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State of Wisconsin
Governor Scott Walker

TO: **Income Maintenance Supervisors
Income Maintenance Lead Workers
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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: 18-33

DATE: 08/31/2018

Child Care

SUBJECT: Limiting Provider Authorizations to 2.5 per Regulated Slot

CROSS REFERENCE: Wisconsin Statute [49.155\(4\)\(a\)](#), Administrative Rule DCF [201.01\(19\)](#), DCF [201.034\(2\)\(g\)](#), DCF [201.04\(5\)\(b\)3](#), Operations Memo [17-54](#), Wisconsin Shares Child Care Subsidy Policy Manual Chapter [4.8.1](#) and [4.11.1.2.2.3](#).

EFFECTIVE DATE: AUGUST 31, 2018

PURPOSE: The purpose of this operations memo is to inform local agency child care staff of a new policy which limits the number of authorizations that can be issued to a child care provider to 2.5 per slot based on the provider's regulated capacity.

BACKGROUND: In October 2017, the Department's system for issuing authorizations, EBT Child Care Statewide Administration on the Web (EBT CSAW), was enhanced to display a warning message when a local agency worker creates an authorization to a provider if the authorization may put the provider over capacity for the number of children in care. The warning message will display when the provider is at or above 1.75 authorizations per slot and was implemented as a "soft-stop" to warn the worker that further action is needed before issuing the authorization. The warning message is not being changed by this memo and will continue to display when creating an authorization to a provider location that is at or above 1.75 authorizations per slot.

The warning message does not prevent EBT CSAW from issuing the authorization because the provider may be caring for multiple children with part-time authorizations, authorizations at different times of the day and/or night, or different days of the week if the child care need schedule varies.

Workers were instructed to review the number of current authorizations to the provider location and to contact the provider for further information, if needed. The worker then determines if it is

appropriate to issue an authorization to the provider; however, there is no systematic “hard-stop” in place to prevent authorizations that may put the provider overcapacity.

Administrative Rule [DCF 201.04\(5\)\(b\)3](#) states that providers are responsible for an overpayment if the provider was paid with child care funds for care during time when the provider was in violation of the applicable provision regarding limits on the maximum number of children in care or the required provider-to-child ratios for children of various ages in [DCF 202.08 \(6\)](#), [250.05 \(4\)](#), [251.05 \(4\)](#), or [252.42 \(3\)](#).

CURRENT POLICY: [Chapter 4.8.1](#) of the Wisconsin Shares Child Care Subsidy policy manual states that local agencies may refuse to issue an authorization to a regulated provider if adding the child would put the provider overcapacity.

The local agency may limit the number of children authorized to a certified or licensed provider for the period of time that it appears the provider may be over the capacity. Before authorizing to a provider, when they appear to be over their capacity, the provider must show why he/she would not exceed the applicable group size limitation. Providers can show that they are not over their regulated capacity by submitting information listing the children in care, the hours and times of care, and the child’s age and relationship to the provider.

Child care provided when the provider is overcapacity is not eligible for subsidy payment as the provider is out of compliance with their regulation during this period of time.

[Chapter 4.11.1.2.2.3](#) states that an overpayment is assessed for overcapacity when a provider received reimbursement for care when the provider was in violation of the limits on the maximum number of children in care. Providers that are out of compliance with their regulation are subject to overpayments for the period in which they were out of compliance, as they are not considered properly regulated during that period. A full overpayment will be assessed for every child for the time in which the facility was overcapacity.

NEW POLICY: [Chapter 4.8.1](#) will be updated to state that local agencies are prohibited from issuing authorizations to a provider if the provider is at or above 2.5 authorizations per regulated slot.

PROCEDURE: If the overcapacity warning message is displayed in EBT CSAW when creating a new authorization this means that the provider is at or above 1.75 authorizations per slot. At this point the following Front End Verification (FEV) steps must be taken by the worker to ensure that no authorizations are issued to a provider who is at or above 2.5 authorizations per regulated slot:

1. Review the EBT CSAW Authorization screen for the provider location to determine the provider’s capacity.

Child Care Provider Location Details	
Provider/Location#	3800036563/001
Provider Name	Randy’s Child Care, Inc
Location Name	Randy’s Child Care
Phone #	(414) 555-6666
Address	205 Corporate Dr Madison WI 537142408
Months Open	Jan-Dec
Night Capacity	0
Day Capacity	20
Hours:	MON-SAT 6:00AM - 6:00PM

2. Multiply the provider's maximum capacity by 2.5 to determine the maximum number of authorizations the provider is allowed to have.
3. Determine the number of current authorizations to the provider location.
 - a. Only count the authorizations in place for the current month, unless the authorization you are creating is for a future month.
 - b. If multiplying the capacity by 2.5 does not result in a whole number, round up to the next number.
 - i. Example: The maximum capacity is 15 children. $15 \times 2.5 = 37.5$. Round up to 38 for the limit.
4. Review the authorization schedules to determine if the authorized hours are during the day or night.
 - a. If authorizations are for night time care verify that the provider's hours of operation include night time hours.
5. If the provider is at or above 2.5 authorizations per slot for the current month no new authorizations may be issued to the provider location and a referral should be made to the child care fraud mailbox at DCFMBCHILDCAREFRAUD@wisconsin.gov.
6. If the provider is under 2.5 authorizations per slot for the current month the agency must contact the provider to request additional information before issuing the authorization due to the overcapacity warning message that displayed in EBT CSAW ([See Operations Memo 17-54](#)).
 - a. Before a new authorization can be issued the provider must verify that they are not over their regulated capacity.
 - b. Providers may show that they are not over their regulated capacity by submitting information listing the children in care, the hours and times of care, and the child's age and relationship to the provider.

If questionable, send an email to the BPI Technical Assistance mailbox at DCFBPITArequest@wisconsin.gov.

If you find reason to believe the provider is currently overcapacity, or has been operating overcapacity, report this either to your local child care fraud team or send an email to the DCF Child Care Fraud mailbox at DCFMBCHILDCAREFRAUD@wisconsin.gov.

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: BROCCPolicyHelpDesk@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.

DCF/DECE/BPI/PKZ