criteria.[50] However, eligibility and covered services begin right away before any verification of information like self-reported income or citizenship can be reviewed.[51] States are then barred from recouping overpayments even when hospitals make errors.[52] Data analyzed from West Virginia, Ohio, and Utah found only 35 to 44 percent of HPE enrollees were later confirmed as eligible for Medicaid even with state requirements of 75 to 85 percent.[53]

States can request authority to waive current regulations and return to the regulatory structure limiting HPE to children and pregnant women that was in place before Obama administration regulations passed in 2014.[54] States like Utah, Illinois, Georgia, and Maine have all requested the authority to return hospital presumptive eligibility to those limited populations.[55-58]

#3: CLOSE THE BBCE LOOPHOLE

The mere receipt of a hotline number, a notice of potential eligibility, and a welfare brochure have all been deemed "benefits" received in a welfare program triggering eligibility for food stamps.[59] The predictable result has been millions of food stamp enrollees, including some with significant assets, who are ineligible for food stamps under federal guidelines.[60]

Closing the BBCE loophole will allow states to reduce fraud and waste, lower their administrative burden, and focus resources on the truly needy. States using the BBCE loophole have higher costs per enrollee than states without the loophole.[61] States that take steps to close the loophole see their costs go down.[62]

#2: IMPLEMENT MORE FREQUENT MEDICAID ELIGIBILITY REDETERMINATIONS

Prior to 2014, federal law required states to redetermine an enrollee's eligibility for Medicaid at least every 12 months.[63] The Obama administration implemented regulations that flipped this on its head, barring states from redetermining eligibility any more frequently than once every 12 months.[64-65] The majority of improper payments are caused by eligibility errors, amplifying the potential for waste and abuse with fewer redeterminations to catch these mistakes.[66]

States should request waivers from the Obama administration's 2014 regulatory scheme so they can return to the longstanding rules permitting more frequent Medicaid redeterminations.[67] At a minimum, states should redetermine an enrollee's eligibility once every six months.

#1: MANDATE DATA CROSS-CHECKS

States spend millions of dollars maintaining data relevant to welfare eligibility. Lottery winners, death records, employment and wage records, incarceration records, and electronic benefit transfer (EBT) transaction records are already tracked by most states. Yet, states rarely use this available data comprehensively to ensure eligibility for benefits.

States should require agencies to share this available data to cross-check with food stamp and Medicaid enrollment records to ensure enrollees are alive, living in the state from which they are receiving benefits, and eligible for those benefits.[68-70]

States with data cross-checks have been able to save hundreds of millions for the truly needy.[71] Preventing enrollees from fraudulently collecting food stamps in multiple states could save up to $1 billion over 10 years.[72]

The promise of welfare reform 3.0

Of course, as long as there has been welfare, there has been welfare fraud. When Congress passed the Service Pension Law of 1818 to award public assistance to veterans of the American Revolution, a full 37 years after the British surrendered at Yorktown, the federal government received more applications than surviving veterans.[73] John Quincy Adams joked that soldiers of the Revolution were more than immortal—they "multiply with the lapse of time."[74]

Tragically, these millions of wasted tax dollars do not represent the worst consequences of increased welfare in America. Expanding welfare programs like Medicaid and food stamps, especially without work requirements for working-age, able-bodied adults, puts the truly needy at risk as benefits are stretched further.

STATES SHOULD APPLY WORK REQUIREMENTS TO ABLE-BODIED ADULTS

And, worst of all, it traps Americans who could work to achieve their own American dream in a cycle of dependency from which it is difficult to escape.

The solution to that problem is simple: less welfare and more work. States should apply work requirements to able-bodied adults consistently across their state and across their welfare programs.[75-77]

These two approaches—increased program integrity and a more consistent emphasis on getting back to work—form the basis of welfare reform for the future. Of course, "welfare reform" conjures up images of President Bill Clinton and Speaker Newt Gingrich in the 1990s. But the truth is that welfare reform 2.0—a decentralized, decade-long effort in state capitals across America since the Tea Party Movement along with welfare reforms these last few years of the Trump administration— and its success stories are so recent that the public hadn't even absorbed them before the pandemic.

