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Post-IBM welfare process cloudy

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Bloomington, Ind. -- Secretary of State Anne Murphy had few answers for lawmakers today about how the state will transition to a new welfare delivery system now that the \$1.34 billion contract with IBM has been canceled.

She only received the contracts with the 22 subcontractors yesterday, she told members of the State Budget Committee meeting at Indiana University, and said she expects to have more details when the committee meets again in December.

But she did describe how the new system is expected to work as it seeks to blend the best of the former caseworker system with the best of the modernized system. People seeking food stamps, Medicaid and Temporary Assistance to Needy Families (TANF) will be able to go into county offices for a face-to-face meeting, instead of being pushed to do so only by phone or computer. Those options, though, will remain for people who prefer to apply online or over the phone.

Instead of having cases routed through the two call centers, located in Grant and Lake counties, calls will be sent directly to the counties. And while those call centers will become "change centers," where workers can make basic changes to people's information, such as a new address, the actual cases will be managed by caseworkers in each county.

State Rep. Peggy Welch, D-Bloomington, told Murphy she applauded Gov. Mitch Daniels for canceling the IBM contract, and said the state now has a chance to create the best welfare-delivery system in the nation. Legislators have questioned whether one of the key subcontractors that remain, Affiliated Computer Services of Dallas, is not part of the problem, and one of the key reasons for IBM's problems. Welch said lawmakers did not ask Murphy about how she will hold ACS accountable because they know it is too early for her to have answers. But, Welch said, "Anne Murphy pulled the plug on IBM and I have no doubt she will have the courage to do the same for any other contractor that's not doing the job that's expected."

One big reason Daniels canceled the 10-year, \$1.34 billion contract with IBM earlier this month was soaring error rates, and complaints from both the public and legislators in both parties s error rates.

A new report from the U.S. Department of Agriculture Food and Nutrition Service released Thursday shows Indiana had the biggest increase in food stamp errors in the nation from 2007 to 2008.

The rate for improper denial, termination or suspension of benefits climbed from 5.9 percent to about 13.62 percent in Indiana. The national rate grew slightly from 10.94 percent to 10.96 percent.

Indiana's error rate has historically been below the national average.

The national rate has been climbing since 2004 but Indiana's rate had stayed below the national rate until 2008.

In an August report to Congress that is part of the USDA's mandated quarterly assessment of Indiana's program, the Food and Nutrition Service said Indiana's increase was due primarily to the state not sending required notices of missed interviews and a glitch in the system that allowed workers

to deny applications too early. The state had told the federal government that it had addressed the issue through staff training.

The report also said Indiana ranked 46th in the nation in 2007 for how quickly it processed food stamp applications.
