

October 31, 2018

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 18-131**

The purpose of this letter is to provide County Welfare Departments (CWDs) with additional policy clarification for implementation of the reversal of the CalFresh eligibility policy known as “cash-out,” the Supplemental Nutrition Benefit (SNB) Program, and the Transitional Nutrition Benefit (TNB) Program. This letter follows a “question and answer (Q&A)” format and is the first in a series of quarterly Q&A letters that will be released in advance of implementation.



STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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EDMUND G. BROWN JR.  
GOVERNOR

October 31, 2018

ALL COUNTY LETTER (ACL) NO. 18-131

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL CALWORKS PROGRAM SPECIALISTS  
ALL TRIBAL TANF PROGRAM CONTACTS  
ALL CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) MANAGERS  
ALL IN HOME SUPPORTIVE SERVICES (IHSS) MANAGERS  
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: CALFRESH REVERSING CASH-OUT POLICY, SUPPLEMENTAL NUTRITION BENEFIT PROGRAM, AND TRANSITIONAL NUTRITION BENEFIT PROGRAM QUARTERLY QUESTION AND ANSWER

REFERENCE: [ASSEMBLY BILL \(AB\) 1811 \(CHAPTER 35, STATUTES OF 2018\);](#)  
[WELFARE AND INSTITUTIONS CODE \(WIC\) §12200.01\(b\);](#)  
[ACL 18-90;](#) [ACL 18-91;](#) [ACL 18-92;](#) [ACL 18-107;](#) AND [ACL 18-108.](#)

The purpose of this letter is to provide County Welfare Departments (CWDs) with additional policy clarification for implementation of the reversal of the CalFresh eligibility policy known as “cash-out,” the Supplemental Nutrition Benefit (SNB) Program, and the Transitional Nutrition Benefit (TNB) Program. This letter follows a “question and answer (Q&A)” format and is the first in a series of quarterly Q&A letters that will be released in advance of implementation.

### **Background**

Effective June 1, 2019, individuals receiving Supplemental Security Income and/or California State Supplementary Payment (SSI/SSP) benefits are eligible for CalFresh, provided all other eligibility criteria are satisfied.

The CWDs will implement the policy change for newly eligible households beginning June 1, 2019. For ongoing households, CWDs will implement the policy change on a rolling basis at the ongoing household's next periodic report, recertification, or when voluntarily requested by the ongoing household, beginning on June 1, 2019. Hereafter, this rolling implementation date for individual households will be referred to generally as the household effective date.

Policy instructions for implementation and automation of the reversal of the cash-out policy and for the Cash Assistance Program for Immigrants (CAPI) grant augmentation were provided via ACL 18-90, issued on July 31, 2018.

In addition to reversing the cash-out policy, AB 1811 creates two state-funded nutrition benefit programs intended to "hold harmless" existing CalFresh households negatively affected by the policy change. The two state-funded programs, known as the SNB Program and the TNB Program, will provide CalFresh households with nutrition benefits to mitigate the reduction of CalFresh benefits or CalFresh ineligibility, respectively.

Policy instructions for implementation and automation of the SNB Program were provided via ACL 18-91 and via ACL 18-92 for the TNB Program, both issued on July 31, 2018. The SNB and TNB Program notices were provided via ACL 18-107 and ACL 18-108, both issued on August 30, 2018.

This letter provides additional policy clarification in the form of Q&A and should only be read in the context of the previously issued policy instructions for the CalFresh reversal of cash-out, the SNB Program, and the TNB Program.

### **Q&A: Reversal of Cash-Out**

**Question 1:** Will this policy change impact the monthly SSI/SSP grant amount?

**Answer 1:** No, the monthly SSI/SSP grant amount will not be reduced as a result of this policy change.

**Question 2:** ACL 18-90 specifies that CWDs will implement the reversal of cash-out for newly eligible households beginning June 1, 2019, and for ongoing households on a rolling basis at the ongoing household's next periodic report, recertification, or when voluntarily requested by the household, beginning June 1, 2019. With what month of periodic reports and recertifications specifically will implementation begin?

**Answer 2:** Implementation for ongoing households will begin with periodic reports (i.e., SAR 7 Eligibility Status Report) and recertifications due the month of June 2019 (i.e., the implementation month). Any ongoing households with a periodic report or recertification due in May 2019 will implement the reversal of cash-out at the household's next periodic report, recertification, or when voluntarily requested.

