



HEALTH CARE  
AUTHORITY



LEGISLATIVE FINANCE COMMITTEE - JUNE 16, 2026  
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) EVALUATION  
KARI ARMIJO, SECRETARY

*INVESTING FOR TOMORROW, DELIVERING TODAY.*



HEALTH CARE  
AUTHORITY

## MISSION

*We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.*

---

## VISION

*Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.*

---

## GOALS



**LEVERAGE** purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



**BUILD** the best team in state government by supporting employees' continuous growth and wellness.



**ACHIEVE** health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



**IMPLEMENT** innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

# AGENDA

- SNAP Successes and Performance Highlights
- HCA Workforce Capacity: Staffing, Retention, and Vacancies
- Payment Error Rate (PER) Overview and Root Cause Analysis
- Strategic Initiatives and Implementation Timelines
  - Operational Improvements
  - System Modernization and Enhancements
- Program Integrity and Oversight (Office of Inspector General Findings and Enhancements)



Kari Armijo  
Secretary

505-249-8773

[Kari.Armijo@hca.nm.gov](mailto:Kari.Armijo@hca.nm.gov)



HEALTH CARE  
AUTHORITY

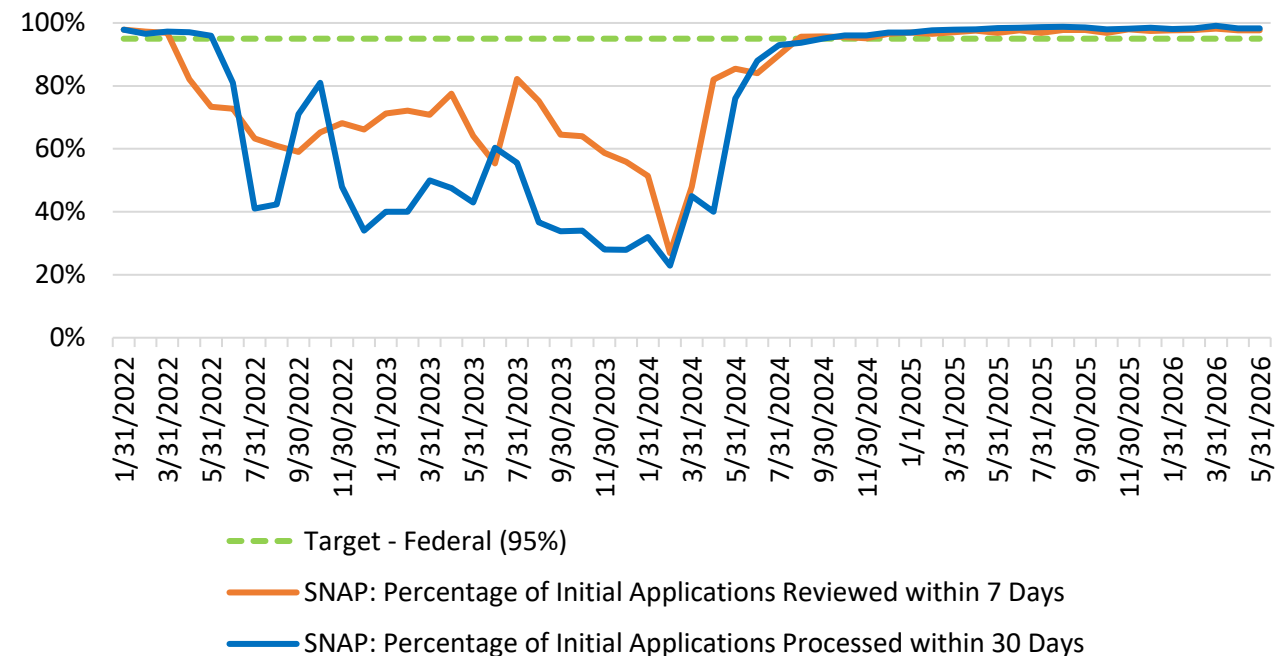
*Investing for tomorrow, delivering today.*

# SNAP SUCCESSES & PERFORMANCE HIGHLIGHTS

# THE HCA INCOME SUPPORT DIVISION MEETS OR EXCEEDS FEDERAL TIMELINESS STANDARDS FOR SNAP PROCESSING

- Following the end of the COVID – 19 public health emergency, HCA experienced operational challenges as normal eligibility and verification requirements were reinstated while rebuilding staffing capacity.
- A significant number of newly hired eligibility workers required extensive training and supervision, which contributed to processing delays and increased error risk during the transition period.
- Efforts to rebuild and invest in HCA’s caseworker staffing have lowered the vacancy rate to 2% and substantially reduced caseworker attrition.
- HCA has maintained SNAP timeliness for both regular and expedited applications for more than two years.

