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TO: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Jim Bates, Director
Bureau of Child Care Administration
Division of Early Care and Education

DECE/BCCA OPERATIONS MEMO					
No: 12-26					
DATE: 5/3/2012					
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	CC	<input checked="" type="checkbox"/>
W-2	<input type="checkbox"/>	FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
				EP	
PRIORITY: HIGH					

SUBJECT: Updated Child Care Manual, Chapter 2

CROSS REFERENCE: Child Care Manual Chapter 2

EFFECTIVE DATE: Immediately

PURPOSE

The purpose of this Operations Memo is to release the Child Care Manual, Chapter 2 related to Program Integrity.

BACKGROUND

The last update made to the Child Care Manual for the Wisconsin Shares Child Care assistance program for Chapter 2, was on October 29, 2008.

Organizational Structure Changes:

Chapter 2 has been restructured to consist of 2 parts. Chapter 2A is a policy manual dedicated to Clients and Chapter 2B is a policy manual dedicated to Providers. The attached matrices compare the differences in the original manual to the updated manual.

Chapter 2A Client Policy Manual Changes

Formatting changes:

The Chapter 2A Client Policy Manual is broken down into the following sections:

- Program Integrity Overview
- Front End Verification
- Authorization Utilization
- Referrals
- Investigations
- Overpayments
- Collections
- Training and Technical Assistance
- Confidentiality and Routine Disclosure
- Contact Information

Most sections are broken down into the following subsections: Policy Overview, Prevention, Detection and Enforcement.

At the beginning of most sections, the Wisconsin State Statute(s) and/or Administrative Code(s) as it relates to each, is listed. A list of acronyms has been added to the beginning of the document.

<u>Current Chapter 2</u>	<u>Updated Chapter 2A</u>
Number of pages- 17, which includes provider and client policy	Number of pages- 28, which is ONLY client policy
Program Integrity Overview	
Chapter 2: Program Integrity <ul style="list-style-type: none"> • Outlines the responsibility of the local agencies related to the Wisconsin Shares program. 	2.1.0 Program Integrity Overview – same content, but added: <ul style="list-style-type: none"> • Wisconsin State Statutes and Administrative Code that provide the authority for the Wisconsin Shares program.
Front End Verification	
2.1.0 Prevention <ul style="list-style-type: none"> • Prevention of improper payments is crucial to reducing the number and size of overpayments; a successful FEV and data exchanges should be established. 	2.1.1 Policy Overview – same content, but added: <ul style="list-style-type: none"> • Local agencies are required to establish a FEV process in their annual fraud plans, which should include an error prone profile, a referral process and an investigation process.
2.1.1 Front End Verification <ul style="list-style-type: none"> • Agencies should establish an error prone profile for child care; • Lists “high risk” characteristics that agencies should use in their FEV reviews; • Instructs agencies to make FEV referrals in CARES. 2.1.2 Data Exchanges <ul style="list-style-type: none"> • Child care case data goes through CARES data exchanges, which assists ES and W-2 workers to verify income and eligibility. 	2.1.1.1 Prevention <ul style="list-style-type: none"> • Local agencies should have a successful FEV process, use data exchanges, address referrals, conduct in-person visits, review attendance records and perform desk reviews to reduce client overpayments. • Outlines determining eligibility, an error prone profile, authorizations, FEV referral process, FEV investigation process, confidentiality and the personal rights of a recipient of public assistance.
Authorization Utilization	

N/A	2.1.2.1 Policy Overview <ul style="list-style-type: none"> • Describes the role of authorization workers; • The auto adjustment for enrollment-based authorizations process that occurs every 6-weeks and includes an example; • Manually calculated authorizations.
N/A	2.1.2.2 Prevention <ul style="list-style-type: none"> • Authorization workers are responsible for ensuring authorizations are issued appropriately; • A list of red flags or error prone case indicators has been developed. • If after the auto adjustment of hours, a client requests increased hours, the local agency must perform a detailed review of the case to determine if hours should be increased as requested.
Referrals	
N/A	2.1.3.1 Policy Overview <ul style="list-style-type: none"> • Establish a strong referral network and good lines of communication between public assistance employees, economic support workers, the DCF FDIU, DCF Subsidy Help Desk, licensors, certifiers, authorization workers, eligibility workers, state, county and municipal employees • This will assist in communication during the establishment of an overpayment and a fraud investigation.
N/A	2.1.3.2 Prevention <ul style="list-style-type: none"> • Referrals are received from numerous sources such as a licensee, parent, child care center employee, concerned citizen or an anonymous caller. • Includes the DCF FDIU child care fraud email, the fraud hotline number, MECA fraud hotline number and the MECA client fraud email.
N/A	2.1.3.3 Detection <ul style="list-style-type: none"> • Local agencies are responsible for establishing a method/system for tracking a referral. • EOS reports and BV FITS screens can be used for tracking referrals. • Referrals should be forwarded to the Department or local agency ASAP to be processed.
Investigations	

