CHAPTER 8

QUALITY CONTROL OF NEGATIVE CASE ACTIONS

Section

[Introduction](#s_7700) 7700

[Definitions of Key Terms](#s_7710) 7710

[Reviewable Negative Case Actions](#s_7720) 7720

[Negative Case Actions Not Reviewed](#s_7721) 7721

[Reviews Not Completed](#s_7722) 7722

[Sample Requirements](#s_7723) 7723

[Required Sample Sizes](#s_7724) 7724

[Sample Frame](#s_7725) 7725

[Sample Selection Requirements](#s_7726) 7726

[Review Process](#s_7730) 7730

[Review of Eligibility Requirements](#s_7731) 7731

[Review Focus Overview](#s_7731_1) 7731.1

[Verification Requirements](#s_7731_2) 7731.2

[Review Reason for Action](#s_7731_3) 7731.3

[Limited Field Investigation](#s_7732) 7732

[Review of Timely Notice Requirements](#s_7733) 7733

[Reporting Requirements](#s_7740) 7740

[Review Schedule/Worksheet](#s_7750) 7750

[Corrective Action](#s_7760) 7760

[Instructions for Medicaid Negative Case Action Review Schedule and](#s_7770)

[Worksheet (Optional)](#s_7770) 7770

[General](#s_7770_1) 7770.1

[Specific Instructions](#s_7770_2) 7770.2

Exhibit - Medicaid Negative Case Action Review Schedule

and Worksheet 7-8-19

Rev. 50 7-8-1

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7710

7700. INTRODUCTION

A. Purpose.--A continuing goal of Federal, State, and local governments is to improve the administration of public assistance programs. The purpose of the negative case action (NCA) review is to assure that individuals receive medical assistance for which they are eligible.

The NCA review process is used as a management tool to evaluate the correctness of denials and terminations made by the agency. Focus on areas which provide the most management information and provide reliable data for corrective action (CA).

The negative case action process is:

o A continuous review of State samples of negative actions;

o Periodic compilation and analysis of findings to determine the cause of and reasons for incorrect actions; and

o Corrective action to reduce or eliminate causes of incorrect actions.

States are required to:

o Use the expanded review methodology;

o Provide a summary report on the NCA reviews; and

o Use NCA information for development and implementation of needed CA.

B. Scope of Negative Case Action Review Process.--The focus of the NCA review process is adherence to eligibility requirements, that is, the correctness of the agency's action to deny or terminate assistance. Review the notice of termination for timeliness as a subsidiary review. An error in timely notice requirements is coded for State CA purposes only.

You are permitted to design an NCA system tailored to your specific needs and program requirements. Such designs may consist of targeting a particular assistance group or specific types of cases such as Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) cash terminations or spenddown cases. You may target only terminations or only denials for any group or type of case. An NCA system design also may target a combination of groups, case terminations, or denials at varying times throughout the year.

Specific considerations for State NCA design inclusions and sampling requirements are discussed in this chapter.

7710. DEFINITIONS OF KEY TERMS

Application.--An application is a formal request, in writing, for Medicaid.

Assistance.--Assistance, as used here, includes SSI and AFDC cash assistance cases, as well as medical assistance.

Case (Sample Unit).--Any case or individual denied or terminated for medical assistance, as defined in the State's sampling plan.

Rev. 50 7-8-3

7710 (Cont.) QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

Case Record.--A file retained by the State agency (including electronically stored data) which contains all pertinent information of a beneficiary's basis for medical assistance.

Collateral Contact.--Any contact made by the reviewer, other than with the beneficiary, to determine eligibility of any case member. These could be banks, landlords, neighbors, and other contacts.

Decision Date.--The date the eligibility worker officially took action to deny or terminate medical benefits. In some instances, the decision date may be months after a change in circumstances. The agency may not have known about the change or may not have acted promptly on reported information.

Decision Month.--The decision month is the month for which the applicant/ beneficiary's circumstances are reviewed to determine eligibility.

Documentation.--Copies of official evidence to determine a beneficiary's eligibility, such as, birth certificate, death certificate, court order, insurance policies, pay stubs, award letters, medical bills and expenses, and letters and responses from collateral sources.

Effective Date.--This is the date the agency's action to deny or terminate medical assistance became effective.

