Reducing SNAP Payment Errors After HR 1: State Responses and Promising Interventions

Introduction

HR 1 ("The One Big Beautiful Bill Act") included several changes to the administration and financing of the Supplemental Nutrition Assistance Program (SNAP). While previously SNAP benefits were entirely paid by the federal government, HR 1 included new provisions that require states to pay between 5% and 15% of the cost of benefits, with the exact rate determined by the state's Payment Error Rate (PER). This provision activates in October 2027, based on state error rates in fiscal years 2025 and 2026.

For states with error rates above 6 percent, this change translates to potentially hundreds of millions of dollars in unplanned costs.[1] To avoid or lessen the burden of these costs, states are highly interested in reducing their payment error rates.

MEF Associates, with support from Arnold Ventures, has been working with states to examine how states are responding to these upcoming changes, with the goal of identifying a set of policy interventions that could be rigorously evaluated. This memo summarizes our findings after initial investigations, based on conversations with SNAP program administrators in seven states.

How SNAP Payment Error Rates Are Determined

There are two systems that examine SNAP payment errors. States run internal Quality Assurance (QA) processes, which detect and reconcile errors. In addition, states work with the federal Food and Nutrition Service (FNS) to conduct SNAP Quality Control (QC) reviews, which are used to calculate each state's Payment Error Rate (PER).

The state PER measures whether eligible households received the correct benefit amount.[2] PERs include both overpayments and underpayments of benefits, and both state- and participant-caused errors. This includes errors made by states related to policies and procedures (e.g., shelter deductions, data-matching errors, or household composition determinations), and errors made by households related to reporting responsibilities (e.g., failing to correctly report information or reporting outside the required time frame).[3]

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[1] Bleich, Sara N., and Gina Plata-Nino. 2026. "Changes to SNAP Under HR 1 and the Implications for Food Insecurity." JAMA Health Forum 7 (1): e260158. https://doi.org/10.1001/jamahealthforum.2026.0158

[2] U.S. Department of Agriculture, Food and Nutrition Service. 2024. FNS Handbook 310: Supplemental Nutrition Assistance Program Quality Control Review Handbook. October 2024. https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-qc-handbook310-fy25-102924.pdf

[3] Aussenberg, Randy Alison. 2025. Supplemental Nutrition Assistance Program: Errors and Fraud. CRS In Focus IF10860. Washington, DC: Congressional Research Service. Updated April 7, 2025.

How States Are Responding to HR 1

In response to HR 1, states are considering and implementing various strategies to reduce PERs, but would benefit from support in developing, implementing, and evaluating innovative strategies.

In our discussions with states, we heard many ideas states were considering implementing to reduce PERs. While some states have increased their program or QA budgets to prepare for HR 1, others are working with reduced administrative budgets. Some states are relying on vendors to build or rebuild systems, while others are using internal IT staff to make changes. States may have highly structured responses, like dedicated project managers or lists of prioritized initiatives, or may still be deciding on next steps without that scaffolding.

We most often heard that state efforts were focused on—

- **Expanding Quality Assurance (QA).** States are expanding internal QA processes with the goal of catching more errors earlier, ideally before the case reaches QC.
- **Modernizing technology.** States are implementing new systems for automation and data-matching throughout the eligibility process.
- **Changing workflows.** States are changing recertification processes, adjusting case management strategies, and increasing or strategically using senior staff for oversight.

Few states are focusing on developing new strategies or testing the effectiveness of existing strategies. However, states are interested in pursuing innovative ideas that may reduce PERs—both ideas that are easily implemented in-house and strategies that require more intensive changes and expertise.

Promising Areas for Innovation

Working with state partners, our team has developed several intervention concepts to support states in implementing changes and evaluate how successfully those changes reduce PERs.

Change reporting. State administrators told us beneficiaries often do not report changes to income or household composition between certification periods as required. There are many reasons beneficiaries might not report. There isn't currently a well-defined "trigger" to induce households to report changes. Even if a participant knows they should report a change in theory, there isn't a clear reason to do so *today.* There also is no motivation to report—states don't offer direct incentives, and communications that emphasize the downsides of reporting incorrect information may discourage reporting. Further, it can be difficult for households to understand when they need to report in the first place; the thresholds that trigger reporting requirements may not map well onto how individuals understand their finances.

Customer-facing nudges. To encourage timely reporting of changes by households, we propose iteratively developing and testing a suite of customer-facing messages, or "nudges"[4]. Nudges would take the form of messages to targeted participants that include clear guidance on when and what to report, and prompts to report changes. Nudges may include messages shared through customer portals, letters, and text messages.

[4] Thaler, R. H., & Sunstein, C. R. (2009). *Nudge: Improving decisions about health, wealth, and happiness*. Penguin.

Time to proficiency for new QA staff. It takes time to train staff to proficiency in consistently detecting errors. Because of the complexity of SNAP rules, regulations, and procedures, it can take several months or years for staff to consistently identify errors across cases. Staff must learn to apply policy to different households across multiple combinations of rules. Often, training involves passive learning methods, like reviewing written materials or shadowing experienced staff.

Staff training support. Improvements to staff training processes may help staff become proficient at QA work more quickly; refresher trainings can support staff in researching and correctly applying specific regulations and procedures. We can work with states to develop short, simulated case exercises based on real QA findings and difficult case scenarios, using adult-learning principles that emphasize practice, feedback, and repeated application. Short, practical refresher trainings for difficult or high-error policy areas may support staff in understanding and applying complex policy correctly on demand.

Limited QA capacity. Only a small percentage of cases can be reviewed by QA, and states are interested in prioritizing reviews of cases that are likely to have errors. To best use the time of QA staff, states have developed various strategies to flag “high-risk” cases for review. However, these strategies are often unsystematic or may consider a limited number of characteristics with binary, rather than continuous, flags. Even with these prioritization systems, QA staff can only review a limited number of the flagged cases for errors each month.

QA prioritization tools. An algorithm or other data-backed process could help states efficiently allocate QA resources to cases that are more likely to contain errors based on certain risk factors. A system with continuous flags could allow states to prioritize the review of cases with the highest probability of errors and work down to the medium- and lower-probability cases as time allows.

Implementing and Evaluating Interventions

In developing intervention concepts, our team considered the practicality of evaluating the effectiveness of each idea, including timeline and budget, whether findings could be applied to other states, and whether the idea could be rigorously evaluated.

Some ideas have high external validity (so that positive findings in one state could be applied in other states) and could realistically be piloted and evaluated. Other concepts may have to be customized for each state, or may not be possible to implement at the scale needed to detect changes. However, states may still benefit from technical assistance and process evaluation around concepts that are less suitable for evaluation. Change-reporting communications appear especially well suited to near-term testing, while staff training and QA prioritization may require more tailored approaches.

Our work suggests that states need support in developing practical, evidence-backed strategies to improve SNAP payment accuracy. Building a stronger evidence base will require pairing state innovation with rigorous evaluation and practical implementation support.

Suggested citation

Richman, R., Darling, M., “Reducing SNAP Payment Errors After HR 1: State Responses and Promising Interventions”. Alexandria, VA: MEF Associates.