**Policy Change Alert #19-010F**

**Revision of Quality Control Policy**

**Effective Date:** 06/17/2019

**Issue Date:** 06/10/19

**Summary**

Programs Impacted: NA

This Policy Change Alert is being issued to inform staff that policy at FAA6.F04-Quality Control (QC) – Overview has been modified. Some of the changes include:

- QC Protest policy has been removed from the Cash and Nutrition Assistance Policy (CNAP) Manual. The Food and Nutrition Service (FNS) no longer allows the Family Assistance Administration (FAA) to protest Quality Control (QC) errors.
- District X transfer policy has been enhanced to include opportunities for FAA offices, that are no longer available through the protest process.
- The term ‘Federal Differences’ has been updated to ‘Federal Findings’ to reflect changes in the FNS Handbook 310.

**Revision Details**

The Cash and Nutrition Assistance Policy Manual will be updated to include the information in this Policy Change Alert. Until then, an alert will be placed in each revised section with a link to this document as a reminder of the policy change.

FAA6.F04 – Quality Control - Overview

**Revision Description:** Removed outdated directions-changed titles.

Policy and procedures regarding the Quality Control (QC) process are outlined as follows:

- **Performance Reporting**
- **QC Review Process - OPE Responsibilities**
- **QC-100 Region Responsibilities**
- **QC Review Committee**
- **QC District X**
- **QC Federal Findings**
States are **responsible for conducting** Quality Control (QC) **reviews** in accordance with federal and state regulations.

**Review of Quality Control Case Review Reports (QC-100) allows the State to assess the accuracy of eligibility determinations and benefit payment levels.**

Federal and State regulations require the following:

- Sampling methods and schedules to select cases for QC review
- Field investigations to be conducted by OPE staff
- Corrective action to be taken on all improperly authorized or denied cases (including determining cause and prevention of improper actions)
- Information to be reported to the appropriate federal departments from QC review findings, for statistical analysis purposes

The **Office of Program Evaluation (OPE)** is responsible for completing the following:

- Establishing methods for random sampling selection of cases and reviewing the cases for accuracy of the eligibility determination and benefit levels
- Reporting results of QC review findings to the appropriate federal departments

OPE documents case review findings on the QC-100 form. The QC-100, which contains information related to error elements, is forwarded to appropriate FAA offices as applicable.

OPE also documents the QC-100 with **Additional Information** when an error that is not countable is found, or other information is discovered that could affect benefit months other than the review month. (See **Quality Control Review Process**)

---

**Policy Change Alert #19-010F**

FAA6.F04A – Quality Control (QC) - Performance Reporting – Overview

**Revision Description:** Modify section by redacting/rewording information.
Revision Description: Removed/moved region responsibilities – removed QC protest.

The Quality Control (QC) review process consists of the following actions. The Office of Program Evaluation (OPE):

- Completes the QC case review process
- Documents the findings on the Quality Control Case Review Report (QC-100)
- Documents the QC-100 when an error that is not countable is found or other information is discovered that could affect benefit months other than the review month
- Places copies of the finalized QC-100 and verification documents to the shared drive and sends an e-mail to each of the following:
  - Region Program Managers
  - Local Office Manager (LOM)
  - FAA Systems
  - Region Management Analysts
  - Policy Support Team Management, see Policy Support Team for e-mail address
  - Quality Support Team (QST)
  - OPE Management
  - FAA Systems
  - Overpayment Unit, when applicable
  - Presents the QC-100 to the QC Review Committee

Policy and procedures regarding the Quality Control Review process are outlined as follows:

- QC Agency Error
- QC Participant Error
- CAPER errors
- Initiation of the QC-100, QC Responsibilities
- Review of the QC-100, Region Responsibilities
- QC Noncooperation
Policy Change Alert #19-010F

- Review of the QC-100, Policy Support Team (PST) Responsibilities
- QC District X Overview
- QC Federal Findings
- QC Review Committee

FAA6.F04B.01 - Quality Control (QC) Review - Agency Error
Revision Description: Updated QC to OPE.

