

CalSAWS

California Statewide Automated Welfare System

Design Document

SCR CA-207497 - DDID 30 – Mid Period
Anticipated Income

CalSAWS	DOCUMENT APPROVAL HISTORY	
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1 OVERVIEW

This SCR will implement DDID 30, which will alter Eligibility Determination and Benefit Calculation (EDBC) Change Reason logic to allow new behavior for anticipated income reported mid-period. This new behavior is limited to CalFresh (CF) programs. This change will not impact the other Change Reason programs: CalWORKs (CW), Refugee Cash Assistance (RCA), General Relief (GR), and Cash Assistance Program for Immigrants (CAPI).

1.1 Current Design

Currently there is a single definition of anticipated income that applies to all Change Reason programs. This was defined in the original Change Reason Use Case Modification document. This definition only applied to mid-period income that was identified by the user as being provided as part of intake or period reporting (e.g., SAR7 or RE). Below is the excerpt from the Use Case Modification document describing anticipated income.

1. **Mandatory Anticipated Income:** If anticipated income has been defined on the period report (e.g., SAR7, RD), this income will be acted on regardless of whether it causes a positive or negative change. These mandatory income changes will be acted on starting in the Benefit Month in which they begin, potentially causing overpayment/overissuances and decreasing benefits with 10-day timely notice. Overpayment/overissuance should not occur, since the system will create a Future Action Control (FAC) to process the Benefit Month (prior to the 10-day timely notice) in which the income change occurs. "Report" income will be treated mandatorily if it meets the criteria below:
 - a. The income data change is a "Report" classification (i.e., 'Intake' or 'Reported on PR/RE' Change Reason).
 - b. The begin date of the income change is after the Report Date.
 - c. The Report Date meets one of the following criteria based on whether the income falls within an intake period or an ongoing period.
 - i. **Intake Period:** The Report Date of the income is prior to the Initial Authorization Date of the program.
 - ii. **Ongoing Period:** The Report Date of the income falls within Submit Month of the Period being processed or the first day of the month following the Submit Month. The first day of the following month check is included to account for late reports.

1.2 Requests

For CF programs only, expand the definition of anticipated income to handle mid-period reporting scenarios per the request of DDID 30.

1.3 Overview of Recommendations

This SCR will expand the definition of anticipated income. With this SCR the Change Reason logic will identify two types of anticipated income:

1. **Period Report Anticipated Income:** Anticipated income defined during intake or period reporting. This is the existing definition described above which applies to all Change Reason programs.
2. **Mid period Anticipated Income (CF Only):** Anticipated income reported mid-period by the client independently of the intake or period reporting process. This definition will only apply to the CF program.

Per ACL 12-25 (page 26), anticipated income is income that can be “reasonably anticipated” based on the following policy criteria:

1. The AU/household verifies that the income has been or will be approved or authorized within the upcoming SAR period, or the household is otherwise reasonably certain that the income will be received within the SAR period;
2. The anticipated amount of the income is known and verified, or the AU/household is otherwise reasonably certain of the amount of the income; and
3. The start date of the income is known and verified, or the AU/household is otherwise reasonably certain of the start date of the income.

The above criteria are assessed by the user. If the client reports anticipated income that does not meet the above criteria, the user will not enter the income into CalSAWS.

Period Report Anticipated Income (Existing Logic)

CalFresh EDBC currently determines income is anticipated when it meets the following system criteria:

1. The income data change has Change Reason of either 'Intake' or 'Reported on PR/RE'.
2. The begin date of the income change is after the Report Date.
3. The Report Date meets one of the following criteria based on whether the income falls within an intake period or an ongoing period.
 - a. Intake Period: The Report Date of the income is prior to the Initial Authorization Date of the program.
 - b. Ongoing Period: The Report Date of the income falls within Submit Month of the Period being processed or the first day of the month following the Submit Month. The first day of the following month check is included to account for late reports.

When the system identifies 'Period Report Anticipated Income', that income will be acted on, as of the begin date of the income, regardless of whether it causes a positive or negative change. These mandatory income changes will be acted on starting in the benefit month in which they begin, potentially causing overpayment/overissuances and decreasing benefits with 10-day timely notice. Overpayment/overissuance should not occur, since the system will use a batch job to process the benefit month in which the income change occurs prior to the 10-day timely notice.

Period Report Anticipated Income is already implemented in CalSAWS.

