

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 07-03

DATE: June 06, 2007

DISPOSAL DATE: Ongoing

RE: 2007 Public Assistance Fraud
Allocations – Preliminary Notice –
And Local Agency Fraud Plan
Instructions

TO: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

FROM: Jason Helgerson, Administrator
Division of Health Care Financing

PURPOSE

This memo provides notice of funding information for Public Assistance Fraud, including Program Integrity and Fraud Investigation. These allocations are for the period January 1, 2007, through December 31, 2007 [Calendar Year (CY) 2007] for Counties, and October 1, 2006, through September 30, 2007 [Federal Fiscal Year (FFY) 2007], for Tribes. This memo also provides important information about the fraud program and instructions for the CY/FFY2007 Fraud Plan and Budget.

The allocations shown in this memo may change based on enactment of state or federal legislation. In addition, the Random Moment Time Study impacts the amount of federal funding claimed for Income Maintenance (IM) programs. As a result, the amount of federal funding available for 2007 may be lower or higher than anticipated, and these funding amounts may be affected. If that is the case, we will inform you in writing.

PUBLIC ASSISTANCE FRAUD PROGRAM ALLOCATIONS

The Public Assistance Fraud Program (PAFP) allocations for Program Integrity and Fraud Investigation are shown in Attachment 1. A program revenue account supports these allocations. The revenue in this account is the state's share of FoodShare and Medicaid (Income Maintenance/IM) overpayments collected by the State and local agencies. The state's share is the amount remaining after returning the federal portion of FoodShare (FS) and Medicaid collections to the appropriate federal agencies, and the portion of FS and Medicaid overpayments recovered that is retained by local agencies, as allowed by state law. In 2006, the program revenue account was supplemented with State General Purpose Revenue (GPR). Based on projected program revenues for 2007, DHFS has determined that the same level of funding that was provided in 2006 is available to support these activities in 2007. DHFS will again supplement the available program revenue with state GPR.

Therefore, for CY/FFY2007, \$1.8 million has been identified for both the Program Integrity and Fraud Investigation allocations. Of this amount, approximately \$1.1 million is allocated statewide for Program Integrity for CY/FFY 2007, and approximately \$700,000 is allocated statewide for Fraud Investigation for CY/FFY 2007. This is the same amount of funding that was provided statewide in CY/FFY 2006. Therefore, each agency's CY/FFY 2007 Program Integrity and Fraud Investigation allocation is the same as their CY/FFY 2006 allocation. The allocation methodology has been agreed upon by the Income Maintenance Advisory Committee's Workload and Financing Sub-Committee.

Contract overspending, using local funding as match, will be available for federal matching funds for FoodShare and Medicaid related expenditures for both Program Integrity and Fraud Investigation activities.

PUBLIC ASSISTANCE FRAUD PROGRAM COST REPORTING

1. The Fraud Investigation allocation covers fraud investigation expenditures for the IM and W-2 programs, for all referrals alleging client fraud/Intentional Program Violation (IPV). Fraud Investigation expenditures are reported on the CARES BVIT screen.
2. The Program Integrity allocation provided to the IM agency covers administrative expenses related to the FoodShare, Medicaid, W-2, and Child Care programs depending on the programs associated with the case. Income Maintenance Program Integrity expenditures are reported in CARS on the appropriate reporting profiles:
Profile 747 Program Integrity – Agency Management, Support & Overhead (AMSO)
Profile 748 Program Integrity - Fraud Administration
Profile 749 Program Integrity - Prevention

Program Integrity activities conducted by the W-2 agency for the W-2 programs, including Child Care, should be claimed on the appropriate DWD CORE profile for W-2 administrative costs.

CY/FFY 2007 FRAUD PLAN

For CY/FFY 2007, all County and Tribal IM agencies are required to complete and submit either a Fraud Plan and Budget, or a Fraud Program Notice of Intent (described below) to DHFS. A model plan is enclosed as Attachment 2 to use as a template for the CY/FFY 2007 plans. Agency fraud plans or the Notice of Intent are due by July 1, 2007.

Any County or Tribal IM agency that intends to operate their 2007 Public Assistance Fraud Program under the same terms and conditions that were approved by DHFS/DHCF for 2006 can, in lieu of submitting a completed 2007 Fraud Plan and Budget, submit the Fraud Program Notice of Intent in Attachment 3. This Notice of Intent certifies that the agency will meet the terms and conditions specified in the

Agency's approved 2006 Fraud Plan, including the validation of prevention referral characteristics.

Please submit the Fraud Plan and Budget or 2007 Fraud Program Notice of Intent to:

Barry Chase
Department of Health and Family Services
Bureau of Eligibility Management, Room 355
P.O. Box 309
Madison, WI 53707-0309

VALIDATION OF PREVENTION PROGRAM REFERRAL CRITERIA

Validating the effectiveness of the error-prone characteristics that local agencies have selected for their error-prone profile is a required task of administering the local Fraud Program. This requirement is described in the IMM at 4.0.0 and is listed in the annual Model Fraud Plan at I.A.1.a.3.

To assist local agencies in this task, the directions for validating agencies' error-prone profiles and a model worksheet for documenting the validation process are included in Attachment 4.

CONTACTS

If you or your staff have any questions regarding the 2007 **allocations**, please contact Jodi Ross, IM Budget and Policy Analyst, at 608-266-8409 or via e-mail at RossJL@dhfs.state.wi.us

If you or your staff have questions regarding the 2007 **Fraud Plan and Budget**, please contact Barry Chase at (608) 266-1849, or via e-mail at chasebb@dhfs.state.wi.us.