For applications, the effective date is the date on which the application was officially withdrawn or the agency officially took action to deny the application. This date always coincides with the decision date and the month of sample selection.

For terminations, the effective date is the date for which the beneficiary first did not receive medical assistance or appear on the Medicaid eligibility file. The effective date coincides with the sample month.

For spenddown cases, the effective date is the last day of the spenddown or authorization period when spenddown was not met. In 1-month spenddown States, the effective date is the last day of the month. Spenddown cases which have not met their spenddown liability are treated the same as denied cases.

EXAMPLE: On March 1, the beneficiary's resources exceeded the limit and have continuously exceeded it since that time. On May 10, the agency discovered this and on May 15 took formal action to terminate assistance effective June 1. In this example, the effective date is June 1 and the decision date is May 15. For the review of eligibility requirements, the decision date is the critical point in time. For the review of timely notice requirements, the effective date is the focal point.

Inquiries.--Inquiries are informal requests for information that do not result in the filing of a formal written application. These are not considered negative actions.

Limited Field Investigation.--The limited field investigation consists of obtaining and verifying information from the beneficiary or collateral contacts. This does not necessarily require a face-to-face interview.

7-8-4 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7720

Negative Action.--Any action taken by the local agency to deny or terminate medical benefits to a case. Termination or denial means the determination that a case is ineligible for the medical services provided under the agency's Medicaid program. This is different from the determination to disallow, in whole or in part, a provider's medical claim for payment.

Review Period.--The review period is the Federal fiscal year, October through September. The NCA review period is an annual period.

Selection Month.--The selection month is the specific calendar month in which the NCA is effective.

Spenddown.--This applies to individuals in medically needy and §209(b) States. It allows individuals with income above the established level who meet all other eligibility criteria to incur medical expenses or remedial care expenses that equal or exceed the amount of excess income to become eligible for Medicaid. The amount of incurred medical or remedial care expenses necessary to become eligible is the spenddown amount.

Timely Notice.--States are obligated to provide beneficiaries with a minimum of 10 days advance notice of termination, except as otherwise specified by Federal regulations and the State plan.

7720. REVIEWABLE NEGATIVE CASE ACTIONS

Specify in the sampling plan which NCAs will be reviewed. List the specific NCAs selected for review in the plan.

Consider the following optional categories of denials and terminations when making a decision on the focus of the NCA reviews.

Reviewable NCAs may include:

o Terminated or denied medical assistance only cases or individuals;

o Terminated AFDC and SSI cash cases that also had medical assistance terminated; and

o Spenddown cases including but not limited to those:

- Terminated automatically at the end of a spenddown period when the beneficiary did not meet liability;

- In 1-month spenddown States for each month spenddown was not met or only at end of the spenddown/authorization period; or

- Terminated at the end of the spenddown period when spenddown was met.

Include consideration of the following questions when designing your NCA sampling plan.

o Do you currently have information to substantiate the correctness of terminations and denials?

o Are there other audits or reviews in place that can obtain the needed information?

Rev. 50 7-8-5

7721 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

o Are there areas where no information is available?

o If reviews are focused, what policy or geographic areas provide the most useful information to management?

o Are advocates concerned about a specific area?

7721. NEGATIVE CASE ACTIONS NOT REVIEWED

Exclude certain negative actions from the NCA sample. Make every effort to eliminate these cases in the sample selection process. Such actions include the following types of cases.

1. Beneficiary transfers or moves to another county or to another assistance unit without interruption of assistance.

2. Cases subject to sampling and review as active cases in the same month.

3. Cases transferred to other coverage groups without interruption of assistance. An example is a case transferred from categorically needy to medically needy.

4. Service case closing. A case may have had other services terminated in a prior month but remained open for medical services. Do not review a case that is closed for services only.

5. Cases that are under appeal for proposed termination or denial of Medicaid benefits. If the beneficiary's Medicaid eligibility is being properly continued based upon an appeal from a proposed termination, and as of the selection month the appeal decision has not been rendered, drop the review. Code the reason as "not subject to review."

6. Cases denied or terminated that were subsequently approved or reinstated prior to sample selection with no break in coverage.

7. Cases denied for various coverage groups but ultimately determined eligible for medical assistance. This could occur in States which use automated eligibility systems.