**Question 3:** An ongoing household's periodic report or recertification is due May 2019, but because of late submission is processed by the CWD June 2019. When will the CWD implement the reversal of cash-out for this household?

**Answer 3:** In this scenario, the CWD will implement the reversal of cash-out the month of implementation. This is because the periodic report or recertification will be processed by the CWD June 2019. This applies only if the periodic report or recertification was submitted by the household within the month of June. Periodic reports or recertifications submitted by the household in May, but processed during the month of June, will implement the reversal of cash-out at the household's next periodic report, recertification, or when voluntarily requested.

**Question 4:** How soon can an ongoing household make a voluntary request to implement the reversal of cash-out?

**Answer 4:** Per AB 1811, an ongoing CalFresh household may, at any time following June 1, 2019, request that a previously excluded SSI/SSP recipient member be added to the household. If a voluntary request to implement the reversal of cash-out is received before June 1, 2019, the CWD will disregard the change and inform the household that the voluntary request may be made after June 1, 2019.

**Question 5:** An ongoing CalFresh household with one excluded SSI/SSP recipient member voluntarily reports a household composition change during the certification period. The household reports the addition of a non-SSI/SSP recipient member and the report is received by the CWD after June 1, 2019. Should the CWD implement the reversal of cash-out at the same time that the CWD adds the non-SSI/SSP recipient member to the household?

**Answer 5:** Yes, the CWD should add both the new non-SSI/SSP recipient member and the previously excluded SSI/SSP recipient member. Per ACL 18-90 (page 9), "if at any time before the ongoing household's next periodic report or recertification the household makes a voluntary report of a household composition change, this voluntary report will be considered a request to implement the reversal of the SSI cash-out policy." When a household makes a voluntary report of a household composition change during the certification period, all household composition changes must be taken into account, regardless of whether the household explicitly requests that the previously excluded SSI/SSP recipient member be added at that time.

**Question 6:** An ongoing CalFresh household makes a voluntary report during the certification period that is not a voluntary request to implement the reversal of cash-out (i.e., not a household composition change). Simultaneously adding the previously excluded SSI recipient member could impact the outcome of the report. Can the CWD require the implementation of the reversal of cash-out and add the excluded SSI recipient member to the household at the same time that the CWD takes action on the voluntary report?

**Answer 6:** No, the CWD shall not require the implementation of the reversal of cash-out. That said, when a voluntary report is received during the certification period, that is not a voluntary request to implement the reversal of cash-out or a household composition change, such as a report of gross monthly income over the income reporting threshold, the CWD should if possible, provide the household with relevant information so that the household is aware of the option to implement the reversal of cash-out. Note, this may not be feasible if the voluntary report is received in writing and the CWD is unable to make contact with the household before timely action is required on the voluntary report. An attempt to provide the household with more information on the reversal of cash-out may not delay timely action on the voluntary report.

**Question 7:** Similar to Q&A 6, the CWD receives information during the certification period about an ongoing CalFresh household that is considered Verified Upon Receipt (VUR), such as a Payment Verification System (PVS) report. The ongoing CalFresh household has not made a voluntary request to implement the reversal of cash-out. Simultaneously adding the previously excluded SSI recipient member could impact the outcome of the action on the information considered VUR. Can the CWD require the implementation of the reversal of cash-out and add the excluded SSI recipient member to the household at the same time that the CWD takes action on the information considered VUR?

**Answer 7:** No, the CWD shall not require the implementation of the reversal of cash-out. As noted above, the CWD should if possible, provide the household with relevant information so that the household is aware of the option to implement the reversal of cash-out. Note, this may not be feasible if the CWD is unable to make contact with the household before timely action is required on the information considered VUR. An attempt to provide the household with more information on the reversal of cash-out may not delay timely action on information that is considered VUR.

#### **Q&A: Supplemental Nutrition Benefit Program**

**Question 8:** An ongoing CalFresh household is implementing the reversal of cash-out. At the same time, the CWD discovers that the SSI/SSP recipient member should be excluded from the household for another reason. Even though the SSI/SSP recipient member continues to be excluded from the household, the household experiences a decrease in benefits post-implementation of the reversal of cash-out. Is the household eligible to receive SNB Program benefits?

