

**DEPARTMENT OF HEALTH SERVICES
DIVISION OF HEALTH CARE ACCESS AND
ACCOUNTABILITY
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 11-04

DATE: November 17, 2011

DISPOSAL DATE: Ongoing

RE: Fraud Prevention and
Investigation Program Allocations
and Guidelines for CY 2012

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

FROM: Brett Davis, Administrator
Division of Health Care Access and Accountability

Alan White, Inspector General
Office of the Inspector General

PURPOSE

The purpose of this memo is to provide information regarding DHS Fraud Prevention and Investigation Program Operation and Funding for CY 2012.

BACKGROUND

The Fraud Prevention and Investigation Program (FPIP) model focuses on fraud prevention, using investigative staff dedicated to provide all investigation activities under a single funding source, utilizing local agency and/or private contracted investigators.

This model was piloted from 2007 to 2009 and implemented statewide for the first time in 2011. The FPIP has helped DHS and local agencies to realize:

- Consistent entry of fraud prevention data in CARES
- Payment error reduction
- Increased revenue from benefit recovery retention (Wisconsin FoodShare and Wisconsin Medicaid)
- Measurable cost savings

CY 2012 FRAUD PREVENTION and INVESTIGATION PROGRAM

DHS has earmarked \$500,000 (all funds) to support statewide fraud prevention activities, excluding Milwaukee Enrollment Services (MilES), for Wisconsin FoodShare, Wisconsin Medicaid, and BadgerCare Plus programs in calendar year (CY) 2012 in all agencies. MilES will have a separate allocation for FPIP activities but still follow the FPIP guidelines.

This funding will be distributed to facilitate the formation of FPIP consortia across the state. Under this model one agency must assume the role of administrative agency for the consortium. As in CY 2011 agencies will also have the option, with DHS approval, to operate their FPIP independently.

Local agencies have the following options for operating the FPIP in CY 2012:

1. Take the lead or participate as part of a FPIP consortium; or
2. Manage these activities independently for their own county or tribal agency.

The Department will allocate an amount based on each agency's percentage of the statewide Income Maintenance caseload, excluding MiIES, for agencies that elect Option 1. As opposed to last year, in CY 2012 agencies are **not** required to provide a 10% match to the amount allocated by DHS in order to participate in Option 1. Local agency contributions are encouraged and are still eligible for federal matching funds.

Local agencies that are approved to manage their FPIP independently will receive no funding other than the State pass-through of the federal matching funds on the agency's fraud expenditures through their existing IMAA overmatch. The allocation for any agency that chooses this option will be cost allocated to all agencies that choose Option 1.

The table below breaks down the responsibilities for the FPIP.

Roles and Responsibilities under DHS 2012 FPI Model		
DHS	Local Agencies	FPIP Staff
Monitor contract with FPI.	Front End Verification using an updated Error Prone Profile.	Fraud Prevention Investigations.
Policy and process guidance for agencies.	FPIP referrals to investigator.	Enter FPIP data in CARES.
Develop statewide participant education materials.	Claims establishment for overpayments.	Agency education on FEV and Fraud referrals.
Guidance/technical assistance on trafficking enforcement.	Timely report of action taken on case(s) investigated.	Administrative Disqualification Hearing process for FPIP cases.
Maintain statewide fraud hotline and refer cases warranting investigation to FPIP.	Criminal prosecution of intentional program violations.	Regular meetings/updates with DHS.