<p>2.2.1 Client Fraud</p> <ul style="list-style-type: none"> Lists examples of client fraud and how an intentional program violation (IPV) is established. 	<p>2.1.4.1 Policy Overview</p> <ul style="list-style-type: none"> Lists examples of client fraud.
<p>2.4.0 Fraud Referrals</p> <ul style="list-style-type: none"> Describes who issues a fraud referral; How a referral should be handled by an investigator; When to inform the Bureau of Early Care Regulation or certifying agency. 	<p>2.1.4.2 Findings and Enforcement</p> <ul style="list-style-type: none"> Enforcement actions that the Department or local agency may take at the conclusion of an investigation. The enforcement actions depend on the severity of the violations.
<p>Overpayments</p>	
<p>2.2.0 Fraud & Intentional Program Violation (IPV)</p> <ul style="list-style-type: none"> Describes when a potential fraud situation occurs and lists three critical fraud indicators. <p>2.2.1 Client Fraud</p> <ul style="list-style-type: none"> Examples of client fraud and how an intentional program violation (IPV) is established. <p>2.3.3 Determine Overpayment Period</p> <ul style="list-style-type: none"> Determine the weeks overpaid. The overpayment is calculated from the 1st full week an incorrect overpayment occurred. 	<p>2.1.5.1 Policy Overview</p> <ul style="list-style-type: none"> Examples of client overpayments Establishing a client overpayment Establishing the overpayment period Classifications of client overpayments- <ul style="list-style-type: none"> Intentional program violation Client error Administrative error
<p>2.3.1 Client Overpayments</p> <ul style="list-style-type: none"> Local agencies should recoup or recover funds for which the parent was not eligible; Lists the 3 types of overpayments; Child care overpayment worksheet to show client how overpayment was established. <p>2.3.3 Determine Overpayment Period</p> <ul style="list-style-type: none"> Use BVRF and BVCL screens in CARES to establish the overpayment referral and overpayment claim. 	<p>2.1.5.2 Recovery</p> <ul style="list-style-type: none"> Recovery of client overpayments through benefit recovery (BV) in the CARES subsystem. Includes a description of the BVRF, BVIR, BVIT, BVPI, BVCC, BVCL and AISA screens used during a fraud investigation and establishment of an overpayment. Lists the notices that are sent to a client when an overpayment has been established and the timeframe for recovering an overpayment.
<p>2.5.0 Appeal process</p> <ul style="list-style-type: none"> Clients have 45 days to request a fair hearing through DHA on the overpayment. 	<p>2.1.5.3 Client Overpayment Merit Appeal Process</p> <ul style="list-style-type: none"> Client may contact the local agency that established the overpayment to request an explanation of the overpayment. A client has 45 days to request a fair hearing to DHA. Documents used as exhibits during a client hearing.
	<p>2.1.5.4 Retention of Records</p> <ul style="list-style-type: none"> Local agencies are required to maintain all letters and notices for a minimum of 3 years.
<p>Collections</p>	

