USDA
United States Department of Agriculture

Food and Nutrition Service

Park Office Center

3101 Park Center Drive
Alexandria
VA 22302

Nov 28, 2018

SUBJECT: Update to FNS Handbook 310, Supplemental Nutrition Assistance Program (SNAP) Quality Control (QC) Review Handbook
QC Policy Memo: 19-02

TO: All SNAP State Agencies
All Regional SNAP Directors
Food and Nutrition Service

Effective for the October 2018 SNAP QC sample month, all reviewers must update their FNS 310 Handbooks to include the updated page changes listed below and shall follow the procedures amending those sections of the FNS 310 Handbook. These updates are the result of comments received, technical amendments, and clarifications to the following areas:

- Chapter 1 removed the reference to dispose of 90 percent of cases within 95 days of the end of a given sample month that changed with Supplemental Nutrition Assistance Program: Quality Control Provisions of Title IV of Public Law 107–171; Final Rule published June 11, 2010
- Chapter 4 was edited so that the household interview notes are to be included, and documented in each element on the FNS-380
- Revised Section 442.3 Likely Conclusion, edits made and submitted to regions and TAG but that were inadvertently left out of the final
- Section 1170.1 revised to allow a deduction of a qualifying dependent care expense and a medical expense as a deduction for either one or the other, but not both.

Please use the following chart to remove and insert pages to update your FNS 310 Handbook:

PAGE CONTROL CHART

Remove Pages	Dated	Insert Pages	Dated
Cover	October 2018	Cover October 2018	Thru QC Policy Memo 19-03
xxiii thru xxiv	10-18-18	xxiii thru xxiv	11-28-18
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4-3 thru 4-4	10-18-18	4-3 thru 4-4	11-28-18
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Sincerely,

Signed

Ronald K. Ward
Director Program Accountability and Administration Division
Supplemental Nutrition Assistance Program

Attachment

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

United States Department of Agriculture

FNS HANDBOOK 310

Food and Nutrition Service

Alexandria, VA

Supplemental Nutrition Assistance Program

Quality Control Review Handbook

October 2018

Thru QC Policy Memo 19-02

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180 FORMS AND REPORTING. Refer to Chapter 12 and Appendices B, C, and D.

181 Active Cases. For each active case, the State agency must complete Form FNS-380, Worksheet for SNAPs Quality Control Reviews, and a Form FNS-380-1, Review Schedule. (See Chapter 3 for cases not subject to review.)

181.1 Form FNS-380. (See Section 323 and Appendix B.) The reviewer must use a Form FNS-380 to:

- Record information from the case record
- Plan and conduct the field investigation
- Document verification of each element
- Record findings, and
- Document how their determination substantiates the eligibility determination and benefit level, or results in a variance

States have the option of using the Federal form (paper or automated) or an FNS Regional Office approved State-designed form.

Form FNS-380 consists of a face sheet, a worksheet and a computation sheet to determine the correct benefit level.

It will be necessary to supplement Form FNS-380 with additional forms to support documentation on the FNS-380 and verification of the review.

Examples include: State forms for appointments, interoffice communications, release of information, etc.

181.2 Form FNS-380-1. (See Chapter 12 and Appendix C.) Information from Form FNS-380 is used to complete Form FNS-380-1. Data from Form FNS-380-1 is released to the SNAP Quality Control System (SNAP-QCS).

Form FNS-380-1 is completed for all active cases. Cases processed by a Social Security Administration worker and cases that are part of an exempted demonstration project have a separate case classification so that any errors may be excluded from the case error rate, payment error rate and underissuance error rate.

Non-excluded variances that directly contribute to the error determination (i.e., ineligibility or an overissuance or underissuance) must be coded and reported in Section 2 of Form FNS-380-1. The reviewer must list all such variances (primary first) by element and indicate the cause of the variance. A State at its option may require other variances to be reported in Section 7.

Concerning the SNAP-QCS, there are six protected fields that cannot be edited after Federal subsampling:

- Item 6 - Stratum
- Item 7 - Disposition
- Item 8 - Findings
- Item 9 – SNAP Allotment under Review
- Item 10 - Error Amount
- Item 11 - Case Classification

The State Agency may request that the FNS Regional office edit these fields prior to Federal subsampling. Cases originally coded not completed or not subject to review can be completed at any time until the end of the reporting period when a request is made by a State through the FNS regional office. Supporting verification must be provided to the region at the time of the request.