OPE may determine that an incorrect benefit has been issued due to an FAA action, or FAA’s failure to act. When this occurs, OPE cites a QC agency error. OPE completes the actions listed in QC Review Process.

WARNING
FAA staff must NOT contact the participant while exploring all possibilities to eliminate or reduce the error. When additional information must be requested or contact with the budgetary unit is needed, FAA must contact OPE. Only OPE may contact the participant to request additional information.

FAA6.F04B.02 - Quality Control (QC) Review - Participant Error
Revision Description: Change OPE to QC.

OPE may determine that an incorrect benefit has been issued, due to the budgetary unit failing to comply with the mandatory reporting requirements, including:

- Timely reporting of changes in circumstances
- Accurate reporting of changes in circumstances

A participant error is cited, and QC completes the actions listed in the QC review process.

FAA6.F04B.03 - Quality Control (QC) Review - CAPER errors
Revision Description: Change local to FAA – remove references to Negative.

The Office of Program Evaluation (OPE) may select cases for review, based upon the following actions:

- Cases that are denied
- Cases that are closed
• Cases that are closed, then reopened due to the participant requesting an appeal and continued benefits

• Cases approved for zero ($0) benefits (See NA Eligible-No Pay)

These QC reviews are referred to as Case and Procedural Error (CAPERs). The purpose of reviewing CAPER actions is to determine the accuracy of the decision to deny or stop benefits, or to approve zero ($0) benefits.

When OPE is unable to substantiate a valid reason for the action, an invalid CAPER is cited. OPE completes the actions listed in QC Review Process.

When designated staff from the FAA office, Region office, or the Policy Support Team (PST) disagree with the error, follow the QC District X procedures.

FAA6.F04C.01 - Quality Control (QC) Review - QC-100 OPE Responsibilities
Revision Description: Changed title - Added description of QC processes.

The QC-100 is a tool used by the Office of Program Evaluation (OPE) to communicate with FAA the outcome of the QC review. The QC-100 is issued when:

• A Nutrition Assistance Active (NAA) error or an invalid Case and Procedural Error Rate (CAPER) error is cited.

• Additional Information is identified.

An Additional Information QC-100 is the tool QC uses to report information to the agency. The following are types of Additional Information QC-100s:

• Information is discovered that could affect benefit months other than the review month

• Correct reviews when there is an overpayment

• Correct reviews when there is an underpayment caused by the agency for misapplication of policy at the time of the determination

• Untimely processing of applications

• QC was unable to complete the review when the BU failed or refused to cooperate with the QC review

Once the review has been transmitted to the Food and Nutrition Service (FNS), OPE notifies FAA by sending an e-mail to FAA’s designated staff. The e-mail contains a link to the location of the QC-100.
When additional information and verification is obtained through the QC review, and is sent to the FAA office, complete the following:

- Review the case file(g)
- Redetermine eligibility and current benefit level
- Determine whether any of the following have changed:
  - NA E&T requirements
  - CA Jobs Work Program requirements

FAA6.F04D.01 - Region QC-100 Responsibilities - Reviewing the QC-100
Revision Description: Change protest to District X – redacted information & moved to other references.

When the Office of Program Evaluation (OPE) notifies FAA that an error exists, the FAA designated staff MUST complete the following:

- Review the QC-100
- Place the QC-100 in the case file(g)
- Submit a District X transfer request, when applicable

FAA6.F04D.02 - Region QC-100 Responsibilities - QC-100 Disagreement
Revision Description: Added District X transfer request directions.

Federal regulation prohibits making changes to a completed QC review, once it has been transmitted to the Food and Nutrition Service (FNS). However, the option for FAA to disagree with the error still exists.

When the Region Program Manager or designated staff agrees that the error cited exists, but that the error should be redirected to another FAA office, contact OPE Management to request the error be transferred to the responsible office.

