



Food and
Nutrition
Service

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Alexandria
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DATE: October 5, 2022

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) - Implementation of the National Accuracy Clearinghouse (NAC) Interim Final Rule

TO: Regional Directors
SNAP
All Regions

On October 3, 2022, The Food and Nutrition Service (FNS) published the interim final rule [*Supplemental Nutrition Assistance Program: Requirement for Interstate Data Matching to Prevent Duplicate Issuances*](#), also known as the NAC rule. This landmark rule establishes requirements for State agencies to use the NAC, an innovative technology-based solution designed to identify and prevent duplicate participation. As a result, this rule takes significant steps to both enhance Program integrity by reducing the risk of improper payments and improve customer service by requiring State agencies to take timely action to resolve NAC matches. By reducing duplicate participation in SNAP, the NAC interstate data matching system is expected to reduce Federal SNAP spending by \$463 million over five years. This memorandum provides an overview of the key provisions of the NAC rule.

The provisions of this interim final rule are effective December 2, 2022. However, FNS will implement the NAC system using a phased approach to allow all State agencies to onboard over a period of five years. Ultimately, State agencies must comply with this interim final rule no later than October 4, 2027.

The NAC rule is just the first step in the work that FNS and State agencies will do together to ensure a successful rollout of NAC system. As part of FNS' implementation plan, State agencies will receive training, tools, and technical assistance to implement the rule successfully and effectively implement the NAC system. For example, in the coming months, FNS will provide a NAC onboarding toolkit and a pre-implementation checklist to support State agency planning and preparation to implement the NAC system. Throughout the five-year implementation process, FNS will facilitate regular, ongoing communication with State agencies and provide a variety of technical assistance and support materials, including question and answer (Q&A) documents that will provide further clarification on the NAC rule.

We strongly encourage you to review the interim final rule in full as it establishes and revises several regulations.

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Regional Directors/SNAP/All Regions
Page 2

Sincerely,

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Rachel Frisk
Director
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Supplemental Nutrition Assistance Program

Enclosure

Enclosure

Summary of key provisions of the National Accuracy Clearinghouse Interim Final Rule

General – 7 CFR 272.18(a)(1-3)

- This regulation establishes an interstate data system, known as the NAC, to prevent individuals from receiving SNAP benefits in more than one State in a given month.
- Each State agency is required to participate in the NAC data matching system and take action on matches received from the NAC, and is encouraged to integrate and automate NAC processes into existing SNAP eligibility systems and workflows to the greatest extent possible.
- Each State agency is required to enter into a written computer matching agreement with FNS, prior to participating in the NAC.

Reporting Requirements – 7 CFR 272.18(b)(1-5)

- States agencies must provide information to the NAC once per day for each active SNAP participant.
 - For the purpose of the NAC, an active SNAP participant is defined as an individual who is approved to receive benefits for the benefit month in which the State agency is uploading the data.
- Information that a State agency provides to the NAC will be used for matching by other State agencies using the NAC.
- For each individual, State agencies must report the following identifying information, referred to as NAC data matching elements, to the NAC: name, Social Security number, and date of birth. These NAC data matching elements are used by the NAC to determine the existence of positive matches.
- State agencies will also report participant ID, and when applicable, a vulnerable individual flag to the NAC. Vulnerable individuals are defined as those who may be endangered by the dissemination of their information, including, but not limited to, residents of shelters for battered women and children. A vulnerable individual flag is used to identify when precautions must be taken to protect the individual's information in the event of a match.
- State agencies must maintain the security, privacy, and accuracy of information submitted to the NAC, including ensuring that they provide information on all active SNAP participants using the secure procedures established by FNS.

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Use of Match Data – 7 CFR 272.18(c)

State agencies query the NAC by submitting the NAC data matching elements for an individual. The NAC will compare the individual's NAC data matching elements against the daily upload of active SNAP participants provided to the NAC by the State agencies.

- The NAC will indicate a positive match when an individual's NAC data matching elements are the same as those in one or more records in the NAC.
- Prior to conducting a NAC query at application, recertification, or the addition of a household member, the State agency must follow existing verification procedures for Social Security numbers, residency, and identity.
- When a State agency receives a positive match from a NAC query at application, recertification, or the addition of a household member, the State agency has 10 days from the date the match is received to both initiate action to resolve the match and notify the other State agency of the initiated action.
- The State agency must resolve the match to determine the appropriate actions to take on the case. State agencies must verify any questionable information in accordance with existing regulations and notify the individual of the match.
 - State agencies may not take any action to deny, terminate, suspend, or reduce SNAP benefits based on information received from the NAC until the information has been verified by the State agency and the individual has been provided notice of the match and an opportunity to contest.
 - State agencies must establish a process to prevent the disclosure of any location information received from the NAC about any SNAP applicant or participant who is considered a vulnerable individual.
 - State agencies must not include the location of individual(s) in any communication or notice resulting from a NAC match.
 - If the State agency needs more information to resolve the match, or if the available information may lead to a denial of benefits or other adverse action on the case, the State agency must provide the household a written notice of match results. This notice must clearly explain information needed from the household and the consequences of failing to respond within the timeline provided on the notice. The notice must comply with bilingual requirements and afford at least 10 days from the date the notice is mailed for a response.
 - If the State agency can resolve the match with no potential of adverse action, the State agency must provide verbal notification of the match, and this notification must be documented. For these cases, the State agency is not required to provide written notice of match results.

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- After the State agency has determined appropriate disposition of the case, it must promptly share the resolution information with the other State agency.
- The State agency must follow timeliness standards for normal processing, and for expedited services, as applicable. A lack of timely action or communication between State agencies cannot delay benefit determination for an individual.
- State agencies must report and document a NAC match and the actions taken to resolve the match in the relevant household's casefile, per existing State operations.
- State agencies will provide for the establishment and collection of claims as appropriate. A State agency that fails to meet timeliness or communication requirements will be considered responsible for any duplicate participation that occurs. That State agency will be responsible for the establishment and collection of the claim.
- State agencies cannot use information obtained from the NAC for any purpose other than to prevent duplicate participation.

Reporting Requirements – 7 CFR 273.13(c)(3)(iii) and (iv)

- During a SNAP household's certification period, if a State agency receives unclear information about an individual in the household from a NAC match, the State agency has 10 days from the date the match is received to both initiate action to resolve the match and notify the other State agency of the initiated action.
- If a State agency receives unclear information from a match during the certification period, it must follow up with a combined noticed of match results and notice of adverse action.
 - The combined notice of match results and notice of adverse action must clearly explain what information is needed from the household and the consequences of not responding in a timely manner. The State agency must give the household at least 10 days to provide required verification.
 - Any communication with the household, including a written notice, must not include the location of the individual(s) identified in a match and must follow bilingual requirements.
- After the State agency has determined the appropriate disposition of the case, it must promptly share the resolution information with the other State agency.