7722. REVIEWS NOT COMPLETED

Incomplete reviews, unless kept to a minimum, may raise questions about the validity of the NCA findings. Make every attempt to review cases that are properly selected in the sample. However, there are acceptable reasons for not completing a case review. Record on the worksheet the reason(s) for not completing a review.

Acceptable reasons are:

o Not subject to review/listed in error,

o Unable to locate/moved out of State,

o Unwilling to give information, and

o Other.

7-8-6 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7724

When such cases are in the sample, drop the review and code the review schedule according to instructions in §7770. See §7721 for cases not subject to review.

Before dropping a case from the review process, consider whether the case record contains adequate documentation to validate an NCA and whether the applicant/beneficiary can be located. Attempt to locate the applicant/beneficiary by telephone or correspondence before dropping. In some cases, it is appropriate to attempt a field visit.

7723. SAMPLE REQUIREMENTS

A. General.--There are minimal NCA sample requirements. The intent is that States design an NCA process which provides management information for CA purposes.

The State sampling plan provides States the flexibility to design a plan that meets its State's needs for problem identification and CA, based on focusing the sample on specific types of NCA.

The following are mandatory sample criteria:

o The review period must be an annual period from October through September;

o States must complete the minimum sample size; and

o States must submit a sampling plan for approval.

B. Sampling Plan.--Submit revised sampling plans to the regional office (RO) with specific documentation of changes of a previously approved sample plan by August 1. Submit changes in random start numbers, sample intervals, or caseload estimates at least 2 weeks before the first sample selection of the period. The sampling plan must contain detailed descriptions of the types of actions subject to sampling, the sources of the sampling frame, population to be sampled (if targeting), and the procedures used to develop the sample frame. Specify the method of sample selection and describe the stratification procedures, if used. Specify the methodology for establishing each stratum sampling frame.

Specify in the sampling plan if you will substitute AFDC-NCA reviews for Medicaid/AFDC termination reviews and the process for substitution.

7724. REQUIRED SAMPLE SIZES

Determine the required sample size by the estimated number of all negative actions for the prior annual review period. Do not include AFDC and SSI cash terminations and denials or spenddown cases in the estimate. If the State is planning an action which will significantly affect terminations, use the information to develop estimated universe and sampling intervals.

The table below lists required minimum numbers of completed NCA reviews for each annual review period.

Universe Size Total Sample

Under 20,000 120

20,000 and over 210

Rev. 50 7-8-7

7725 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

Include stratum sample sizes, where applicable, in the State sampling plan.

7725. SAMPLE FRAME

The sample frame is a list of all completed actions taken by the agency to deny or terminate Medicaid eligibility in a given month, or the subset of the list that was targeted. Clearly define the types of actions included in the sampling frame in the sampling plan. (See §7720.)

Develop a clean list of cases subject to NCA review to limit the number of dropped cases. Drop incorrectly selected cases. Code these cases as "not subject to review/listed in error."

Include NCAs in the sample frame based on the following optional groups of negative actions.

o Terminated cases. Sample in the first month the case did not appear on the Medicaid eligibility file;

o Denied cases. Sample in the month the action was taken; and

o Spenddown cases. Sample as of the last day of the month, or the spenddown or authorization period in which liability requirements were not met.

EXAMPLE 1: On June 15, the agency determines that a beneficiary is no longer eligible for Medicaid due to excess resources. The agency notifies the beneficiary on June 18 that his/her Medicaid benefits will end effective July 1. The case is subject to sample in July. July was the first month in which the case did not appear on the eligibility file.

EXAMPLE 2: A case is put in a pend status for a 3-month spenddown period beginning January 1. As of March 31, the case did not meet spenddown requirements. The effective date for the eligibility denial is March 31. The case is subject to sampling for March.

7726. SAMPLE SELECTION REQUIREMENTS

Multiple applications (by the same applicant) denied in the same month are separate NCAs. Each is subject to sample selection. However, each application can have only one denial regardless of the number of reasons for denial. Conversely, if an applicant is denied for various coverage groups but found eligible for Medicaid assistance under another coverage group, these denials are not negative actions.

For QC purposes, include an unsigned application in the NCA sample frame if the State treated it as a formal application, i.e., gave formal notice of denial or withdrawal.

