

**DSS ADMINISTRATIVE LETTER
ECONOMIC AND FAMILY SERVICES SECTION**

WF-7-09

TO: County Directors of Social Services

ATTENTION: Work First Managers and Supervisors

DATE: September 24, 2009

SUBJECT: WORK FIRST BENEFITS

EFFECTIVE: October 1, 2009

I. BACKGROUND

With the Deficit Reduction Act of 2005 and the subsequent Federal Final Rule, there is an increased emphasis on meeting the federal requirements for Work Participation Rates. Failure to meet these rates can result in financial penalties and the loss of a portion of the state's TANF Block Grant. Several counties have successfully implemented Pay After Performance, now referred to as Work First Benefits (WFB) for all work eligible families with at least one adult on the case. The participation rates in these counties have increased due to implementing the new payment process.

The statutory changes for Work First N.C.G.S.108A-27.2 (1c); 108A-27.9 (c) (1c) include legislative amendments for all work eligible Work First participants to complete all aspects of their Mutual Responsibility Agreement (MRA) Core Requirements and MRA Plan of Action each month before receiving a Work First cash assistance check, unless there is good cause. **Child-only cases will not be subject to WFB and will continue to be managed as in current policy.**

II. REQUIREMENTS

The Division notified Work First families in August and September on the participants' check insert regarding WFB statewide implementation. In October, Work First families will receive the check insert information and a letter will be mailed to all Work First families. Work First staff must ensure that all work eligible Work First participants are informed and understand that in order to receive a WFFA check, all aspects of their Mutual Responsibility Agreement (MRA) Core Requirements and the MRA Plan of Action must be met, unless there is good cause. This includes completing the required hours of work, training, education, or other activities. Work First cash assistance checks will be

issued the month after completing all requirements on the MRA for the benefit month. Attached is a copy of the revised MRA Core and Plan of Action Requirements. Applicants and/or Participants are required to initial all items listed on the MRAs.

NOTE: Counties should consider educating the public by sending notices to community partners such as landlords, utility companies, etc. to let them know that many WF cash assistance checks will be received after the first of the month.

III. IMPLEMENTATION

A. Crisis Prevention Check

To prevent a possible hardship on families during the transition to Work First Benefits, work eligible families with at least one adult in the case may receive a one-time crisis prevention check. For cases that are active as of September 25, 2009, the amount of the crisis prevention check will be equal to the benefit amount for October. The crisis prevention check is not considered a regular cash assistance payment and will not affect the participant's 12, 24 or 60 month time clock. For ongoing Food and Nutrition Services (FNS) cases, the crisis prevention check will not cause individuals' benefits to increase or decrease.

The crisis prevention check will be mailed by the tenth work day in October, 2009. Families who will receive the crisis prevention check include: work eligible parents with children regardless of the age of the child, parents caring for a disabled family member, incapacitated parents and families with two parents who have not yet transferred into Pay After Performance. On the check history screen (PC) a transaction code 39, 49 or 59 will indicate the WFB crisis prevention check issuance. If a crisis prevention check is lost or stolen, participants must submit a request for a replacement check to their worker by November 20, 2009. All requests must be received in the Controller's Office by November 30, 2009.

Work First workers are to ensure all cases are updated and all actions are completed by September 25, 2009. Cases with a timely action pending in EIS will not receive a crisis prevention check. Cases scheduled to terminate effective September 30, 2009 or transfer to Medicaid effective October 1, 2009 will not receive a crisis prevention check. Two parent able bodied families who are currently in Pay After Performance (payment type '2') will not receive a crisis prevention check. Families that are in sanction with payment type S, Benefit Diversion, Child only and Transitional Medicaid cases will not receive a crisis prevention check. Participants in the following counties: Cumberland, Guilford, Lenoir, New Hanover, Person, Robeson, and Wilson will not receive a crisis prevention check due to Work First Benefits programs already in existence.

B. EIS Automated Conversion

On the night of Friday, September 25, 2009, EIS will automatically transfer all AAF cases with at least one adult included, with a payment type '1' or 'S' to

payment type '2'. Cases that are currently in sanction due to IVD non-cooperation with child support will not automatically convert and will remain a payment type 'S'. Counties are to take no action to manually convert from payment type 'S' to a payment type '2', until the participant complies with Child Support Enforcement.

Cases that contain a pending action in EIS on September 25th will not convert to payment type '2'. Counties can identify these cases by viewing the Error and Attention Report. An NCXPTR report will be created to identify all cases that were automatically converted to a payment type '2'. The title of the report is: DHREJA WF Payment Type Mass Change. This report will be available on September 28, 2009. Children living with relatives, children of SSI parents, and children of undocumented immigrants will not transfer to a payment type '2'. Current payment procedures will remain in effect for child-only cases, and their payment type will not change.

