

**County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide**

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Revision Date:

04/01/2019

Background:

Inadvertent Household Errors (IHE) and Administrative Error (AE) claims are considered non-fraud OI claims. This section is being reformatted and revised to reflect the change in regulation as a result of the settlement of the lawsuit Brown and Espinosa -Tapia v. Lightbourne. This regulation changes the look back period for collection of Inadvertent Household Error (IHE) and Administrative Error (AE) overissuances from 6 years to 3 years. Effective immediately, all newly established IHE and AE claims must comply with the new 3 year look back timeframe. OI claims established prior to this revision will not be affected.

Purpose:

This section details the establishment and determination of non-fraud CalFresh claims.

Policy:

63-452.1 Establishment of IHE Claims:

Initial IHE Overissuance Month

For Inadvertent Household Error (IHE) claims, the initial month of overissuance will be the first month that the customer received more benefits than it was entitled to, unless the overissuance was caused by failure to report a required change. In cases involving failure to report a required change, the first month affected by the customer's failure to report will be the first month in which the change would have been effective had it been reported timely.

Determination of IHE Claims

When determining the amount of benefits the household should have received, do not apply the twenty (20) percent earned income deduction to the portion of earned income the customer failed to report.

- Calculate the amount of the IHE claim.
- Offset the amount of the claim against any underissuance that was calculated for the same month of the new claim.
- Adjust the claim balance to zero if the underissuance is more than the amount of the claim. Issue the balance of the underissuance to the customer as a restoration of lost benefits. Refer to 63-456.

Establish an IHE claim for households when the customer:

- Failed to report required information accurately and/or timely
- Failed to report a change on the SAR 7 for the Data Month and the SAR Payment period was incorrectly computed based on this failure
- Submits the SAR 7 late and benefits cannot be decreased due to ten-day notice requirements

If a CalFresh customer has an existing overissuance that is being recouped by benefit reduction and a recoupment for another type of overissuance needs to be calculated, base the amount of the second overissuance recoupment on the initial CalFresh benefit, not on the adjusted benefit after the OI has been deducted. Refer to Definition and Examples 63-1103 for an example.

63-452.2 Establishment of AE Claims:

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Initial AE Overissuance Month

For Administrative Error (AE) claims, the initial month of overissuance will be the first month the household receives more benefits than it was entitled to due to an error caused by the county.

When the AE overissuance involves failure to act timely on a reported change, the initial month of overissuance will be the first month of the SAR payment period for which a change should have been made, subject to timely notice.

Determination of AE Claims

Determine the claim amount by computing the difference between the allotment the customer received and the allotment the customer should have received for each month of the overissuance.

If a CalFresh customer has an existing overissuance that is being recouped by benefit reduction and a recoupment for another type of overissuance needs to be calculated, base the amount of the second overissuance recoupment on the initial CalFresh benefit, not on the adjusted benefit after the OI has been deducted. Refer to Definition and Examples 63-1103 for an example.

Refer to 63-451.5 for the three-year time frame requirement to establish an AE claim.

Do not offset the amount of an AE claim against any amount of underissuances, which have not yet been restored to the household. Refer to 63-454.7.

63-452.3 Determining Non-Fraud Claim Months:

Calculate the amount of the non-fraud overissuance that occurred during the 3 years before the date the overissuance was discovered as long as the overissuance was established timely (within the 3-year time frame). If the overissuance is not established timely, the overissuance cannot be recouped. Refer to 63-454 for recoupment regulations and procedures.

Date of Discovery

The date that the budget is computed showing that the overissuance actually occurred.

Date Claim Established

The date the claim is established is the date adequate notice (demand letter, budget and repayment agreement) is issued to the household.

A claim is established when the following happens:

- The amount and reason for the overissuance is entered in case comments, and
- A demand (overissuance) letter is issued to the customer

The date the overissuance letter is mailed to the customer is the date the claim is considered to be established for tracking purposes.

63-452.4 Lomeli v. Saenz Court Settlement:

The Lomeli v. Saenz court settlement established that all new AE overissuances established on **March 1, 2000** and ongoing are to be recouped at a rate of five percent (5%) or \$10 whichever is greater.

The allotment reduction will be set up for a period of 36 consecutive calendar months starting with the month the actual collection begins. After the 36-month period, the collection will be suspended and the remaining balance will be forgiven (compromised).

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Lomeli v. Saenz claims can still be collected after the case is discontinued; the months would continue to count towards the 36-month limit. When the 36-month limit expires, the claim will be compromised.

When the 36-month period of recoupment (collection) expires, the system will automatically compromise the claim, reducing the remaining balance to zero (\$0.00).

63-452.5 Determination of an Overissuance in CalWIN:

Refer to Processing Guide 450-01

63-452.6 Non-System Determined Claims (NSDC):

Refer to How To # 536 How To Enter a Non-System Determined Claim.

Other Program Impact/s:

N/A

References:

ACL 18-99

MPP 63-801.111; 63-801.112; 63-801.311(b)

How To # 536 in Eligibility Essentials

Processing Guide 450-01

Sunset Date:

This policy will be reviewed for continuance on or by 04/30/2022.

Approval for Release:



RICK WANNE, Director
Eligibility Operations