When designated Region staff do not agree with the error cited by OPE, contact OPE Management to discuss the error.

When the OPE Management agrees with the reasoning of the designated Region staff, the error may be transferred from the office that was cited and redirected to District X, QC.
When the OPE Management disagrees with the reasoning of the designated Region staff, the designated staff must email FAA POLMGT, requesting the error be redirected to District X, QC.

When the Region Program Manager or designated staff agrees that the error cited exists, but that the error occurred due to something that is beyond their control, see QC District X.

FAA6.F04D.03 - Region QC-100 Responsibilities - QC-100 Case Action
Revision Description: Added TAD directions.

When a QC-100 requires an action, OPE sends the QC-100 Turn Around Document (TAD) to the designated staff. The designated staff must review the case file, the QC-100 including any attachments, and completes one of the following:

- Issues supplemental benefits
- Completes an overpayment referral

The designated staff must document the case file with the action and return the QC-100 TAD no later than the due date indicated on the TAD.

When the action required involves an overpayment, the time frames for completing the overpayment are as follows:

- The Potential Overpayment (OP) Referral (FA-526) form must be completed and sent to the designated overpayment (OP) writer within five workdays, as these are priority overpayments.
- The designated OP writer must complete and send the Report of CA/NA Overpayment (FA-529) form to the Office of Accounts Receivable and Collections (OARC) within ten workdays from the date the FA-526 was completed.

When the action required involves issuance of a supplemental payment, see Authorizing Supplemental Payment.

When fraud is indicated, refer the case to the Office of Special Investigations (OSI). (See OSI/AOIG - Potential Fraud Referral Requirements)

Give the QC-100 to the Supervisor to review and approve the necessary actions.
Cooperation from the budgetary unit is required to complete the QC review process. When a notification is received from the Office of Program Evaluation (OPE) that the budgetary unit has cooperated with the QC review process, document the case file.

OPE may request assistance from the FAA office to complete the QC case review process. The FAA office must assist OPE, regardless of the budgetary unit’s change reporting requirements.

The FAA office must complete the following:

- Send the notice listed in the assistance request, advising the budgetary unit to contact OPE
- Include the name of the reviewer and the OPE telephone number, in the notice
- Document the case file that cooperation with the QC review process is needed

OPE notifies the FAA office by e-mail and issues a QC-100 when the budgetary unit does not cooperate. The BU is not cooperating with OPE when either of the following occurs:

- Fails to cooperate
- Refuses to cooperate

When notification is received from OPE that the budgetary unit fails to cooperate with the QC review, document the case file. No additional action is required.

When notification is received from OPE that the budgetary unit refuses to cooperate with the QC review, the EI must complete the following:

- Document the case file with the QC noncooperation.
- Key QC in the FS PROGRAM ALERTS field on PRAP. (See Mandatory Alert Codes)
- Key QC in the DENIAL CLOSURE REASON field on FSED.
- Stop NA, allowing for NOAA and send the C217 notice.
NOTE The notice advises the budgetary unit that when they reapply for NA, they must cooperate with the QC review before NA can be approved.

- When the NA case is closed, document the case file that the budgetary unit must cooperate with the QC review before NA can be approved. No notice is required.

**EXCEPTION**
When it is not clear that the budgetary unit has cooperated, contact OPE before taking any action on the case. When confirmation is received that the budgetary unit has cooperated, do not stop the benefits.

When the budgetary unit contacts the FAA office and agrees to cooperate, give them the phone number to contact OPE. OPE notifies the FAA office when the budgetary unit cooperates. Do not authorize the benefits until an e-mail is received from OPE that the budgetary unit has cooperated with the QC review.

When the budgetary unit cooperates with OPE before the effective date of closure, reopen NA.

When the budgetary unit cooperates with OPE after the effective date of closure and there is one or more months remaining of the approval period, reopen NA.

When the budgetary unit cooperates with OPE after the effective date of closure and there is less than one month remaining in the approval period, the budgetary unit must reapply.