IV. WORK FIRST BENEFITS PROCESS

A. Child Support

The workers must explain to each Work First applicant subject to Work First Benefits that by applying for WFB, the adult caretaker agrees to assign their rights for child support payments to the State. This means any support owed as a result of a court order (divorce/separation agreement, legal support order, etc.) must be paid to N.C. Child Support Centralized Collections to reimburse federal and state government for public funds used for WFB. See Work First Manual Section 116.

Work First cases that are in WFB status will be treated as "Public Assistance" cases by Child Support Enforcement (CSE). This means any child support payments made by the non-custodial parents will be assigned to the state and will not be paid to the custodial parent. These payments may be retained by the state even if the Work First participant does not receive an assistance check due to failure to comply with MRA requirements.

When a case transfers from WFB (AAF payment type '2') to MAF, due to failure to comply with MRA requirements, it then becomes "Non-Public Assistance" or "Medicaid only" for child support purposes, and the custodial parent is eligible to receive child support payments processed through Child Support Enforcement.

If the Work First participant does not cooperate with IV-D, a timely notice (DSS-8110) must be sent within 10 work days from the date the individual first appears on the Caseworker IV-D Work List. This action will propose to terminate the individual from the case and end their Medicaid eligibility. A pregnant woman who fails to comply with IV-D requirements may receive MPW.

EIS will require the worker to key a start date on the IV-D Apply field on the automated budget. The worker must also change the payment type from '2' to 'S'.

If the participant cooperates within the 10 work day notice period, the worker must delete the pending timely action(s) in EIS and change the payment back to '2'. The WFB check will be released because the non-coop status was cured.

Example 1:

Work list item shows "non-coop"	Oct. 9
Worker keys timely 8125 to delete the individual	Oct. 12 (No later than Oct. 23)
Work list item shows "coop"	Oct. 21
Worker deletes the individual termination. (Notice period has not ended).	Oct. 22
Recipient cured non-coop. Oct. check will be issued if all other requirements are met.	

Example 2:

Work list item shows "non-coop"	Oct. 9
Worker keys timely 8125 to delete the individual	Oct. 12 (No later than Oct. 23)
Timely notice expires	Oct. 26
Worker checks coop status as of Oct. 30 (last work day of month).	Nov. 2
Recipient is still non coop.	
Do not issue Oct. check.	
Key 8125 to transfer case to MAF-C effective 12/1.	Nov. 2

Example 3:

Work list item shows "non-coop"	Oct. 9
Worker keys timely 8125 to delete the individual	Oct. 12 (No later than Oct. 23)
Timely notice expires	Oct. 26
Worker checks coop status as of Oct. 30 (last work day of month).	Nov. 2
Recipient status is "coop."	
Worker adds individual back into case with Medicaid beginning month of cooperation.	
Oct. check will be issued if all other requirements are met.	

Example 4:

Work list item shows “non-coop”	Oct. 23
Worker keys timely 8125 to delete the individual effective 11/30	Nov. 5
Client may receive October check (not due to non-coop but because other MRA requirements were met)	

B. Mutual Responsibility Agreements (MRA)

The MRA Core Requirements were revised to require participants to cooperate with Child Support Enforcement, obtain immunizations, have regular medical check ups and ensure that school-aged children and minor parents live at home and attend school according to school attendance policy for **children who receive WF assistance**.

For all work-eligible applicants, a Mutual Responsibility Agreement (MRA) Plan of Action must be developed within five (5) work days of the date of application. This initial MRA Plan of Action is for the purpose of specifying activities that must be completed to qualify for WFB for the month of application. An updated MRA may be developed as necessary based on a participants needs. The worker must explain to the participant the importance of reporting the activities and/or required number of completed hours by the fifth (5th) work day of each month. The MRA Plan of Action must state the required activities, number of hours of participation, and the reporting requirements. The MRA Plan of Action will state “I acknowledge if I do not meet the requirements listed on the MRA Plan of Action and Core Requirements, my Work First payment will stop and all family members will be evaluated for Medicaid. This agreement serves as my notice of termination.” This statement will serve as the participant’s timely notice. See Section 118 regarding the requirements and methods for verifying hours of participation and documentation requirements.

If the participant meets all MRA requirements for the month, including their hours of participation, the worker must release the Work First Cash Assistance check within three (3) work days of the date that documentation is received.

If the participant does not meet all MRA requirements, the worker will evaluate whether there is good cause. If the worker determines there is good cause for failure to meet their MRA requirements, including hours of participation, the worker will release the Work First Cash Assistance check. If there is not good cause, the check will not be released. Workers are to evaluate and transfer the case to Medicaid (if appropriate), after the first month of non-compliance, using the new adequate change codes.

