



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: 12-09

Effective Date: October 1, 2011

Issuance Date: September 30, 2011

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

**FROM: ROSEMARY MALONE, EXECUTIVE DIRECTOR**

**RE: NON-COOPERATION WITH QUALITY CONTROL REVIEWS**

**PROGRAM AFFECTED: FOOD SUPPLEMENT PROGRAM**

**ORIGINATING OFFICE: OFFICE OF PROGRAMS**

**SUMMARY:**

The Food and Nutrition Service (FNS) issued final rules changing the penalty time frames for refusal to cooperate with state and federal quality control (QC) reviews. Additionally, FNS changed how the penalty is applied when an individual refuses to cooperate with QC. The penalty for refusal to cooperate with a state QC review increased to 125 days. The household is ineligible to receive Food Supplement Program (FSP) benefits for the balance of the federal fiscal year **plus 125 days**. The penalty for refusal to cooperate with a QC review is now applied on the client level to ensure the penalty follows the non-compliant individual.

The penalty period for refusal to cooperate with a federal QC review is now 9 months. The household is ineligible for the remainder of the federal fiscal year plus **9 months**. Because cases selected for a federal re-review are have had a state QC review completed (therefore the customer must have cooperated), we have never had non-cooperation with a federal review in Maryland.

**ACTION REQUIRED:**

Effective October 1, 2011, the following applies:

1. The penalty period for refusal to cooperate with a state QC review increased from 95 to 125 days after the end of the federal fiscal year.
  - In the event that one or more household members no longer resides with a household terminated for refusal to cooperate, the penalty for refusal to cooperate will attach to the household of the person(s) who refused to cooperate.

- When QC is unable to determine which household member(s) refused to cooperate, QC shall determine the household member to which the penalty shall apply.
- 2. If the terminated individual reapplies after 125 days of the end of the federal fiscal year, the individual cannot be determined eligible until it complies with the QC review.
- 3. Reason code 556 identifies individuals who refuse to cooperate with a state QC review.
- 4. The penalty is applied at the **client level**. This ensures the penalty follows the non-cooperating individual until the expiration of the penalty period.
- 5. A new reason code, **583**, identifies individuals who refused to cooperate with a federal QC review.
- 6. An error message appears when a penalty code is entered for a child under 18, stating:  
**“REASON CODE (556 or 583) CANNOT BE ENTERED FOR CHILD UNDER 18”** is displayed on the STAT screen and the user will not be allowed to proceed until the 556 or 583 code is removed.

### **Non Cooperation with a Quality Control Review**

1. When an individual coded 556 on the STAT screen refuses to cooperate with a state QC review, the entire household is ineligible as long as the penalized individual remains in the household or until the penalty period expires.
2. When an individual coded 556 on the STAT screen leaves the household, the remaining household members can have eligibility determined under normal FSP rules.
3. When an individual coded 556 on the STAT screen leaves the household and becomes a part of another AU, the household becomes ineligible for FSP benefits for the remaining period of ineligibility as long as the individual remains in the household.

### **Example 1**

Mr. Marks, 35, his wife and 5-year old son receive FSP benefits. Mr. Marks refused to cooperate with a State QC review. His penalty period is effective October 15, 2011 and ends 125 days after the end of the federal fiscal year (September 30, 2012). The customer is ineligible through February 2, 2013. Mr. Marks leaves the household of his wife and son. His wife and son can have eligibility determined under normal FSP rules.

## Example 2

Mr. Marks moves in with his mother and father in November. His parents receive FSP benefits, but they eat and prepare their meals separately. Mr. Marks and his parents have separate FSP cases. The penalty of the son does not affect the eligibility of his parents. Mr. Marks remains ineligible for the remainder of the penalty period.

## Reminders

1. A household cannot be denied FSP benefits if there is any doubt regarding whether the household **refuses** to cooperate.
2. QC determines whether the individual refuses to cooperate.
  - QC notifies the LDSS via the QC 35 form to impose a penalty.
  - Effective October 1, 2011, the form will identify the individual who refused to cooperate.

**INQUIRIES:** Please direct QC inquiries to Carolyn Owens at 410 767-4760 or [cowens@dhr.state.md.us](mailto:cowens@dhr.state.md.us), FSP policy questions to Rick McClendon at 410-767-7307 or [rmcclend@dhr.state.md.us](mailto:rmcclend@dhr.state.md.us) and systems questions to Fern Hill at 410-767-7064 or [fhill@dhr.state.md.us](mailto:fhill@dhr.state.md.us).

cc: FIA Management Staff  
Constituent Services  
Help Desk

<b>DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION</b>	<b>FOOD SUPPLEMENT PROGRAM MANUAL</b>	
CUSTOMER RIGHTS AND RESPONSIBILITIES	Section 403	Page 4

### **403.9 Supervisory Conference/Fair Hearing**

Any applicant, recipient or person acting responsibly for the household has the right to request a supervisory conference or fair hearing. This may be requested whenever a household is dissatisfied with any action, failure to act, or delay by the local department.

### **403.10 Responsibility of the Household to Cooperate**

- A. The household is responsible for cooperating with the local department to determine eligibility, review its eligibility due to reported changes or recertification, and during quality control reviews.
- B. The household may be denied or terminated from the program for its refusal to cooperate with FSP requirements.
- C. In order to make a determination of a refusal to cooperate, the household must be able to cooperate, but clearly demonstrate that it will not take the required action. For example, a household must refuse to be interviewed and not merely fail to appear for an interview.
- D. The penalty period for refusal to cooperate with a state QC review is 125 days.
- E. In the event that one or more household members no longer resides with a household terminated for refusal to cooperate, the penalty for refusal to cooperate will attach to the household of the person(s) who refused to cooperate.
- F. When QC is unable to determine which household member(s) refused to cooperate, QC shall determine the household member to which the penalty shall apply.
- G. If a household is terminated for refusal to cooperate with a QC review, the household may reapply, but cannot be determined eligible until it cooperates with the QC review.

**NOTE:** A household cannot be denied FSP benefits if there is any doubt regarding whether the household refuses to cooperate rather than failing to cooperate.

### **403.11 Responsibility to Report Changes**

All households must report changes in accordance with section 420.2 of this FSP manual.