FAA6.F04D.05 - Region QC-100 Responsibilities - Outstanding QC Reviews  
Revision Description: Modified cooperation policy – changed QC to OPE, removed a bullet.

When there is an indication of noncooperation at the time of the interview, the EI must contact OPE by telephone while the applicant is in the office. Complete the following:

- Allow the participant **10 days** to make arrangements to complete the QC review before approval or denial of the application.
Policy Change Alert #19-010F

- Approve the application for regular or expedited NA benefits when all eligibility factors are verified and OPE confirms that the budgetary unit cooperated with the QC review.

- Approve the application when the budgetary unit applied after 125 days from the end of the Federal Fiscal Year (October 1 through September 30) of non-cooperation, and all eligibility factors are verified.

OPE may not be available. In this situation, advise the participant to contact OPE as soon as possible after the interview. Document the case file that the BU has been advised to contact OPE.

When the QC review can be completed, complete the following:

- Send an e-mail to OPE immediately, advising that the budgetary unit now wants to cooperate with the QC review. The e-mail must include the following:
  
  The PI(g) name and SSN, current residential and mailing addresses, and telephone number.

  A statement that the budgetary unit was informed that cooperation with OPE is required for their application to be approved or benefits continued.

- Place a copy of the e-mail and the QC-100 in the case file(g).

OPE notifies FAA when the budgetary unit complies with QC review requirements.

FAA6.F04E.02 - Policy Support Team (PST) QC-100 Responsibilities - PST QC-Role
Revision Description: Removed protest and statewide recommendation policy.

The Policy Support Team (PST) plays a vital role in the QC process. When an issue is unresolved, the PST provides input based on, but not limited to, the following:

- Federal regulation
- State law
- FAA policy and procedures
The role of the PST in the QC District X process is defined in QC District X. The role of the PST representative in the QC Review Committee process is defined in QC Review Committee.

FAA6.F04F – The QC Review Committee
Revision Description: Changed Peer Review to QC Review Committee.

The QC Review Committee reviews all QC errors. The QC Review Committee allows the State to exercise the opportunity to determine how to avoid the same error in the future.

The QC Review Committee consists of the following representatives:

- Quality Management Administration (QMA) Administrator
- OPE Bureau Chief
- QC Manager
- QMA Policy Specialist
- Policy Support Team Representative
- FAA Region Representatives
- Quality Support Team (QST) Representative

The Policy Support Team Representative provides input based on, but not limited to, the following:

- Federal regulation
- State law
- FAA policy and procedures

FAA6.F04I - QC District X – Overview
Revision Description: Added District X recipients.

When the Region Program Manager or designated staff agrees that the error cited exists, but that the error occurred due to something that is beyond their control, they may request a transfer of the error to District X.

The purpose and intent of a District X transfer request is to identify errors that are entirely caused by entities other than FAA. District X includes, but is not limited to, one of the following:
Policy Change Alert #19-010F

- Policy Support Team (PST)
- FAA Systems
- Centralized Document Services (CDS)
- Office of Program Evaluation (OPE)
- Quality Support Team (QST)
- Other

**WARNING**
Participant caused errors are NOT eligible for District X consideration.

After removing errors that are caused by entities other than FAA, and an error still exists, the error must be cited to the FAA office.

For policy and procedures regarding QC District X Procedures, see **QC District X Procedures**.

FAA6.F04I.01 - QC District X – Procedures
Revision Description: Added District X email contents.

To request that an error be transferred to District X, send an e-mail to FAA Policy Support Team management (FAAPolicyMgmt@azdes.gov), copying the FAA Program Administrator and Region Program Manager.

The e-mail must include the following:

- The entity to which the region is requesting the District X transfer
  - Policy Support Team (PST)
  - FAA Systems
  - Centralized Document Services (CDS)
  - Office of Program Evaluation (OPE)
  - Quality Support Team (QST)
  - Other
- Sufficient documentation to substantiate the request
The final ruling on the District X is issued by a memo from the FAA Policy Manager to the requestor, copying the FAA Program Administrator and all interested parties.

