



Department of Human Resources
311 W. Saratoga St.
Baltimore, MD. 21201-3521

FIA ACTION TRANSMITTAL

Issuance Date: DECEMBER 2, 1996

Effective Date: OCTOBER 1, 1996

Control Number: FIA/OPA # 97-58

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS**

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA

RE: CORRECTION OF FIA/OPA # 97-45

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE
FOOD STAMPS
MEDICAL ASSISTANCE
CHILD CARE
CHILD SUPPORT**

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

Background: Action Transmittal FIA/OPA 97-45 was issued to provide corrected pages for previously issued FIP transmittals. During the process of approving and printing the transmittal, the replacement pages were taken out of order. This Action Transmittal provides corrected pages.

Required Action: Discard all replacement pages in Action Transmittal FIA/OPA 97-45 after the 50% of poverty chart provided for FIA/OPA 97-17. Use the attached pages to update FIA/OPA 97-19 through 97-22. We apologize for any inconvenience this may have caused your local department.

Please contact Sue Woolford at (41) 767-7190 with questions.

**cc: FIA Management Staff
Constituent Services**

ACTION REQUIRED

AIMS

Enter the child support deduction amount on the AIMS 2 using the deduction code "P56". The system will subtract the deduction from any income other than TCA.

For food stamps, enter the child support deduction amount on the AIMS 3 using deduction code "F54". The system will subtract the deduction from income.

CARES

The procedure for this deduction varies according to the program and type of income the household member paying the child support has.

TCA/FS AUs

Earned Income

The deduction will need to be calculated offline and entered in the WK expense type field on the ERN2 screen using valid value CS (Child Support Paid Outside Of The Home). Enter the monthly amount of child support coding the frequency as AC (Actual).

Unearned Income

The deduction will be calculated offline and applied when determining the net unearned income.

MIXED TCA AND FOOD STAMP AUs AND PURE FOOD STAMP AUs

The deduction for members of the FS AU who are not members of the TCA AU will need to be calculated offline and entered on the CARE screen of the youngest child in the TCA AU. On the CARE screen enter "CS Workaround" as the providers name, enter the monthly amount of child support paid and code the frequency of payment as AC (Actual).

This deduction must be removed if the TCA AU sprouts to Medical Assistance in order to avoid the deduction being given incorrectly.

Documentation of the special procedure must be included in the narration.

FOR PAYMENT ACCURACY it is necessary to delete amounts entered on the CARE screens as a part of the workaround.

ACTION DUE

The new policy is effective October 1, 1996, for all treatment and experimental groups. Control cases follow current regulations.

INQUIRIES

Please direct questions to Kay Finegan at (410) 767-7939.

cc: DHR Executive Staff
FIA Management Staff
Constituent Services
OIM Help Desk

After a finding of fraud in the TCA program, continue the food stamp certification period until it expires. If the household reapplies for food stamps during the TCA penalty period, when possible, establish a certification period which ends at the same time the TCA fraud penalty ends.

Example: An assistance unit which had received \$521 TCA grant is terminated because of a second fraud finding. The family is ineligible for TCA for 12 months. The TCA amount countable for food stamps until the end of the penalty period is \$521.

Ending a TCA Penalty Period Without Compliance

In the following limited situations a penalty period for noncompliance with a requirement is ended and the sanction is considered cured even though an individual does not technically comply with the TCA program requirement:

- When an individual who fails to comply with a work requirement goes to work and earns a net income which exceeds the TCA allowable amount for the assistance unit size, the net amount is calculated by subtracting 20% of the gross earned income and allowable child care expenses from the gross earnings. If the net income exceeds TCA eligibility, the frozen income is not counted.

Example: A customer refused to participate in a work requirement. The TCA grant in the amount of \$373 was terminated effective May 1. The food stamp allowable TCA amount of \$373 was entered on the system as income for the food stamp benefit calculation. On June 3, the customer reported a new job with biweekly earnings of \$400. She has a \$100 monthly child care cost. The gross monthly earnings are \$800. The net earnings are \$540 ($\$800 - 20\% \text{ of earnings or } \$160 - \$100 \text{ child care cost} = \540). Since this amount exceeds the frozen TCA amount the penalty period ends and earned income is the only countable income.

