

 <p><b>Department of Human Resources</b> 311 W. Saratoga St. Baltimore, MD. 21201-3521</p>	<p><b>FIA ACTION TRANSMITTAL</b></p>
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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS**

*Charles E. Levery for*

**FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA**

**RE: FAMILY INVESTMENT PROGRAM REQUIREMENTS FOR FULL-FAMILY SANCTION AND TRANSITIONAL ASSISTANCE**

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA)**

**ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND REGULATION**

**Background:** The Project Independence (PI) program provides for individual sanctions for the person who fails to comply with PI. The remaining family members continue to be eligible for AFDC benefits. No extension of benefits is paid to a sanctioned person beyond the effective date.

The Family Investment Program (FIP) was passed by the Maryland General Assembly and is scheduled for full implementation in October 1996. One of the provisions for implementation is a full-family sanction for non-compliance with work requirements with the possibility of transitional benefits paid to a third party.

**New Policy:** FIP has provisions for strict full-family sanctions for non-compliance with work requirements. Benefits may not be restored until the sanction is cured. Certain cases may have the TCA benefit extended for three months after a sanction begins, payable to a third party. The third party will assist the family in the transition from TCA to independence.

**Action To Be Taken:** Attached are the policies for the full-family sanction and transitional assistance. The policies are to be followed by the **TREATMENT AND EXPERIMENTAL GROUPS** only. The policies are effective for all applications, redetermination, or continuing cases at the first contact after October 1, 1996 when FIP work requirements are discussed. The revisions are noted by lines in the margin.

**Action Required Of:** All Local Departments of Social Services.

cc: FIA Management Staff  
Constituent Services

## FULL-FAMILY SANCTION PROVISION

### CONTROL GROUP:

**IF THE ASSISTANCE UNIT IS IN THE CONTROL GROUP, FOLLOW THE PROJECT INDEPENDENCE PROVISIONS IN AFDC MANUAL SECTION 3I.**

- Only the sanctioned person is removed from the grant.
- The sanction can be applied after the conciliation process is completed.
  - In the first instance of non-compliance, a recipient is excluded from the benefit until they participate.
  - In the second instance of non-compliance the recipient is excluded for a three month period or until they participate, whichever is later.
  - In the third and subsequent instances of non-compliance, the recipient is excluded for six months or until they participate, whichever is later.
- In all instances, the remaining assistance unit members remain eligible.

### TREATMENT OR EXPERIMENTAL GROUP:

The procedures for satisfying work requirements, and the decision on compliance with these requirements is part of the local department plan. If a non-exempt adult participant does not comply with the work plan agreed upon by the local department and the customer, there are strict full-family sanctions. The length of the sanction is determined by the number of instances, but no case which includes the individual causing the sanction is reinstated until the sanction is cured.

Should a non-exempt adult not comply with work requirements at application, the case is denied. No sanction occurred and no instance of sanction is counted.

No mass change will occur for individuals sanctioned due to current PI policy. The local department will handle these cases using a procedure best suited to the jurisdiction. Most of the cases will be reviewed at the first redetermination after October 1.

Should a non-exempt recipient not comply with the work plan, the caseworker will investigate the reason for non-compliance. There is a mandatory 30 day period of time set aside for a conciliation process. The 30 days includes adverse action time. The sanction is effective the first of the month following the expiration of the adverse action period. Instances of sanctions are - counted as of the date the adverse action is sent. An instance may occur even though the case is never actually closed.

When the case is closed due to sanction, Food Stamps and Medical Assistance continue provided the assistance unit remains eligible for those programs. For MA, an assumption that the customer met deprivation requirements may be made. The end date for the MA tag-along case is the date the TCA certification period would have ended if no sanction was imposed. Food Stamps are based on the TCA income prior to the sanction. This is called phantom income.

Applications are usually cleared through the computer systems to determine history for the assistance unit. Since the entire assistance unit is now closed for sanction and not just individuals removed, it is important to clear the application thoroughly and identify cases where the most recent closure carries a sanction case status reason. When a family reapplies for assistance, the family must meet compliance. Sanctioned cases must be cured before benefits are paid again.