**Answer 8:** No, the previously excluded SSI/SSP recipient member never became an included household member and is therefore not eligible for the SNB Program. Per ACL 18-91, to be eligible for the SNB Program, the CalFresh household must include at least one excluded SSI/SSP recipient on June 1, 2019 and experience a CalFresh benefit reduction when any of those previously excluded SSI/SSP recipients are added to the household on the household's effective date.

Please note, because SSI/SSP recipients are exclusively people with disabilities and/or elderly, common reasons that an individual may be excluded from a CalFresh household, such as student status, the Able-Bodied Adults Without Dependents time limit, and sanctions related to work registration may not apply due to exemptions for people with disabilities and/or the elderly.

**Question 9:** If during the SNB Program certification period, the only SSI/SSP recipient excluded on June 1, 2019 and added to the household on the household's effective date leaves the household, is the CWD required to take mid-period action?

**Answer 9:** Yes, per ACL 18-91 (page 7), "if a household's CalFresh eligibility is discontinued, or the CWD discovers that the household no longer includes at least one of the same SSI/SSP recipient(s) excluded from the household on the implementation date, either mid-period or at the periodic report, the household's SNB program eligibility will be discontinued." In this scenario, the CWD would discontinue the household's SNB Program eligibility because at least one of the same SSI/SSP recipients is no longer in the household. Note, the household's CalFresh eligibility may continue even if the household's SNB Program eligibility is discontinued.

**Question 10:** Two ongoing CalFresh households are determined SNB Program eligible. In the future, the two CalFresh households merge and become one CalFresh household. If the newly merged household continues to be CalFresh eligible, does the household maintain SNB Program eligibility? Will the household receive two SNB Program benefit allotments?

**Answer 10:** In this scenario, only one SNB Program household will remain. The newly merged household will maintain SNB Program eligibility and will continue to receive the SNB Program benefit allotment as determined on the household's effective date. The second SNB Program household will no longer exist. Per ACL 18-91 (page 3), "The SNB Program benefit is provided to the household based on the household's case number at the household's effective date." Further, per ACL 18-91 (page 5), "The household's benefit cell is assigned to the SNB-eligible household permanently."

When merging two SNB Program households, the CWD will continue SNB Program eligibility based on the case number of the remaining household. The CWD will not change the benefit cell assignment of the remaining household, even though the household may have new/additional members.

### **Q&A: Transitional Nutrition Benefit Program**

**Question 11:** If after June 1, 2019, but before the household's effective date, an ongoing CalFresh household with an excluded SSI/SSP recipient member is discontinued from CalFresh due to an administrative reason, such as not submitting a complete periodic report or not completing the recertification interview, is the household eligible for the TNB Program?

**Answer 11:** No. To be eligible to receive TNB Program benefits, a CalFresh household must be determined ineligible for CalFresh when any of those previously excluded SSI/SSP recipients are added to the household at the household's effective date. A household that is discontinued from CalFresh for an administrative reason did not implement the reversal of cash-out and the previously excluded SSI/SSP recipient member was never added to the household; therefore, the household is not eligible for the TNB Program.

**Question 12:** If a TNB Program household is determined CalFresh eligible during the TNB Program certification period, can the household receive both CalFresh and TNB Program benefits in the same month if the overlap is a result of providing adequate and timely notice for the discontinuance of TNB Program benefits?

**Answer 12:** Yes. Generally, a household receiving CalFresh benefits is not eligible for the TNB Program. That said, there may be a limited number of circumstances where a TNB Program household applies for and is determined eligible for CalFresh during the TNB Program certification period and, because of the requirement to provide timely and adequate notice for the TNB Program discontinuance, both CalFresh and TNB Program benefits may be issued in the same month.

**Question 13:** Is the CWD only required to send the *Reminder Notice for the Transitional Nutrition Benefit Program* (TNB 5) once during the last month of the TNB Program certification period?

**Answer 13:** Yes. The CWD is only required to send the TNB 5 once within the last month of the TNB Program certification period. The TNB 5 is sent if the TNB Program household either submits an incomplete *Notice of Recertification for the Transitional Nutrition Benefit Program* (TNB 4) or does not submit the TNB 4 before the due date (i.e., the 15<sup>th</sup> of the month).

