



ARKANSAS DEPARTMENT OF HUMAN SERVICES

Division of County Operations

Agency Overview:

The Division of County Operations (DCO) processes and verifies eligibility for our most vulnerable citizens and for families or individuals who are facing difficult times and need help to get back on their feet. We do this by determining eligibility for Health Care (Medicaid / Children's Health Insurance Program), the Supplemental Nutrition Assistance Program (SNAP), Transitional Employment Assistance (TEA), Work Pays, and Summer EBT. DCO also administers two federal block grant programs, the Community Services Block Grant (CSBG) and the Temporary Assistance for Needy Families (TANF) Block Grant.

Federal Oversight:

DCO operates under federal oversight to ensure compliance with rules for determining eligibility for the public assistance programs and block grants administered. DCO works closely with the United States Department of Agriculture, Food and Nutrition Service (FNS) for the SNAP and Summer EBT programs. The U.S. Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS) provides oversight for the Medicaid / CHIP program. The HHS Administration of Children and Families provides oversight for the TANF and CSBG block grants.

Mission:

To provide appropriate access to the programs administered at the Department of Human Services

DCO Goals:

1. To provide accurate services by meeting or exceeding federal accuracy rates for programs DCO administers.
2. To provide timely service by meeting or exceeding federal timeliness requirements for programs DCO administers.
3. To provide effective case management services, helping our TEA and Work Pays clients achieve self-sufficiency and meet federal participation rates.
4. To provide competent, efficient, and courteous customer service to our clients.

DCO Services:

Health Care (Medicaid/CHIP) Eligibility:

The Medicaid and CHIP programs provide medically necessary health care services for eligible Arkansans from birth through end-of-life through various categories of assistance.

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| Medicaid/CHIP Enrollment as of September 2, 2025 | 864,019 individuals |
| Applications Received (October 2024 – August 2025) | 224,465 |
| • Average Received per month | • 20,406 |
| Applications Completed (October 2024 – August 2025) | 337,705 |
| • Average Completed per month | • 30,700 |

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| Average days to complete applications | 19 |
| % Approved / % Denied | 53.6% approved / 46.4% denied |
| Renewals Completed (October 2024 – August 2025) • Average Completed per month | 603,931 • 54,903 |
| Changes and Other actions completed (July 2024 – June 2025) | 493,623 |

SNAP:

The Supplemental Nutrition Assistance Program provides food assistance to eligible households to cover a portion of a household's budget. Benefits are delivered through an EBT card to purchase eligible foods at participating FNS authorized retailers.

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| SNAP Enrollment as of September 1, 2025 | 222,513 individuals / 118,441 households |
| Applications Received (October 2024 – August 2025) • Average Received per month | 156,347 • 14,214 |
| Applications Completed (October 2024 – August 2025) • Average Completed per month | 157,440 • 14,312 |
| Average days to complete applications | 17 |
| % Approved / % Denied | 47.5% approved / 52.5% denied |
| Renewals Completed (October 2024 – August 2025) • Average Completed per month | 129,474 • 10,790 |
| Changes and Other actions completed (July 2024 – June 2025) | 242,650 |

TANF:

The Temporary Assistance for Needy Families (TANF) Block Grant has four broad purposes. These are: to provide assistance to needy families so that children can be cared for in their homes or the homes of relatives, to end the dependence of needy parents on government benefits by promoting job preparation, work and marriage, to prevent out-of-wedlock births, and to encourage the formation and maintenance of two-parent families. The TANF block grant may also be used to provide services previously approved in the Arkansas Title IV-A 1995/1996 approved plans authorized under prior law.

TEA:

Transitional Employment Assistance (TEA) program is a time-limited program to help needy families with children become more responsible for their own support and less dependent on public assistance. The program provides a small amount of monthly cash assistance along with employment-related services, including job readiness activities, transportation assistance, childcare assistance and other supportive services so that the parent(s) can engage in work or education and training activities. TEA is federally funded through the TANF block grant. Arkansas meets federal participation rates for TEA / Work Pays.