The cures for full-family sanction instances are:

- Immediately upon compliance with the work requirement in the first instance
- After 10 calendar days of compliance in the second instance
- After 30 calendar days of compliance in the third and all subsequent instances

The instance of non-compliance is counted for the individual not complying. In the case of a two adult unit, the entire family is closed, but the person causing the sanction is responsible for curing the sanction and is the one that is coded with an instance of non-compliance.

Should a child who is non-exempt for FIP work requirements fail to comply, he becomes technically ineligible for a benefit on the date adverse action is sent. The child can cure the sanction using the same requirements as the adult members. A full-family sanction is not imposed due to the non-cooperation of a child. A child is defined as a person under the age of 18 who is not the head of the household.

If an individual begins to cure a sanction in the first non-pay month, the 14 day proration will not apply to the case. A full benefit will be authorized for the month in which compliance to cure the sanction has been completed.

If a full month or more passes with no plan to participate, the application for benefits is treated the same as any other application and the case is prorated 14 days from the date of application. The payment is made after the required compliance time is met.

Examples:

#### ONE ADULT UNIT:

##### Example #1

A mother and her 10 year old child receive TCA. Mom fails to comply with work requirements for the second time. The caseworker begins the investigation into the reason for non-compliance by sending a letter to Mom. The caseworker follows up with a telephone call but Mom states she has no intention of complying. Adverse action is taken and the case is closed effective the first month after the 30 day conciliation period. Two weeks into the first non-pay month, Mom contacts the caseworker to participate. Mom must comply for 10 days before her benefit can begin. Since she began to cure the sanction before the end of the first non payment month, the benefit is not prorated.

### Example #2

Several months pass and Mom is not complying for a third time. The conciliation time passes and she receives the full-family sanction. Two weeks into the first non-pay month (August 15), Mom notifies her caseworker that she will participate. She began the cure process in the first non-pay month so the 14 day delay does not apply to her application. The 30 day participation requirement in the third instance does not end until September 14. Mom does not receive any August benefits but will receive full September benefits since she completed the cure for her sanction in September.

### TWO ADULT UNIT:

#### Example #1

A mother, father and 14 year old child receive TCA. Mom and Dad are both participants in the work program. Dad fails to comply with work requirements for the second time. The caseworker begins the investigation into the reason for non-compliance by sending a letter to the household. The caseworker follows up with a telephone call with no results. Adverse action is taken to close the case the first month after the 30 day conciliation period. Two weeks into the first non-pay month, Dad contacts the caseworker to participate. Dad must comply for 10 days before the family's benefit can begin. Since he began to cure the sanction before the end of the first non-payment month, the benefit is not prorated.

#### Example #2

A mother, father and 6 year old child receive TCA. Mom and Dad are both participants in the work program. Dad fails to comply with work requirements for the second time. The caseworker begins the investigation into the reason for non-compliance by sending a letter to the unit. The caseworker follows up with a telephone call with no results. Adverse action is taken and scheduled to end concurrent to the 30 day conciliation time frame. Two weeks into the first non-pay month, Mom contacts the caseworker and reports that Dad left the home. Mom may apply for herself and child without curing the sanction. Since this was done in the first non-pay month, the 14 day delay is not imposed. The sanction follows the individual who caused the sanction to occur.

Two months later, Mom and Dad reconcile. The case is set to close and may not be reopened until Dad cures his sanction by complying for 10 days before any benefits are paid to the unit. The 14 day delay does not apply as long as Dad begins to comply before the end of the first non-pay month.

## AIMS/AME Full Family Sanction Procedures

### INDIVIDUAL SANCTIONING

- Applies to customers between the ages of 16 and 18, not in school, and who do not comply with work requirements.
- On the AIMS 2, field 21, change the number of children in the household.
- Subtract the new TCA benefit amount from the TCA benefit amount, received prior to the individual sanction. Enter the difference as "phantom" income on the AIMS 3 with the unearned income type F10; in addition to any other financial information.
- Send a notice notifying the household of the action and the process required to cure the sanction.
- Upon compliance with program requirements, remove the coded TCA "phantom" income by placing a "Y" in the Financial Screen Required field and reentering the correct information.

### **Treatment or Experimental Group:**

There are two new codes for cases denied for FIP work requirement reasons:

- 084 "...you did not pursue the application due to recent employment."  
085 "...you did not comply with FIP work requirements."

