



CDSS

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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

April 25, 2017

ALL COUNTY LETTER NO.17-34

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: CALFRESH ELDERLY SIMPLIFIED APPLICATION PROJECT
WAIVER APPROVAL FOR ELDERLY/DISABLED HOUSEHOLDS

REFERENCES: [Food and Nutrition Act of 2008 Section 3\(f\), 17 \(b\) and Section 11\(e\)\(3\)](#), [7CFR 273.2\(e\)](#), [7 CFR 273.2\(f\)](#), [7 CFR 273.10\(f\)\(1\)](#); [7 CFR 273.10\(f\)\(4\)](#); [7 CFR 273.14\(b\)\(3\)](#); [MPP Section 63-504.142](#), [MPP Section 63-300.4](#), [MPP Section 63-300.5](#), [MPP Section 63-404.6](#); [ACL 13-58](#)

The purpose of this letter is to provide County Welfare Departments (CWDs) with policy guidance regarding the implementation of California's Elderly Simplified Application Project (ESAP) for CalFresh. The California Department of Social Services (CDSS) has been authorized by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) to operate the ESAP for the period beginning October 1, 2017 and ending September 30, 2021. The ESAP includes three waivers which apply only to Non-Assistance CalFresh (NACF) cases wherein all household members are elderly and/or disabled (E/D) with no earned income.

Background

The CDSS is committed to improving CalFresh access among the State's low-income elderly and disabled population. To this end, CDSS submitted a request to the FNS to implement ESAP. The ESAP was approved in accordance with the requirements to operate a demonstration project under section 17(b) of the Food and Nutrition Act of

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

2008 (the Act). The three waivers described below were approved as part of California's ESAP:

- Waive the recertification interview requirement for E/D households with no earned income (7 CFR 273.14(b)(3));
- Make use of data matching to reduce client-provided verifications for E/D households with no earned income (7 CFR 273.2(f), Section 11(3)(e) of the Act); and
- Extend the certification period to 36 months for E/D households with no earned income (7 CFR 273.10(f)(1), Section 3(f) of the Act).

These waivers apply to households where all members are either elderly (age 60 or older) and/or disabled with no earned income. The waivers do not apply to any other CalFresh participants.

ESAP Implementation

Implementation Date: The State of California will implement the ESAP as of October 1, 2017, to align with the implementation of California's Standard Medical Deduction Demonstration Project.

ESAP Eligible Households: CalFresh applicants and recipients are eligible for the ESAP if all household members are elderly (age 60 or older) and/or disabled and have no earned income.

Application Forms for ESAP households: The CWDs will use the existing CF 285 "Application for CalFresh Benefits" as an initial application for ESAP households and the CF 37 "Recertification for CalFresh Benefits" as the recertification application.

Expedited Service (ES): Per existing policy, CWDs must screen all of the ESAP applications for ES entitlement and if eligible, process and issue benefits in three days. Under the ESAP, CWDs will use existing electronic data matches to complete pending verifications.

Interviews: 7 CFR 273.2(e) requires CWDs to interview applicant households in order to determine eligibility at initial intake and recertification. FNS is waiving part of this provision to permit CWDs to forgo the recertification interview for ESAP households, unless the case is denied. No case will be denied at recertification without an attempt to schedule an interview.

Interviews at initial certification are still required. CWDs must conduct an initial intake interview for all ESAP households. During the intake interview, CWDs must clearly inform the ESAP household that a recertification interview is not required unless (1) the

household requests an interview; (2) the CWD is going to deny a recertification application (e.g. a household's circumstances have changed and they appear to no longer be eligible for CalFresh); or (3) the information supplied by the household or authorized representative is questionable, incomplete or contradictory.

