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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, Director
Bureau of Program Integrity
Division of Early Care and Education
Department of Children and Families

DECE/BPI OPERATIONS MEMO

No: 18-08

DATE: 03/14/2018

Child Care

SUBJECT: Updates to Wisconsin Shares Policy Manual Chapter 4

CROSS REFERENCE: Administrative Rule [DCF 201.038 \(5\) to \(8\)](#), [201.04 \(1\), \(3\), \(4\), and \(5\) \(b\) 5.](#), and Operations Memo [17-58](#).

EFFECTIVE DATE: 03/11/2018

PURPOSE

The purpose of this Operations Memo is to inform local Child Care agency staff of updates to Chapter 4 of the Wisconsin Shares Child Care Subsidy Policy Manual relating to child care subsidy program integrity.

BACKGROUND

Chapter 4 of the Wisconsin Shares Child Care Subsidy Policy Manual has been revised to include new administrative rules created to address program integrity concerns with the new system of issuing subsidy payments directly to parents.

NEW POLICY

Chapter 4 has been updated to include new policies relating to child care program integrity based on updates to Administrative Rule DCF 201 including:

- A policy that requires providers to have a written payment agreement with each parent that receives a subsidy for child care by the provider ([DCF 201.038\(5\)](#)).
- A policy that requires providers to contact the local agency if the child of a parent who receives a subsidy to attend their center has not attended within the previous 30 days ([DCF 201.038\(8\)](#)).
- A policy that prohibits providers from charging a parent that receives a subsidy a higher child care price than a private pay parent is charged for a similar amount of care, unless the difference is due to the children being in different age ranges or a child's special needs ([DCF 201.038\(6\)](#)).

- A policy that prohibits providers from requiring a parent to disclose the balance in the parent's subsidy account; requiring a parent to provide the parent's EBT card, account number, or personal identification number (PIN) to the provider; possessing a photocopy, photo, or other image of a parent's EBT card; or possessing a parent's account number or PIN ([DCF 201.038\(7\)](#)).
- A policy that the subsidy funds in a parent's account may only be used to compensate a regulated provider for the specific child listed on the authorization notice ([DCF 201.04\(1\)](#)).
- A policy that the department may terminate a parent's authorization and retract all subsidy funds in the parent's account if the parent has not paid any of the subsidy funds to the provider within the previous 90 days ([DCF 201.04\(3\)](#)).
- A policy that a parent's attempt to sell access to the parent's subsidy account to an unauthorized person will be considered an Intentional Program Violation (IPV) ([DCF 201.04\(4\)](#)).
- A policy that a provider will be responsible for an overpayment if the provider misrepresented information that resulted in the provider receiving a higher YoungStar rating and a higher maximum rate than the provider was eligible to receive under the YoungStar program ([DCF 201.04\(5\)\(b\)5.](#)).

Part A: Client Program Integrity Includes the Following Updates

4.2.1.5.2 Subsidy Funds Utilization (Previously Authorization Utilization)

This section includes new information from Administrative Rule [DCF 201.04\(3\)](#) that states an authorization may be terminated and all subsidy funds in the parent's account may be retracted if the parent has not paid any of the subsidy funds to the provider within the previous 90 days.

4.2.2 Parents who are also Child Care Providers

This section has been updated to clarify that any other adults in the home who are also child care providers may not receive Wisconsin Shares funding for a child who resides with them to attend their center, regardless of whether or not the adult is in the assistance group.

4.2.4 Technical Assistance

This section has been updated to provide guidance on questions that should be sent to the BPI Technical Assistance (TA) Mailbox. Agencies may submit Technical Assistance requests to BPI by accessing <https://dcf.wisconsin.gov/progintegrity/bpi-technical-assistance-form>. This form is directly submitted to the BPI Technical Assistance Mailbox. A separate Operations Memo will be published with additional information for agencies on this section and section 4.3.1 on referrals to the Child Care Fraud Mailbox (see below).

4.3.1 Referrals

This section has been updated to provide guidance on provider investigation referrals and parent/client investigation referrals that should be submitted to the Child Care Fraud Mailbox at DCFMBCHILDCAREFRAUD@wisconsin.gov. The mailbox is primarily utilized by private citizens, local agencies, state departments, and divisions to report child care related activities that may be fraudulent.

4.3.2 Data Exchanges

This section has been updated to include additional information on the State Wage Income Collection Agency (SWICA) process.