V. APPLICATION INSTRUCTIONS

A. Applications Approved On or Before September 25, 2009

Applications approved on or before September 25, 2009 must be approved and processed according to current policy.

Counties are to use the retro fields on the DSS-8125 to approve an application that requires a State issued check for an amount that is different from the ongoing monthly payment amount. If more than two prior month payments are to be issued, use the DMA-5022. Refer to: Work First User Manual WF1100 - ON-LINE DSS-8125 SCREEN INSTRUCTIONS

NOTE: All applications with an adult included that are approved on or before September 25, 2009 will automatically convert to payment type '2'. After the conversion of WFB, there will only be payment type 'S' for child only cases and IVD non-coop. The Performance Management Section created a query, Work First Approvals in September 2009 to identify applications approved in September. This query is in the Work First and EIS, State Sanctioned folder in Client Services Data Warehouse (CSDW).

- B.** Applications approved after September 25, 2009, must be approved according to new policies and procedures stated in this letter. This includes:
- Cases with a single parent with children, regardless of the age of the child, including children under age one (1);
 - Cases with a work eligible individual;
 - Parents caring for a disabled family member;
 - Incapacitated parents;
 - Two parent cases.

The DSS-8194 must be completed and forwarded to Food and Nutrition Services (FNS) upon approval.

VI. AFTER CONVERSION

A. Ongoing Cases

1. The deadline for participants to submit documentation (i.e., hours, time cards, good cause etc.) is the fifth (5th) work day of the following month. Refer to Section 118 for documentation requirements.

If acceptable documentation or good cause information is provided on or after the fifth (5th) work day, release the WFFA check. If documentation is not provided to the worker by the 10th work day, workers must send an adequate notice to terminate the WFFA payment and all family members will be evaluated for Medicaid. A DSS-8194 must be completed and forwarded to FNS upon termination.

2. If the participant provides verification after the tenth (10th) work day and an adequate notice has been sent, the worker can release the check as long as the check is for the prior month only.

3. The worker must release the WFFA check no later than the third (3rd) work day of receiving and verifying the requirements of the MRAs for the benefit month.

EXAMPLE: Worker receives verification for October 2009 on November 3, 2009. The WFFA check for October must be released on or before November 6th.

4. If the participant fails to comply with their MRA without good cause, the worker will not release their check the following month.

NOTE: See the Work First User Manual for further instructions on releasing payments.

B. Good Cause

It is the primary responsibility of the participant to communicate why requirements were not met so the worker can make a good cause determination. If a participant fails to complete the activities outlined on the MRA, the worker must determine if the participant has good cause. Counties must use prudent judgment to ensure that good cause is applied reasonably and equitably to all families. Good cause is defined as but not limited to:

- A significant family crisis or change;
- Illness or disability of the caretaker or child, including participation in substance abuse treatment or medical appointment;
- Civil leave, including jury duty, or a required court appearance;
- The loss or interruption of transportation or child care services; and
- Any other reason deemed sufficient by the county director or designee.

Good cause reasons for noncompliance are of limited duration. It is important to determine whether the situation should be applied as a “good cause exemption” or as an “excused absence.” The worker must ensure reasonable accommodations are available to all individuals with disabilities who need assistance to meet their requirements.

It is also important in determining good cause that the worker review the participant’s case record and MRAs as well as discussing with the participant their reasons for failure to meet the MRA requirements. If there is an indication that existing or new disabilities are a factor in non compliance, the worker must conduct a thorough assessment, and/or revise the MRAs and if appropriate release the Work First Assistance check. Workers must review cases to identify previous good cause reasons and determine if there is a pattern and document the case file. Good cause must be evaluated on a case by case basis.

Workers must have frequent contact with the participant to monitor MRA compliance. Workers must document in the case record all efforts and contacts with the participant.

NOTE: Workers are encouraged to consult with a supervisor when determining good cause.

C. Substance Abuse Treatment

The Qualified Professional in Substance Abuse (QPSA) determines if substance abuse treatment is recommended and whether the individual is complying with the treatment plan. If an appropriate Substance Abuse treatment program is not available, the individual is not considered to have failed to comply with their MRA. When the QPSA recommends and establishes a treatment plan, include participation in treatment on the MRA-B. The treatment provider is responsible for providing documentation of hours spent in treatment activities. However, only the QPSA is authorized to determine if the individual is in compliance or is not in compliance with the treatment plan. The QPSA must agree that the participant is able to complete any activities in addition to treatment that are on the MRA-B.