- When an individual who fails to comply with a child support requirement and subsequently begins receiving child support payments which exceed the TCA allowable amount for the assistance unit size.

Example: When a customer refused to comply with a child support requirement without good cause, the \$292 TCA grant was terminated. The food stamp allowable amount of \$292 was entered on the system for the food stamp benefit calculation. Subsequently, the customer reported receipt of child support in the amount of \$300 per month. Since the child support exceeds the frozen TCA amount, the penalty period ends.

Questions and Answers

#1 Question. Does the Riverside Rule apply during the entire period of the public assistance program penalty?

Answer. Yes, with the exception of the situations listed above. The prohibition against increasing the food stamp benefits applies for the duration of the penalty. In TCA the penalty, except for these situations, lasts until there is compliance even if the family no longer wants TCA. While the cash benefit is reduced due to the noncompliance, the local department must insure that the food stamp benefits do not increase due to the reduction.

Example: Ms. Jones is a recipient of \$373 TCA and \$293 in food stamp benefits. She is required to participate in a work activity and does not comply. The local department determines that she has intentionally failed to comply with a work requirement without good cause and closes her TCA case. The food stamp benefits remain at \$293 based on the countable food stamp TCA amount of \$373 that was received at the time of termination. The benefit will continue at that rate until the individual complies with the requirement or another change not related to the penalty occurs.

The Riverside rule does require that action be taken on other changes which may require an adjustment to the food stamp allotment. These changes would include changes in household circumstances which are not related to the penalty imposed by the local department.

Example: A customer receiving a \$450 TCA grant was found to have intentionally failed to comply with a TCA work requirement and the TCA grant was terminated. The food stamps are calculated based on the countable food stamp TCA income of \$450 she received prior to the termination plus the full amount of child support received in the amount of \$350. The shelter cost was \$400. Subsequently she reported decreases in child support to \$300 per month and in shelter cost to \$260. The change in income and shelter cost must be acted upon within current time frames. The prior TCA income continues to apply.

Example: A customer receiving a \$373 TCA grant for herself and two children was found to have intentionally failed to cooperate with child support and TCA was terminated. The food stamps were calculated based on the countable food stamp TCA income of \$373 received prior to the termination. Subsequently, she reported that one of the children who had been included in the TCA grant moved away from home. The countable food stamp TCA income is reduced to \$292 and the food stamp household size is reduced to two.

#2 Question. Should the food stamp benefits be adjusted if a child is born more than 10 months after signing the Child Specific Benefits rights and Responsibility Form?

Answer. Yes. The food stamp benefit would be adjusted to reflect the new member and the amount of the child specific benefit and child support received for that child.

Example: Ms. Johnson is in receipt of TCA for herself and 2 children. Twelve months after signing the Child Specific Rights and Responsibilities form, she gave birth to her third child and began receiving a child specific benefit through a third party representative. This is not a program violation and the Riverside Rule does not apply. Her food stamps

will reflect the amount of the child specific benefit and the additional household member.

#3 Question. Does the Riverside Rule apply to denied cases?

Answer. No. The rule applies to a food stamp household that is also receiving benefits from a federal, State, or local means tested assistance program. This rule applies whenever the public assistance has been decreased, suspended or terminated.

Example: Ms. Smith is an applicant for TCA. When told she must file for child support at the same time she applies for TCA, she refuses and is denied TCA. The new rule does not apply. Ms. Smith's food stamps will be determined based on her income and expenses under regular rules.

Question #4 What would happen if a household member was removed from both the TCA and food stamp household?

Answer. If someone in the household intentionally does not comply with a non-work related requirement of both programs, then that individual is removed from the household and sanctioned as required by each program's rules. The Riverside Rule does apply in that a reduction in the public assistance program's benefit can not cause an increase in the food stamp allotment.

Example: A member of a PA/FS household refuses to apply for a social security number. The household member is ineligible for TCA. The individual is also removed from the food stamp household. The assistance grant to be counted as income to the household is the pre-sanctioned amount.

\$373 Payment standard for 3

After deducting \$134 and considering \$150 rent, the allotment for 3 is \$250.

\$373 remains the countable income.