**As SNAP applicant, what are the chances of having my non-emergency application processed within 30 days for SNAP and my emergency SNAP review within 7 days?**



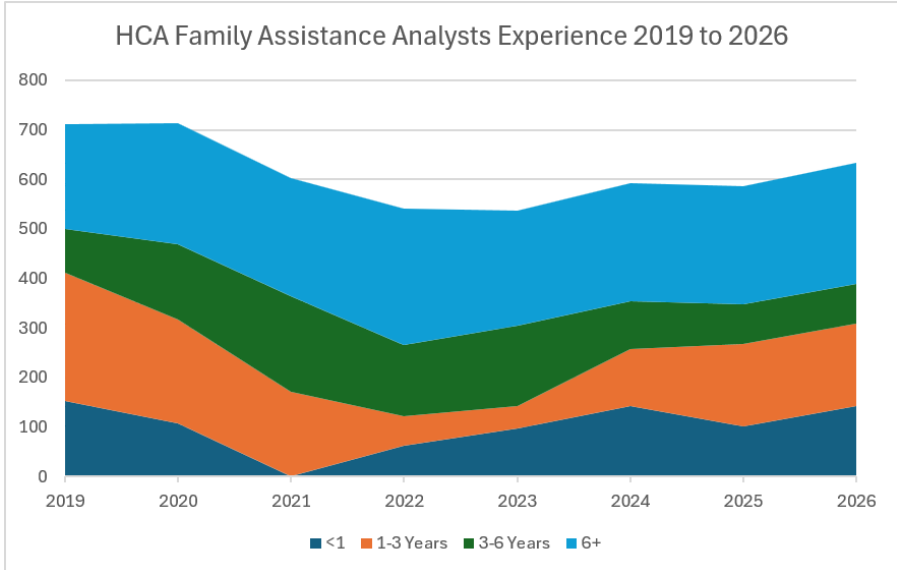
# INVESTMENTS IN ISD STAFFING ARE INTEGRAL TO THE AGENCY'S SUCCESS

- New Mexico serves a SNAP caseload comparable to peer states, with an integrated workforce that processes eligibility for most other safety net programs.
- Peer states with lower Payment Error Rates (PERs) also report significantly larger staffing levels.
- The HCA is investing in workforce recruitment, retention, training, and operational improvements to strengthen program accuracy and reduce the PER.
- NM received funding to support ISD caseworkers over the past three fiscal years and still does not have as many caseworkers as it did before the pandemic.
- Adequate staffing capacity is a key factor impacting eligibility determination accuracy & timeliness.
- Caseworker tenure has a significant impact on error rates due to the complexity of SNAP policies.

## COMPARABLE STATE STAFFING AND PER

State	PER rate (Oct 25-Dec 2025)	Caseload (Feb 2026)	State Reported Eligibility workers
New Mexico	16.60%	242,985	712
Kentucky	6.87%	272,005	1554
Nevada	5.79%	232,587	1416
Minnesota	9.27%	231,096	1682

Data Sources: FNS PER Rate and caseload states, State reported information



Data Source: HCA data



# PAYMENT ERROR RATE OVERVIEW & ROOT CAUSE ANALYSIS

# REDUCING THE SNAP PER REQUIRES AN UNDERSTANDING OF THE ROOT CAUSE OF ERRORS

The HCA’s root cause analysis of the FFY 2024 PER determined that:

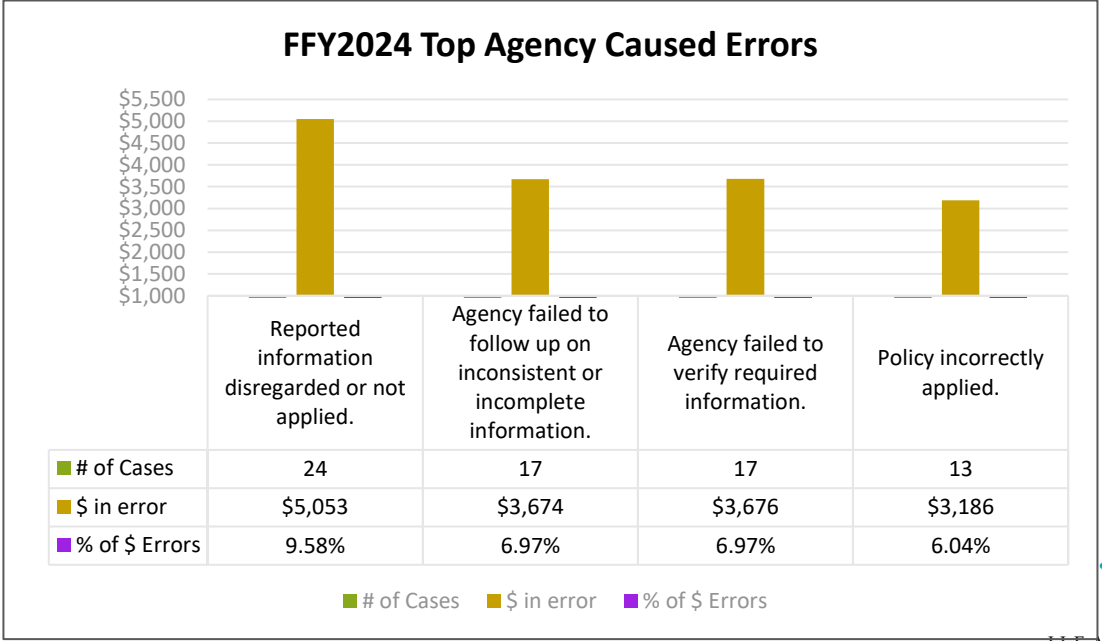
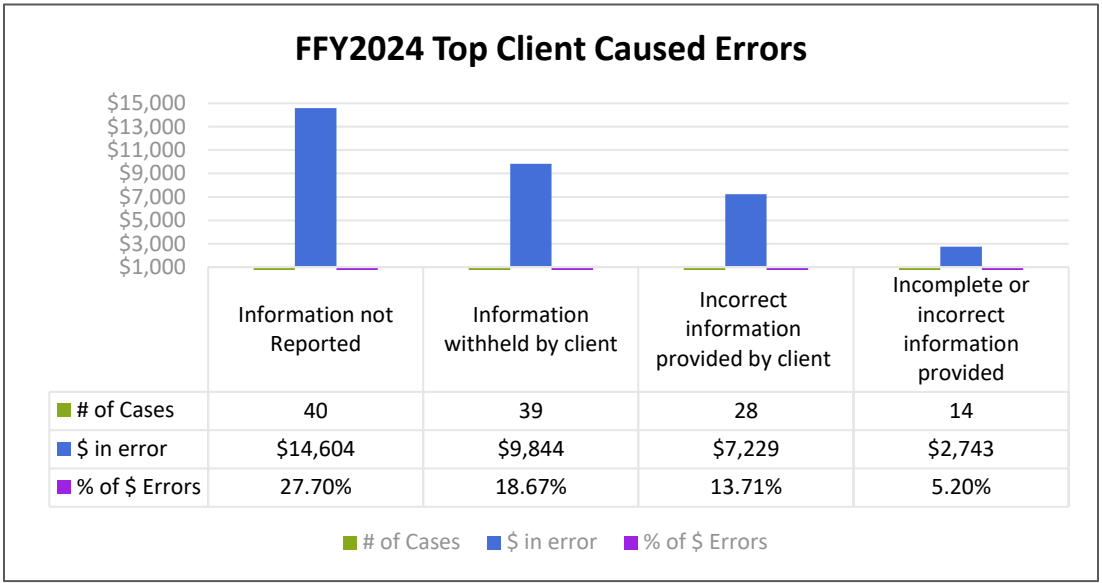
- **Client Caused** errors represent **65%** of total identified errors.
- **Agency Caused** errors represent **35%** of total identified errors.