Verifications: Participating households will experience a reduced verification burden. Electronic matches will be used to the greatest extent possible to verify identity, income, residency and social security numbers. The ESAP waives two laws regarding verifications:

- Section 11(e)(3) of the Act requires CWDs to verify non-excludable income and household size (if questionable). FNS is waiving this section so that CWDs are only required to verify income if it is questionable.
- 7 CFR 273.2(f) requires CWDs to verify gross nonexempt income, utility expenses, medical expenses, social security numbers, residency and identity. FNS is waiving this provision so that ESAP households do not have to provide such verifications unless questionable.

The CWDs are required to verify noncitizen status; excess medical expenses that exceed \$35 a month; and questionable information using standard verification methods.

Certification Periods: The CWDs will assign a 36-month certification period to all ESAP households. 7 CFR 273.10(f)(1) allows certification periods to extend up to 24 months for E/D households. Section 3(f) of the Act defines a certification period. The FNS is waiving both provisions to extend the certification period to 36 months for ESAP households.

Periodic Reporting Requirements: The ESAP households will use the SAR 7 Eligibility Status Report to attest to the household's circumstances and report any changes at 12 months and 24 months. At the end of the 36-month certification period, ESAP households will complete and submit a recertification application (CF 37) and a recertification interview will not be required.

Conversion from regular CalFresh to ESAP: Once implemented, CWDs will notify existing ESAP-eligible households that a recertification interview is not required at the end of their current certification period when a CF 37 is requested. The CWDs will convert existing ESAP-eligible households to a 36-month certification at the time of their recertification.

Conversion from ESAP to regular CalFresh: During the 36-month certification period, if an ESAP household becomes ineligible for ESAP, but remains eligible for CalFresh (for example by becoming employed), the CWD will remove the household from the

ESAP and will convert the household to a regular CalFresh household in accordance with current reporting rules.

With the conversion from ESAP to regular CalFresh, E/D households must remain on their existing 36-month certification period through the end of the certification period. At the end of the 36-month certification period, the CWD must assign the E/D CalFresh eligible household a standard 24-month certification period.

The CWDs must notify all ESAP households when they are converted from ESAP to a regular CalFresh household. The CDSS is creating a notice that will inform households about their status change (to be released under separate cover). This notice should inform the household about non-ESAP reporting responsibilities (e.g. interview required at recertification, 24-month certification period and semi-annual reporting).

Automation

The Department will work with the Statewide Automated Welfare Systems (SAWS) to implement the necessary automation changes to effectively assign new ESAP-eligible households to a 36-month certification period and successfully implement the ESAP. Additionally, for reporting purposes, the SAWS will develop a method to identify ESAP-eligible cases, both that have been approved for benefits and that have been denied.

General

- The FNS reserves the right to withdraw its waiver approval and terminate the demonstration project at any time.
- Changes in federal law regarding eligibility will result in modification of the terms and conditions of the ESAP.
- The CWDs will ensure all participants screened are qualified under the waiver terms and the proposed project rules.

Quality Control (QC) Reviews

The FNS has determined that the ESAP does not significantly modify the rules of determining a household's eligibility or benefit level. Therefore, the results of QC reviews of ESAP households shall be included in the state's error rate.

Reviewers will first make sure that all ESAP households are correctly classified for participation under the project rules (i.e. E/D households with no earned income).

- If the household is not correctly classified as an ESAP household, eligibility and benefits will be reviewed against the regular SNAP standards.
- If the household is correctly classified as an ESAP household, eligibility and benefits will be reviewed against the rules of the ESAP.
- QC must apply verification standards and procedures specified in the FNS
- QC 310. Without verification of all relevant circumstances, QC will be unable to determine a household's eligibility to participate in the ESAP.
- Cases selected for QC review and reporting must be randomly selected.
- Cases selected for QC review may be included in the evaluation of the ESAP.
- Additional cases may be selected if cases selected through the regular QC process are insufficient. A desk review of case information and verification of client information may be done via telephone if additional cases are needed.

Reporting Requirements and Evaluation

The FNS requires that the State submit an annual ESAP evaluation report. Reports are due three months after the end of the federal fiscal year (FFY). The State may also request an extension six months before project expiration.