Applications are subject to sample selection in the month during which the application is withdrawn or the agency denies or otherwise disposes of the application.

Terminations are subject to sample selection only in the first month that the case did not appear on the Medicaid eligibility file.

7-8-8 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7731.1

Specify in the sampling plan the method to be used in selecting the NCA sample. Select the sample promptly so reviews are close to the effective date of the action. Contact with the applicant or former beneficiary is more difficult as time lapses. If possible, complete the sample list no later than the 15th day following the month in which actions become subject to sampling. Begin sample selection promptly after the list is available.

7730. REVIEW PROCESS

Conduct the NCA review according to (1) the State plan, (2) operating procedures consistent with the State plan (permissible State practice), and (3) instructions in this manual.

Conduct the NCA eligibility review in relation to any reason(s) for terminating or denying medical assistance. First, review for the correctness of the recorded reason. If that is not valid, review for any reason.

When possible, limit the review to the agency's records. If the agency's records do not document the eligibility decision, conduct a limited field investigation to determine if the agency's decision to terminate or deny was correct. Whether conducting a case record review or a field investigation, find the agency's action correct if you discover and document a reason for ineligibility other than the agency's reason.

Limit the review of terminated cash assistance cases to the Medicaid eligibility requirements. Accept the reason for the cash assistance termination as correct. That termination is reviewable under other program review requirements.

The case is in error if there is no valid reason for the denial or termination.

7731. REVIEW OF ELIGIBILITY REQUIREMENTS

7731.1 Review Focus Overview.--Review the correctness of the agency's action to deny or terminate medical assistance based on the reason(s) given for the negative action.

Review the correctness of the action to deny or terminate assistance in relation to the decision date and month.

Disregard changes in the beneficiary's circumstances that occurred after the decision date to terminate or deny. Base the review of eligibility requirements in all NCAs on circumstances existing within the decision month, prior to the decision date.

EXAMPLE: The AFDC-related Medicaid beneficiary reports to the agency that her husband has returned to the home. The agency determines deprivation no longer exists and closes the beneficiary's case, terminating assistance to the woman and her daughter. The agency mails a 10-day termination notice on May 8 with an effective date of June 1. The case is selected in the June NCA sample. On June 15, the QC reviewer contacts the beneficiary and learns that on May 15 the husband left the home again. The review shows that the agency correctly decided to terminate benefits based on circumstances existing on May 8.

Rev. 50 7-8-9

7731.2 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

7731.2 Verification Requirements.--Use verification and documentation standards specified in §§7266 and 7269 when determining the correctness of the reason for denial or termination.

When the basis for the agency's action is failure to follow administrative requirements (keeping an appointment, providing necessary information) the principal source of verification is the agency's communication with the beneficiary. These include advance notice of action, other letters, or follow-up correspondence together with no indication of a response by the beneficiary.

When the applicant or beneficiary voluntarily requests, in writing, termination of benefits or withdraws the application, the written request is adequate verification. When requests are verbal, the notice sent to the applicant/beneficiary confirming the desire to have the application withdrawn or case terminated constitutes verification.

Do not use hearsay, presumption, or suspicion as adequate verification or substantiation.

EXAMPLE: Mr. Stevens applied for Medicaid and stated on his application that he owned free and clear an automobile. He claimed it was worth $4,000. However, the eligibility worker verified through valuation data from the motor vehicle agency that the value of the car was $6,000.

7731.3 Review Reason for Action.--The case record is the starting point. The notice that the agency sends to the applicant or beneficiary advising them of the action contains the agency's reason for the action. The first step is to determine if the reason(s) given by the agency for the termination or denial was valid.

If the reason given by the agency was not valid, use any substantiated reason in the case record to determine the correctness of the agency decision. Consider any reason for the negative action correct if it was based on relevant, verified, and documented facts and correctly applied under State policy.

The record must contain adequate documentation to support the negative action for any element of eligibility. It is not the intent of the NCA review to cite case errors if another reason justifies the agency's action.