FAA6.F04K - QC Federal Findings – Overview
Revision Description: Change Federal Differences to Federal Findings.

One quarter of the cases read by the Office of Program Evaluation (OPE) are read again by the Food and Nutrition Service (FNS). When FNS disagrees with the state QC findings, a Federal Finding is cited.

Policy and procedures regarding QC Federal Findings are outlined as follows:

- QC Federal Findings Procedures
- QC Federal Findings Alert
- QC Federal Findings Results

FAA6.F04K.01 - QC Federal Findings – Procedures
Revision Description: Change Federal Differences to Federal Findings – added recipients.

When a Federal Finding is cited, the Office of Program Evaluation (OPE) provides the following via e-mail with a copy of the federal letter within one workday(q) of receipt:

- Program Administrator
- Region Program Manager
- Local Office Manager (LOM)
- FAA Policy Support Team (PST)
- Region Management Analyst

OPE initiates a conference call via the e-mail. The conference call must be completed within seven calendar days from the date the Federal Finding is received by FAA. The conference call includes all of the following:

- OPE Representative
- FAA Office Representative
- Designated representative from the PST
- Region Program Manager’s designated representative
- Region Management Analyst
FAA6.F04K.02 - QC Federal Findings - Federal Findings Alert
Revision Description: Change Federal Differences to Federal Findings.

The conference call is initiated with the Federal Difference Alert form. The form includes the following information:

- Case name
- AZTECS case number
- QC review number
- Program
- FAA office site code
- Local Office Manager (LOM)
- Date the conference call will be held
- Time of the conference call

FAA6.F04K.03 – QC Federal Findings – Federal Findings Results
Revision Description: Change Federal Differences to Federal Findings.

When the conference call is concluded, the Federal Difference Alert form is resent, including documentation of the conference results. The results of the conference call may be any of the following:

- All representatives agree with the Federal Finding and no further action is needed.
- There is a disagreement with the Federal Finding. The OPE sends a response to the appropriate federal agency. When OPE receives the final results from the Federal Agency, OPE sends a copy of the resolution to the following staff:
  - FAA Local Office Manager (LOM)
  - Policy Support Team (PST)
  - Region Program Manager
  - Program Administrator
  - Region Management Analyst
Policy Change Alert #19-010F

FAA6. M79 – OPE Offices
Revision Description: Change QST to OPE – add email.

The email address for the Office of Program Evaluation (OPE) Management for all counties is DL-OPE FAA PMs.

For assistance with DBME Quality Control (QC) matters, contact one of the Office of Program Evaluation (OPE) locations, listed below.

For counties Maricopa, Gila, Yavapai, Graham, Navajo, Greenlee and parts of Coconino:

- **Office of Program Evaluation (OPE) Phoenix Office**
  3443 N Central Ave
  Ste 1405
  Mail Drop 3501
  Phoenix AZ 85012

  Phone: (602) 255-4100
  FAX: (602) 258-1433
  FAX: (602) 258-0547

For counties Pima, Cochise, Yuma, Pinal and parts of Maricopa:

- **Office of Program Evaluation (OPE) Tucson Office**
  400 W Congress St
  Ste 454
  Mail Drop 3521
  Tucson AZ 85701

  Phone: **(520) 209-1009**
  FAX: (520) 628-6832

For counties Coconino, Mohave, La Paz, Navajo and Apache:

- **Office of Program Evaluation (OPE) Flagstaff Office**
  1701 N 4th St
  Mail Drop 3504
  Flagstaff AZ 86004

  Phone: (928) 214-2590
  FAX: (928) 214-2595

Please contact the FAA Policy Support Team by phone at **(602) 774-5523** or by e-mail at [FAAPolicyMgmt@azdes.gov](mailto:FAAPolicyMgmt@azdes.gov) with any questions or concerns regarding this broadcast.

Please consider the environment before printing this broadcast.