This model is based on the following assumptions:

1. DHS will allocate funding specified in Schedule A for each agency that participates in a FPIP consortium of counties/tribes.
2. A qualifying consortium should consist of a least six (6) counties and/or tribes or be comprised of agencies that represent at least nine (9) percent of the total IM caseload (51,241 cases).
3. Local agencies may contribute additional funding to the FPIP and the total local contribution will be eligible for the federal match for all allowable costs.
4. Schedule A allocations are based upon unduplicated IM caseloads at the end of October 2011. This is a point-in-time representative month served by each agency.
5. All agencies must comply with the requirements of the FPIP guidelines.
 - a. The FPIP emphasizes fraud prevention over fraud detection.
 - b. The FPIP emphasizes the administrative disqualification process over criminal adjudication.
 - c. The FPIP must be cost neutral such that total program costs do not exceed total

- program savings as measured by future savings, claims established and sanctions. FPIP project areas should target a ratio of savings to costs at 5:1.
- d. FPIP investigations will be categorized a pre-certification or post-certification primarily for federal reporting purposes.
 - e. DHS will monitor FPIP performance relative to cost-benefit ratio, timeliness of completions and number of investigations completed.
 - f. To ensure timely and accurate data, FPIP staff shall be responsible for entering all data related to fraud investigation activities on the CARES fraud investigation tracking screens (FITS).

FORMING YOUR CONSORTIUM

- In order to have a consortium in place and active by January 1, 2012, agencies must submit all necessary documents (see Schedule B) to Mike McKenzie at DHS no later than **December 15, 2011**.
- A qualifying consortium should consist of a least six (6) counties and/or tribes or be comprised of agencies that represent at least nine (9) percent of the total IM caseload.
- Your consortium does not have to align with your IM consortium, however we encourage you to do so.
- Local agencies may contribute their own funding to the FPIP and the total local contribution will be eligible for the federal match for all allowable costs.

INDEPENDENT AGENCIES

- You must inform DHS in writing to the e-mail address listed below if you do not intend to participate in a consortium by **November 30, 2011**.
- You are still required to submit all necessary documents (see Schedule B) to Mike McKenzie at DHS no later than **December 15, 2011**.
- Independent agencies must still abide by FPIP guidelines.
- Local agencies may contribute their own funding to the FPIP and the total local contribution will be eligible for the federal match for all allowable costs.

CENTRAL OFFICE CONTACTS

For questions or assistance regarding any of the information contained in this memo, please contact Mike McKenzie at (608) 266-0930 or by e-mail at michael.mckenzie@dhs.wi.gov.

All materials should be mailed to:

Mike McKenzie, FPI Program Manager
Office of the Inspector General
Wisconsin Department of Health Services
1 West Wilson Street, Room 465
PO Box 309
Madison, WI53701-0309

For fiscal questions or assistance regarding program cost reporting, please contact Stacia Jankowski at (608) 267-9312 or by e-mail at stacia.jankowski@dhs.wi.gov.

SCHEDULE A

AGENCY UNDUPLICATED CASELOAD COUNTS
(June 2011 data)

AGENCY PERCENTAGE OF STATEWIDE
CASELOAD
(EXCLUDING MILWAUKEE)