EXAMPLE: The reason given on the notice for denying an application for a mother and one child is "income from earnings exceeds need standards." A review of the case record shows that the applicant has some income. The income does not meet the needs of two people. Therefore, the reason given on the notice is incorrect. However, there is a letter from the applicant in the file stating that her only child left home permanently a few days after the application was filed. This letter is sufficient to document that another reason appropriately exists for denying the application, i.e., no eligible child in the home.

7-8-10 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7733

Do not accept a beneficiary's statement concerning an element of eligibility as adequate substantiation.

EXAMPLE: A beneficiary's allegation acknowledging excess resources in a bank account is not sufficient documentation in itself. Combine this type of statement with the development of other pertinent details that could influence the decision, such as whether it is a joint account or a burial fund.

When a determination of ineligibility requires the review of several directly related elements, substantiate each. For example, when the beneficiary is ineligible due to increased earnings, substantiate directly related changes such as mandatory deductions and work related expenses.

If the case record is not adequately documented (as described above) to determine if the agency's action to deny or terminate medical assistance was correct, undertake a limited field investigation.

7732. LIMITED FIELD INVESTIGATION

The field investigation becomes necessary when the case record by itself does not document the necessary verification of the correctness of the agency's action. Undertake a limited field investigation to secure the verification to determine the accuracy of the agency's decision.

Do not restrict the limited field investigation only to seeking information on recorded reasons given for the action. Seek information which could establish ineligibility for any reason.

The expanded review need not necessarily include a face-to-face contact with the beneficiary. Use telephone calls and correspondence, when possible, to clarify questionable areas.

When it is not possible, due to circumstances beyond the agency's control, to make a field investigation when required (e.g., the beneficiary has moved out of the agency's jurisdiction or is unwilling to give information), drop the case review. Remember, individuals selected for NCA review are usually not current beneficiaries and have no obligation to cooperate with the review. See §7722 for reviews not completed.

Contact with persons who have had their application rejected or their case terminated may present unique problems. Individuals may have been or may think they have been aggrieved by the agency. In some instances, the need for services may continue to exist though eligibility may not.

For these and other reasons, it is important to define the role of the reviewer. Precaution must be taken not to mislead or give the impression that the reviewer has the authority to reverse the agency's negative action decision.

7733. REVIEW OF TIMELY NOTICE REQUIREMENTS

State agencies are required to provide beneficiaries with timely notice, a minimum of 10 days in advance of the effective date of an action to terminate assistance, except as otherwise specified by Federal regulations and the State plan.

Rev. 50 7-8-11

7740 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

The Negative Case Action Review Schedule includes coding for timely notice. This is important for CA planning purposes.

Base the review of timely notice requirements on the information in the agency's records in relation to the effective date of the agency's action. Do not complete a field investigation or use evidence gathered during a field investigation to verify adherence to timely notice requirements.

For NCAs, the review of timely notice requirements does not encompass the adequacy of the notice though all notices to applicants or beneficiaries must be adequate as defined in State policy. Since adequate notice is not part of the NCA review, you are not required to examine the notice for such requirements as basis of the action, statement of hearing rights, etc., as outlined in Federal regulations and the State plan. However, notify the local agency of any serious deficiencies in this area, if clearly noticeable.

A copy of the notice is the primary source document to establish adherence to the timely notice requirement. When notices are automatically computer generated, review a listing of the notices sent or other computer information if a file copy of the notice is not in the agency records. In lost record situations, adherence to the timely notice requirements are met if the reviewer can find evidence anywhere in the agency that a notice was sent timely, where required. Otherwise, assume the timely notice requirement was not met.

7740. REPORTING REQUIREMENTS

Submit a report with a descriptive narrative of the NCAs sampled, a causal analysis of the errors, and CAs taken to eliminate or reduce the errors. See §7760 for CA process methodology. The report is due to the RO by January 31 for the preceding annual period.

7750. REVIEW SCHEDULE/WORKSHEET

The Negative Case Action Review Schedule has been designed as a data entry form and worksheet for NCA reviews. The instructions for completing it are in §7770. Although it has been designed to facilitate the review process and simplify data collection, it is not required. States may design their own review schedule/worksheet.

7760. CORRECTIVE ACTION

You may use the CA process outlined in §7050 or use an alternative process. Include the process and methodology in the CA narrative of the NCA report.

The primary focus of the negative QC CA activity is on the identification of the error causes and the development of CAs designed to correct these causes. Nonetheless, as with the active case review, correct individual case errors as identified.