182 Negative Cases. (See Chapter 13 and Appendix D.) For each negative case in the sample, the State agency must complete a Form FNS-245.

190 DISPOSITION TIMEFRAMES. Each case selected in the samples of active and negative cases shall be accounted for by classifying it as:

- Completed
- Not Completed, or
- Not Subject to Review

Within 115 days of the end of the sample month all cases (100%) selected in a sample month must be disposed of and the findings reported to SNAP-QCS.

By 115 days after the end of the annual review period all cases, including cases where a household refused to cooperate, must be disposed of and the findings reported to SNAP-QCS.

A case must not be reported as "not completed" solely because the State agency was unable to process it in accordance with these reporting requirements.

- The State agency must submit a report to FNS that includes:
    - An explanation of why the case has not been disposed of
    - Documentation describing the progress of the review to date, and
    - The date by which it will be completed
- FNS makes the determination whether the case is considered overdue based on the report.

FNS encourages the reviewer to send a certified return receipt letter to gain the household's cooperation and a copy of all appointment letters must be included in the review information transmitted to FNS.

415 Obtaining Verification. When adequate documentation of verification is not contained in the certification record (electronic file or hard copy in the case folder), the reviewer must obtain verification from collateral contacts. A collateral contact is a non-household member who can verify the actual circumstances for the element under review.

A collateral contact should not be a relative unless that relative is the source of the information and/or no other verification is available. The reviewer must document why no other collateral contact was available for the elements being verified by the relative.

- Example: The household resides in a home owned by the client's grandmother, and the client states they are not billed for rent. The client's grandmother is the only person with direct knowledge that she does not bill the client for rent; therefore, it is appropriate to use the grandmother as the verification source.
- Example: Bob applied for SNAP. He is employed by his father (a non-household member) and is paid in cash. No pay stubs are available. In this instance the father would be the best source of verification.
- Example: Bob's sister (a non-household member) provides child care while the household member works. The sister is the only source of verification available for the child care deduction.

For QC purposes, a collateral contact is a source of information that can be used to verify household circumstances. The reviewer should note those elements that require additional verification; and obtain and document the name, address, and telephone numbers of those sources from the household during the interview.

The reviewer must also obtain a signed release, if required by State privacy laws, from the household to access information. The dates of all contacts with clients or collaterals must be included in the documentation in Column 3, Field Findings. All documentation must be completed in the appropriate element to which it applies.

420 HOUSEHOLD INTERVIEW. The QC reviewer must conduct a personal interview for active cases subject to review to determine the identity of the applicant and whether the household did exist, and to explore household circumstances affecting the sample month's eligibility and allotment. The personal interview, depending on the circumstances of the case, may be a face-to-face interview, a telephone interview, or a video conferencing interview. The household interview method must be accurately documented on Form FNS-380-1, Item #69- QC Interview and all interview notes must be included in the case file and documented in each element on the FNS-380.

An interview is required for all cases except:

- Certain Alaska cases as provided in Section 411
- When the household is determined ineligible based on information furnished by the household as provided in Sections 324 and 441, or
- The household fails or refuses to cooperate as provided in Section 442.2

During the interview, the reviewer must obtain documentary evidence that the household has available in addition to other verifications necessary to completing the case such as:

- Utility bills, pay stubs, birth certificates, rent receipts, social security cards, and award letters
- A release from the household to obtain documentary evidence that is not available at the time of the interview
- Names, telephone numbers and addresses for all collateral contacts for additional verification. In no situation can this be the local agency eligibility worker that certified the case or has previously certified or assisted the household due to the potential introduction of bias in the QC process

In some instances, when the interview cannot be completed, e.g., all members who could be interviewed have died; the case is not subject to review as provided in Section 336.

- Example: The sampled review is a one-person household. The client died prior to the interview. The reviewer must document the date of death and how it was verified, such as on-line funeral home website noting the client's death, obituary from a newspaper, or statement from a non-household relative.

In situations where the interview cannot be completed, and subsequently, the review cannot be completed or is not subject to review, the reviewer must document why the review cannot be completed and verification of the circumstance making the review not subject to review or unable to complete. All attempts to complete the review must be documented in the QC review file transmitted to FNS.