RESULTING CY 2012 FPIP CONSORTIUM
FUNDING

**DHS FRAUD PREVENTION INVESTIGATION ALLOCATIONS FOR CY
2012**

AGENCY	UNDUPLICATED CASELOAD*	PERCENT OF TOTAL	TOTAL FUNDING
ADAMS COUNTY	2,021	0.355%	\$3,143
ASHLAND COUNTY	2,022	0.355%	\$3,145
BARRON COUNTY	5,161	0.906%	\$8,027
BAYFIELD COUNTY	1,096	0.193%	\$1,705
BROWN COUNTY	16,241	2.853%	\$25,259
BUFFALO COUNTY	1,068	0.188%	\$1,661
BURNETT COUNTY	1,478	0.260%	\$2,299
CALUMET COUNTY	2,084	0.366%	\$3,241
CHIPPEWA COUNTY	5,241	0.921%	\$8,151
CLARK COUNTY	2,730	0.480%	\$4,246
COLUMBIA COUNTY	3,610	0.634%	\$5,615
CRAWFORD COUNTY	1,412	0.248%	\$2,196
DANE COUNTY	24,900	4.373%	\$38,727
DODGE COUNTY	5,568	0.978%	\$8,660
DOOR COUNTY	1,964	0.345%	\$3,055
DOUGLAS COUNTY	4,229	0.743%	\$6,577
DUNN COUNTY	3,247	0.570%	\$5,050
EAU CLAIRE COUNTY	8,104	1.423%	\$12,604
FLORENCE COUNTY	438	0.077%	\$681
FOND DU LAC COUNTY	6,596	1.159%	\$10,259
FOREST COUNTY	940	0.165%	\$1,462
GRANT COUNTY	3,537	0.621%	\$5,501
GREEN COUNTY	2,711	0.476%	\$4,216
GREEN LAKE COUNTY	1,386	0.243%	\$2,156
IOWA COUNTY	1,548	0.272%	\$2,408
IRON COUNTY	752	0.132%	\$1,170
JACKSON COUNTY	1,795	0.315%	\$2,792
JEFFERSON COUNTY	5,560	0.977%	\$8,647
JUNEAU COUNTY	2,306	0.405%	\$3,586
KENOSHA COUNTY	14,109	2.478%	\$21,943
KEWAUNEE COUNTY	1,267	0.223%	\$1,971
LACROSSE COUNTY	8,715	1.531%	\$13,554
LAFAYETTE COUNTY	1,187	0.208%	\$1,846
LANGLADE COUNTY	2,267	0.398%	\$3,526
LINCOLN COUNTY	2,645	0.465%	\$4,114
MANITOWOC COUNTY	5,439	0.955%	\$8,459
MARATHON COUNTY	9,642	1.694%	\$14,996
MARINETTE COUNTY	3,824	0.672%	\$5,947
MARQUETTE COUNTY	1,277	0.224%	\$1,986
MONROE COUNTY	3,329	0.585%	\$5,178
MILWAUKEE COUNTY			
OCONTO COUNTY	2,568	0.451%	\$3,994
ONEIDA COUNTY	3,118	0.548%	\$4,849
OUTAGAMIE COUNTY	9,118	1.602%	\$14,181
OZAUKEE COUNTY	3,080	0.541%	\$4,790
PEPIN COUNTY	614	0.108%	\$955
PIERCE COUNTY	1,951	0.343%	\$3,034
POLK COUNTY	3,424	0.601%	\$5,325
PORTAGE COUNTY	4,524	0.795%	\$7,036
PRICE COUNTY	1,655	0.291%	\$2,574

DHS FRAUD PREVENTION INVESTIGATION ALLOCATIONS FOR CY 2012			
AGENCY	UNDUPLICATED CASELOAD*	PERCENT OF TOTAL	TOTAL FUNDING
RACINE COUNTY	15,793	2.774%	\$24,563
RICHLAND COUNTY	1,801	0.316%	\$2,801
ROCK COUNTY	14,499	2.547%	\$22,550
RUSK COUNTY	1,811	0.318%	\$2,817
ST. CROIX COUNTY	4,169	0.732%	\$6,484
SAUK COUNTY	4,686	0.823%	\$7,288
SAWYER COUNTY	2,135	0.375%	\$3,321
SHAWANO COUNTY	3,089	0.543%	\$4,804
SHEBOYGAN COUNTY	7,689	1.351%	\$11,959
TAYLOR COUNTY	1,798	0.316%	\$2,796
TREMPEALEAU COUNTY	2,370	0.416%	\$3,686
VERNON COUNTY	2,139	0.376%	\$3,327
VILAS COUNTY	1,407	0.247%	\$2,188
WALWORTH COUNTY	7,064	1.241%	\$10,987
WASHBURN COUNTY	1,924	0.338%	\$2,992
WASHINGTON COUNTY	5,891	1.035%	\$9,162
WAUKESHA COUNTY	13,082	2.298%	\$20,346
WAUPACA COUNTY	4,187	0.735%	\$6,512
WAUSHARA COUNTY	1,983	0.348%	\$3,084
WINNEBAGO COUNTY	10,361	1.820%	\$16,114
WOOD COUNTY	6,618	1.162%	\$10,293
MENOMINEE COUNTY	881	0.155%	\$1,370
RED CLIFF TRIBE	325	0.057%	\$505
STOCKBRIDGE-MUNSEE TRIBE	112	0.020%	\$174
POTAWATOMI TRIBE	33	0.006%	\$51
LAC DU FLAMBEAU TRIBE	775	0.136%	\$1,205
BAD RIVER TRIBE	253	0.044%	\$393
SOKAOGON TRIBE	134	0.024%	\$208
ONEIDA TRIBE	978	0.172%	\$1,521
TOTAL UNDUPLICATED CASES	321,485	56.466%	\$500,000

