

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

NOTICE: 13-08

DATE:

DISPOSAL DATE: Ongoing

RE: Fraud Prevention and
Investigation Program Allocations
and Guidelines for CY 2014

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 (FPIP) operation and funding for calendar year (CY) 2014.

BACKGROUND

The 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 has been implemented statewide since 2011. The FPIP has helped DHS and local income maintenance (IM) agencies to realize:

- Consistent entry of fraud prevention data in CARES.
- Payment error reduction.
- Increased revenue from benefit recovery retention.
- Measurable cost savings.

An ad hoc DHS/IM agency workgroup formed at the request of the Income Maintenance Advisory Committee ((IMAC) in 2012 unanimously recommended that by 2014 FPIP Consortia should align with the IM Consortia for several reasons:

- Improved integration of the FPIP with the current IM service delivery model
- Simplified overall administration
- Coordinated sharing and tracking of IM and FPIP services

This memo outlines the requirements for the FPIP in 2014 based on recommendations from the IMAC Fraud and Program Integrity Subcommittee.

CY 2014 FRAUD PREVENTION AND INVESTIGATION PROGRAM

DHS has earmarked \$500,000 (all funds) to support statewide fraud prevention activities in all agencies, excluding Milwaukee Enrollment Services (MiES), that administer Wisconsin FoodShare, Wisconsin Medicaid, and BadgerCare Plus programs in CY 2014. MiES will still follow the same FPIP guidelines.

This funding will be distributed to facilitate the formation of FPIP Consortia in alignment with the existing IM consortia across the state. The Department will allocate an amount based on each agency's percentage of the statewide IM caseload; consistent with the data used for 2014 IM administrative allocations (IMAA). Local agency contributions are encouraged and are still eligible for federal matching funds.

Your 2014 FPIP Consortium must be comprised of the same agencies in your IM Consortium.

Under this model one agency must assume the role of administrative agency for the FPIP Consortium. Each IM Consortium will have the option to choose who the administrative agency will be for the FPIP; it does not have to be the same agency that leads the IM Consortium.

Each consortium will determine what staff will conduct FPIP investigations. You can utilize agency staff, contract staff, local law enforcement or whatever combination is most effective for your consortium.

In accordance with current DHS policy regarding consultation with tribes, tribal agencies are the only agencies that will have the option to operate their FPIP independently. If a tribal agency chooses to operate independently they will still receive their FPIP allocation.

The table below breaks down the responsibilities for the FPIP.

Roles and Responsibilities under DHS 2014 FPIP Model		
DHS	Local Agencies	FPIP Staff
Contract with local agency.	Front End Verification using an updated Error Prone Profile.	Investigations.
Policy and process guidance for agencies.	FPIP referrals to investigator.	Enter FPIP data in CARES.
Assist with Intentional Program Violation Process	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 agencies.	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 to the administrative agency identified for the FPIP Consortium
2. 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.

3. Schedule A allocations are based upon unduplicated IM caseload data from March 2013. This is a point-in-time representative month and is the same data used for CY 2014 IMAA.
4. All agencies must comply with the requirements of the FPIP Guidelines (see attachment).
 - a. The FPIP emphasizes fraud prevention over fraud detection.
 - b. 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.
 - c. FPIP investigations will be categorized a pre-certification (FEV) or post-certification (FRD) primarily for federal reporting purposes.
 - d. DHS will monitor FPIP performance relative to cost-benefit ratio, timeliness of completions and number of investigations completed.
 - e. 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).

CONSIDERATIONS FOR NEW CONSORTIA

Because several new FPIP Consortia will be created as a result of alignment with IM Consortia, there are some things to consider as you form your FPIP Consortium:

1. Who will act as your administrative agency?
 - a. DHS contracts with this agency for the FPIP
 - b. The administrative agency submits the FPIP plan
 - c. The administrative agency provides guidance from DHS to the rest of the consortium
 - d. Ideally your administrative agency has a strong FPIP now and can assist other agencies in the consortium to improve their program
2. How will you handle overpayments?
 - a. You may have a plan for your IM consortium already
 - b. Incentives go to the agency that establishes the claim
3. Who will conduct your investigations?
 - a. You can utilize agency staff, contract staff, local law enforcement or whatever combination is most effective for your consortium (i.e. One County may use agency staff and another within the same Consortium may use contract staff).
 - b. Eau Claire, Bay Lakes and CWC each use different contract staff, and there may be others out there too.