\$373 Includes \$292 and phantom income of \$81

-134 Standard deduction

\$239 ÷ 2 = \$119

\$150 Rent

-119

\$ 31 Shelter deduction

\$239

- 31

\$208

\$218 TFP for 2

- 63 30% of \$208

\$155 Benefit

ENERGY HEATING NEED: Discontinue the deduction of the EHN effective November 1, 1996. A mass change will be performed the end of October to remove this deduction from active cash/food stamp cases.

ACTION REQUIRED

- Do not increase the food stamp benefit, even though the cash income has decreased or stopped, when a TCA assistance unit is sanctioned for intentionally failing to comply with a requirement of Family Investment Program (FIP) or when an assistance unit member has been found guilty of fraud.
- Take action on changes in household circumstances which are not related to the penalty imposed by another means-tested program.
- To maintain the food stamp benefits at the same level during the period of reduction, suspension, or termination of TCA or SSI benefits due to noncompliance:

AIMS

- ▶ Enter the amount on the AIMS 3 with unearned income type F10. Enter the countable SSI income as income type F11.
- ▶ Upon compliance with program requirements, remove the coded TCA "phantom" income by placing a "Y" in the Financial Screen Required field of the AIMS 3 and entering the correct financial information.
- ▶ Document the case record clearly.

CARES

- ▶ On the UINC screen enter the ACTUAL TCA OR SSI BENEFIT AMOUNT using the code OF (Food Stamp only income).
- ▶ Document all actions clearly in the case narration by using the PF21 key from the head of household's ADDR screen.
- ▶ Remove the Food Stamp countable only income from the UINC screen when the household complies with the requirement or the penalty period has ended.

PAYMENT ACCURACY

The process of counting income not actually received by a household is highly error prone. It is extremely important to follow the steps listed in Action Required and to act on all changes reported by the household and changes in status of TCA or SSI penalties.

1-4

ACTION DUE

The change in policy is effective October 1, 1996.

The elimination of the deduction for the Energy Heating Need is effective November 1, 1996.

INQUIRIES

Please direct questions to Kay Finegan at (410) 767-7939.

cc: DHR Executive Staff
IMA Management Staff
Constituent Service
OIM Hotline

The MA extension unit is required to file quarterly reports of gross earnings and child care expenses. Quarterly reports (DHR/IMA 747) are sent during the 3rd, 6th and 9th month of the extension and are due back the following month. If the extension unit fails to return the quarterly report without good cause or the earned income exceeds 185% of the federal poverty level, the unit is no longer eligible for the Medical Assistance extension. (Reference: COMAR 07.03.02.08D(3))

MEDICAL ASSISTANCE EXTENSION POLICY EFFECTIVE OCTOBER 1, 1996:

Effective October 1, 1996 all cases that lose eligibility because of overscale earned income and received TC 3 of the last 6 months, except Control cases, will be eligible to receive extended Medical Assistance for 12 months without quarterly reporting or income testing requirements. If the assistance unit reports moving to different state or that all eligible children have left the home, the case will close before the end of the 12 month period.

Cases, including Control cases, that close because of income other than earnings and child support is collected will continue to get the four month extension.

CURRENT PURCHASE OF CARE EXTENSION POLICY:

- An AFDC assistance unit that becomes ineligible for cash assistance because of:
 - increased earnings or hours of employment,
 - the loss of the earned income disregards, or
 - the principal wage earner returned to work, and
- The unit was eligible for an AFDC grant in at least 3 of the last 6 months immediately preceding AFDC ineligibility,
- The unit is eligible to receive Purchase of Child Care for 12 months, with a co-payment, subject to a month review and provided the earned income is within POC guidelines.

The assistance unit can begin to use extended child care at any time during the 12 month eligibility period.

PURCHASE OF CHILD CARE EXTENSION POLICY EFFECTIVE OCTOBER 1, 1996:

Effective October 1, 1996, extended child care will be available to the eligible FIP assistance unit for 12 months with a co-payment, provided income is within POC guidelines. The 6th month redetermination will not be required, but the assistance unit will be required to report any changes in the unit's situation, income, and employment within 10 days. The eligible FIP assistance unit is one that lost eligibility due to overscale earnings and received cash assistance 3 of the previous 6 months. The control group is also eligible for the extended benefits without a recertification at the 6th month period. The family can begin to use extended child care at any time during the 12 month eligibility period. The family can request reimbursement for out-of-pocket child care expenses with adequate documentation.