There are 3 new codes for closure and suspend for FIP work non-cooperation offenses. These codes are:

#### Closure Codes

- 081 "...case closed because of failure to comply with FIP work requirements - First Offense"  
082 "...case closed because of failure to comply with FIP work requirements - Second Offense"  
083 "...case closed because of failure to comply with FIP work requirements - Third Offense"

#### Suspend Codes

- 015 "...case suspend because of failure to comply with FIP work requirements - First Offense"  
016 "...case suspend because of failure to comply with FIP work requirements - Second Offense"  
017 "...case suspend because of failure to comply with FIP work requirements - Third Offense"

To close a case due to non-compliance with FIP work requirements:

- Complete an AIMS 2/3A to close the case using the case status reason code matching the number of FIP work non-cooperation offenses.
- Complete the MA section by placing an "N" (do not close MA) in the appropriate field.
- Complete an 8000 to change the Medical Assistance category from TCA to FAC. Use code 39 or 49, scope 9.
- Complete an AMF 2 to open the FAC category.

**Curing Sanctions:**

If the cure is initiated in the first month of no-pay status, the 14 day delay does not apply. Reopen the case using the first day of the month as the application date. Enter the "W" override in the FIP IND field so the system will not prorate. Should the period of non-compliance extend into the next month, do not pay an OTO for the current month. The customer is eligible from the first day of the month in which compliance is met.

Should the customer initiate compliance in any future month, the case is a regular application with the 14 day delay imposed. The case may not be paid until compliance is met.

A comprehensive clearance must be performed as customers apply for assistance,. The interviewer must know if the prior case was closed due to sanction. The data operator performing the clearance should list all prior closings and closing reasons on the form. Food Stamp cases which switched category to 18 must be changed back to an 02.

## CARES Full-Family Sanction Procedures:

### INDIVIDUAL SANCTIONING

- *Applies to customers between the ages of 16 and 18, not in school and not in compliance with work requirements and customers in the FIP Control Group:*
- Do not remove them from the TCA household.
- Code "MP" should be used in the PI Participation Status field on the WORK Screen. Do not use the "RE" code.
- On the UINC Screen, enter the amount of the sanction (the difference between the amount of the grant for the household size with the customer and without) as "OA" (Other countable, Cash only). The grant will then be in the correct amount for the sanctioning.
- On the UINC Screen, enter the amount of the sanction (the difference between the amount of the grant for the household size with the customer and without) as "OF" (Other countable income, Food Stamps only). This will maintain the FS allotment at the level prior to the sanction.
- To identify the case as a sanction, enter "GU" on the DEM1 Screen under the Place of Birth, State field for the first sanction of the customer. The second sanction should be coded as "VI" and the third sanction coded as "CZ".
- Suppress the automated notice and send a manual notice informing the customer of the case action.
- Upon compliance with program requirements, on the UINC Screen remove the TCA, "phantom" income.

These procedures are outlined in CARES Alert 95-13. To gain further information on individual sanctioning, review that CARES Alert.

### FULL FAMILY SANCTIONING

- *Once notified that a customer is non-compliant with work requirements:*
- Access that case using Option R (Interim/Historical Change) from the AMEN Screen.
- Fast Path to the WORK Screen.
- Change the PI Status to "MN" Mandatory Non-Participant and enter the date the

customer became non-compliant.

- Fast Path to the ELIG Screen and commit the data.
- Set up a 745 alert for 15 days from the non-compliance date that was entered on the WORK Screen. The alert serves as a reminder to follow-up on the customer's PI status and to sanction the case if compliance is not achieved.
- ***When the 745 Alert appears:***
  - Once the worker receives the 745 alert (15 days later), they must follow-up the customer's work compliance status and determine whether the household should be sanctioned.
- ***Applying a Full Family Sanction:***
  - Access the case using Option R (Interim/Historical Change) from the AMEN Screen.
  - Fast Path to the AF STAT Screen. Enter code 501 if sanction is for the first offense, 502 if for the second offense, 503 for the third or subsequent offenses.
  - Fast Path to the DEM1 Screen for the non-compliant individual. Enter "GU" in the Place of Birth City field if this is the first sanction under the new policy, "VI" for the second offense and "CZ" for the third offense.
  - Fast Path to the UINC Screen for the head of household. Enter the TCA benefit amount, previous to the sanction, using the code "OF" (Other countable income, Food Stamps only). This will maintain the associated FS allotment at the level prior to the sanction.
  - The notice will be correct provided the appropriate reason code was used.
  - Select Option L (Add A Program) from the AMEN Screen with the FS AU#. Add a Medical Assistance program (F05) with the current date as the date of application.
  - Interview and Process the MA F05 case as usual, denying the appropriate months to avoid dual participation (AFDC is still active through the end of the adverse action period).
  - Finalize the MA case, certifying it to the end of the original TCA period. In the event that a Food Stamp case is associated, match the MA Certification End Date with the Food Stamp end date.
- ***Reopening a Full Family Sanctioned Case:***