The **top three Client Caused** errors are:

1. Information Not Reported
2. Information Withheld by Customer
3. Incorrect Information Provided by Customer

The **top three Agency Caused** errors are:

1. Reported Information Disregarded or Not Applied
2. Agency Failed to Follow Up on Inconsistent or Incomplete Information
3. Agency Failed to Verify Required Information



Source: FNS SNAPQCS: Report #1 SNAP QC Analysis of Error Causes



# UNDERSTANDING WHEN ERRORS COUNT TOWARD THE SNAP PAYMENT ERROR RATE

**Sample Month:** October

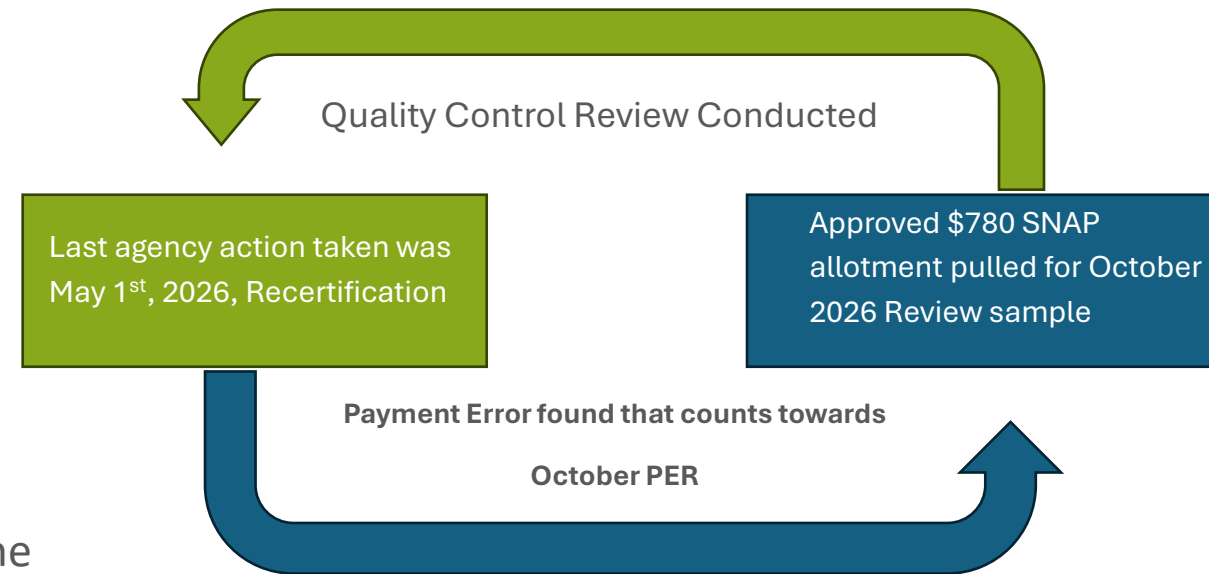
**Sample Drawn:** November 1st

- 92 cases randomly selected from the active **October** SNAP universe (approx. 244,000 cases).
- Quality Control (QC) team reviews the monthly benefit amount and if there is a payment error, QC reviews the **last action taken by the agency that determined the October benefit amount.**
- The last action on a case could be up to 12 months prior to the case sample.

## Examples of Actions Reviewed:

- Initial application for SNAP
- SNAP recertification
- Change in benefit amounts due to an Interim Report or a reported household change during the certification period

Errors are attributed to the **month the benefit was issued.** For this sample, the error is attributed to October, even though the eligibility action being reviewed may have occurred several months earlier.



## Example:

- Sampled case received **\$780** in SNAP benefits for October.
- QC determined the **last agency action** was a **May 1, 2026 recertification.**
- QC identified unreported income and found the household was eligible for only **\$600/month** (May–October).
- Monthly overissuance: **\$180** (\$780 issued – \$600 eligible).
- A **claim** is established for **\$180 for each affected month.**
- A claim is the amount of benefits received that the household was **not eligible for and must repay.**
- For PER purposes, the **October payment error is \$180**, which counts toward the agency's October PER.