The SAWS will provide CDSS the necessary data through the existing SAWS Internal Request for Research and Analysis (SIRFRA) process.

Baseline report:

The State will report the number of eligible households enrolled in CalFresh at any point in FFY 2017 including elderly and disabled households with no earned income. This report is due on January 1, 2018.

Annual Report:

Annual reports shall include the following about ESAP households:

- Number of initial certification applications approved
- Number of initial certification applications denied
- Number of recertification applications approved
- Number of recertification applications denied
- Number of recertification applications that required an interview
- Total number of California ESAP participants

CA ESAP Reporting Schedule

Reports	Data Range Covered	Report Due Date
First Report	October 1, 2017-September 30, 2018	January 1, 2019
Second Report	October 1, 2018-September 30, 2019	January 1, 2020
Third Report	October 1, 2019-September 30, 2020	January 1, 2021
Request for Renewal	NA	April 1, 2021
Fourth Report	October 1, 2020-September 30, 2021	January 1, 2022

Quality Control Reports: The State will randomly sample 200 active ESAP cases and review the cases for payment accuracy. In addition, the State will randomly sample 100 denied and terminated applications and review the application for the negative error rate. The full QC review will be based on the FNS QC 310 Handbook. The State will report on all errors by case. These reviews may be conducted via telephone.

Reporting data elements for active cases:

- The CWDs shall review 200 randomly selected active ESAP cases for payment accuracy, briefly describe the source of error, and information regarding where the payment variance was found. Unlike the error threshold (FFY 2016= \$38) used in the calculation of the active error rate, payment variance is any amount over or under the true benefit the household should have received.

Reporting data elements for Case and Procedural Error Rates (CAPER) cases:

- The State will randomly select 100 denied and terminated ESAP applications for the negative error rate.
- The State will provide the Case and Procedural Error Rates (CAPER) and will explain if the reason for denial is categorized as procedural error (e.g. failure to provide verification or additional information) or a client ineligibility error (due to income, fleeing felon, drug convict, alien status, or self-reported resources).

The state will provide the following timeliness data for the 200 approved applications processed throughout the project that CWDs will pull for QC review:

- The percentage of all ESAP participants processed within current timeliness standards differentiating between expedited and 30-day applications.
- The percentage of all ESAP cases processed within statutory timeframes (application processing timeliness (APT) rate for ESAP cases).
- The State will provide the above data in the standard reporting template provided by FNS.

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

If you have any questions regarding this ACL, please contact the CalFresh Policy Bureau at (916) 654-1896.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachment

Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

MAR 28 2017

Kim McCoy Wade
Chief, CalFresh
Branch
California Department of Social
Services 744 P Street
Sacramento, California 95814

Dear Ms. McCoy Wade:

This letter is in response to the California Department of Social Services' (COSS) request to adjust the implementation date of the Elderly Simplified Application Project to align with the State's Standard Medication Deduction (SMD) demonstration project.

The Food and Nutrition Services (FNS) originally approved this ESAP to begin July 1, 2017. FNS is modifying the implementation date of this demonstration project to October 1, 2017, in conjunction with the implementation of the State's SMD. In addition, the first evaluation report due on January 1, 2019, will include data for October 1, 2017, through September 30, 2018. If the State agency must change the date of implementation, please inform FNS so that the reporting schedule can be modified.

FNS has adjusted the implementation date and time period covered by the first evaluation report in the terms and conditions. We request that your agency submit written acceptance of these terms and conditions signed by the appropriate State official as soon as possible. We look forward to working with COSS on this project. If you need further information, please contact Catherine Benvie at catherine.benvie@fns.usda.gov.