The focus of CA may vary from increased or improved training to simplification or clarification of policy. Your analysis of negative QC errors must provide indications of what specific CAs will be taken.

7-8-12 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7770.2

7770. INSTRUCTIONS FOR MEDICAID NEGATIVE CASE ACTION REVIEW SCHEDULE AND WORKSHEET (OPTIONAL)

7770.1 General.--The Negative Case Action Review Schedule may be used to record specific case record data and as a worksheet when needed. The schedule consists of five sections. Section I is for case management information; section II is for identifying information; section III is for analysis of review activity; section IV is for documentation/narration; and section V is for optional additional coding.

Certain types of NCAs are not subject to QC review. These are normally eliminated in the sampling process. However, if such cases reach the reviewer, complete only items A through E in section II and enter code 1, "Not Subject to Review/Listed in Error," in item P of section III. No other entries are required.

If there is an area where information is not known, draw a line through the box.

7770.2 Specific Instructions.--

I. Case Management Information.--

1. Case Name.--Enter the name of the applicant or beneficiary.

2. Telephone Number.--Enter the telephone number at which the applicant/beneficiary can be reached.

3. Mailing Address.--Enter the mailing address of the applicant or beneficiary.

4. Actual Address/Directions to Locate.--Enter the actual address at which the applicant or beneficiary resides if different from that entered in item 3. Enter the directions to this address.

5. Date Assigned.--Enter the date (month, day, year) the case was assigned to the QC reviewer.

6. Date Completed or Disposed of.--Enter the date (month, day, year) the review was completed or disposed of by the reviewer. Enter the reviewer's name, code, or signature.

7. Date Cleared.--Enter the date (month, day, year) the supervisor cleared the review for statistical processing. Enter the supervisor's name, code, or signature.

II. Identifying Information.--Enter identifying information on each negative case in the sample. Some of the information is provided by the State office. Obtain other information from the case record. Complete only items A through E in this section if the case is not subject to review.

A. Review Number.--Enter the number assigned to this NCA.

B. Case Number.--Enter the case number assigned by the local agency.

Rev. 50 7-8-13

7770.2 (Cont.) QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

C. State and Local Agency Code.--

1. State Agency Code.--Enter the two-digit State code listed in the Integrated Quality Control Manual.

2. Local Agency Code.--Enter a four-digit code to identify the county, district, or other geographic or administrative area.

D. Program Type.--Enter a State optional program indicator.

E. Selection Month and Year.--Enter the month and year for which the case was selected for review.

F. Stratum.--If the sample is not stratified, draw a line through this box. If it is stratified, enter the appropriate two-digit State code.

G. Decision Date.--Enter the date (month, day, year) of the agency's decision to deny the application or to terminate assistance. This is the date the agency first formally initiated a case action (letter or notice, closing authorization, etc.).

H. Effective Date.--Enter the date (month, day, year) the agency's action to deny or terminate assistance became effective.

I. Action Type.--Enter the appropriate code:

1 - Application Denied.--Enter this code if the request for medical assistance was rejected because the agency determined that the applicant was ineligible.

2 - Terminated Case.--Enter this code for cases in which the agency has terminated medical assistance.

J. Case Members.--Enter the number of persons whose needs, income, and resources were considered in the agency's decision to deny the application or to terminate assistance.

K. Eligibility Coverage Code.--Enter the two-digit coverage code for which the case was found eligible prior to termination. The codes may be found in §7272. (If more than one coverage code is appropriate, use code 98.) For a denied case, draw a line through the box.

III. Analysis of Review Activity.--This section provides for coding of notice requirements and the validity of the agency's action to deny or terminate assistance. Complete only item P in this section if the case is listed in error.

L. Notice Requirements.--Enter the appropriate code to indicate if timely notice compliance requirements were met.

1 - Not Applicable.--Enter this code if a timely notice period is not required under permissible State practice or the action under review is a denied application.

7-8-14 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7770.2 (Cont.)

2 - Compliance.--Enter this code if the agency followed timely notice and hearing requirements.

3 - Notice Not Sent.--Enter this code if the agency did not send an advance notice to the beneficiary. Use this code when there is no documentation in the agency that proves that an advance notice was sent. This code also applies in situations where the case record cannot be found and no documentation of timely notice exists in the agency.