4.3.3 Client Red Flag Reports

This section has been updated to list the current client red flag reports that are available in Webl for use by local agencies.

4.5.1 Retractions

This section includes new information on the process of retracting (removing) funds from a parent's MyWICChildCare EBT card in limited circumstances. Agencies may contact BPI TA with any questions on retractions by accessing <https://dcf.wisconsin.gov/progintegrity/bpi-technical-assistance-form>.

4.5.4.2.4.3 Banking

This section has been removed.

4.5.4.3.5.5 Misrepresentation of Participation in an Approved Activity

This section includes new information on an IPV for misrepresentation of participation in an approved activity. An IPV may be assessed if a client intentionally provides false information or fails to provide information regarding participation in an approved activity.

4.5.4.3.5.6 Selling Access to a Subsidy Account (Trafficking)

This section includes new information from Administrative Rule [DCF 201.04\(4\)](#) that states an IPV may be assessed for a client attempting to sell, or selling access to a client's subsidy account to an unauthorized person.

Part B: Provider Program Integrity Includes the Following Updates

4.8.2 Written Payment Agreement

This section includes the new requirement from Administrative Rule [DCF 201.038\(5\)](#) for providers to have a written payment agreement with each parent that receives a subsidy for child care by the provider. Providers may choose to use form [DCF-F-5224-E](#), or they may use their own form if it contains **all** of the following:

- The provider's monthly or weekly child care price.
- The provider's days and hours of operation.
- Any discounts or scholarships that are available to parents, and any discounts or scholarships that the parent is receiving.
- The parent's payment schedule.
- The provider's anticipated closure dates.
- Payment expectations for the child's anticipated and unanticipated absences and payment expectations for the provider's closure dates.
- Parent procedures for termination of a child's enrollment.
- Provider procedures for termination of a child's enrollment.

Providers are required to retain a copy of each current written payment agreement at the location where child care is provided.

Providers are also required to retain a copy of an expired written payment agreement for at least three years after the child's last day of attendance. The agreement must be kept at a location where it can be made available to the Department within 24 hours.

DCF has the authority to verify that providers retain current and expired written payment agreements under Administrative Code [DCF 201.038\(5\)\(c\)](#) and [DCF 201.038\(d\)](#). Form [DCF-F-5224-E](#) is also available in Spanish [DCF-F-5224-E-S](#) and Hmong [DCF-F-5224-E-H](#).

4.8.3 Prohibited Actions by a Provider

This section includes new information from Administrative Rule [DCF 201.038\(7\)](#) that states providers may not do any of the following:

- Require a parent to disclose the balance in the parent's subsidy account.
- Require a parent to provide the parent's EBT card, account number, or personal identification number (PIN) to the provider.
- Possess a photocopy, photo, or other image of a parent's EBT card.
- Possess a parent's account number or PIN.

4.8.4 Requirement for Providers to Notify the Agency

Providers are required to notify the local agency if a child has not attended within the previous 30 days (Administrative Rule [DCF 201.038\(8\)](#)).

4.9.4 Provider Data Tracking Requirements

This section includes new information on provider data tracking requirements relating to the agency's fraud plan.

4.11.1.2.2.6 Provider Reported Incorrect Information

This section contains new information from Administrative Rule [DCF 201.038\(6\)](#) that states providers may not charge a parent that receives a subsidy a higher price than a private pay parent is charged for a similar amount of care, unless the difference is due to the children being in different age ranges or a child's special needs.

4.11.1.2.2.7 Displaying Incorrect Information on the YoungStar Program Registry Profile

This section contains new information from Administrative Rule [DCF 201.04\(5\)\(b\)5](#), that states a provider will be responsible for an overpayment of YoungStar funds if the provider misrepresented information that resulted in the provider receiving a higher YoungStar rating and a higher maximum reimbursement rate than the provider was eligible to receive.

4.12.1.1 Voluntary Repayment Agreement (VPA)

This section has been updated to include additional information on circumstances when a VPA can be utilized.

4.12.1.2 Overpayment Reconciliation Process

This section has been removed.

CONTACTS:

For overpayment, retraction, fraud, or Chapters 3 and 4 of the Wisconsin Shares Child Care Subsidy Policy Manual, please contact the Bureau of Program Integrity (BPI) at 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 BRCCPolicyHelpDesk@wisconsin.gov.

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 or (608) 422-7200.

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