Mid Period Anticipated Income (New Logic)

For CF only, an additional type of anticipated income will be added with this SCR based on the following criteria.

1. The income is being evaluated for a CF program.
2. The income data change has a Change Reason of either 'Participant Provided - Verbal' or 'Participant Provided - Written'.
3. The Begin Date of the income change is after the Report Date.
4. The income is a mid-period data change (as opposed to a period required change).
5. The income change is a negative change (i.e., it is an increase to existing income source or it is the report of a new income source).

When the system identifies 'Mid Period Anticipated Income', that income will be acted on (i.e., applied) only with 10-day notice if the income is verified.

This means that 'Mid Period Anticipated Income' will behave the same as any other voluntary negative income report for CF with one exception. The current logic does not use the run date (i.e., the date the user is processing EDBC) to determine 10-day if it is prior to the begin date of the data change, rather, the begin date would be used, causing a later Apply Date.

Take the following example. A Mom who is the primary applicant of a CF program with a January – June SAR period reports on February 10 that she will have an increase in income beginning March 1 due to a promotion. She provides a letter detailing her promotion with the new income amount which will be paid March 1. The income change will not exceed IRT. The user determines that the income meets the definition of 'reasonably anticipated' and enters the income increase with a March 1 begin date. The Reported Date is February 10 with a Change Reason of 'Participant Provided – Written'. The income is verified February 10.

- Current System logic: User runs EDBC for March. No change to CF benefit would be allowed. When processing EDBC on February 10, the system would calculate 10-day notice based on the March 1 begin date of the income since it was after the current run date. The earliest the income would be applied would be April, as long as the user processed April benefits prior to the 10-day cutoff for April.
 - o The later of the following dates would be used to determine 10-day notice: income **begin date**, verification received date, run date.
- Proposed Change: User runs EDBC for March. CF benefits would decrease because of the income increase, which would be allowed for March since there is time for 10-day notice. Therefore, the March 1 income change would have an Apply Date of March 1.
 - o The later of the following dates would be used to determine 10-day notice: income **reported date**, verification received date, run date.

The table below is an excerpt from the original Change Reason Use Case Modification document. These two columns summarize the treatment for voluntary and mandatory (over IRT) income reports.

	Voluntary Report	Mandatory Report
Program Types	CF-SAR (PACF, NACF),	CF-SAR (PACF,NACF) over 130% IRT
Beneficial Change	Type 1 Act on change in month of report if verified timely. If not verified timely, act on change in the month of verification.	Not Applicable
Negative Change	Type 2 Change occurs with 10-day timely notice only if verified. Overissuance never created.	Type 3 Change applied first of the month following the month in which the change occurs even if not verified. Overpayment/overissuance possible even without a late report. Refer to treatment of unverified data in verification section above.

New Apply Reason

Apply Reasons will be introduced to CalSAWS with migration SCR **CA-207375 DDID 1098– Add Change Reason Functionality on the EDBC Summary Page** with a 20.01 release planned.

The table below shows the existing Apply Reason and Description for 'Anticipated Income' and 'Mid Period – Negative', as well as, the new 'Mid Period Anticipated Income' that is being proposed with this SCR.

Apply Reason	Description
Anticipated Income	Income will be applied for the processed benefit month. Anticipated income is applied as of the begin date.
Mid Period - Negative	Voluntary Mid Period Negative Change Change applied with 10-day timely notice based on the date EDBC is processed. Overissuance never allowed. (Negative Type 2)
Mid Period Anticipated Income	Voluntary Mid Period Negative Change Mid period anticipated income is applied as of the begin date if 10-day notice exists for the CF program.

As mentioned above, 'Mid Period Anticipated Income' is a subset of a Type 2 Negative Change, which is applied with 10-day timely notice. Given this, the Apply Reason defined along with the Apply Date will be dependent on when the income is processed. If the early report date of the anticipated income causes the income to be applied as of the begin date of the income, an Apply Reason of 'Mid Period

'Anticipated Income' will be used. Otherwise, the Apply Reason will default to the normal 'Mid Period - Negative'.

Take the following example.

1. The user enters a mid-period income increase (not over IRT) for a CF program with a Jan – June SAR period. The following data is entered on **Feb 10**:
 - Change Reason = Participant Provided - Written
 - Report Date = Feb 10
 - Begin Date = March 1

The user runs EDBC for March on **Feb 10**, the Apply Date for the income change will be **March 1** with an Apply Reason of '**Mid Period Anticipated Income**'.