* Based on June 2011 caseload data

SCHEDULE B

FPIP APPLICATION/AGREEMENT WITH ATTACHMENTS:

ATTACHMENT 1 – FPIP POSITION DESCRIPTION TEMPLATE

ATTACHMENT 2 – FPIP ORGANZATIONAL CHART MODEL

ATTACHMENT 3 – CONTRACTED INVESTIGATOR REQUIREMENTS

**ATTACHMENT 4 – COOPERATIVE AGREEMENT TO BE SIGNED BY
CONSORTIUM AGENCIES**

**FRAUD PREVENTION and INVESTIGATION PROGRAM
2012 APPLICATION/AGREEMENT
Department of Health Services**

INTRODUCTION

To support program integrity for Wisconsin FoodShare (FS), Wisconsin Medicaid, and BadgerCare Plus, DHS has established a Fraud Prevention and Investigation Program (FPIP). The FPIP is administered through contractual agreements between DHS and local agencies.

APPLICATION/AGREEMENT

To participate in the FPIP, consortium administrative agencies and independent agencies shall complete the FPIP Application/Agreement, including any required attachments. Upon approval by DHS, the participating agency agrees to comply with the operational and administrative requirements for the FPIP as established by DHS in the FPIP Guidelines.

The FPIP Application/Agreement shall consist of the budget proposal (Budget Worksheet) to fund the identified FTE percentage of FPIP staff for a calendar year and the designated agency staff responsible for the administration/supervision of the FPIP, and the following attachments:

1. The position descriptions for all FPIP funded agency staff (See Attachment 1 for an example of a recommended position description).
2. A copy of the agency's policy and/or practice, including any forms and documents, for the administrative disposition of FPIP referrals found to have committed an intentional program violation (IPV).
3. An organizational chart showing the agency's administrative structure, including all FPIP staff and/or contracted service providers (See Attachment 2 for model of organization chart).
4. A copy of all contracts that the agency has with FPIP funded service providers (See Attachment 3 for contracted investigator requirements).
5. A copy of the Cooperative Agreement(s) from all participating agencies receiving investigation services from the FPIP Administrative Agency when applicable (See Attachment 4). This is not required for independent agencies.

APPROVAL PROCESS

Submit the completed and signed FPIP Application/Agreement to:

Mike McKenzie, FPI Program Manager
Room 465, 1 West Wilson Street
Wisconsin Department of Health Services
P.O Box 309
Madison, WI 53701-0309
FAX: (608) 261-7792
Email: Michael.McKenzie@dhs.wisconsin.gov

Upon approval by DHS, a copy of the signed Application/Agreement will be sent to the administrative agency. DHS will amend agency State/County/Tribal contracts and revise the CARS fiscal reporting system as needed.