<p>2.3.4 Recovery of Client Overpayments</p> <ul style="list-style-type: none"> • A repayment agreement is required to be signed by a client for an established overpayment. The overpayment will be repaid within three (3) years or less. • If a client has not repaid the overpayment and the debt is delinquent, collections actions such as DOR tax intercept and wage garnishment will be used. 	<p>2.1.6.1 Policy Overview</p> <ul style="list-style-type: none"> • Establishing an overpayment in BV will generate a repayment agreement; • If a client does not return a signed repayment agreement and make payments, they are issued 3 dunning notices to determine the debt delinquent; • Referral to Central Recoveries Enhanced System (CRES) for additional collections action.
N/A	<p>2.1.6.2 Collections Process</p> <ul style="list-style-type: none"> • Client repayment agreement (BVPA) • 3 dunning notices • Levy process; warrant/lien; DOR state tax intercept • Instructions on posting a client payment on the BVCP screen in BV.
N/A	<p>2.1.6.3 Delinquency Collections Appeal Process –</p> <ul style="list-style-type: none"> • The local agency or department that establishes the overpayment is responsible for handling the appeal process. • A levy, warrant/lien and DOR tax intercept include appeal rights. • All documents necessary for a collections appeal are listed.
	<p>2.1.6.4 Retention of Records</p> <ul style="list-style-type: none"> • Local agencies are required to maintain all letters and notices for minimum of 3 years.
Training and Technical Assistance	
N/A	<p>2.1.7 Training and Technical Assistance</p> <ul style="list-style-type: none"> • Training resources that are available to the local agencies and the assistance the FDIU can provide.
Confidentiality and Routine Disclosure	
<p>2.6.0 Confidentiality & Routine Disclosure</p> <ul style="list-style-type: none"> • Adhere to DCF confidentiality policies; do not divulge information about a client, provider or reasons for an investigation. 	<p>2.1.8 Confidentiality and Routine Disclosure – same content, but added:</p> <ul style="list-style-type: none"> • Statutory reference to s.49.83 – Limitation on Giving Information
Contact Information	
N/A	<p>2.1.9 Contact Information</p> <ul style="list-style-type: none"> • Where to report suspected fraud in the Wisconsin Shares program • Public Assistance Collections Unit (PACU) • DCF Legal Counsel (OLC) • Fraud Detection and Investigation Unit (FDIU)

Formatting changes:

The Chapter 2B Provider Policy Manual is broken down into the following sections:

- Program Integrity Overview
- Front End Verification
- Authorization Utilization
- 40% Rule
- Attendance Reporting, Billing and Retention
- Referrals
- Investigations
- Overpayments
- Collections
- Training and Technical Assistance
- Confidentiality and Routine Disclosure
- Contact Information

Most sections are broken down into the following subsections: Policy Overview, Prevention, Detection and Enforcement.

At the beginning of most sections, the Wisconsin State Statute(s) and/or Administrative Code(s) as it relates to each, is listed. A list of acronyms has been added to the beginning of the document.

<u>Current Chapter 2</u>	<u>Updated Chapter 2B</u>
Number of pages- 17, which includes provider and client policy	Number of pages- 43, which is ONLY provider policy
Program Integrity Overview	
Chapter 2: Program Integrity <ul style="list-style-type: none"> • Outlines the responsibility of the local agencies related to the Wisconsin Shares program. 	2.2.0 Program Integrity Overview – same content, but added: <ul style="list-style-type: none"> • Wisconsin State Statutes and Administrative Code that provide the authority for the Wisconsin Shares program.
Front End Verification	
2.1.0 Prevention <ul style="list-style-type: none"> • Prevention of improper payments is crucial to reducing the number and size of overpayments; a successful FEV and data exchanges should be established. 	2.2.1 Policy Overview – same content, but added: <ul style="list-style-type: none"> • Local agencies are required to establish a FEV process in their annual fraud plans, which should include an error prone profile, a referral process and an investigation process.
2.1.1 Front End Verification <ul style="list-style-type: none"> • Agencies should establish an error prone profile for child care; • Lists “high risk” characteristics that agencies should use in their FEV reviews; • Instructs agencies to make FEV referrals in CARES. 	2.2.1.1 Prevention <ul style="list-style-type: none"> • Local agencies should have a successful FEV process, use data exchanges, address referrals, conduct in-person visits, review attendance records and perform desk reviews to reduce client overpayments; • Outlines establishing an error prone profile, authorizations, payment processing and confidentiality.
2.1.2 Data Exchanges <ul style="list-style-type: none"> • Child care case data goes through CARES data exchanges, which assists ES and W-2 workers to verify income and eligibility. 	