# STRATEGIC INITIATIVES & IMPLEMENTATION TIMELINES

# THE HCA IS FOCUSED ON PROGRAM INTEGRITY

The HCA has implemented several operational changes to strengthen management of field offices, PER analytics, target caseworker training, and improve PER accountability and oversight.

## Increased Fraud Prevention Initiatives

- **Strengthened identification and pursuit of Intentional Program Violations (IPVs).**
  - Implemented standardized procedures for referrals from Quality Control findings and other fraud leads. This includes step-by-step guidance, required forms, and referral protocols for field staff.
  - This has improved consistency in fraud detection, referral, and investigation processes.
- **Updated the Over the Counter (OTC) EBT Card processes**
  - Implemented standardized criteria for issuing OTC EBT cards, replacing the previous practice of unlimited OTC card issuance, enhancing oversight and consistency statewide.
  - Established controls to reduce fraud risk while maintaining flexibility to address documented customer hardships.
  - Continued immediate OTC card issuance for households approved for Expedited SNAP benefits to ensure timely access to food assistance.
- **Continued collaboration with the Gaming Control Board to establish a data-sharing agreement**
  - The agreement enables HCA to receive data on SNAP participants with gaming winnings at or above \$4,500 to support eligibility and program integrity; this would close the SNAP case.
- Exploration of **Artificial Intelligence and Machine Learning** to identify discrepancies and support case review activities

## H.R. 1 PER SNAP Cost-Share

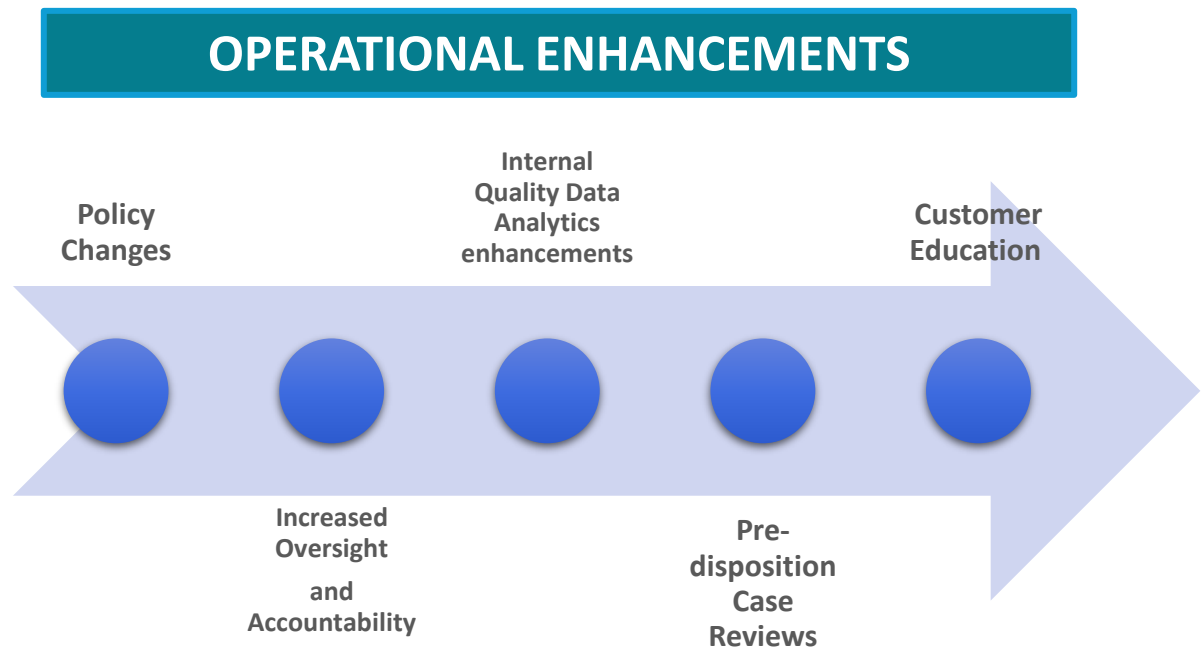
State PER	State Required SNAP Benefit Match	Federal Share	Impact to NM General Fund
Less than 6%	0% (fully federally funded)	100%	\$0
6 to 7.99%	5%	95%	\$49,810,910
8 to 9.99%	10%	90%	\$99,621,820
10% or greater	15%	85%	\$149,432,730