2. The user enters a mid-period income increase (not over IRT) for a CF program with a Jan – June SAR period. The following data is entered on **Feb 25**:
 - Change Reason = Participant Provided - Written
 - Report Date = Feb 10
 - Begin Date = March 1

The user runs EDBC for March and April on **Feb 25**, the Apply Date for the income change will be **April 1** with an Apply Reason of '**Mid Period Negative**'.

1.4 Assumptions

1. Users are expected to determine whether client reported anticipated income meets the definition of 'reasonably anticipated' income per ACL 12-25. The system will not make the 'reasonably anticipated' income determination.
2. There is currently a batch EDBC job which identifies income which has a Begin Date in the Come-Up Month (i.e., future month). If such an income is found associated to a person in a CW, CF, or MC program, EDBC is processed in batch for the impacted programs. This allows the income to be applied prior to 10-day. No changes are planned for this batch job. This EDBC batch job will also process 'Mid Period Anticipated Income'.

2 RECOMMENDATIONS

2.1 Eligibility Rules Updates

2.1.1 Overview

1. Implement new logic to define the CF Apply Date for income that meets the definition of 'Mid Period Anticipated Income'.
2. In line with migration SCR **CA-207375 DDID 1098– Add Change Reason Functionality on the EDBC Summary Page** (release 20.01) define a new Apply Reason of 'Mid Period Anticipated Income'.

2.1.2 Description of Changes

1. For a mid-period negative income change, the system will determine whether the income meets the following definition for 'Mid Period Anticipated Income':
 - a. The income is being evaluated for a CF program.
 - b. The income data change has Change Reason of either 'Participant Provided -Verbal' or 'Participant Provided - Written'.
 - c. The begin date of the income change is after the Reported Date.
 - d. The income is mid-period data change (as opposed to a period required change).
 - e. The income change is a negative change (i.e., it is an increase to existing income source or it is the report of a new income source).
2. If the mid-period negative income change meets the definition of 'Mid Period Anticipated Income' the Apply Date for the income will be determined as follows:
 - a. If the income is not verified, the income cannot be applied and the income Apply Date will be defined internally as 'high date'. The User will see a blank Apply Date on any page that displays the Apply Date.
 - b. If the income is verified, the later of the following three dates will be used to determine the first of the month for which there is 10-day notice: EDBC run date, income verification received date, income reported date.
 - c. In accordance with current Change Reason logic, the income Apply Date will not be prior to the income Begin Date.

The changes above will not be effective dated. Because the CF anticipated income Apply Date can only be determined with 10-day notice, this change will not cause the Apply Date to change for recalculated benefit months.

3. New Apply Reason

If the income being evaluated for an Apply Date meets the above definition of 'Mid Period Anticipated Income' and the determined Apply Date is the same as the income's Begin Date, assign an Apply Reason of 'Mid Period Anticipated Income'. Otherwise, the Apply Reason will be 'Mid Period – Negative'.

The Apply Reason and the associated description to be added are shown in the table below.

Apply Reason	Description
Mid Period Anticipated Income	Voluntary Mid Period Negative Change Mid period anticipated income is applied as of the begin date if 10-day notice exists for the CF program.

Note: Existing System Definitions

Period Required Data: Data changes that fall within a period and should have been reported as part of the initial application or period report (e.g., SAR7, RE) are considered 'Period Required'.

Mid-Period Data: Data changes that fall within a period, but do not meet the 'Period Required' definition, are considered 'Mid-Period'.

2.1.3 Programs Impacted

CF

2.1.4 Performance Impacts

None

3 REQUIREMENTS

3.1 Migration Requirements

DDID #	REQUIREMENT TEXT	Contractor Assumptions	How Requirement Met
30	The Contractor shall update EDBC to account for anticipated income reported mid-period and determine when to calculate the income.	<ul style="list-style-type: none">• CalSAWS will be updated to handle scenarios to be defined in design when a future dated entry is made mid-period. The system should apply the change the first of the following month instead of taking the change that month. CalSAWS will be updated to account for anticipated income reported mid period, and use or not use, per regulation (ACL 12-25, pg. 75 example 7, sequential, ACIN I-54-03, pg. 3, ACL 14-77, ACL 12-25, page 77) for CalFresh. This requirement is not only for RE and SAR 7.	New logic for CF will identify mid-period anticipated income and set the appropriate apply date.