AIMS MA

Treatment and Experimental Group:

Do not send a quarterly report to the household. MA extensions resulting from increased earnings are certified for 12 months under category 02 scope 6. Child support extensions are given a 4 month certification under category 02 scope 9. Effective 10/1/96, no MA Extension labels will be produced for the Treatment or Experimental groups.

in an active no-pay status with a certification end date of three months.

- Complete an 8000 document for eligible household members using Category 02 Scope 1. The certification end date for the MA coverage is also three months.
- Initiate a Purchase of Care case for the household if child care is needed. - See CCAMIS procedures.
- Create a 745 to remind the ongoing caseload worker of need to follow up on the case and change the MA category and scope at the end of the third month if the customer is still employed.
- In the third month if the customer is still employed, complete a new 8000 using MA Category 02 ,Scope 6, and certify for an additional 12 months..

CARES PROCEDURES:

Select option O (Interview) from the AMEN screen with the TCA AU#. Interview the customer, gathering pertinent information about their current situation and their immediate needs. Enter the appropriate case and financial information for the specific households circumstances. If determined financially and technically eligible proceed with case processing and go to the CAFI screen to see what the TCA grant would be for the household. If found financially/technically ineligible, proceed with interview denying the TCA application for the correct reason.

On the ERN2 screen put in the actual earnings of the customer and fast path to DONE. Process the case and go thru finalization to see if the case is active. Record the TCA grant amount for the on-going. Enter the amount of TCA grant minus \$1.00 on the UINC screen as 'OA' (Cash Countable Only) Income. Process the case as usual. Select option Q (Finalize) from the AMEN screen. **MAKE SURE THE TEMPORARY CASH ASSISTANCE CASE IS IN ACTIVE STATUS WITH A '0' GRANT AMOUNT.** Shorten the certification end date to three months. Initiate the Purchase of Child Care case. See CCAMIS procedures. Select Option D (Alerts) from the CARES main menu. Choose Option A (create a 745 alert) with the log-on ID of the worker the alert should be sent to.

Trickling to an F02

Access the case by selecting Option R (Interim/Historical Change) for the ongoing month. Request a new job. Enter the employer as MA/POC. Enter a \$10.00 cash countable job. Fast Path to ELIG screen. The assistance case will close with reason codes 301 and 302. Confirm the case closure. An ELIG screen will appear for the MA F02. Confirm the benefit. Do not shorten the certification end date.

***NOTE - Financial information will not appear on the MAFI screen for the extension. As always, clearly narrate all case action by pressing PF21 from the DONE screen.**

CCAMIS PROCEDURES:

- Enter case application as usual
 - For AFDC status - Enter "C" for Current Recipient
 - Enter the appropriate PI status and activity
 - Recon due - Enter a three month recon due date
 - Issue the voucher - Enter an expiration date to match the recon due date

- At time of recon for Child Care Extensions
 - CCAMIS will not accept a TCA close date in the future. The recon must be done on the date the TCA case closes.
 - To allow a 5 business days notice of reduced subsidy
 - Extend the recon date 5 business days
 - Extend current voucher to match the recon due date
 - Give the customer adverse action notification letter

 - Recon case as usual to a priority 2 (transitional) status
 - Issue voucher which will be at the correct subsidy and priority for continued care, expiring it to match the recon due date.

EFFECTIVE DATE: October 1, 1996

Questions may be directed to Yvonne Wiley Batson at (410) 767-7733, Kay Finegan at (410) 767-7939, Annette Smith at (410) 767-7475, or Sue Woolford at (410) 767-7190 of the Division of Program Policy and Regulation; Ann Webster at (410) 767-7815 or Linda Zang at (410) 767-7813 of the Child Care Administration; and Christine Gerhardt at (410) 767-5406 of DHMH.

KM:JM:LH/as
a:fipccma.812

cc: FIA Management Staff
Child Care Administration
Constituent Services