



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

YVONNE COPELAND • Director, Division of Child and Family Well
Being

Date: October 31, 2022

Attention: Program Integrity Managers, Supervisors, and Investigators

Subject: Clarification of FNS Administrative Waiver for Pandemic-Caused Overissuances

Effective: Upon receipt

Priority: Information and Action

Dear County Directors of Social Services

I. General Information

On August 4th, 2022, Dear County Directors Letter EFS-FNSEP-54-2022-FNS Administrative Waiver for Pandemic Caused Overissuances was posted. This DCDL provided guidance to counties regarding a new waiver that the United States Department of Agriculture (USDA) allowed states to request to waive the establishment of claims resulting from pandemic-caused overissuances. A pandemic-caused overissuance is defined as an “overpayment of FNS benefits that occurred during the federal public health emergency (PHE) and resulted from specific challenges presented by the pandemic such as temporary changes in state certification and recertification procedures due to the federal flexibilities for FNS.”

To help alleviate financial hardship on households as a result of the COVID-19 pandemic, North Carolina Department of Health and Human Services (NCDHHS) requested this administrative waiver for pandemic-caused overissuances from the USDA. The USDA approved this waiver with an effective date of April 1, 2020 to July 31, 2022.

This waiver allows the state to waive the establishment of claims resulting from pandemic-caused overissuances. An overissuance meets criteria to be waived if it is an overpayment of FNS benefits resulting from an Agency Error (AE) or Inadvertent Household Error (IHE) that occurred during the COVID-19 pandemic (i.e., with an overpayment period that started on or after April 1, 2020 through July 31, 2022). This waiver does not apply to overissuances established for Intentional Program Violations (IPVs), during Quality Control (QC) reviews, or related to Pandemic-EBT.

A. Due to updated clarification from the USDA concerning Pandemic-Caused Overissuances, Program Integrity investigators will need to revisit referrals for claims that had an overissuance period that began prior to April 1, 2020 and establish the full claim amounts. These claims cannot be considered pandemic-caused overissuances because they started prior to the pandemic, and thus must still be established.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD AND FAMILY WELL-BEING

LOCATION: 820 S. Boylan Avenue, McBryde Building, Raleigh, NC 27603
MAILING ADDRESS: 2420 Mail Service Center, Raleigh, NC 27699-2420
www.ncdhhs.gov • TEL: 919-527-6300 • FAX: 919-334-1265

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Example:

- Claim with an overissuance period of January 1, 2020 – December 31, 2020. The entire claim must be established because the overissuance started prior to the waiver period (i.e., before April 1, 2020).
- Claim with an overissuance period of April 1, 2020 – December 31, 2020. The claim does not need to be established because the overissuance started during the waiver period (i.e., during the pandemic).

B. North Carolina has also received updated clarification from the USDA regarding overissuances that start during the waiver period (on or after April 1, 2020 and before July 31, 2022) and continue after the waiver period (after July 31, 2022). USDA has clarified that only the portion of the overissuance period that occurred during the waiver period (on or after April 1, 2020 and on or before July 31, 2022) can be waived.

Example:

- Claim with an overissuance period that started on January 1, 2022 – July 31, 2022. The entire claim does not need to be established because the entire overissuance occurred during the waiver period.
- Claim with an overissuance period that started on January 1, 2022 – September 30, 2022. The claim portion for January 1, 2022 – July 31, 2022 does not need to be established as it occurred during the waiver period. However, the claim portion for August 1, 2022 – September 30, 2022 must be established as it occurred after the waiver period.

II. Policy Procedures

Counties must take the following actions, effective immediately:

- Determine if any overissuance dates within the claim that were unsubstantiated started before April 1, 2020, and establish the full claim amount.
- For overissuance periods that start during the waiver period (i.e., between April 1, 2020 and July 31, 2022) and continue after the waiver period, continue to establish the claim only for the portion the overissuance period that started on August 1, 2022 or later.

Please follow normal program integrity policy when determining establishment dates. Enter established claims in NC FAST before the 180th day or close unsubstantiated referrals in NC FAST before the 180th day to prevent an untimely referral.

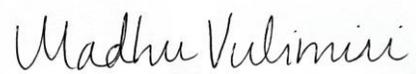
Claims must continue to be established for IPV and QC overissuances, as these claims are excluded by the pandemic-caused overissuance waiver.

Note: NC FAST will be updated accordingly on November 1st, 2022 to allow counties to establish claims that had overissuance periods that started prior to April 1, 2020 and extended into the waiver period.

III. Implementation Instructions

This policy is effective immediately. If you have any questions, please contact dss.pi.questions@dhhs.nc.gov for assistance.

Sincerely,

A handwritten signature in black ink that reads "Madhu Vulimiri". The signature is written in a cursive style and is centered horizontally.

Madhu Vulimiri, MPP
Deputy Director
Division of Child and Family Well-Being

MV/rp

EFS-FNSEP-65-2022