Authorization Utilization	
N/A	<p>2.2.2.1 Policy Overview</p> <ul style="list-style-type: none"> • Describes the role of authorization workers; • The auto adjustment for enrollment-based authorizations process that occurs every 6-weeks and includes an example; • Manually calculated authorizations.
N/A	<p>2.2.2.2 Prevention</p> <ul style="list-style-type: none"> • Authorization workers are responsible for ensuring authorizations are issued appropriately; • A list of red flags or error prone case indicators has been developed; • If after the auto adjustment of hours, a client requests increased hours, the local agency must perform a detailed review of the case to determine if hours should be increased as requested; • Local agency refusal to authorize children to a child care provider.
40% Rule	
N/A	<p>2.2.3.1 Policy Overview</p> <ul style="list-style-type: none"> • On a monthly basis, local agencies must monitor child care providers for compliance with the 40% rule; • A Webi report and CSAW reports have been developed to assist counties.
N/A	<p>2.2.3.2 Detection</p> <ul style="list-style-type: none"> • How to calculate the 40% rule.
N/A	<p>2.2.3.3 Enforcement</p> <ul style="list-style-type: none"> • 6-week notice • 2-week notice • Termination of authorizations
Attendance Reporting, Billing and Retention	
N/A	<p>2.2.4.1 Policy Overview</p> <ul style="list-style-type: none"> • Local agencies play a vital role in identifying Shares violations before they occur.
<p>2.2.3 Inaccurate Attendance Reports</p> <ul style="list-style-type: none"> • Lists steps local agencies can take if a provider submits false attendance records. 	<p>2.2.4.2 Prevention</p> <ul style="list-style-type: none"> • Ways of reporting daily hours of attendance for a child • Sign in sign out sheets • Electronic reporting through CCPI
N/A	<p>2.2.4.3 Detection</p> <ul style="list-style-type: none"> • Lists options available to the local agencies for monitoring child care providers.
Referrals	
N/A	<p>2.2.5.1 Policy Overview</p> <ul style="list-style-type: none"> • Establish a strong referral network and good

	<p>lines of communication between public assistance employees, economic support workers, the DCF FDIU, DCF Subsidy Help Desk, licensors, certifiers, authorization workers, eligibility workers, state, county and municipal employees</p> <ul style="list-style-type: none"> • This will assist in communication during the establishment of an overpayment and a fraud investigation.
<p>2.4.0 Fraud Referrals</p> <ul style="list-style-type: none"> • Describes who issues a fraud referral; • How a referral should be handled by an investigator; • When to inform the Bureau of Early Care Regulation or certifying agency. 	<p>2.2.5.2 Prevention</p> <ul style="list-style-type: none"> • Referrals are received from numerous sources such as a licensee, parent, child care center employee, concerned citizen or an anonymous caller. • Includes the DCF FDIU child care fraud email, the fraud hotline number, MECA fraud hotline number and the MECA client fraud email.
<p>N/A</p>	<p>2.2.5.3 Detection</p> <ul style="list-style-type: none"> • Local agencies are responsible for establishing a method/system for tracking a referral. • Referrals should be forwarded to the Department or local agency ASAP to be processed.
<p>Investigations</p>	
<p>2.2.2 Provider Fraud</p> <ul style="list-style-type: none"> • Agencies are required to recoup or recover an overpayment; • Lists examples of provider fraud. 	<p>2.2.6.1 Policy Overview</p> <ul style="list-style-type: none"> • Lists examples of program violations that resulted in a provider or agency error; • Lists examples of intentional program violations by providers.
<p>N/A</p>	<p>2.2.6.2 Findings and Enforcement</p> <ul style="list-style-type: none"> • Enforcement actions that the Department or local agency may take at the conclusion of an investigation. • The enforcement action depends on the severity of the violation(s).
<p>Overpayments</p>	
<p>2.3.2 Provider Overpayments</p> <ul style="list-style-type: none"> • Agencies shall take all reasonable steps to recoup or recover an overpayment; • Examples of how a provider may have received an overpayment. <p>2.3.3 Determine Overpayment Period</p> <ul style="list-style-type: none"> • Determine the weeks overpaid; • Establish the negative adjustment in CSAW for each week and authorization; • CSAW will update BV and the provider overpayment information will display on BVCO. 	<p>2.2.7.1 Policy Overview</p> <ul style="list-style-type: none"> • Examples of provider overpayments • Establishing a provider overpayment • Classifications of provider overpayments- • Intentional program violation • Provider error • Agency error
<p>N/A</p>	<p>2.2.7.2 Prevention</p> <ul style="list-style-type: none"> • Resources available to child care providers
<p>2.3.2.1 Providers who are Over Capacity</p>	<p>2.2.7.3 Detection</p>

