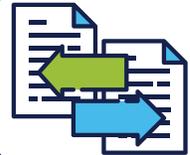




MICHIGAN'S WELFARE REFORMS: Data cross-checks in food stamps and Medicaid

MYTH:

Michigan does not need to check more often that only eligible individuals and families are receiving public assistance.



FACT:

When Michigan only cross-checks eligibility for welfare once or twice per year, it is ignoring the fact that life changes are much more frequent. Unfortunately, these changes often go unreported.

Unreported life changes mean there are fewer resources available for the truly needy. When a person using welfare finds employment, gets married, increases their hours, gets a raise, moves out of state, or even dies, it can impact their eligibility and benefit levels. By checking these basic factors more often, more resources can go to the truly needy—those who have fallen on hard times and need the temporary benefit of a safety net.

MYTH:

Program integrity reforms in welfare will hurt people by kicking individuals and families in need off Medicaid and food stamps.



FACT:

The opposite is true. Program integrity focuses resources on the men, women, and families eligible for welfare programs—the truly needy—by removing only those people who are no longer eligible.

Programs that waste money on the ineligible hurt the individuals, families, people with disabilities, and the elderly who are eligible by diverting resources and threatening the solvency of the programs on which the truly needy rely.

For example, more than 3,000 Michigan residents with disabilities are stuck on waiting lists for Medicaid benefits. Every dollar spent on someone ineligible is a dollar that cannot be spent on the single mom who just lost her job, the young man with a disability trying to make ends meet, or the family of five trying to put food on the table.



MICHIGAN'S WELFARE REFORMS: Data cross-checks in food stamps and Medicaid

MYTH:

Michigan's state agencies already conduct program integrity checks in welfare and unemployment.



FACT:

State agencies do not conduct these checks as regularly as they could. These reforms will codify the good work agencies currently do, increase the number of datasets checked and the frequency of those checks, and will increase savings. When the state saves money on improper payments, there are more resources available for the truly needy.

MYTH:

These measures will cost a fortune to implement and require a massive IT overhaul.



FACT:

While some states use comprehensive IT systems to better automate eligibility crosschecks, others have implemented the initiative by sharing spreadsheets or text files across agencies and with independent vendors. **Similar legislation has recently received cost estimates of \$0 in Missouri, Montana, West Virginia, and Louisiana.** Some states have seen a return on investment of nearly 10 to one.

MYTH:

Waste and fraud in welfare is a small problem, not a widespread issue.



FACT:

The error rate in Michigan's food stamp program is more than 12 percent, among the highest in the country. And, nationally, Medicaid has a 21 percent payment error rate. Medicaid's improper payment rate applied in Michigan translates to \$3.6 billion in improper payments.

This is a threat to the truly needy who look to programs for help with medical expenses, feeding their families, or getting back on their feet after job loss.