- **Beginning in FFY 2028**, H.R. 1 requires states to share SNAP benefit costs, the amounts are a result of the state's Payment Error Rate (PER).
- **FFY 28 Cost Share Levels** are based on prior-year PER data (FY25–FY27 states can choose 1st year), which updates annually in February.
- **States with a PER above 13.33%** in FY25 or FY26 may delay the payment of cost share until FY 2030.



# ISD IS IMPLEMENTING OPERATIONAL ENHANCEMENTS WITH POLICY CHANGES, INCREASED OVERSIGHT AND CUSTOMER EDUCATION TO IMPROVE THE PER

- **July 2025** Monthly targeted training series for caseworkers based on root cause analysis
- **January 2026** Added predictive data analytics and updated case review process to identify high dollar error trends and supports caseworker training to reduce errors
- **May 2026** removed self attestation/reporting as an allowable verification policy
- **June 2026** Customer education campaign to ensure that customers report their information correctly and receive the benefits that they are eligible for
- **June 2026** Pre-Disposition Case Reviews to be done on SNAP benefits of \$450 or more
- **August 2026** Staff error rate trending: Leadership will have performance dashboards, enhanced reporting that will provide clear visibility into employee and office level:
  - Quality Trends
  - Key Error Drivers
  - Opportunities for Training and Process Improvement



# ERROR REDUCTION THROUGH AUTOMATION & SYSTEM ENHANCEMENTS

System Enhancements will reduce both agency and client caused errors by providing necessary tools to the caseworkers improving the eligibility process. The enhancements will create stronger program oversight by creating leadership visibility improving consistency with case reviews and needed trainings.