4 - Assistance Terminated Prior to Expiration of Notice (or Hearing) Period.--Enter this code if a notice was sent timely but the effective date of the action to terminate assistance (item H) was prior to the expiration date of the notice period.

M. Recorded Reason for Action.--Enter the appropriate code to indicate the reason for the agency's action as reflected by the case record. If more than one reason is given for the agency's action, enter the code that contributes most to the agency's decision to deny or terminate assistance.

In the first two boxes, enter the appropriate code from the following:

10 Non-Financial Eligibility

20 Resource Eligibility

30 Income Eligibility

40 Other Reasons

In the last two boxes, enter optional State only codes. States may specify coding which provides information for CA. If the State does not develop codes, line through the last two boxes.

N. Validity of Recorded Reason.--

(a) Indicates your evaluation of whether the recorded reason for the agency's action is in accord with State policy and is supported by the verification or documentation in the case record. Review the validity of the agency's action to deny or terminate assistance in relation to (1) the date of the agency's decision (item G) to take the action and (2) the reason given for that action (item M). Use the following codes:

1 - Reason is Valid.--Enter this code if information in the case record substantiates that the reason for the agency's action was valid.

NOTE: If code 1 is entered, skip to item P.

2 - Reason is Invalid.--Enter this code if information in the case record substantiates that the reason for the agency's action was invalid.

3 - Unable to Determine Validity.--Enter this code if the information in the case record:

o Is incomplete or not relevant to the reason given for denial or termination of assistance (For example, insufficient narrative, incomplete budget information, failure to consider directly related elements.);

Rev. 50 7-8-15

7770.2 (Cont.) QUALITY CONTROL OF NEGATIVE CASE ACTIONS 02-94

o Does not contain any facts to substantiate the reason given for the action; or

o Is complete and relevant to the reason given but not verified. Examples of missing verification are pay stubs, employer's statement, and notice to confirm beneficiary's verbal request for withdrawal.

(b) Indicates if another reason is valid for the negative action when you determine that the recorded reason is invalid. Use the following codes:

1 - Not Applicable.--Code this when the recorded reason is valid (enter code 1 in item N(a)).

2 - Another Reason is Valid.

3 - Unable to Determine Another Valid Reason.

O. Limited Field Investigation.--Complete for all actions coded 2 or 3 in item N.

Enter the appropriate code as follows:

1 - Action Based on Recorded Reason is Valid.--Enter this code in item O(a) if you determined from the limited field investigation that the recorded reason given for the agency's action was correct. Also enter "00" (not applicable) in item O(b).

2 - Action Based on Different Reason is Valid.--Enter this code in item O(a) if you determined from the limited field investigation that the agency's action was correct for a reason other than that given by the agency. Also enter the two-digit code in item O(b) for the different reason. (See item M coding.)

3 - Action is Invalid.--Enter this code in item O(a) if you determined from the limited field investigation that the agency's action was invalid. Also enter "00" (not applicable) in item O(b).

4 - Unable to Determine Validity.--Enter this code if you were unable to determine the validity of the agency's action:

o Because the beneficiary/applicant could not be located or has moved out of State;

o Because the beneficiary/applicant refused to participate in the review process; or

o For reasons other than those above.

P. Disposition of Review.--Enter the appropriate code as follows:

1 - Not Subject to Review/Listed in Error.--Enter this code if the case is not subject to review or is listed in error.

7-8-16 Rev. 50

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7770.2 (Cont.)

2 - Review Completed.--Enter this code if the NCA review was completed.

3 - Review Could Not Be Completed.--Enter this code if item O(a) is coded as 4.

IV. Documentation And Narration.--Use this section to document and narrate the findings of the review.

V. Optional Additional Coding.--Use this portion of the review schedule to collect State only information.

Rev. 50 7-8-17

02-94 QUALITY CONTROL OF NEGATIVE CASE ACTIONS 7770.2 (Cont.)

THIS PAGE IS RESERVED FOR

QUALITY CONTROL NEGATIVE CASE ACTION

SAMPLE WORKSHEET/REVIEW SCHEDULE

Rev. 50 7-8-19