Sincerely,



Lizbeth Silberman
Director
Program Development Division

APPROVED WAIVERS

CALIFORNIA ELDERLY SIMPLIFIED APPLICATION PROJECT (California ESAP)

California ESAP waivers are approved in accordance with the requirements to operate demonstration projects under section 17(b) of the Food and Nutrition Act of 2008, as amended (the Act). The waivers described below only apply to households with elderly and disabled household members with no earned income. The waivers do not apply to any other Supplemental Nutrition Assistance Program (SNAP) participants in California (the State).

WAIVERS OF THE ACT

1. Section 11(e)(3) of the Act requires that the State verify all non-excludable income and household size (if questionable). The Food and Nutrition Service (FNS) is waiving this section so that the State is only required to verify income if it is questionable. The State will use electronic matches to verify all income where possible for this project.
2. Section 3(c) of the Act defines "certification period" as the period for which households are eligible to receive SNAP benefits. The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. FNS is waiving section 3(c) to extend the certification period to 36 months for California ESAP households.

WAIVERS OF SNAP REGULATIONS

1. 7 CFR 273.2(e) requires that the State agency interview applicant households in order to determine eligibility. We are waiving this provision of the regulations to permit the State to forego recertification interviews with participating households, unless the case is denied. No case will be denied without an attempt to schedule an interview. Interviews at certification are still required.
2. 7 CFR 273.2(f) requires the State agency to verify gross nonexempt income, utility expenses, medical expenses, social security numbers, residency, and identity. We are waiving this provision of the regulations so that participating elderly households do not have to provide such verifications unless questionable. Electronic matches will be used to the greatest extent possible to verify income and social security numbers. The State will verify non-citizen status and medical expenses greater than \$35 per month.
3. 7 CFR 273.10(f)(1) allows certification periods to extend up to 24 months for elderly and disabled households. We are allowing certification periods to be extended up to 36 months.

IMPLEMENTATION

For ESAP households, California will use the existing CF 285 Application for CalFresh benefits and the CF 37 Recertification for CalFresh benefits, which are simplified application and recertification forms for CalFresh-only households. ESAP-eligible households will continue to be screened for expedited service by County Welfare Departments (CWDs) and follow California's current process. Electronic matches will be used to complete pending verifications.

Once implemented, CWDs will notify existing eligible households that a recertification interview is not required at the end of their current certification period when a complete CF 37 is requested. CWDs will convert existing ESAP-eligible households to a 36 month certification at the time of their next recertification. New households at initial certification will be notified that a recertification interview is not required and will be reminded at the end of their certification period. New households will be assigned a 36 month certification period at the time of initial certification.

Participating households will experience a reduced verification burden. Electronic matches will be used to the greatest extent possible to verify identity, income, residency, and social security numbers. The State will continue to verify non-citizen status, medical expenses that exceed \$35 a month, and questionable information.

CWDs will conduct an initial interview at certification for all ESAP households, but will not conduct recertification interviews for ESAP households unless requested by the applicant or needed to clarify information on the CF 37.

The State will certify ESAP households for 36 months. ESAP households will report at 12 and 24 months using the periodic report form to attest to the household's current circumstances and report any changes. At the end of the certification period, the households will complete the CF 37 and no interview will be required.

If during their certification period, an ESAP household becomes ineligible for ESAP but remains eligible for SNAP, the State must remove the household from the ESAP demonstration and convert the household to a regular SNAP household in accordance with the simplified reporting and acting on changes policies of the State (273.12(a)(5)). The State must also notify the household of the changes in their status and responsibilities at the time they are removed from the demonstration and converted to regular SNAP. At the time of conversion the household will no longer be covered by any waivers of this demonstration except for the 36 month certification period as specified in 7 CFR 273.10(f)(4). At the end of the 36 month certification period, the State must assign eligible households who complete normal SNAP recertification requirements the appropriate certification period according to regular SNAP policy.

The California Department of Social Services (COSS) will work with county consortia to implement the necessary automation changes to effectively transition existing and new households to a 36 month certification period. COSS will provide counties with information about the policy changes and operational details of implementation, technical assistance support, recommended best practices, webinars, and a technical assistance point of contact at the COSS CalFresh Branch.