2012 FPIP APPLICATION/AGREEMENT

This Application/Agreement for _____ Consortium or Independent Agency (circle one) is for the operation of a Calendar Year 2012 Fraud Prevention and Investigation Program (FPIP). The FPIP will be administered by the agency identified below:

Name of Administering Agency	
Mailing Address	
City State Zip Code	
Contact Person and Title	
Telephone Number	
E-mail Address	

The 2012 FPIP will be supervised by the individual identified below:

Supervisor Name and Title	
Telephone Number	
E-mail Address	

The 2012 FPIP will fund a _____ FTE Investigator or equivalent in contracted investigative services based on the following estimated expenditures:

FPI COSTS WORK SHEET	
SALARY	\$ _____
FRINGE BENEFITS	\$ _____
EQUIPMENT & SUPPLIES	\$ _____
TRAVEL	\$ _____
TRAINING	\$ _____
OTHER DIRECT COSTS	\$ _____
INDIRECT COSTS/AMSO	\$ _____
CONTRACTED COSTS	\$ _____
OTHER (Describe) _____	\$ _____
TOTAL COSTS	\$ _____

2012 FPIP costs will be covered by the following funding sources:

FPI FUNDING SOURCES WORK SHEET	
DHS ALLOCATION	\$
OPTIONAL AGENCY CONTRIBUTION	\$
50% FEDERAL MATCH to DHS and AGENCY CONTRIBUTIONS	\$
ADDITIONAL AGENCY CONTRIBUTIONS	\$
50% FEDERAL MATCH to ADDITIONAL AGENCY CONTRIBUTIONS	\$
OTHER (Describe) _____	\$
TOTAL FUNDING	\$ _____

Attached as part of this Application/Agreement are the following checked-off attachments:

- The position descriptions for all FPIP funded agency/office staff (See Attachment 1 for an example of a recommended position description).
- A copy of the agency's policy and/or practice, including any forms and documents, for the administrative disposition of FPIP referral found to have committed an IPV.
- An organizational chart showing the agency's administrative structure, including all FPIP staff and/or contracted service providers (See Attachment 2 for a model organization chart).
- A copy of all contracts that the agency has with FPIP funded service providers (See Attachment 3 for contracted investigator requirements).
- A copy of the Cooperative Agreement(s) from all agencies participating in your consortium and receiving investigation services from the FPIP Grant Agreement (See Attachment 4). This is not required for independent agencies.

It is understood that that the agency shall meet the operational and administrative requirements contained within the DHS FPIP Guidelines.

I certify that this agency shall comply with the terms and conditions in this Agreement/Application.

Signature of Agency Director/Designee

Date

Title

For any questions regarding this application, contact the FPI Program Manager, Mike McKenzie at (608) 266-0930 or at Michael.McKenzie@dhs.wisconsin.gov

MODEL POSITION DESCRIPTION FOR FPI POSITION

Job Summary:

Under the direct supervision of the Economic Support (ES) Supervisor, this position shall function as the agency's Fraud Prevention Investigator (FPI).

Position Responsibilities

- 70% A. Conduct Timely and Thorough Fraud Prevention Investigations Upon Receipt of Referrals
1. Maintain a log of all investigation referrals made by ES staff and others.
 2. Determine if the referral meets the agency's error-prone profile and investigation criteria.
 3. Identify what error-prone elements are involved in the referral and develop an investigation plan.
 4. Conduct the investigation within the agency's specified time frame in accordance with the FPIP Guidelines and IMM.
 5. Document all investigation findings.
 6. Report investigation findings to the ESS/ES Supervisor.
 7. Ensure that appropriate action is taken in response to findings.
 8. Take lead in pursuing administrative hearings regarding the investigation and its findings.
- 10% B. Serve as Agency's Gatekeeper
1. Review all FPIP referrals for appropriateness and priority.
 2. Ensure that all required investigation data is entered on CARES.
 3. Complete all records required for local, state and federal record keeping and reporting requirements.
 4. Coordinate Administrative Disqualification Hearing (ADH) process for agency
 5. Cooperate with local District Attorney (DA) in prosecution of public assistance fraud cases initiated by the county.
- 10% C. Provide Fraud Detection and Referral Training to County/Tribal IM/W-2 Eligibility Workers and Supervisors
1. Assist staff to understand the FPIP process.
 2. Assist staff to identify cases that should be referred.
 3. Show staff how to refer cases on the BVIR screen
- 10% D. Cooperate with State Public Assistance Fraud Section (PAFS) on Implementation of FPIP Procedures
1. Comply with FPIP Guidelines, CARES reporting guidelines and IMM policy.
 2. Inform county agency on FPIP progress.
 3. Assist county agency in development of agency's fraud plan and/or FPIP application development.

