

.06 Treatment Center Disqualifications

A treatment center organization or institution may be penalized or disqualified when any of the following is discovered:

- NA benefits are misappropriated administratively or judicially.
- Benefits are used for purchases that do not contribute to a resident participant's meals.
- The center fails to provide semi-monthly reports ([FA-620-1](#)) that identify the proper use of benefits.

Alert the supervisor to any center suspected of misappropriating a participant's benefits. The following must occur:

- The supervisor forwards a written report of the findings to the Local Office Manager (LOM), or when necessary, the Region Program Manager (PM).
- The LOM forwards a written report to the PM.
- The PM forwards a written report to the Program Administrator (PA). The report identifies the issues found leading to the disqualification request.
- The PA promptly notifies [FNS](#) when there is reason to believe that an organization or institution has misused benefits in its possession.
- DES must have FNS approval to impose penalties or disqualification.

When FNS disqualifies an organization or institution, DES suspends its [NA representative](#) status for the same period.

Residents of disqualified institutions are ineligible to receive NA benefits during the period of disqualification. In this situation, the following apply:

- No [NOAA](#) is required.
- Deny or close the case using the RI Denial or Closure Reason Code.
- Send the [F200 notice](#) informing the residents of the determination and the effective date of the closure.