**Launching  
January 2027**

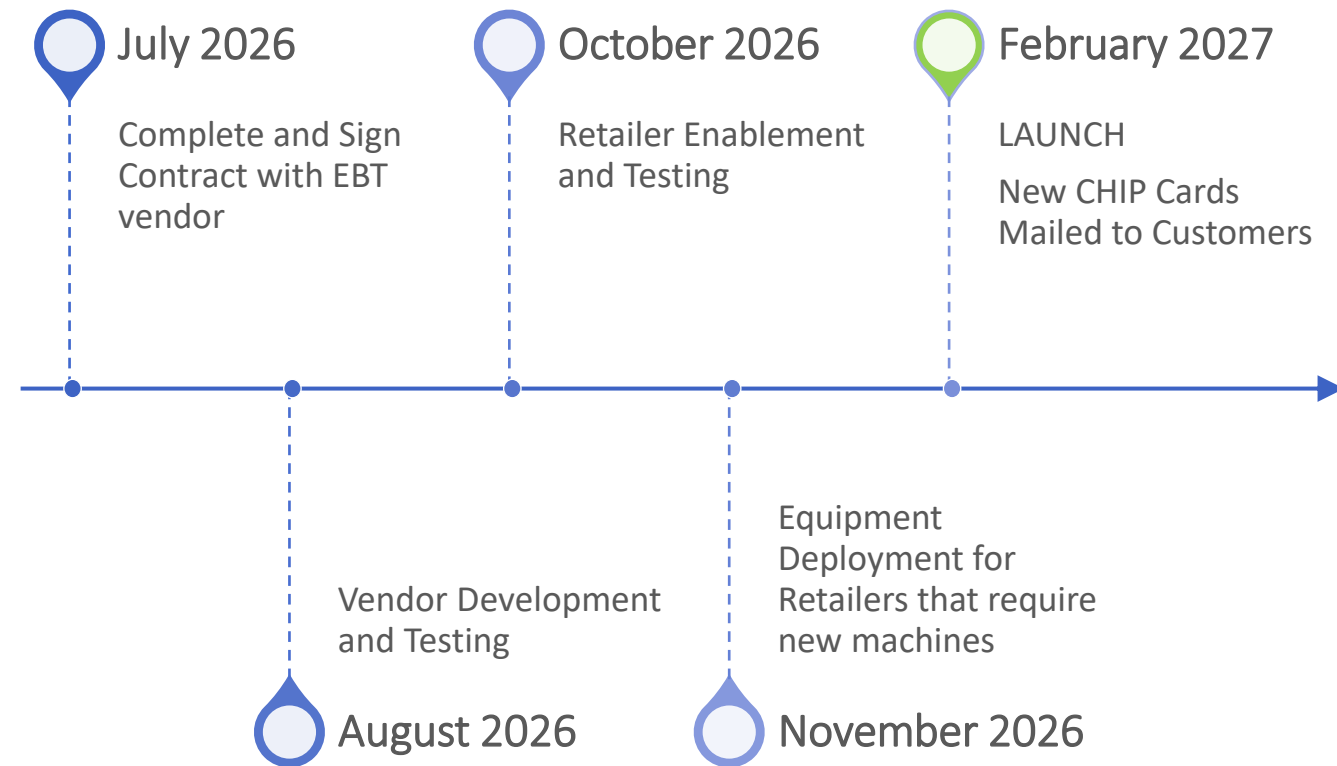
<p><b>Interview Assistant &amp; Quality Check</b></p>	<p>This provides case specific guidance, policy support, and clear plain language summaries of eligibility outcomes enabling case workers to quickly understand, explain and act on information real time.</p>
	<p>Enhanced decision support tool with chat-based assistant. By guiding workers through required questions and highlighting potential inconsistencies, this increase correct eligibility determinations.</p>
<p><b>Quality Nudges</b></p>	<p>Embedding prompts that guide caseworkers through required questions and complete application review, allowing real time resolution of discrepancies, improving overall accuracy.</p>
	<p>Real-time customer monitoring of changes will prompt caseworkers to address required updates. These timely nudges enable immediate action during interactions, improving case completeness, accuracy and overall quality.</p>
<p><b>Auto Case Review &amp; Dashboard</b></p>	<p>A centralized Program Quality engine that increases error tracking and establishes a comprehensive framework to support quality –focused nudges, pre-disposition guidance, and post-certification reviews.</p>
	<p>Incorporates severity –based findings, guided screen navigation, and integrated task management, enabling efficient identification, resolution, and tracking of quality issues throughout the case Lifecycle.</p>
<p><b>Verification HUB</b></p>	<p>Actively exploring different data sources and vendor solutions to support additional verification activities.</p>
	<p>This will be integrated into the existing system to provide a Central Source of Verifications simplifying the verification process and gaining efficiencies.</p>



# TIMELINE TO IMPLEMENT CHIP EBT CARDS

Implementation of chip-enabled EBT cards demonstrates the Authority's proactive investment in fraud prevention and program integrity and represents a significant modernization effort that strengthens security, protects client benefits, and reduces opportunities for fraud and benefit theft.

- Replaces magnetic stripe technology with secure chip-enabled cards.
- Reduces the risk of EBT card skimming.
- Enhances protection by preventing unauthorized access to accounts.
- Supports federal and state efforts to combat organized fraud schemes targeting EBT recipients.
- Improves transaction security at participating retailers through modern payment technology.
- Complements ongoing investigative, data analytics, and retailer monitoring efforts to detect and prevent fraud.



PROGRAM INTEGRITY AND OVERSIGHT  
OFFICE OF INSPECTOR GENERAL ENHANCEMENTS

# FUTURE OIG ENHANCEMENTS

These enhancements describe the future direction of OIG as it strengthens its tools, processes, and transparency efforts.

## ■ Improve Fraud Detection

- Conducting full review of investigative workflows to ensure faster, consistent case handling.
- Using case-flow mapping to eliminate bottlenecks and improve timeliness of fraud investigations.
- Strengthening referral screening criteria so high-risk cases (trafficking, skimming, collusion) are prioritized.
- Increasing cross-division coordination to ensure fraud indicators are caught earlier and sent to OIG appropriately.