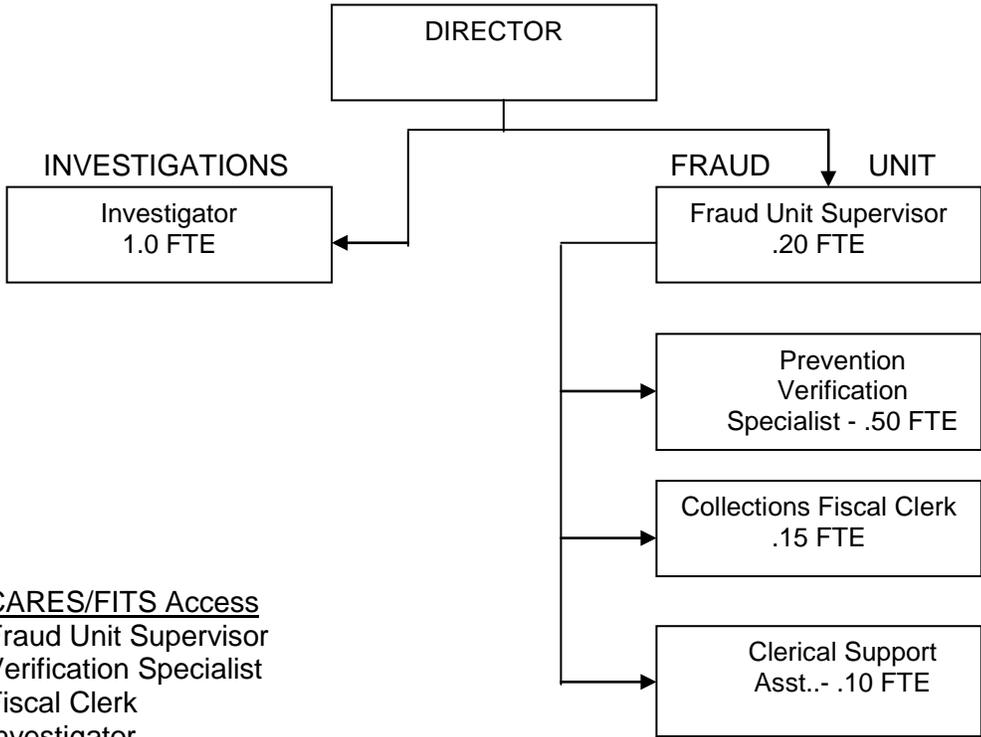
MODEL ORGANIZATIONAL STRUCTURE

A model fraud program "organizational chart" including the following information:

- 1. Reporting relationships;
- 2. Program areas;
- 3. Position titles;
- 4. FTE; and
- 5. Incumbent's name.

The agency must list all persons authorized to access the CARES/FITS screens.

Agency Fraud Program Organization



CONTRACTED INVESTIGATION SERVICES REQUIREMENTS

References:

WI Stat. 440.26

Administrative Code Chapter RL 30, 31, 32, 33, 34 and 35

Commercial agencies which contract with counties or tribes to provide fraud prevention investigative services are subject to the Wisconsin Statute and Administrative Code requirements for private detectives. These requirements do not apply to off-duty law enforcement officers or public officers performing official duties, including law enforcement officers. Private individuals, including former law enforcement officers, must meet these requirements. See DES Administrator's Memo 90-39.