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| TEA Enrollment as of September 1, 2025 | 1,731 individuals / 717 households |
| Applications Received (October 2024 – August 2025) • Average Received per month | 10,456 • 951 |

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| Applications Completed (October 2024 – August 2025) | 10,526 |
| • Average Completed per month | • 957 |
| Average days to complete applications | 9 |
| % Approved / % Denied | 5% approved /95% denied |
| Renewals Completed (October 2024 – August 2025) | 127 |
| • Average Completed per month | • 12 |

Work Pays:

Work Pays is an incentive program designed to encourage working TEA participants to remain employed after closure of their TEA case while increasing their hours of work and/or hourly wage. Families who meet eligibility requirements receive a monthly cash assistance payment of \$204 for up to twelve (12) months, case management and supportive services, and job retention and advancement services. Work Pays is federally funded through the TANF block grant.

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| Work Pays Enrollment as of September 1, 2025 | 68 individuals / 21 households |
| Applications Received (October 2024 – August 2025) | 41 |
| • Average Received per month | • 4 |
| Applications Completed (October 2024 – August 2025) | 41 |
| • Average Completed per month | • 4 |
| Average days to complete applications | 17 |
| % Approved / % Denied | 87.8% approved / 12.2% denied |

Summer EBT:

Summer EBT provides grocery-buying benefits to low-income families with school-aged children when schools are closed for the summer. Each eligible child receives \$120 in Summer EBT benefits delivered through an EBT card that can be used to purchase SNAP-eligible foods. Summer EBT is federally funded through USDA Food and Nutrition Service.

| | <u>Summer 2024</u> | <u>Summer 2025</u> |
|-------------------------------------|----------------------------------|----------------------------------|
| Enrollment | 293,727 children | 336,107 children |
| • Direct Eligible | • 283,091 | • 327,049 |
| • Application Eligible | • 10,636 | • 9,058 |
| Total Applications Processed | 15,165 | 19,493 |
| % Approved / % Denied | 68% approved / 34% denied | 46% approved / 54% denied |
| Average days to process | 10 | 3 |

Incoming Call Center Volume for Medicaid Eligibility, SNAP, TEA, Work Pays, and Summer EBT*

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| SNAP, TEA, Work Pays, Other October 2024 – August 2025 (handled by DCO staff) | 1,322,131 |
| Medicaid Eligibility (handled by contractor) | 580,286 |
| Summer EBT May 2025 – August 2025 (handled by contractor) | 130,701 |
| Total | 2,033,118 |

*Does not include calls to staff on direct numbers.

CSBG:

The Community Services Block Grant provides funding to help reduce poverty, promote self-sufficiency, and revitalize low-income communities. CSBG supports projects that lessen or eliminate poverty, foster self-sufficiency, address the needs of low-income individuals, provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services and health. CSBG is federally funded through HHS Administration for Children and Families. Funding is distributed to 15 Community Action Agencies who implement a variety of programs based on their communities' needs.

Barriers and Challenges to providing services:

- 1. Current Workload / Increasing Workload:** Each year, DCO receives over 400,000 applications, completes more than 730,000 renewals, and processes over 700,000 changes and other actions for Medicaid, SNAP, and TEA. DCO operates 79 county offices and 2 processing centers around the state. Completing this work involves processing over 2.6 million tasks, conducting over 276,000 eligibility interviews with clients, and handling over 1.3 million phone calls and countless in person interactions and direct dialed calls every year with approximately 875 caseworkers, 404 clerical workers, and 300 frontline supervisors and support staff. While DCO leverages system automation where possible and contract staff to assist with some Medicaid casework and phone calls, federal regulations limit the use of non-merit staff in the SNAP eligibility determination process. This means that DCO cannot utilize contracted staff to help maintain SNAP timeliness and accuracy when needed due to emergencies, staffing shortages, and implementation of new programs or systems. FNS also limits automation that can be implemented and requires states to notify or seek approval from FNS for certain types of automated implementations. Policy changes that make sense from a personal responsibility and program integrity perspective also add complexity, add volume to workloads, and increase the potential for casework errors. Upcoming program changes such as the federal Medicaid work requirement and increased frequency of renewals for the Adult Expansion Group (ARHOME) will result in more work for DCO staff to verify information, review and process renewal forms, and educate clients about what this means for their benefits. The newly expanded federal SNAP work requirement and state mandated options in the SNAP program such as adding cooperation with Child Support enforcement for both custodial and non-custodial parents as a condition of SNAP eligibility and moving from a voluntary to a mandatory SNAP Employment and Training requirement will have similar effects, adding to the already large workload for our frontline staff and program support staff.
- 2. Significant Program Changes Upcoming:** H.R.1 brings big changes to Medicaid and SNAP programs over the next couple of years. Changes in the funding formula for SNAP will have an unprecedented increase in the cost to operate the program. The state share of SNAP administrative costs will increase from 50% to 75% in FFY 2027, beginning October 1, 2026. SNAP benefits are currently 100% federally funded. In FFY 2028, beginning October 1, 2027, states will also be required to pay a percentage of the cost of SNAP benefits based on the state's SNAP Accuracy rate if the Accuracy rate is below 94% (Error rate of 6% or higher). The cost will range from 5% to 15% based on the state's error rate. The SNAP work requirement is expanding to recipients up to age 65 and to families with children aged 13 and older. In

Medicaid, the Adult Expansion Group (AR HOME) will begin to require renewals every 6 months, rather than annual renewals. Work requirements for this same group will also be implemented.

3. **Stolen Benefits:** SNAP, Summer EBT, TEA and Work Pays benefits are issued through Electronic Benefit Transaction (EBT) cards. EBT technology nationwide is behind traditional debit / credit transaction standards and has become a rich target for criminals to electronically steal these benefits. Instances of Arkansans reporting benefit theft have significantly increased beginning in June of this year. DCO is working with FNS, USDA Office of Inspector General, local law enforcement agencies, retailers, and our EBT contractor to help combat and reduce this theft. States are prohibited from using federal funds to replace these stolen benefits. DCO has taken steps to provide tools and information to help our clients protect themselves. DCO is using EBT transaction data to identify and report suspicious transactions to FNS and USDA OIG. DCO has increased fraud controls on our EBT automated voice response system that clients use to activate their cards, change PIN numbers, and request replacement cards.
4. **Timeliness and Accuracy:** DCO is committed to processing applications for services quickly and accurately. SNAP timeliness has been a particular focus area, including close management of SNAP applications and recertifications throughout the life cycle, with visibility into any bottlenecks or delays that staff can address. While timeliness has increased, DCO remains focused on continuous improvement in this area. Additionally, FNS regulations regarding SNAP timeliness calculation affect DCO's timeliness rate. FNS regulations calculate timeliness based on timeliness of cases included in the random Quality Control sample, rather than overall statewide timeliness. They consider only approvals (rather than all dispositions) and allow clients a full 60 days from the application date to provide necessary information. This means States are held accountable to meet a 30-day approval requirement, even if approval after the 30th day is due to client-caused delays. From an accuracy standpoint, FNS regulations to calculate the SNAP Accuracy Rate include both agency-caused and client-caused errors.

Highlights and Improvements:

1. **SNAP Accuracy:** Arkansas ended FY2024 with a SNAP payment error rate of 9.56%. Our current FY2025 payment error rate is 6.88% with about 75% of the case reviews completed. Arkansas is currently ranked 13th nationwide. DCO will continue to work toward improving our payment error rate to 6% or lower to reduce/avoid additional cost to the state for SNAP benefits.
2. **Program Integrity:** DCO conducts multiple ongoing data matches to strengthen program integrity. These include a daily incarceration match with AR Dept. of Corrections, monthly death match with AR Dept. of Health and CMS Territories and Beneficiaries Query, monthly and quarterly match with National Directory of New Hires, quarterly wage match for SNAP, monthly Medicare match, monthly AR HOME New Hire match with AR Dept. of Commerce, and quarterly Public Assistance Reporting Information System (PARIS) matching to detect potential duplicate participation in other states. Matches for death match, new hire, and incarceration alone resulted in reviewing and updating eligibility for over 20,000 clients in the past year. Most recently, in August 2025, DCO implemented the National Accuracy Clearinghouse (NAC) for SNAP which is a daily and monthly match for duplicate SNAP participation in other states, allowing real-time intervention / prevention. These matches are

automated, with system-generated notices to request verification from clients as needed, and worker intervention when needed.

