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State of Wisconsin  
Governor Scott Walker

TO: **Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff  
Training Staff  
Child Care Coordinators**

FROM: Junior Martin, Acting Director  
Bureau of Program Integrity  
Division of Early Care and Education  
Department of Children and Families

**DECE/BPI OPERATIONS MEMO**

No: 17-07

DATE: 1/31/2017

Child Care

**SUBJECT: Provider Overpayment Repayment Process Revision**

**CROSS REFERENCE:** Child Care Manual Chapter 4.7.1, 4.7.4, and 4.8.1, and Operations Memo 99-67.

**EFFECTIVE DATE:**

For Phase 1 MyWICildCare agencies (WREA): January 7, 2017

For Phase 2 MyWICildCare agencies (Balance of State): May 6, 2017

For Phase 3 (Milwaukee County): July 15, 2017

**PURPOSE**

The purpose of this memo is to provide an update regarding the provider overpayment repayment process.

**BACKGROUND**

Wisconsin is changing the way child care providers receive payment for caring for children participating in the Wisconsin Shares Child Care Subsidy program. The child care subsidy will now be placed on a MyWICildCare Electronic Benefit Transfer (EBT) card and parents will be responsible for paying their child care provider using the card. This change is referred to as the MyWICildCare Initiative.

The MyWICildCare Initiative is being implemented in three phases across the state. Phase 1 occurred in Buffalo, Clark, Jackson, La Crosse, Monroe, Pepin, Vernon, and Trempealeau counties, effective October 1, 2016. Phase 2 will be implemented for the Balance of the State, effective February 1, 2017. Phase 3 will be implemented for Milwaukee County, effective April 2, 2017.

Due to the payment system change, the direct payment to providers by the state will be eliminated. The direct payment under the previous process allowed the state to

recuperate overpayments to active providers. With the removal of the direct payment structure, the state will no longer be able to recoup funds directly from providers' payments.

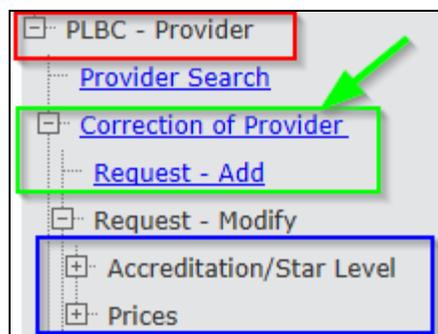
### **POLICY**

Currently, any providers that have authorizations are considered "active" providers. Overpayments for any active providers are entered in CSAW as a negative adjustment. This overpayment is then recouped from the provider's future issuances as established in [4.7.4](#).

Under MyWICildCare, providers will no longer receive direct Wisconsin Shares payments from the state. Therefore, direct recoupment of provider overpayments will no longer be possible. Under this new procedure, all provider overpayments must be entered in one of the three locations, and then moved into the Benefit Recovery (BV) system for collections. The collections process will mirror the client collections as discussed in [3.7](#).

Provider negative adjustments must be entered in CSAW, the Post Load Benefit Correction (PLBC) module, or Ad Hoc Functionality (EBT CSAW) based on the following criteria:

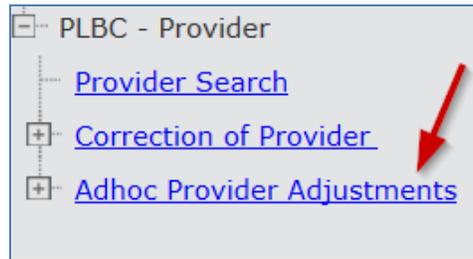
1. If it is an overpayment from a time period **prior to** MyWICildCare implementation for your agency, enter it in CSAW using the current procedure.
2. If it is an overpayment **after** MyWICildCare implementation:
  - a. If the overpayment is for **YoungStar, Accreditation, or a Provider Price** correction, the calculation should be completed in the Post Load Benefit Correction (PLBC) module in EBT CSAW. No additional steps need to be taken by the agency after the calculation has been completed in PLBC.



Note: Agencies cannot calculate overpayments for YoungStar and Accreditation overpayments. Please contact the Bureau of Program Integrity ([DCFBPITArequest@wisconsin.gov](mailto:DCFBPITArequest@wisconsin.gov)) for assistance with the calculation.

Note: For additional information on PLBC and the Ad Hoc Functionality, please see the EBT CSAW PLBC User Guide that will be available on the DCF website soon.

- b. **For any other provider overpayments:** Calculate the overpayment manually (as you currently do) and enter the amount in the Ad Hoc Functionality in EBT CSAW. This functionality allows entry of a total overpayment amount for a provider without having to enter each overpayment individually for each child or authorization. No additional steps need to be taken after the entry has been made in the Ad Hoc Functionality in EBT CSAW.



The Bureau of Program Integrity (BPI) will gather data from each system monthly and move each provider negative adjustment entered into the BV System, through a process referred to as "Quick Collect." This is the only way through which provider overpayments can be entered into BV. Agencies should not attempt to enter provider overpayments in BV.

**Please note that all provider overpayments/negative adjustments may be entered in CSAW until the effective dates listed in this Operations Memo.**

All provider overpayments that are currently being recouped will be manually moved in to BV by BPI as of the following dates:

1. February of 2017 for Phase 1 impacted providers.
2. September of 2017 for Balance of State impacted providers.
3. December 2017 for all Milwaukee impacted providers.

Any new provider overpayments entered after these dates will be processed monthly in Quick Collect.

If you receive a remand on a provider overpayment that requires adjustment, please notify the Bureau of Program Integrity immediately via the Technical Assistance mailbox. This will ensure that the correct overpayment amount is entered in Benefit Recovery.

### **COMMUNICATION**

Providers with current overpayments being recouped will be notified of the change by mailed notices and in the Spring 2017 Provider Newsletter.

The first mailed notice will be sent to all providers with active authorizations to inform them of the overpayment procedural change. This will be distributed by March 2017. The second notice will only be sent to providers with active recoupments. This notice will alert them that their overpayment remaining balance will be moved into collections as of the dates above. It is recommended that local agencies provide the child care providers with an opportunity to pay off their balances prior to the overpayments being moved into collections.

The second notice will be sent to providers by:

1. February 2017 for WREA impacted providers.
2. May 2017 for all Balance of State impacted providers.
3. July 2017 for all Milwaukee impacted providers.

Once the overpayment is moved into BV, a Repayment Agreement will be generated which includes information on repayment options and consequences of non-payment.

### **CONTACTS**

For any questions surrounding this process, or Chapters 3 and 4 of the Wisconsin Shares Policy Manual, please contact the Bureau of Program Integrity (BPI) at [DCFBPITArequest@wisconsin.gov](mailto:DCFBPITArequest@wisconsin.gov).

For Wisconsin Shares Child Care policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at: <https://dcf.wisconsin.gov/files/regionaloperations/pdf/contactlist.pdf>

For Child Care CARES/CWW, CSAW and CCPI Processing Questions statewide and policy questions in Milwaukee County contact the Child Care Subsidy and Technical Assistance line at: [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or (608) 264-1657.

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