421 Arranging Household Interview. The reviewer must notify the household prior to the interview that it has been selected as part of an ongoing review process for QC and that a face-to-face interview, with few exceptions, must be completed. The reviewer must make arrangements - which include date, time, and

115 days after the end of the review period), the reviewer must interview the client and once again attempt to complete the case.

All of the steps taken to gain the cooperation of the household and to complete the review must be documented in the QC review record.

442.3 Likely Conclusion. Likely conclusion is the use of information, other than standard verification, in conjunction with verified case record information that supports a reasonable judgement of eligibility for a particular element or elements.

The reviewer must attempt to obtain the required standard verification as outlined in Chapters 5 and 8 through 11.

Likely conclusion cannot be used if the attempts and the results of those attempts to gain standard verification are not evaluated and documented as outlined in Chapter 5.

If the reviewer cannot obtain the required verification (see Chapters 5 and 8 through 11), the reviewer should explore other evidence, review the eligibility worker's actions in the context of the overall case record and other QC case findings.

The case record must clearly indicate the household's statement about each element.

If an element requires verification other than the household's statement, as outlined in Chapters 5 and 8 through 11, verification supporting the likely conclusion must exist in the case record. If there is no verification to support the likely conclusion determination in the case record, likely conclusion cannot be used for the element. Verification that supports the likely conclusion is verification that supports but does not establish a conclusion in an element of eligibility or basis of issuance. The verification used to support a likely conclusion must be reliable and confirmed.

Each QC review is an independent review. The determination of whether or not "likely conclusion" could or should be used is case specific. No contradictions or discrepancies can be resolved using likely conclusion. For an element where likely conclusion can be used but is not, and the element is not otherwise completed, the reviewer must document the reason for not using likely conclusion.

The reviewer cannot use likely conclusion for certain elements:

- Non-citizen status
- Income and Eligibility Verification System (IEVS) for bank accounts and employment
- Earned or unearned income that is not stable (fluctuating income)
- DMV for vehicles
- SSN's and
- Work requirements

442.4 Requirements for Completing Likely Conclusion.

- Attempt to get verification from the household, do not limit the type of verification the household is to provide, request that any type of standard verification be provided.
- Check case record for acceptable standard verification.
- The reviewer must attempt to get standard verification.
- The reviewer must document the results of each attempt to obtain standard verification.
- If standard verification cannot be obtained and all results are documented, the reviewer may attempt to use likely conclusion and review the eligibility worker's action and the overall case record.
- The case record must contain enough information and verification that it is reasonable to state the element is complete using likely conclusion.
- An application must be available with the household's statement regarding the unverified elements.
- Eligibility worker case notes must address what was said during the interview and what verification was obtained at application.
- The element that is outstanding in the QC review must have been verified by the household or by matches at certification unless the standard element verification is household statement.
- Document how you arrived at likely conclusion for the element and why it is a reasonable judgment of eligibility.

If the household failed to report a periodic or annual expense at certification and the expense existed for the budget/sample month, the reviewer will prorate the bill over the interval between billings. The reviewer will then use the amount prorated for the time of certification.

1161.2 Change Reporting and Unreported Changes Subsequent to Certification/ Recertification. A change reporting household must report its shelter expenses only when it moves. (This does not impact the recipient's obligation to report changes in income.)

- The reviewer must exclude any variances caused by unreported changes subsequent to certification when the household did not move
- The reviewer must include any variances caused by a move subsequent to certification if the change should have been reported and acted upon AORD.

Example of an Unreported Change That the Household Was Required to Report*:* A household was certified, with prospective eligibility and budgeting, based upon monthly rent of $175. On March 16th, the household signed a lease for a different apartment, beginning May 1st, at $190 each month. In calculating shelter expenses for May, the reviewer would allow rent of $190, because the change was required to be reported by the household.

Example of an Unreported Change That the Household Was Not Required to Report: A household was certified with prospective eligibility, retrospective budgeting. At the time of certification, the household's monthly rent was $225. On June 1st, the household's rent for the same apartment changed to $300. The household did not report the change. In calculating shelter expenses for the budget month of August, the reviewer would allow rent of $225, because the change was not required to be reported. The increase in rent is an excludable variance.