3. **Arkansas Integrated Eligibility System (ARIES):** DCO uses the ARIES system to make eligibility determinations and issue benefits to clients. This system is integrated with rules for Medicaid, SNAP, TEA, and Summer EBT. Prior to this system, workers had to enter information in three or four separate systems to serve the same client. ARIES uses automation to the extent allowable by federal rules for each program to help offset the manual work required. Some examples of automated processes include batches to deny applications / close active cases when information hasn't been returned by the due date, ex-parte renewals for Medicaid (when possible), and program accuracy matches. Death match, Medicare match, National Directory of New Hire, Incarceration, and PARIS matches are initiated by the system and only handled by workers if additional review is needed. DCO recently implemented a "bot" to assist with automated processing of Medicaid applications for newborns. DCO won a grant to implement a similar "bot" for the Summer EBT program. DCO plans to continue expanding this type of functionality to help maintain timeliness and accuracy for our programs.
4. **Processing Current Work:** DCO developed an eligibility backlog of applications/renewals/changes during the pandemic that has been overcome. DCO is now current on processing applications, renewals, and changes, with a little more work to complete to review and act upon returned mail.
5. **New Services and Program Enhancements:** DCO was able to successfully implement the new **Summer EBT** program within 6 months from receipt of FNS guidance. DCO has now completed our second year of Summer EBT, increasing the number of children served by 14% from 293,000 to 336,000. In June of this year, the new Medicaid **Presumptive Eligibility for Pregnant Women** program was implemented, and in the first three months, has provided temporary pre-natal coverage to more than 2,000 women to allow faster access to pre-natal care while full Medicaid coverage was being processed.

Process to Access DCO Services:

1. Applications can be submitted online (access.arkansas.gov), by paper (DCO-004 Integrated Application), by phone (855-372-1084), or in person at any county office.
2. Once received, DCO clerical staff scan, register, and schedule appointments (SNAP/TEA) if needed.
3. DCO caseworkers review the information provided by the client, enter data provided by the client, check electronic data sources for verification, determine if additional information is needed and send requests to client to provide any additional documentation needed to determine eligibility.
4. Once information is received from the client, caseworkers complete the determination in the eligibility system and send notice of action with appeal rights to clients.
5. Renewal forms and changes in circumstances can be returned online, by phone, by paper, or in person.

Agency Revenue:

| State Fiscal Year | Funded budget | Federal % | State % | Other % |
|-------------------|------------------|-----------|---------|---------|
| 2025 | \$267,565,518.25 | 71% | 22% | 7% |

Agency Expenditures:

| Staff Category | % of total positions | % of total salaries |
|------------------------------|----------------------|---------------------|
| Leadership | 0.35% | 0.96% |
| Grant/Program Administration | 11.79% | 13.63% |
| Frontline Staff | 74.28% | 68.66% |
| Frontline Supervisory | 13.58% | 16.75% |

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|-------------------------------------|-----------------------------|---------------------|
| SFY2025 Administrative Expenditures | % of Administrative Expense | Total \$164,650,904 |
| Salaries & Fringe | 71% | \$116,797,684 |
| Maintenance & Operations | 15% | \$ 23,989,103 |
| IT and Capital Outlay | 11% | \$ 19,241,680 |
| Prof. Fees & Services | 3% | \$ 4,573,735 |

Other:

■ Building Leases

Division of County Operations leases 79 buildings throughout the state at an annual expense of \$9.1M, covering 744,470 square feet. These buildings are leased from multiple building owners and house an average of 3,000 staff from multiple DHS Divisions and Arkansas State Police-Crimes Against Children Division (ASP-CACD).

■ Purchased Administrative support (temporary clerical staff)

SFY 2025 Total \$405,081.46

- 22nd Century Technologies, Inc \$312,296.53
- Express Services Inc. \$92,784.93