



North Carolina Department of Health and Human Services  
Division of Social Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Wayne E. Black  
Division Director

January 24, 2014

Dear County Director of Social Services:

Over the past several months, we have been discussing the critical need to improve the processing of FNS cases and to assure that eligible recipients receive their Food and Nutrition Services benefits in a timely manner. County and state staffs have taken unprecedented steps to achieve this outcome nonetheless we find ourselves in a serious situation.

While we have made progress in this effort, we have **not** met the USDA requirements. Attached is a letter dated January 23, 2014 to DHHS Secretary, Dr. Aldona Wos, which mandates expected processing requirements for North Carolina. **By February 10, 2014, we are all required to:**

- 1. Complete all backlogged applications subject to 7-day processing (expedited assistance applications).**
- 2. Complete all applications subject to 30-day processing that are pending over 90 days.**
- 3. Complete all recertifications that are pending over 90 days.**

In addition, by no later than March 31, 2014, we will be held accountable for resolving all backlogs and meeting all Federal processing timeframes as noted in the letter. If the State's response is inadequate, FNS will suspend Federal funding for administrative expenses as early as March 12, 2014.

The leadership of our Department and the N.C. Association of County Directors of Social Services were in communication last night regarding further action steps to be taken to achieve these requirements. Further conversations are being held today to intensify our joint efforts to avoid a suspension of Federal administrative funds. It is imperative that we all implement "all hands on deck" as we would do in the case of an emergency including working overtime, assigning staff from other areas to assist with this very important work.

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Tel 919-527-6335 • Fax 919-334-1018

Location: McBryde Bldg. • 820 S. Boylan Avenue • Raleigh, NC 27603  
Mailing Address: 2401 Mail Service Center • Raleigh, NC 27699-2401  
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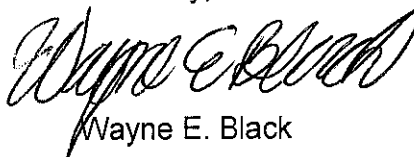


Dear County Director Letter  
January 24, 2014  
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As a first step, Directors need to immediately assure that the daily Pending App and Recert Reports are reviewed and appropriate action is taken to process all overdue FNS cases. **It is imperative that these applications are processed urgently.** Detailed instructions will be issued with the next report.

Thank you for your immediate response to the urgency of the situation. Further information will be shared on an ongoing basis beginning with the 100 county DSS Director conference call at 9:00 a.m. on Tuesday, January 28, 2014. Please contact Wayne Black at [Wayne.Black@dhhs.nc.gov](mailto:Wayne.Black@dhhs.nc.gov), 919-527-6336 or Dean Simpson at [Dean.Simpson@dhhs.nc.gov](mailto:Dean.Simpson@dhhs.nc.gov), 919-527-6330 with any questions.

Sincerely,



Wayne E. Black

WEB/arg

Attachment: USDA Letter to DHHS Secretary Aldona Wos, M.D. dated January 23, 2014



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

January 23, 2014

Southeast Region Aldona Vos, M.D.  
Secretary  
61 Forsyth St. S.W. Department of Health and Human Services  
Room 8T36 2001 Mail Service Center  
Atlanta, GA Raleigh, North Carolina 27699-2001  
30303-3415

Dear Dr. Vos:

The Food and Nutrition Service (FNS) has reviewed your December 23, 2013, response and your January 15, 2014, addendum responding to our advance notification letter dated December 11, 2013, regarding problems with the North Carolina Families Accessing Services through Technology (NC FAST) eligibility system. FNS is alarmed by the persistent problems despite our extensive technical assistance and repeated communications concerning the severity of the situation. Citizens of North Carolina that need help putting food on the table are not receiving the basic level of responsiveness and quality of service that they deserve from their government. Continued delays create undue hardship for the most vulnerable citizens of North Carolina.

According to your own data, the backlog of overdue applications and recertifications at the time of our December 11, 2013, advance notification letter was over 20,000 households with over 6,000 of those waiting for more than 3 months to receive benefits. FNS is extremely concerned that the State allowed the number of households experiencing delays with Supplemental Nutrition Assistance Program (SNAP) applications to increase over this period of time. Your own data shows that the number of overdue applications and recertifications increased to over 39,000 households on January 7, 2014. While the most recent data you submitted does show an improvement, the State has not substantiated, nor has FNS verified, that this represents actual service to households, as opposed to a reduction in the number of duplicate applications. As of January 21, 2014, your data now shows the backlog stands at over 23,000 households with 8,327 households waiting for more than 3 months to receive benefits. The maximum amount of time permitted by Federal law for most households is 30 days from the time of application.

As part of DHHS' corrective action plan submitted in response to our December advance notification letter, FNS expects to see significant outputs towards total resolution of the backlog by February 10, 2014. FNS already notified DHHS in our December advance notification letter, that implementation of significant corrective action was expected in 60 days. This letter clarifies that significant corrective action includes measureable results by February 10, 2014, in addition to the actions that DHHS spelled out in its December 23, 2013 and January 15, 2014 letters. By this date, DHHS must:

- Complete all backlogged applications subject to 7-day processing (expedited assistance applications).
- Complete all applications subject to 30-day processing that are pending over 90 days.
- Complete all recertifications that are pending over 90 days.

It is FNS's expectation that the backlog not be compounded by any new applications or recertifications and DHHS will work all new applications and recertifications within the Federal processing requirements.

In addition, it has come to FNS's attention through recent news reports that the State is attributing the difficulties in reducing their SNAP backlog to the Affordable Care Act (ACA). It should be noted that many other States have implemented ACA without the dramatic impacts on SNAP that have occurred in North Carolina. FNS expects full resolution of the remaining backlog and that all new applications and recertifications will be processed in accordance with the Federal timeframes no later than March 31, 2014, as indicated in DHHS' January 15, 2014 letter.

Monitoring of the overdue cases in this situation is critical. To date, DHHS has failed to provide FNS with regular weekly status reports as agreed to in DHHS' November 20, 2013, letter. On two occasions, the transmittal had multiple and contradictory data sets. Future weekly reports from DHHS must include the status of corrective action strategies along with the data on pending applications and recertifications showing days beyond the Federal processing requirements, including specific distinction of those requirements (e.g. expedited and regular processing). These reports must be submitted to FNS each week until full resolution of the backlog.

If DHHS fails to comply with the requirements outlined in this letter, FNS will issue a formal warning on February 10, 2014, in accordance with 7 CFR 276.4. DHHS would have 30 days from receipt of the formal warning to submit additional evidence that it is in compliance or submit a revised corrective action plan. If DHHS' response is inadequate, FNS will suspend Federal funding for State administrative expenses as early as March 12, 2014.


FNS accepts the DHHS response for the NC FAST Defects and Information for the NC FAST Post-Implementation Review (PIR). FNS will conduct a follow-up site visit to complete the PIR and will work with DHHS staff to schedule the visit.

Aldona Wos, M.D., Secretary

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FNS remains committed to working with the State of North Carolina and will continue to provide technical assistance as needed to support your ongoing efforts to resolve these issues of concern. Peggy Fouts, Regional Director of the Supplemental Nutrition Assistance Program, is available at (404) 562-7099 to answer questions.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bailey, Jr.", written in a cursive style.

ROBIN D. BAILEY, JR.  
Regional Administrator

cc: Jason Donaldson  
Sherry Bradsher  
Wayne Black  
Joe Cooper  
Anthony Vellucci  
James Blackie  
Dian Carrol  
Dean Simpson