**If curing the sanction begins and will be complete in the first non-pay month, reinstate the**



**TCA AU once compliance is achieved:**

- Access Option M (Reinstatement) from the AMEN Screen with the closed AU#.
- Select each member to be reinstated by placing a "Y" next to their name. Press enter.
- Access Option R (Interim/Historical Change) from the AMEN Screen.
- Fast Path to the TCA STAT Screen and remove closing reason codes. Press enter.
- On the MA STAT Screen enter a case status reason code of 572 (Worker Voided Application).
- Fast Path to the UINC Screen and remove any "phantom" income, associated with the cured sanction.
- Fast Path to the WORK Screen and change the PI Status from "MN" to "MP".
- Fast Path to the MISC Screen and place a "Y" in the Recalculate Eligibility field.
- Confirm eligibility.
- Waive adverse action on the MA closure (when appropriate) and suppress the MA closing notice by placing a "Y" in the override notice field on the MAFI screen.

**If curing the sanction begins in the first non-pay month but compliance will not be achieved until the subsequent month, reopen the TCA AU:**

- Select Option J from the AMEN Screen and enter the AU#.
- Delete any members that are no longer in the home by placing a "Y" in the delete field on the CLRE Screen for that member.
- On the SCDI Screen enter the date curing the sanction began as the date of application.
- Access Option "O" (Interview) from the AMEN Screen. Complete the case by processing and finalizing. The active MA AU must be closed during interview and processing so that dual participation is avoided.
- During the Processing function, remove any "phantom" income, associated with the cured sanction; from the Ongoing Month.
- Waive adverse action (when appropriate) and override the MA closing notice. Add the following text to the TCA approval notice:

"Your TCA is being reopened as a result of your compliance with WORK requirements. Your TCA will not be delayed by 14 days. You will receive a supplement for the delayed period."

- The customer is not subject to the 14 Day Delay. Once finalized, a TCA Underpayment supplement BEG must be created and approved for the 14 Day Delay period.
- **If curing the sanction begins after the first non-pay month (this is considered a new application):**
- Select Option J from the AMEN Screen and enter the TCA AU#.
- Delete any members that are no longer in the home by placing a "Y" in the delete field on the CLRE Screen for that member.
- On the SCDI Screen, enter the date curing the sanction began as the date of application.
- Access Option "O" (Interview) from the AMEN Screen. Complete case processing as a normal application.
- During the Processing function, remove any "phantom" income, associated with the cured sanction; from the Ongoing Month.
- Close the active MA AU, during interview and processing. This will prevent dual participation. Waive adverse action (when appropriate) and override the MA closing notice.
- The 14 Day Delay applies to this case.

Note: Always narrate case actions by pressing PF21 on the ADDR Screen.

## TRANSITIONAL ASSISTANCE PROVISION

**CONTROL GROUP: THIS PROVISION IS NOT APPLIED TO THE CONTROL GROUP**

### **TREATMENT OR EXPERIMENTAL CASES:**

The FIP provisions allow for an extension of the TCA benefit for three months after a sanction becomes effective. This Transitional Assistance (TA) provision would be used at the discretion of the local department based on the individual circumstances and the availability of a third party organization. The TA benefit can only be available through a non-profit or faith organization that agrees to accept this responsibility. The preferred method of payment to the third party is EBT. This requires the third party be trained in EBT and issued a card.

