DSS ADMINISTRATIVE LETTER
Family Support and Child Welfare Services FSCWS-05-07

TO: **County Directors of Social Services**

ATTENTION: **Work First Administrators, Program Managers and Supervisors**

DATE: **April 20, 2007**

SUBJECT: **National Directory of New Hire**

EFFECTIVE DATE: **Upon receipt**

The purpose of this letter is to provide information regarding accessing the National Directory of New Hire and the security requirements for the data.

I. Background

In Federal Fiscal Year (FFY) 2005, all State TANF agencies were provided the opportunity to access the National Directory of New Hire (NDNH) Database to identify potentially unreported employment. The Administration of Children and Families (ACF) views the NDNH as a valuable tool for compliance with regulatory requirements mandated by the Deficit Reduction of 2005 as well as with development and implementation of work verification procedures.

Currently, new hire data is accessible in the State Directory of New Hire (SDNH), which is maintained by the Office of Child Support Enforcement. The data is limited to in-state employers only. The NDNH is a better resource because it includes information on Federal employment, unemployment insurance and out of state employment in a more comprehensive format than the SDNH. To facilitate implementation of the NDNH, the Division entered into a Memorandum of Understanding (MOU) with ACF to participate during an introductory period. The Division initiated a demonstration pilot in four counties representative of North Carolina's geographic makeup to fully assess the effectiveness, work load impact and fiscal impact. During that time, pilot counties developed process and security measures around the utilization of the NDNH information.

At the end of the pilot period, the Division reviewed the reported outcomes and found the data to be beneficial in both case management and program administration. To that end, the Division has entered into a new MOU with the Office of Child Support Enforcement (OCSE) and the Office of Family Assistance to match the NDNH databases for all 100 counties in North Carolina.

II. County Action Requirements

Each month a file containing the Adult TANF population will be submitted for matching purposes by the Division of Information and Resource Management. The data received as a result of the NDNH matching will be stored in the Client Services Data Warehouse (CSDW). The local county department of social services Security Officer is the person designated to request access for the TANF-NDNH data. The request must be an email or fax containing the county designated user's name, program area, county name, telephone number and email address. Once access has been authorized; the information will be available through Corporate Documents in a query entitled "State Sanctioned NDNH Queries".

The data load schedule and the latest data available can be viewed by accessing the following links:

TANF-NDNH Match Schedule:

http://www.csdw.status.dhhs.state.nc.us/csdwstatus/CSDWLoadSchedule.asp

Operations Page - under TANF Header:

http://www.csdw.status.dhhs.state.nc.us/etlreport/operationalstatus.asp

III. Work First Caseworker Responsibilities

The caseworker must review the information to determine the recipient's current employment status (i.e. no longer employed, never employed, or currently employed). **Take action based on the verified results, not the TANF-NDNH match results.** Follow the steps outlined below to process individual match results.

      A.   If the Work First participant has employment and/or UIB benefits reported on the TANF-NDNH individual match results, the caseworker must **independently** verify the information.

          1.   Check the case file to see if the employment and/or UIB benefits have been previously reported. If the information has not been previously reported, verify the change according to verification procedures in the Work First Manual.

               a. Once the information is received, document in the case file that the information has been provided and take appropriate action**. The source of the information is no longer the TANF-NDNH.**

               b. If the client refuses to provide the information, issue a DSS-8110 to propose termination of the case.

               Refer to Section 114- Income and Budgeting and Section 202- Changes in Situation for additional information.

2.   If appropriate, follow procedures in Section 263 – Financial Responsibility for over issuance and in Section 207, Fraud and Intentional Program Violations, for suspected fraud.

3.   If the information has been previously reported and documented, no further action is required.

Note: No copies of the TANF-NDNH match results are placed in the family's case record.

B.   Time Standards for Completing TANF-NDNH Match Results

Complete appropriate action on the TANF-NDNH match results within 30 calendar days from the run date on the paper match. If outside verification is needed, appropriate action may occur outside of the 30 day time standard. Once the verifications are received, take appropriate action within ten calendar days.

