

November 19, 2001

CAPI PROGRAM GUIDE LETTER NO. 1

SUBJECT: FINAL STATE CAPI REGULATIONS AND FRAUD/INTEGRITY

Effective Date: November 9, 2001

References: CDSS Manual Letter No. EAS-00-02, AB 2779, ACL 00-73

1. Purpose

This first CAPI Program Guide (CAPI PG) Letter is to issue the revised GRPG Chapter 99-100 on the Cash Assistance Program for Immigrants (CAPI) as a separate program guide, due to additional program requirements and clarifications. The new section on fraud and integrity policy and referral procedures is one of these new program requirements.

2. Background

Final Regulations

In June 2000, the State issued formal regulations for the CAPI program (Eligibility and Assistance Standards, Chapter 49-000), incorporating instructions from various All County Letters since October of 1998. Many additional changes, clarifications and new procedures, not addressed in State All County Letters regarding CAPI, have been included in the regulations, thus requiring a comprehensive revision of existing instructions.

Fraud and Integrity

All County Letter 00-73 charges each County with the responsibility for determining and investigating fraud and forgery to obtain CAPI payments.

3. Significant Changes

Section	Change/Addition
Table of Contents	Update page numbers and add titles of new appendices
99-100.3.D.3) and 99-107.6	Change procedure for GR companion cases
99-100.7 and 99-108.1	Clarify procedures for distribution of copies of SOC 451
99-100.8	Add definitions of ineligible spouse, ineligible parent
99-101.1.C and 99-107.1	Add requirement to refer applicants/recipients to SSI Advocacy, as appropriate
99-101.3 and 99-101.8.B	Change "temporary CAPI" to "extended CAPI" and add 10-year sponsor deeming for "extended CAPI"
99-101.4.Z and 5.Z	Add eligibility for individuals granted lawful temporary resident status

Section	Change/Addition
99-101.4AA, 99-101.5AA and Appendix J	Add criteria for battered non-citizens
99-101.7.D	Add 15 th presumptive disability condition
99-102.1	Add regulations regarding residency
99-102.3	Add ineligibility during absence from U.S. for entire month
99-102.5 and 99-105.4.A & .B	Add exception for Title XIX Medical Facility payments
99-103.4.B	Replace earned income exclusion of earned income tax credits with "up to \$10 of infrequent or irregular earned income"
99-103.4.C., D and .E	Add stipulation for certain earned income exclusions that individual must be under age 65 or must have received CAPI the month prior to age 65
99-103.5.C	Add/change unearned income exclusions
99-104.5 and 99-104.7	Change resource exclusions for deeming
99-105.3.B and 99-105.3.C	Clarify treatment of non-recurring and deemed income
99-105.7	Clarify how to budget with spouse's reduced SSI payment
99-105.8, .11, .12 and .13	Add procedures regarding suspension, reinstatement and termination of benefits
99-105.9	Add stipulation not to close/discontinue cases due to failure to submit CW-7s
99-105.10	Delete requirement for sponsors to submit CA-72s
99-107.1	Add requirement to refer individuals to apply for SSI/SSP within 30 days, regardless of any previous determinations by SSA
99-108.2.B	Add requirement to issue net payment within 10 working days
99-113	Add new chapter on fraud and integrity policy and procedures
Appendices J-1 through J-2	Change from CA 72 to Battered Non-Citizen Criteria
Appendices T-1 through T-2	Add new forms related to fraud investigations

4. Fraud and Integrity Policy

A. Definitions of Fraud and Similar Fault

Fraud exists when anyone knowingly, willfully and **with intent** to defraud:

- Made or causes to be made a false statement to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits; or
- Failed to disclose or misrepresented a fact, which could have resulted in a denial, discontinuance, or reduction of benefits.

This person does not need to be the applicant/recipient or anyone who is related to or acting on behalf of the applicant/recipient.

Similar Fault exists when anyone:

- Knowingly failed to disclose a fact which, if disclosed, could have resulted in a denial, discontinuance, or reduction of benefits; or
- Made statements that he/she knew to be untrue or incomplete during the process of obtaining benefits or continuing to obtain benefits.

Note: Intent to defraud is not required for a finding of similar fault.

B. Fraud Sanctions

The State will issue instructions in early 2002 for applying fraud sanctions. Staff will flag fraud cases as indicated in the Automation Impacts statement below.

C. Referrals for Fraud Investigation

Chapter 99-113, Sections 4.C through 4.F, describes procedures for identifying potential fraud and completing investigation referrals.

5. Overpayment Specialist/PAFD Liaison

Due to the specialized nature of the CAPI program and low caseload volume, the Overpayment Specialist Unit will not be processing CAPI overpayments. An Overpayment Specialist/PAFD Liaison at the Mission Valley Family Resource Center, where the CAPI cases are centralized, has been designated to oversee processing of claims resulting from PAFD Full Field investigations. Chapter 99-113, Section 5, outlines the responsibilities of the CAPI Overpayment Specialist/PAFD Liaison.

6. Automation Impacts

- CAPI fraud referrals may now be processed on the Fraud Referral and Tracking System (FRATS). TUG Letter No. 37, to be issued by mid-November 2001, will provide further details.
- When the ET determines that fraud exists, the ET will flag the case in CDS as follows:
 - Enter a "C" in Special Characteristic box "D" on the HSHD screen (This additional code will be included in the next revision of the CDS Code and Message Handbook.); and
 - Record on the L-line the person number(s) of the person(s) committing the fraud and the discovery month and year.
- CAPI aid codes are now included in MEDS and Automation is exploring when San Diego's current and future CAPI cases will be added to MEDS.

7. Forms Impact

- The following forms will be printed by Office Services and an initial supply sent to the Mission Valley Family Resource Center by the middle of November:
 - Form 11-100 HHSA, CAPI Overpayment Response to OSU;
 - Form NA 1230, CAPI Notice of Overpayment - Waiver Approval;
 - Form NA 1231, CAPI Notice of Overpayment – Partial Waiver Approval;
 - Form NA 1232, CAPI Notice of Overpayment – Waiver Denial.

Note: The overpayment waiver notices listed above will be available in CDS by the end of November.

7. Forms Impact, continued

- The following CAPI overpayment/underpayment NOAs, which have been available in hard copy, are now available in CDS:

Code	Description	Mail	Language
948	CAPI Overpayment Notice (NA 1217)	R	E
823	CAPI Underpayment Notice (NA 1218)	R	E

8. Appeals/Qualify Control Impact (QC)

At this time, the California Department of Social Services has not specified a QC requirement for CAPI. Appeals will be handled through the usual state hearing process.

9. Filing Instructions

Remove:	Create:
Entire GRPG Chapter 99-100, excluding appendices	New CAPI Program Guide, including prior and revised appendices. File all appendices at the end of the new program guide for now. Note: The footers of appendices will eventually be changed from GRPG to CAPI PG and will be included with each chapter as appropriate.

General Relief Special Notice 01-10 becomes obsolete upon receipt of this Guide Letter. The last CAPI-related program guide letter was GRPG Letter No. 35. Future instructions will be issued as part of the new CAPI Program Guide.

ORIGINAL SIGNED BY:

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