Follow policy in Work First Manual Section 104B when notified by the QPSA that an adult has failed or refused to comply with treatment recommendations. This includes removing the needs of the individual from the payment and appointing a protective payee. The failure to comply with the substance abuse treatment plan does not affect payment issuance. The worker must issue payments, even if the participant is noncompliant with the treatment plan. If the participant fails to comply with other MRA requirements and substance abuse treatment their WFFA check will not be released. The worker must terminate WFFA and evaluate for Medicaid.

D. Sanctions

Sanctions will apply to child only cases and will continue to be managed as in current policy. Payment type 'S' will be used for child only cases that are in sanction.

Payment type S will continue to be utilized for adult included cases that are not cooperating with Child Support Enforcement.

VII. TERMINATIONS AND EVALUATIONS FOR MEDICAID

A. Failure to Comply

If the participant fails to provide documentation of participation by the tenth (10th) work day of the month, the worker must send an adequate notice to terminate the Work First payment. The agency must evaluate all family members for Medicaid and transfer to MAF-C.

EXAMPLE: The participant fails to provide verification of activities by the fifth (5th) work day of November for October benefits. The worker will send an adequate notice on the tenth (10th) work day in November to terminate the Work First payment effective November 30th. If the participant provides documentation for November's benefit month by the fifth (5th) work day in December, issue the November check, even though the case is already MAF.

<u>October</u>	<u>November</u>	<u>December</u>
Policy effective 10/1/09.	On the 5th work day, no documentation provided for October. On the 10th work day, mail adequate notice to terminate effective 11/30/09. Evaluate & transfer to Medicaid effective December.	The case is an active Medicaid case this month. If the client provides documentation of November compliance by the 5th work day of December, issue the November check. This is the first month that the family may again be eligible if there is a reapplication for WFFA.

B. Reapplication

If an individual reapplies for WF benefits in the month of termination, eligibility for benefits can be effective no earlier than the first day of the following month. Workers must conduct a face to face interview with the applicant. Discuss with the applicant their reasons for non compliance and address any barriers. Reiterate to the applicant they are still required to comply with their MRA requirements before they can receive a Work First Assistance payment. If an individual reapplies for Work First within two (2) consecutive months of ending WF, the worker and individual can initial and date the previous MRAs. If the requirements remain the same, the Substance Abuse screening (AUDIT/DAST-10), Domestic Violence screening, and First Stop registration may be waived. The previous noted assessments must be in the case file.

VIII. NOTICE AND HEARINGS PROCESS

Timely notices for WFB are stated on the MRA Plan of Action. The adequate notice serves as the notice for the hearings process. Refer to Work First Manual Section 264.

IX. CHANGES IN SITUATION

Refer to Work First Manual Section 202.

If appropriate, follow procedures in Section 263 – Financial Responsibility for over issuance and in Section 207, Fraud and Intentional Program Violations, for suspected fraud.

On the job training (OJT), subsidized and unsubsidized employment hours can be projected for up to six (6) months upon initial verification. (See manual section 118). The WFFA check can be released based on projected hours, as long as other MRA requirements have been met by the participant. Release the benefit check by the third (3rd) work day of the following month.

X. AUTOMATED ACTION CODES

New codes were developed to accommodate WFB. Transfer and change codes were developed to track individual's cases and issuance type.

A. When transferring AAF payment type '1', or 'S' cases to a payment type '2', the transfer codes are 4X (timely) and 9X (adequate). The following message will display: *"Effective MM/CCYY your case will change to Work First Benefits which means you must comply with your Mutual Responsibility Agreement (MRA) before receiving a check the next month."*

B. When transferring from AAF payment type '2' to AAF payment type '5', the transfer codes are 4M (timely) and 8M (adequate). The following message will display: *"Your family is no longer eligible for Work First Benefits due to an increase in earned income."*

C. When changing from AAF payment type '2' to MAF-C, there are new codes available to individualize the automated notices. These include adequate codes: 5T which states, "You failed to complete work activities listed on the MRA" and adequate code 9A which states, "You failed to cooperate with substance abuse treatment."

XI. EFFECTIVE DATE

This policy is effective October 1, 2009. The Division will be working over the next several months to incorporate the Work First Benefits policy into all related Work First Manual sections. Until the manual has been updated this Administrative Letter serves as policy and procedure for Work First Benefits.

The revised Mutual Responsibility Agreement Core Requirements (DSS-6963A) and Mutual Responsibility Agreement Plan of Action Requirements (DSS-6963B) may be used immediately.

The transition to Work First Benefits will be challenging, as it will be new for Work First staff and Work First participants. The key to successful implementation is having thorough discussions with applicants and participants who are subject to WFB prior to and during implementation.

Should there be additional questions, please contact your Work First Representative.

Sincerely,



Dean Simpson, Chief
Economic and Family Services

Attachments: [DSS-6963A MRA-Core Requirements](#)
[DSS-6963B MRA-Plan of Action](#)

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