C.   Disclosure

The requirement pertaining to independent verification is very specific in the Memorandum of Understanding (MOU) between the TANF agency and the ACF. **The returned match results are considered leads and cannot to be shared with other programs until the information has been verified.**

1. The caseworker may disclose the information from the TANF-NDNH individual match results to the individual reported on the match or the individual's protective payee.

2. If the case is prosecuted for fraud, verifications received as a result of the TANF-NDNH match may be used. However, it may not be stated the information was obtained from the TANF-NDNH to individuals other than the client involved in the case. The caseworker may only state the information was verified through the source (i.e. employer).

3. If there is a hearing or appeal, the information obtained from the TANF-NDNH may be presented as evidence, if necessary.

4. The TANF-NDNH individual match information cannot be used by other programs. However, once the results of the TANF-NDNH data match are independently verified, the information must be shared with other programs.

Example: Y*ou receive a New Hire employment match and confirm that the person is employed by checking with the employer. The information can be shared with other programs and the wage data used to modify all types of benefits s/he receives.*

The only actions that can be taken from having access to TANF-NDNH are **POST verification**. Any actions related to the verifications are allowable for TANF, Food Stamps, etc. that is an appropriate action within the rules of the program (adjusting for work participation rate changes, closing cases for earnings, re-budgeting, evaluating for Job Bonus and supportive services such as child care, etc).

IV. Security Measures

Each County Director must ensure the physical, technical and administrative safeguarding of the TANF-NDNH data match results on behalf of the agency. Each local department of social services will provide security awareness training to all staff with access to the TANF-NDNH data prior to access to the data. The county agency is responsible for designating one person in the Work First program as the control person for the retrieval, printing and distribution of individual match results from the TANF-NDNH. Work First staff with access to the individual match results must safeguard the data while they are in his/her office. This includes keeping the data in a locked location when not in use. If screen prints of the data are routed to a shared printer in a common area, retrieve screen prints immediately. The information must be protected from unauthorized disclosure at <u>all</u> times.

To ensure only individuals who are allowed access to the individual match results handle this information, a log must be maintained by the designated control person. The log must indicate who receives copies of the individual match results, the date of receipt and date of return for all hard copies. Caseworkers can only access data that apply to their work assignment. Once the match results have been reviewed and appropriate action has been taken by the Work First worker, all copies of the match results must be returned to the designated control person and be destroyed. **No copies of the TANF-NDNH match results are placed in the family's case record.**

The OCSE has the right to audit recipients of TANF-NDNH match results to ensure adequate safeguards are being maintained. At this time OCSE is not performing any audits of TANF agencies but may choose to do so in the future.

V. Automated Action Codes

New termination, transfer and change codes have been developed to track individuals whose cases are terminated or cash payment decreased as a result of earnings/ income source leads received and independently verified as a result of TANF-NDNH data.

A. The **transfer codes** are 1P (timely) and 6V (adequate), when transferring AAF pay type 1,2 or S to MAF, will display the message:

"*Your earned income is too high for you (your family) to get Work First Family Assistance based on verified information. Your eligibility for Medicaid is being evaluated.*"

B. The **transfer codes** are 1X (timely) and 6Y (adequate), when transferring from AAF pay type1,2 or S to AAF pay type 5, will display the message:

"*Your family earned income has increased based on verified information.*"

C. The **change codes** 2x (timely) and 6W (adequate) , when making changes to AAF pay type 1,2 or S, will display the message:

"*Your Work First Family Assistance will decrease as a result of verified information*".

 These codes are not valid for MAF.

D. The **termination codes** 1A (timely) and 6N (adequate) for AAF pay type 1, 2 or S will display the message:

"*You have failed to provide information which is needed to determine eligibility.*"

 These codes are not valid for MAF.

If you have any questions regarding this information, please contact your Work First Representative.

Sincerely,

Esther T. High, Acting Chief
Family Support and Child Welfare Services Section

cc: Sherry Bradsher
                        Jo Ann Lamm
                        Hank Bowers
                        Family Support and Child Welfare Team Leaders
                        Children's Programs Representatives
                        Work First Program Representatives
                        Local Business Liaisons
                        Sarah Barham
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