**Question 14:** If during the TNB Program certification period, the only previously excluded SSI/SSP recipient member leaves the household, must the CWD take mid-period action?

**Answer 14:** No, per ACL 18-92 (page 7), "the CWDs are not required to act on information received regarding the household's circumstances during the TNB Program certification period. This applies whether the information is received through an electronic data match or is otherwise reported to the CWD."

In this scenario, the CWD would not discontinue the household's TNB Program eligibility during the TNB Program certification period. If at the household's TNB Program recertification, the household reports that the only previously excluded SSI/SSP recipient member has left the household, the household's TNB Program eligibility would be discontinued.

The only exception is if an ongoing TNB Program household is determined CalFresh eligible because the household applied separate and apart from the TNB Program. In this case, the household's TNB eligibility must be discontinued during the TNB Program certification period.

**Question 15:** Per ACL 18-92, the TNB 4 serves as both a notice of certification expiration and the TNB Program recertification form. Is an additional notice of action required for those TNB Program households that do not complete the TNB Program recertification process?

**Answer 15:** No, an additional notice of action is not required. The TNB 4 adequately informs the TNB Program household that its TNB Program benefits will not continue past the current TNB Program certification period if the TNB Program recertification process is not complete.

**Question 16:** Should the TNB 4 be populated with the names of the originally excluded SSI/SSP recipient members, with an exception for those SSI/SSP recipients who have since passed away?

**Answer 16:** Yes, the TNB 4 must be populated with the names of all the SSI/SSP recipient members excluded from the household on both June 1, 2019, and on the household's effective date. The names of those SSI/SSP recipients who have passed away will be removed from the TNB 4.

**Question 17:** If a CalFresh application is required to complete the TNB Program recertification process, how soon can the household submit the CalFresh application?

**Answer 17:** Households that report changes via the TNB 4 are required to submit a CalFresh application to complete the TNB Program recertification process. Per ACL 18-92 (page 9), "the household may submit the CalFresh application at the same time as the TNB 4, or may submit the CalFresh application separate from the TNB 4, but before the due date." If the CalFresh application is submitted separate from the TNB 4, the application must be submitted within 45 days of the end of the TNB certification period.

**Question 18:** Must a household submit a complete TNB 4 to complete the TNB Program recertification or does a complete CalFresh application suffice?

**Answer 18:** A complete TNB 4, including signature, is required to complete the TNB Program recertification process. Per ACL 18-92 (page 11), "if the CWD does not receive a complete TNB 4 by the end of the certification period, the household will lose TNB Program eligibility." The only exception to this rule is a TNB Program restoration.

If the CalFresh application is submitted separate from the TNB 4, but within 45 days of the end of the TNB Program certification period, CWDs are encouraged to request that the household complete its outstanding TNB 4 at the time of the CalFresh interview. If



the CalFresh interview is conducted over the phone, the CWD may accept electronic signature of the TNB 4 or, if the electronic signature option is not available, the CWD may mail a copy of the TNB 4 to the household for signature.

**Question 19:** Two households are determined TNB Program eligible. In the future, the two TNB Program households merge and become one household. Will the two TNB Program households continue to be eligible? Does the CWD need to merge the two TNB Program households and the two benefit allotments?

**Answer 19:** In this scenario, both TNB Program households will remain eligible and the CWD does not need to merge the two households or the two benefit allotments. Per ACL 18-92 (page 7), “The CWDs are not required to act on information received regarding the household’s circumstances during the TNB Program certification period.” Further, the TNB Program recertification process does not require the CWD to act on household composition changes, unless the household composition changes result in the household no longer including at least one of the same SSI/SSP recipient(s) excluded from the household on June 1, 2019 or the TNB Program household becoming CalFresh eligible.

#### **Q&A: Supplemental Nutrition Benefit and Transitional Nutrition Benefit**

**Question 20:** If the CWD incorrectly determines that a household is eligible for the SNB Program when the household was actually eligible for the TNB Program, or vice versa, can the CWD switch the household to the correct program?

**Answer 20:** Yes. When an error is discovered, the CWD will add the household to the correct program and discontinue the household from the incorrect program. This applies whether the cause was an administrative error or an inadvertent household error.