GENERAL WAIVER TERMS AND CONDITIONS CALIFORNIA ELDERLY SIMPLIFIED APPLICATION PROJECT

GENERAL

- California (the State) is authorized to operate the Elderly Simplified Application Demonstration Project (the Project) from October 1, 2017 through September 30, 2021. The State will operate this project Statewide.
- The Food and Nutrition Service (FNS) reserves the right to withdraw its waiver approval and terminate the project at any time if FNS determines that the project is inconsistent with the Supplemental Nutrition Assistance Program (SNAP) goals to increase the efficiency of the Program and to improve the delivery of SNAP benefits to raise levels of nutrition among low- income individuals.
- If Federal law regarding the terms and conditions of eligibility or waiver authority change, FNS may require the change(s) be reflected in these terms and conditions.
- The State will ensure that all participants in the project are qualified under the terms set forth and approved by the project proposal and approved waivers.
- The State will also make certain no case is denied without an attempt to contact the applicant's household.

QUALITY CONTROL (QC) REVIEWS

- QC review of demonstration cases is governed by 7 CFR 275.11 (g), which provides that the results of the review of households correctly classified for participation in a demonstration project "which FNS determines to significantly modify the rules for determining households' eligibility or allotment level" shall be excluded from the determination of the State's error rate. FNS has determined that the California ESAP demonstration does not significantly modify the rules for determining households' eligibility or allotment level. Therefore, the results of the reviews, in both the active and negative sample frames, of households participating in this project shall be included in the State agency's error rate, and shall be assigned a case classification code of " 1" (included in the error rate calculation in item #11 of the FNS-380-1, QC Review Schedule). Cases selected for review in the negative sample frame shall be assigned a case classification code of " 1" (included in the error rate calculation) in Section II, item #9 of the FNS-245, SNAP Case and Procedural Case Action Review Schedule (formerly the Negative Case Action Review Schedule).

- QC procedures for households participating in the California ESAP demonstration must be modified to require that the reviewer first determine if the household is correctly classified for participation under the rules of the project (i.e. is eligible to participate in the project under the FNS-approved terms and conditions). If the household is not correctly classified for participation, eligibility and the amount of the benefits will be reviewed against SNAP standards established in the Food and Nutrition Act and regulations, taking into account any FNS-approved waivers (other than those approved for this demonstration) or State options to deviate from specific provisions. If the household is correctly classified for participation in the project, eligibility and the amount of benefits for participating households will be reviewed against the rules of the demonstration project.
- In making the determination of whether the household has been correctly classified for participation under the rules of the project, and in conducting reviews against the rules of the project, QC must apply standard verification standards and procedures as specified in the FNS-310, QC Review Handbook. Without independent verification of all relevant circumstances for the period of time under review, QC would be unable to determine the household's eligibility to participate in the demonstration, or the correctness of the authorized allotment.

COST NEUTRALITY

To ensure that Federal costs do not increase as a result of implementing the approved waiver, the State guarantees that it will maintain cost neutrality for the duration of the project.

EVALUATION

The State will provide FNS with the following report detailing the evaluative components below using the tables provided by FNS.

The State will provide an evaluation report each year of operation. Annual reports are due 3 months after the end of the fiscal year (FY). If the State would like to continue the project, the State should send a request to FNS 6 months before the program expiration. The letter should include a summary of progress to date, including the time since the last annual report, although FNS recognizes that data from the first part of the FY may only be preliminary.

CA ESAP Reporting Schedule		
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Request for Renewal	N/A	April 1, 2021
Fourth Report	October 1, 2020 - September 30, 2021	January 1, 2022

Note: The State must select case review and reporting at random. Cases reviewed through the QC process may be included in the project evaluation. If an insufficient number of cases are pulled through the regular QC process to meet minimum evaluation requirements, the State may select additional cases and conduct a desk review of case information, including verification of client information via telephone if necessary. State reports should describe methods of data collection and analysis, including the random case selection process, in an executive summary of the report.