## ■ Use EBT Data Analytics Proactively

- Enhancing data-matching tools to detect suspicious EBT patterns (rapid withdrawals, out-of-state anomalies, high-risk retailers).
- Work with vendor to implement proactive alerts and automated flags that prompt investigators before fraud escalates.
- Expanding analysis of redemption patterns to uncover potential trafficking rings or retailer-recipient collusion.
- Integrating available federal and state data sources to build stronger fraud risk scoring.

## ■ Increase OIG Transparency & Public Reporting

- Developing a more visible reporting process for investigation volumes, outcomes, trends, and risk indicators.
- Creating a standardized, recurring public dashboard to share anonymized program-integrity metrics.
- Publishing clearer descriptions of investigative priorities and fraud-prevention initiatives.
- Strengthening internal communication loops so leadership and stakeholders have timely visibility into emerging risks.

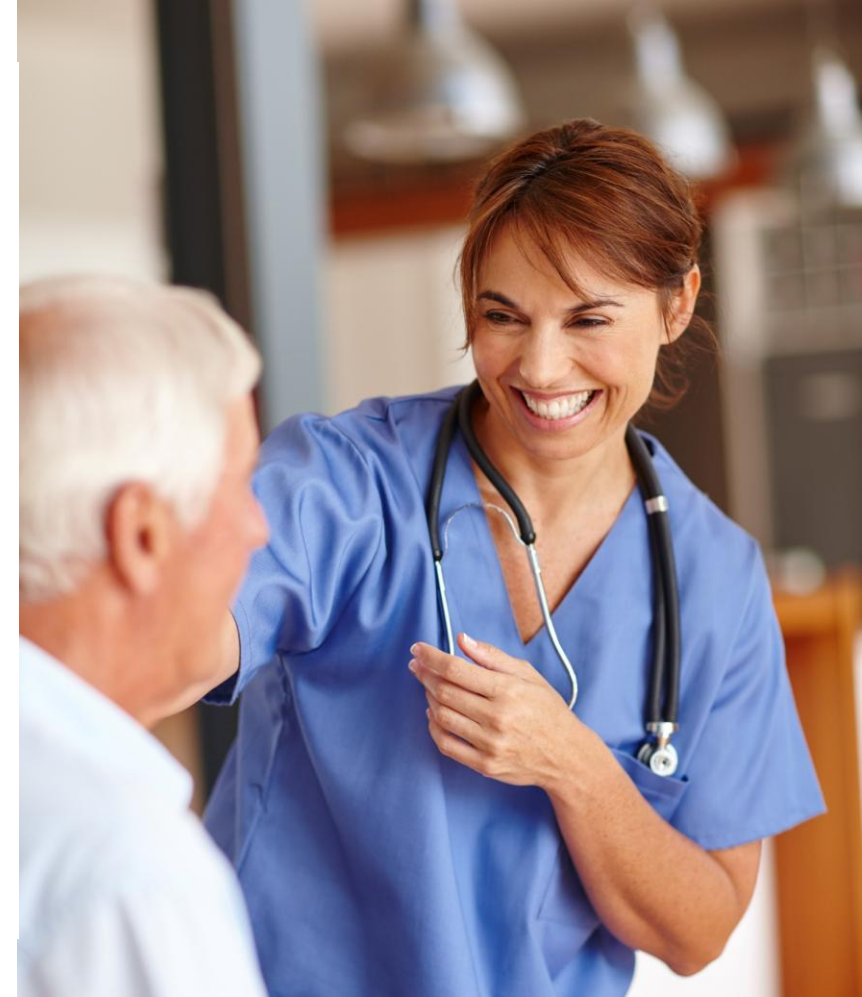
## ■ Establish Annual OIG Workplan

- Building a structured annual plan that identifies fraud-risk areas based on data analytics, caseload trends, and federal guidance.
- Aligning staffing, training, and resource allocation with the workplan to ensure high-risk fraud types receive priority attention.
- Using performance metrics and investigative outcomes to adjust workplan priorities throughout the year.
- Embedding continuous improvement methods so the workplan evolves with changing fraud patterns and operational needs.





HEALTH CARE  
A U T H O R I T Y



QUESTIONS & COMMENTS

THANK YOU!

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

# APPENDIX

# TIMELINE TO REDUCE PER