The CWD is not required to recover any SNB Program or TNB Program benefits issued in error, but may issue a supplement if the error resulted in the household receiving less benefits than it was eligible for. If applicable, a supplement will be calculated and issued based on the difference between the SNB Program or TNB Program benefits the households received and the SNB Program or TNB Program benefits for which the household was eligible during the relevant time period.

When correcting such an error, the CWD will add the household to the correct program the month following the month in which the error is discovered. At the time the correction is made, the CWD will issue the household a discontinuance notice for the incorrect program and an approval notice for the correct program. The approval date on the approval notice for the correct program will be the date of the correction.

Note that the CWD must ensure that the household was indeed eligible for the SNB Program or TNB Program at the household’s effective date of the reversal of cash-out.

Eligibility for the SNB Program and TNB Program cannot be established on any date other than the household's effective date.

Lastly, CWDs are reminded that the correction of any error related to the SNB Program or the TNB Program must be kept separate and apart from the correction of any error related to CalFresh. Identification of a CalFresh error may be an indication that the SNB Program or TNB Program eligibility determination should be reviewed. Existing CalFresh claims management policies and procedures, including for claims establishment and collection, remain in effect and do not apply to the SNB Program or the TNB Program.

**Question 21:** May the CWD issue a SNB Program or TNB Program supplement as a result of an appeal or hearing decision?

**Answer 21:** Yes.

**Question 22:** The intent of the SNB Program and TNB Program is to "hold harmless" existing CalFresh households negatively affected by the policy change. Therefore, SNB Program and TNB Program benefits are provided to households based on the case number at the household's effective date. Are there any exceptions to this rule?

**Answer 22:** Per ACL 18-91 (page three), SNB Program benefits are provided to a household based on the household's case number at the household's effective date. Over time, SNB Program eligibility will remain linked to the household based on the case number. As provided in the same ACL, the exception to this rule is when a victim of domestic violence that was included as a member of a CalFresh household that included the abuser is assigned a new case number in order to receive CalFresh benefits as a separate household.

Per ACL 18-92 (page three), TNB Program benefits are provided to a household based on the household's case number at the household's effective date. Over time, TNB Program eligibility will remain linked to that household based on the case number. The TNB Program head of household may change over time, which will result in the assignment of a new case number.

For both the SNB Program and the TNB Program, the household with the new case number must continue to include at least one of the same SSI/SSP recipients excluded from the household on June 1, 2019. For the SNB Program, this must be true throughout the certification period and at recertification. For the TNB Program, this must be true at the TNB Program recertification

Initially, the only exception to the case number rule identified for the SNB Program was based on the occurrence of domestic violence. No exceptions were identified for the TNB Program. Because the intent of both the SNB Program and the TNB Program is to "hold harmless" the household as it existed on June 1, 2019, additional exceptions to the case number rule have been identified that further the intent of both programs.

For both the SNB Program and the TNB Program, if any of the following occurrences cause the assignment of a new case number, the household may maintain SNB Program or TNB Program eligibility, so long as all other SNB Program and TNB Program eligibility criteria are met.

- Domestic Violence (expanded to TNB Program)
- Death of Head of Household
- Incarceration of Head of Household
- Head of Household Moves Out of State
- Mental Incapacitation/Mental Disability/Mental Incompetence of Head of Household

Further, if the SNB Program or TNB Program household, as it existed on the household's effective date, is assigned a new case number as a result of an inter county transfer, or other automation requirement, but the household has not experienced a household composition change that makes the household ineligible for either the SNB Program or the TNB Program, the household may maintain SNB Program or TNB Program eligibility.

If a CWD is unsure whether to maintain SNB Program or TNB Program eligibility after the assignment of a new case number, the CWD should contact the CalFresh Policy Bureau for assistance with policy interpretation.

This ACL, and other [CDSS Letters and Notices](http://www.cdss.ca.gov/inforesources/Letters-and-Notices), are available online at: <http://www.cdss.ca.gov/inforesources/Letters-and-Notices>.

If you have any questions regarding this letter, please contact the CalFresh Policy Bureau at (916) 651-8047.

Sincerely,

***Original Document Signed By:***

KIM JOHNSON  
Deputy Director  
Family Engagement and Empowerment Division