Counties or tribes deciding to contract with private agencies or individuals for investigative services need to obtain a copy of WI Statute 440.26 and Administrative Code Chapter RL 30, and require that the individual meet the private detective requirements for licensure, training and liability.

2012 COOPERATIVE AGREEMENT FRAUD PREVENTION and INVESTIGATION PROGRAM

This Agreement by and between the State of Wisconsin, Department of Health Services (DHS), Division of Health Care Access and Accountability (DHCAA) through its agent _____ County/Tribal Department of Human/Social Services acting as the Fraud Prevention and Investigation Program District Administrative Agency and _____ County/Tribal Agency, through its Department of Human/Social Services.

1. The purpose of this agreement is to:
 - a. Meet the various requirements of Wis. Stats. Chapter 49 for maintaining, establishing and funding effective fraud prevention investigation activities in counties/tribes pursuant to the Fraud Prevention and Investigation Program (FPIP) District Application/Agreement covering the period January 1, 2012 through December 31, 2012.
 - b. Serve as the basis for establishing the organizational and operational structures for providing FPIP services to counties/tribes in a geographical area, hereinafter referred to as FPIP Districts, pursuant to operational requirements, forms and reporting mechanisms as contained in the FPIP Guidelines developed by DHS and incorporated into this agreement by reference, hereto.

2. As an FPIP District participant, the County/Tribal Agency commits itself to the following:
 - a. Cooperate with DHS and the FPIP District Administrative Agency in fulfilling the goals and objectives of the FPIP pursuant to FPIP Guidelines, federal laws and regulations, Wisconsin Statutes, applicable DHS rules and county/tribal ordinances.
 - b. Cooperate with the FPIP District Administrative Agency in monitoring referrals, completed investigations and case actions taken as a result of fraud prevention activities.
 - c. Cooperate with the FPIP District Administrative Agency and DHS in submission of narrative, financial and/or statistical reports either as required by FPIP Guidelines or as requested by DHS.
 - d. Ensure that eligibility workers under its control make FPIP referrals to the investigator representing the FPIP District Administrative Agency, cooperate with case action reporting requirements and participate in FPIP related training.
 - e. Make use of the administrative disqualification hearing process pursuant to Wisconsin Statutes and DHS Program Manuals when a completed fraud prevention investigation identifies an intentional program violation and no criminal action is pursued.

3. The FPIP District Administrative Agency commits itself to the following tasks:
 - a. Provide FPIP services and reports on FPIP activity to the County/Tribal Agency.
 - b. Use qualified staff of investigators for providing FPIP services.
 - c. Provide training to County/Tribal Agency eligibility workers on FPIP forms and procedures.
 - d. Assist County/Tribal Agency in the identification and disqualification of individuals through the administrative disqualification hearing process when a completed fraud prevention investigation identifies an intentional program violation and no criminal action is pursued.
 - e. Cooperate with prosecutors if County/Tribal Agency decides to refer a fraud prevention investigation case to the District Attorney for prosecution.

4. _____ is designated as the responsible County/Tribal Agency contact official for ensuring cooperation and coordination with the FPIP District Administrative Agency in fulfilling FPIP objectives.

5. Funding for FPIP services provided to the County/Tribal Agency will be assigned to the FPI District Administrative Agency. If at any time funds from either federal or state sources become unavailable or are reduced, FPIP services provided by the FPIP District Administrative Agency may also be terminated or reduced.

6. The files, records, documents and accounting procedures and practices relevant to the pilot FPIP shall be subject to examination by DHS, the legislative auditors and auditors representing the federal funding agencies. A County/Tribal Agency shall not use, willingly allow, or cause to have such materials used for any purpose except for the administration of public assistance programs in conformance with state and federal laws and regulations.

The agency director or other duly authorized official executes this agreement intending to be bound hereby:

COUNTY/TRIBAL HUMAN SERVICES/
SOCIAL SERVICES AGENCY:

FPIP DISTRICT ADMINISTRATIVE
AGENCY:

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____