FORMING YOUR CONSORTIUM

- In order to have a consortium in place and active by January 1, 2014, agencies must submit all necessary documents (see Schedule B) to Wendy Metcalf at DHS no later than 11/01/13.
- 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.

TRIBAL AGENCIES

- Tribal agencies must inform DHS in writing, to the e-mail address listed below, if you do not intend to participate in a consortium by 11/01/13.
- You are still required to submit all necessary documents (see Schedule B) to Wendy Metcalf at DHS no later than 11/01/13. Independent agencies must still abide by FPIP guidelines.

CENTRAL OFFICE CONTACT

For questions or assistance regarding any of the information contained in this memo, please contact Wendy Metcalf at (608) 266-9710 or by e-mail at wendy.metcalf@wi.gov.

All materials should be mailed to:

Wendy Metcalf, FPI Program Manager
Office of the Inspector General
Wisconsin Department of Health Services
1 West Wilson Street, Room 256
PO Box 309
Madison, WI 53701-0309

SCHEDULE A

AGENCY UNDUPLICATED CASELOAD COUNTS
(November 2012 – May 2013 data)

AGENCY PERCENTAGE OF STATEWIDE
CASELOAD
(EXCLUDING MILWAUKEE)

RESULTING CY 2014 FPIP CONSORTIUM
FUNDING

DHS FRAUD PREVENTION INVESTIGATION ALLOCATIONS FOR CY 2014			
AGENCY	UNDUPLICATED CASELOAD*	PERCENT OF TOTAL	TOTAL FUNDING
ADAMS COUNTY	2,682	0.620%	3,098
ASHLAND COUNTY	2,475	0.572%	2,859
BARRON COUNTY	6,055	1.398%	6,992
BAYFIELD COUNTY	1,411	0.326%	1,630
BROWN COUNTY	21,837	5.044%	25,219
BUFFALO COUNTY	1,144	0.264%	1,321
BURNETT COUNTY	1,869	0.432%	2,159
CALUMET COUNTY	2,639	0.610%	3,048
CHIPPEWA COUNTY	6,456	1.491%	7,457
CLARK COUNTY	3,407	0.787%	3,934
COLUMBIA COUNTY	4,902	1.132%	5,661
CRAWFORD COUNTY	1,765	0.408%	2,038
DANE COUNTY	38,251	8.835%	44,177
DODGE COUNTY	7,179	1.658%	8,292
DOOR COUNTY	2,677	0.618%	3,092
DOUGLAS COUNTY	5,647	1.304%	6,521
DUNN COUNTY	4,403	1.017%	5,085
EAU CLAIRE COUNTY	11,520	2.661%	13,304
FLORENCE COUNTY	543	0.125%	627
FOND DU LAC COUNTY	8,602	1.987%	9,935
FOREST COUNTY	1,118	0.258%	1,291
GRANT COUNTY	4,598	1.062%	5,310
GREEN COUNTY	3,419	0.790%	3,948
GREEN LAKE COUNTY	1,687	0.390%	1,948
IOWA COUNTY	2,004	0.463%	2,315
IRON COUNTY	923	0.213%	1,066
JACKSON COUNTY	2,157	0.498%	2,491
JEFFERSON COUNTY	7,089	1.637%	8,187
JUNEAU COUNTY	3,098	0.716%	3,578
KENOSHA COUNTY	19,139	4.421%	22,104
KEWAUNEE COUNTY	1,541	0.356%	1,780
LA CROSSE COUNTY	12,102	2.795%	13,977
LAFAYETTE COUNTY	1,504	0.347%	1,737
LANGLADE COUNTY	2,986	0.690%	3,449
LINCOLN COUNTY	3,250	0.751%	3,753
MANITOWOC COUNTY	7,159	1.654%	8,268
MARATHON COUNTY	13,212	3.052%	15,259
MARINETTE COUNTY	5,001	1.155%	5,775
MARQUETTE COUNTY	1,698	0.392%	1,961
MONROE COUNTY	4,460	1.030%	5,151
OCONTO COUNTY	3,449	0.797%	3,984
ONEIDA COUNTY	4,154	0.959%	4,797
OUTAGAMIE COUNTY	12,605	2.912%	14,558
OZAUKEE COUNTY	4,076	0.941%	4,707
PEPIN COUNTY	715	0.165%	826
PIERCE COUNTY	2,648	0.612%	3,058
POLK COUNTY	4,442	1.026%	5,130
PORTAGE COUNTY	6,398	1.478%	7,389
PRICE COUNTY	1,993	0.460%	2,302
RACINE COUNTY	22,827	5.273%	26,363
RICHLAND COUNTY	2,125	0.491%	2,454