1161.3 Expenses Reported at Any Time and Not Correctly Processed. If a household reports its circumstances and the State agency does not correctly process the deduction, the reviewer will follow this procedure (converting or prorating as appropriate):

- If the State agency made a mathematical mistake, the reviewer will correct the mistake
- If the State agency misapplied policy, the reviewer will correctly apply policy

Example of the State Agency's Failure to Process a Reported Change: A household was billed $240 for annual property taxes on November 3. When the household applied the next day, it reported and verified the expense. The EW did not allow the expense. In determining the variance, the reviewer will use $20, the amount of the expense prorated to the time of certification.

Example of a Mistake in Arithmetic: At certification, the household reported and verified a biweekly rental expense of $100. The EW converted the household's biweekly rent as follows:

$100.00 biweekly rent
X 2.15 conversion factor
$250.00 monthly rent

The reviewer discovered a mathematical mistake:

$100.00 biweekly rent
x 2.15 conversion factor
$215.00 monthly rent

The reviewer corrected the mathematical mistake by using the correct figures.

1161.4 Monthly Reporting and Actual Expenses. Some households must report and verify their expenses each month. If such a household failed to report or to verify its actual utility expenses on the monthly report and the household is not receiving a SUA, the reviewer must determine the variance by not considering that utility expense.

Example of a Monthly Reporting Household's Failure to Report Actual Expenses: A household was certified on the basis of an averaged electricity expense of $32 monthly. On its monthly report for the budget month of April, the household did not report its actual electric bill of $36. The reviewer will determine error by using $0 for the electricity expense.

1170 MEDICAL DEDUCTION - 365. A household may deduct the reported medical expenses (in excess of $35) of any household member who is elderly or disabled provided the expenses are not being reimbursed. This includes any anticipated changes in the household's medical expenses that can be reasonably anticipated for the certification period based on available information about the household member's medical condition, public or private insurance coverage, and current verified medical expenses.

States utilizing a standard medical deduction under an approved demonstration project must determine medical expenses according to the conditions in the approval and document the case accordingly.

1170.1 Deductible Expenses. A household may deduct the medical expenses of its entitled members to the extent that they exceed $35 for each household each month.

When performed, prescribed, or approved by a licensed practitioner, qualified health professional, or recognized facility, the following medical expenses are deductible:

- Basic care:
  - Medical care, dental care, psychotherapy, and rehabilitation
  - Hospitalization and outpatient care
  - Nursing care and nursing home care
- Hospitalization, outpatient, nursing and nursing home care for an individual who was a household member immediately prior to entering a hospital or nursing home
- Drugs:
  - Prescription drugs
  - Over-the-counter drugs (when prescribed by a licensed practitioner)
- Equipment:
  - Medical supplies
  - Sick-room equipment
  - Dentures
  - Hearing aids
  - Prosthetics
  - Prescribed eye glasses
  - Other prescribed equipment
- Health and hospitalization insurance policy premiums.
- Medicare/Medicaid:
  - Medicare premiums
  - Medicaid cost-sharing expenses
    Billed spend-down expenses

- Service animals (e.g., seeing eye dogs):
    - Securing and maintaining a service animal
    - Animal food
    - Veterinary care
- Reasonable costs of transportation and lodging to obtain medical treatment or services
- Attendant, homemaker, home health aide, child care services, or housekeeper necessary due to age, infirmity, or illness. Amount equal to the one-person coupon allotment if the household furnishes the majority of a home care attendant's meals

If an expense qualifies as both a dependent care deduction and a medical deduction, the expense may be deducted as either a dependent care expense, or a medical expense, but not both.

A household may not deduct the following expenses:

- Premiums for health and accident policies that pay lump sum settlements for death or dismemberment
- Premiums for health and accident policies that are payable as income maintenance, mortgage continuance or loan payments while the beneficiary is disabled
- Expenses that have not been verified as non-reimbursable

1170.2 Documentation. The reviewer must document the:

- Household members' entitlement to the deduction
- Deductible expenses
- Treatment of reimbursements
- Time periods covered by medical bills
- Verification obtained and the date obtained
- Explanation of any variances, including whether the variances are included or excluded and correct calculations, when necessary

1170.3 Standard Verification.

Positive Allegation:

- Bills from the providers of health insurance, services, and products
- Statements from these providers
- Health insurance policies clearly describing their areas of coverage