<ul style="list-style-type: none"> Explains what over capacity by a provider means and how to calculate an overpayment for attendance based and enrollment based authorizations. <p>2.3.2.2 Providers Claiming Attendance Outside of Regulation</p> <ul style="list-style-type: none"> Explains what claiming attendance outside of regulation means and how to calculate an overpayment. 	<ul style="list-style-type: none"> Length of time to recover an overpayment, based on the classification Recouping an overpayment from a provider: Who over bills/over reports Who provides care at an unauthorized location Who is over licensed capacity Who is out of ratio Who claims attendance outside of regulated hours
<p>2.3.2.3 Establishing Overpayment Claims for Providers</p> <ul style="list-style-type: none"> Overpayments must make efforts to establish an overpayment within 30 days of discovery. <p>2.3.5 Recovery from Providers</p> <ul style="list-style-type: none"> Lists how recoupment of an overpayment will occur from an active provider; Lists how recovery from an inactive provider will occur; Lists the definition of an inactive provider for recovery purposes. 	<p>2.2.7.4 Recovery – same content, but added:</p> <ul style="list-style-type: none"> The percentages at which recoupment from an active provider will occur based on the type of violation; How a local agency can correct an overpayment; Processing manual provider payments
<p>2.5.0 Appeal Process</p> <ul style="list-style-type: none"> Providers have 30 days to request a fair hearing through DHA on the overpayment; Active providers will have the overpayment recouped from future issuances. 	<p>2.2.7.5 Provider Overpayment Appeal Process</p> <ul style="list-style-type: none"> A provider has 30 days to request a hearing to DHA to appeal an overpayment and a suspension from the Wisconsin Shares program; Outlines the steps of the hearing process, timelines, and documents needed.
<p>N/A</p>	<p>2.2.7.6 Retention of Records</p> <ul style="list-style-type: none"> Local agencies are required to maintain all letters and notices for a minimum of 3 years.
<p>N/A</p>	<p>2.2.7.7 Reconciliation Process</p> <ul style="list-style-type: none"> Completed by DCF in CSAW Releases any suspended/held payments Finalizes a permanent suspension Begins the recovery process in BV
<p>Collections</p>	
<p>2.3.4 Recovery of Client Overpayments</p> <ul style="list-style-type: none"> A repayment agreement is required to be signed by a client for an established overpayment. The overpayment will be repaid within three (3) years or less; If a client has not repaid the overpayment and the debt is delinquent, collections actions such as DOR tax intercept and wage garnishment will be used. 	<p>2.2.8.1 Policy Overview</p> <ul style="list-style-type: none"> An overpayment established in CSAW will refer an inactive or suspended provider to BV which will generate a repayment agreement; If a provider does not return a signed repayment agreement and make payments, they are issued 3 dunning notices to determine the debt delinquent; Referral to Central Recoveries Enhanced

	System (CRES) for additional collections action.
N/A	2.2.8.2 Collections Process <ul style="list-style-type: none"> • Provider repayment agreement (BVPP) • 3 dunning notices • Levy process; warrant/lien; DOR state tax intercept • Instructions on posting an inactive provider collection in CSAW.
N/A	2.2.8.3 Delinquency Collections Appeal Process – <ul style="list-style-type: none"> • The local agency or department that establishes the overpayment is responsible for handling the appeal process. • A levy, warrant/lien and DOR tax intercept include appeal rights; • Lists all documents necessary for a collections appeal hearing.
	2.2.8.4 Retention of Records <ul style="list-style-type: none"> • Local agencies are required to maintain all letters and notices for a minimum of 3 years.
Training and Technical Assistance	
N/A	2.2.9 Training and Technical Assistance <ul style="list-style-type: none"> • Lists some of the training resources that are available to the local agencies and the assistance the FDIU can provide.
Confidentiality and Routine Disclosure	
2.6.0 Confidentiality & Routine Disclosure <ul style="list-style-type: none"> • Adhere to DCF confidentiality policies; do not divulge information about a client, provider or reasons for an investigation. 	2.2.10 Confidentiality and Routine Disclosure – same content, but added: <ul style="list-style-type: none"> • Statutory reference to s.49.83 – Limitation on Giving Information
Contact Information	
N/A	2.2.11 Contact Information <ul style="list-style-type: none"> • Where to report suspected fraud in the Wisconsin Shares program • Public Assistance Collections Unit (PACU) • DCF Legal Counsel • Fraud Detection and Investigation Unit (FDIU)

CONTACT

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*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, *Other EP – Other Employment Programs.