What many don't realize about the original welfare reform was just how modest that effort was. It primarily impacted the nation's cash welfare program, now called Temporary Assistance for Needy Families (TANF), a much smaller program than food stamps, Medicaid, and public housing. The driving force behind welfare reform 2.0 has been applying the same principle of getting back to work more broadly.

In states that implemented more robust work requirements in food stamp programs, individuals left welfare and went back to work, finding jobs in more than 1,000 different industries.[78-83] Incomes doubled in a year and tripled in two years.[84]

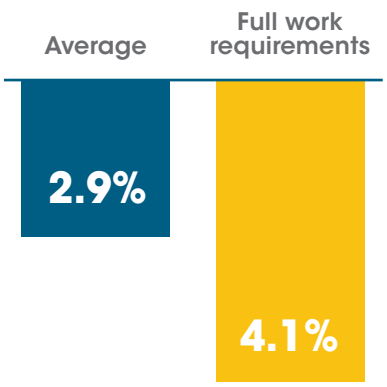
States reaped benefits beyond more workers engaged in their local economies. They also reduced spending by decreasing enrollment. In 2013, almost 47 million Americans collected food stamps.[85] Notably, this height of enrollment occurred several years after the worst years of the recession which began in 2007. The downturn certainly contributed, but the 2013 peak of enrollment capped a long-rising trajectory fueled by deliberate policy choices to increase dependency.

By the end of 2019, nearly 36 million Americans collect food stamps.[86] Obviously, the economic recovery and corresponding growth in open jobs and long-awaited rise in wages contributed. However, as Medicaid enrollment has demonstrated since 2010, the decline in food stamp enrollment was not inevitable with economic recovery. Policy matters.

"In states that implemented more robust work requirements in food stamp programs, individuals left welfare and went back to work, finding jobs in more than 1,000 different industries."

FOOD STAMP ENROLLMENT DECLINED WITH WORK REQUIREMENTS

Food stamp decrease, 2013 to 2019



Case in point, between 2013 and 2019, the average state experienced a per-capita decline in food stamp enrollment of 2.9 percent.[87] But the 17 states that did not exploit loopholes from federal work requirements and maintained full, statewide work requirements had an average decline of 4.1 percent.[88]

Only four states actually increased their food stamp enrollment per capita between 2013 and 2019—Oregon, Utah, New Mexico, and Nevada. Not one of these states had a statewide work requirement and two of them effectively waived work requirements in every county.[89]

But that movement has largely stalled with the expansion of the welfare state during the COVID-19 pandemic. In building a true welfare state, the virus has presented a miracle of deliverance for the left and a crisis of confidence for the right. The next president and Congress will be dealing with major increases in welfare caseloads and major challenges with fraud along with those growing rolls.

America needs welfare reform 3.0. And the biggest opportunities for reform will remain in Medicaid until the program resembles something sustainable. Medicaid has proven that welfare programs can swell even during times of steady growth and declining unemployment. From 2010 until the outbreak of COVID-19, despite a growing economy, Medicaid took more and more state budget dollars from education, infrastructure, and public safety every year.[90-91]

Battles like this are fought in Congress and state legislatures. But battles like this are won at dining room tables across America. Welfare programs are only sustainable—both financially and morally—if limited resources are used for the truly needy. Americans have long understood and, by overwhelming majorities across the political spectrum, support measures to increase program integrity.[92] For example, more than **70 percent of all voters support more frequent eligibility checks for Medicaid and food stamps**.[93]

If a strong majority of Americans continue to believe that working and engaging in their communities is the source of their family's strength and the source of American strength, the American dream will survive.

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