Evaluative Components

Pre-Waiver/Post-Waiver Comparison

In order to evaluate the effectiveness of the project at increasing participation among elderly and disabled households, California is to report the number of eligible households (including elderly and disabled households with no earned income) who were enrolled in SNAP at any point in FY2017. This information shall be provided to FNS by January 1, 2018.

Certifications: (broken out by FY)

For all project applications, the State shall provide:

- Number of initial certification applications approved
- Number of initial certification applications denied
- Number of recertification applications approved
- Number of recertification applications denied
- How many of the above recertifications required an interview
- The total number of California ESAP participants

QC and Error Rates: (broken out by FY)

- The State will randomly sample 200 active ESAP cases. The State will review the applications for payment accuracy.
- The State will randomly sample 100 denied and terminated ESAP applications and review the applications for the negative error rate.
- The State shall perform a full QC review based on the QC 310 Handbook.
- For active error rates, the State will provide payment accuracy information with a brief description of the source of error.
- The State will also provide information on all active cases where a variance in payment was discovered in the attached payment variance spreadsheet. Unlike the error threshold (FY2017 = \$38) used in the calculation of the active error rate, payment variance is any amount over or under the true benefit the household should have received. Additional rows may be added, if needed.
- For negative cases, the State will provide the case and procedural error rate (CAPER), and the reason for denial, as either procedural (e.g. failure to provide verification or additional information) or client ineligibility (due to income, feeling felon, drug convict, alien status, or self-reported resources).
- The State may conduct these reviews via tele phone.
- The State should report on all errors by case.

Timeliness: (broken out by project year)

For the 200 approved applications processed through the project, which the State will pull for QC Review:

- The State should report the percent of all project participants processed within current timeliness standards.
- The State should differentiate between expedited and 30-day applications.
- The percentage of all cases processed within statutory timeframes (application processing timeliness (APT) rate for ESAP cases)

The State shall provide the above data in the standard reporting template provided by FNS. A brief executive summary may accompany each report to explain the data and progress of the project.

Reporting Tables

Table 1: Certification/Recertification Data (All ESAP applications for FY)				
	Approved		Denied	
	Interviewed	Not Interviewed	Interviewed	Not Interviewed
Initial Certification		<i>N/A</i>		
Recertification				
Total				

Total Number of ESAP Participants (in FY): _____

Table 2: Active Error Rate (n = 200 active cases)						
Active Cases	Overpayment (Based on error threshold)		Underpayment (Based on error threshold)		Total Payment Error (Based on error threshold)	
	Number of Cases	Average \$ Amount	Number of Cases	Average \$ Amount	Number of Cases	Average \$ Amount
Value						
Cause of Error	Overpayment (Number of Cases)		Underpayment (Number of Cases)		Total Errors (Number of Cases)	
Household Composition						

* Also ineligible for project, error calculated according to normal program rules.

Medical Deduction Error
Shelter Deduction Error
Earned Income*
Unearned Income
Total Number of Errors

CAPER Rate for ESAP cases (in FY): _____

Table 3: QC Summary (n = 100 negative cases)				
Cases Denied & Terminated	New Certification (Number of Cases)	Recertification (Number of Cases)	Periodic Report (Number of Cases)	TOTAL
Procedural Denial				
Incomplete Application				
Failure to Provide Verification				
Ineligibility Denial				
Income				
Fleeing Felon				
Drug Felony				
Resources				
Client Request				
Alien Status				
ESAP Ineligible (e.g. not a senior, has earned income) *				

* Number of ESAP ineligible cases which were then processed under regular program rules: _____

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Table 4: Timeliness (n = 200)

<p><u>Number of normal applications process within 30 days</u> Number of expedited application processed within 7 da s</p>	
<p>% of all cases processed within statutory timeframes APT rate for ESAP cases</p>	