If a family friend wishes to be the third party, the friend must work through the non-profit organization. Priority for these payments will be given assistance units with:

- An active protective services case
- An active intensive family services case
- An adult member who is disabled, but has been unwilling to document the problem
- An adult member who is not fluent in English and notices are not offered in the individual's language

Should the customer comply with the work requirements during the transitional assistance period, the case manager must complete a redetermination of their situation. New certification end dates must be established since the original dates were shortened to match the end of the transitional assistance period.

The customer cannot again become eligible for direct payment until the following month if compliance with the work requirement is met but the benefit has already been sent to the third party. For instance, the customer met the work requirement on the last day of August. The September benefit is sent to the non-profit organization. The customer will become the payee again in October.

### **AIMS/AMF Transitional Assistance Procedures**

#### **Treatment or Experimental Group:**

- Complete an AIMS 2 - ACHG - to update (shorten/extend) the certification period to match the end of the TA period.
- Change the sub-category to 30 for all TCA categories. This code will be used to track TA cases, and requires the benefit be paid to a payee.

- Complete the Alt Info PA field to indicate a protective payee.
- Complete an AIMS 2/3C to assign a protective payee to the transitional assistance case.
- Do a 745 for the last month of transitional assistance certification to follow up on the compliance status.

To remove a customer from transitional assistance:

- When the customer complies with work requirements during the TA period.
- Complete an AIMS 2 to update the redet, the sub-category code, and the ALT INFO PA field.
- Remove the payee on the 2/3C.

When continued lack of cooperation, with the work requirements, results in the TA case being closed, complete the following:

- On the AIMS 3, enter the TA benefit amount as "phantom" income using the unearned income type F10; in addition to any other financial information.

If the sanction is cured, TCA is subsequently reapplied for and approved, complete the following:

- On the AIMS 3, remove the "phantom" income from the food Stamp case by entering a "Y" in the Financial Screen Required field and reentering the correct information.

### **CARES Transitional Assistance Procedure:**

- *To apply Transitional Assistance to the AU:*
  - Access the AU using Option R from the AMEN screen.
  - On the ADDR screen for the head of household (HOH) enter a "Y" in the Authorized Representative field. Press enter.
  - The AREP Screen appears. Enter "P1" in the Representative Type field and "CC" as the Relationship Type. Complete the name and address fields with the community representatives information. Press Enter.

- Fast Path to the WORK Screen. Enter "MN" in the PI Participation Status field and the date customer became non-compliant with PI.
- Fast Path to the DONE Screen. Confirm eligibility and shorten the certification end date, if necessary. If it is necessary to extend the certification, initiate a redetermination, update fields as necessary, on MISC enter "Y" in the Redet Complete field, confirm the eligibility and shorten the certification end date.
- Add the following text to the notice:

"As a result of not complying with the FIP WORK requirements, your benefit will be paid to the authorized representative shown above. After the next three months of benefits are received, you will no longer be eligible for TCA until you comply with the WORK requirements."

- Create a 745 for the month in which the benefits will end to manually close the AU using code 504. **This is imperative as the AU will not be in the 90 day redet scheduling cycle and benefits will continue if not manually closed.**

When continued lack of cooperation, with the work requirements, results in the TA case being closed, complete the following:

- On the UINC Screen, enter the TA benefit amount as "phantom" income using the code "OF" (Other unearned income, Food Stamp countable only). This will maintain the FS allotment at the level prior to the sanction.

If the sanction is cured, TCA is subsequently reapplied for and approved, complete the following:

- On the UINC Screen, remove the "phantom" income from the Ongoing Month, during the processing function.

● *To remove a customer from Transitional Assistance:*

- When a customer complies with PI during a Transitional Assistance period:
- Select Option R (Interim/Historical Change) from the AMEN Screen.
- Remove the type over the "Y" in the Auth Rep field with an "N". Press enter.
- Be sure the issuance method on the STAT Screen is BEBT.
- Fast Path to the WORK Screen and change the PI Status from "MN" to "MP"

- Fast Path to the MISC Screen and enter a "Y" in the Calculate Eligibility field.
- Add the following text to the notice:  
  
"As a result of complying with the FIP WORK requirements you will resume receiving your grant directly."
- Confirm the benefits.
- The next issuance of TCA benefits will go directly to the customer.

Note: Narrate all case actions taken on the AU by pressing PF21 from the ADDR Screen.