



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

## Family Investment Administration **ACTION TRANSMITTAL**

**Control Number:** #12-16

**Effective Date:** October 1, 2011

**Issuance Date:** February 22, 2012

**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:** PREVENTING QUALITY CONTROL ERRORS FOR CLOSINGS AND DENIALS

**PROGRAM AFFECTED:** FOOD SUPPLEMENT PROGRAM

**ORIGINATING OFFICE:** OFFICE OF QUALITY ASSURANCE

### **SUMMARY:**

The Food and Nutrition Service (FNS) has changed the way Quality Control (QC) must review denials and closures of Food Supplement Program cases. Previously, QC reviewed negative actions based on the effective date of the action. This meant that if an incorrectly closed case was re-opened and issued benefits back to the beginning of the month, QC was able to declare that improper closure to be 'not subject to review.' In other words, no error occurred because there was no break in benefits: Effective October 1, 2011, reviews must be based on the "action date," which is the very day the case manager made the decision to deny or close the case. This will result in more negative actions being subject to a review.

Examples of invalid closures and denials now include:

- Cases that close or are denied when the agency has received the customer information, but did not act timely;
- Cases that are closed or denied using the wrong three-digit CARES 'reason code' for denial or closure (such as the use of a 552 code for a customer who did not show up for an interview, instead of using 566 or 365 for auto-denials);
- Applications that are denied more than 60 days after the date of application;
- Applications that are not properly pended on CARES on the day the customer appeared or filed the application; and,
- Cases in which the certification period is shortened inappropriately.

QC is no longer allowed to conduct an “expanded review”. That means QC cannot find another reason to justify a denial or closure.

**ACTION REQUIRED:**

It is very important that all case managers:

- Use the correct 500-level denial or closing code on CARES;
- Code individual CARES screen accurately so that the correct auto-denial and auto-closure codes will post (such as entering a “Y” in the ‘Out of State’ field for FSP on the DEM1 screen when the customer receives FSP benefits from another state in the application month);
- Allow customers a minimum of 10 days to provide verification and a 10-day adverse action period prior to closure;
- Schedule an appointment with a specific date and time and send a NOMI if the customer fails to appear;
- Verify income at application unless the customer is eligible for Expedited service;
- Accept the customer’s declared expenses for rent, utilities and childcare unless the information reported by the customer is questionable, and narrate in CARES *why* the specific expenses are questionable;
- Postpone verification, except for identity, if the customer is otherwise eligible for Expedited service;
- Make a decision on all applications no later than the 60<sup>th</sup> day because a denial after the 60th day of pending is automatically invalid;
- Review the soft edit on the STAT screen that asks “Are You Sure You Want To Deny AU Prior to 30<sup>th</sup> Day from Date of Application?” to prevent early denials;
- Ensure that a copy of any notice that was issued manually is in the physical case record;
- Narrate the reason for an adverse action and the facts that support the decision;
- Narrate the results of screening for Expedited service;
- Narrate when a letter is sent from the Letter menu in CARES; and,
- Narrate on CARES the reason a notice was not required when choosing to suppress the automated CARES notice.

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

cc: FIA Executive Staff  
FIA Management Staff  
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