DHS FRAUD PREVENTION INVESTIGATION ALLOCATIONS FOR CY 2014			
AGENCY	UNDUPLICATED CASELOAD*	PERCENT OF TOTAL	TOTAL FUNDING
ROCK COUNTY	20,065	4.635%	23,173
RUSK COUNTY	2,112	0.488%	2,439
ST. CROIX COUNTY	5,145	1.188%	5,942
SAUK COUNTY	6,165	1.424%	7,120
SAWYER COUNTY	2,505	0.579%	2,893
SHAWANO COUNTY	3,932	0.908%	4,541
SHEBOYGAN COUNTY	10,190	2.354%	11,768
TAYLOR COUNTY	2,121	0.490%	2,449
TREMPEALEAU COUNTY	2,822	0.652%	3,259
VERNON COUNTY	2,733	0.631%	3,157
VILAS COUNTY	1,976	0.456%	2,282
WALWORTH COUNTY	9,647	2.228%	11,141
WASHBURN COUNTY	2,227	0.514%	2,571
WASHINGTON COUNTY	7,728	1.785%	8,925
WAUKESHA COUNTY	18,576	4.291%	21,454
WAUPACA COUNTY	5,424	1.253%	6,264
WAUSHARA COUNTY	2,380	0.550%	2,749
WINNEBAGO COUNTY	14,755	3.408%	17,040
WOOD COUNTY	9,481	2.190%	10,949
MENOMINEE TRIBE	889	0.205%	1,027
RED CLIFF TRIBE	350	0.081%	404
STOCKBRIDGE-MUNSEE TRIBE	136	0.031%	157
POTAWATOMI TRIBE	34	0.008%	39
LAC DU FLAMBEAU TRIBE	841	0.194%	971
LAC COURTES OREILLES TRIBE	34	0.008%	39
BAD RIVER TRIBE	343	0.079%	396
SOKAOGON TRIBE	149	0.034%	172
ONEIDA TRIBAL COUNCIL	1,137	0.263%	1,313
Total Unduplicated cases	432,938	100.000%	500,000

*Based on the average of November 2012 - May 2013 IM 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
2014 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:

Wendy Metcalf, FPI Program Manager
Room 465, 1 West Wilson Street
Wisconsin Department of Health Services
P.O Box 309
Madison, WI 53701-0309
FAX: (608) 267-3380
Email: wendy.metcalf@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.

2014 FPIP APPLICATION/AGREEMENT

This Application/Agreement for _____ Consortium or Independent Agency (circle one) is for the operation of a Calendar Year 2014 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 2014 FPIP will be supervised by the individual identified below:

Supervisor Name and Title	
Telephone Number	
E-mail Address	

The 2014 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	\$ _____

2014FPIP costs will be covered by the following funding sources:

FPI FUNDING SOURCES WORK SHEET	
DHS ALLOCATION	\$
OPTIONAL AGENCY CONTRIBUTION	\$
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 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, Wendy Metcalf, at (608) 266-9710 or at wendy.metcalf@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 timeframe 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 the 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 in 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 The Office of Inspector General's, Fraud Investigation Recovery & Enforcement Section 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.

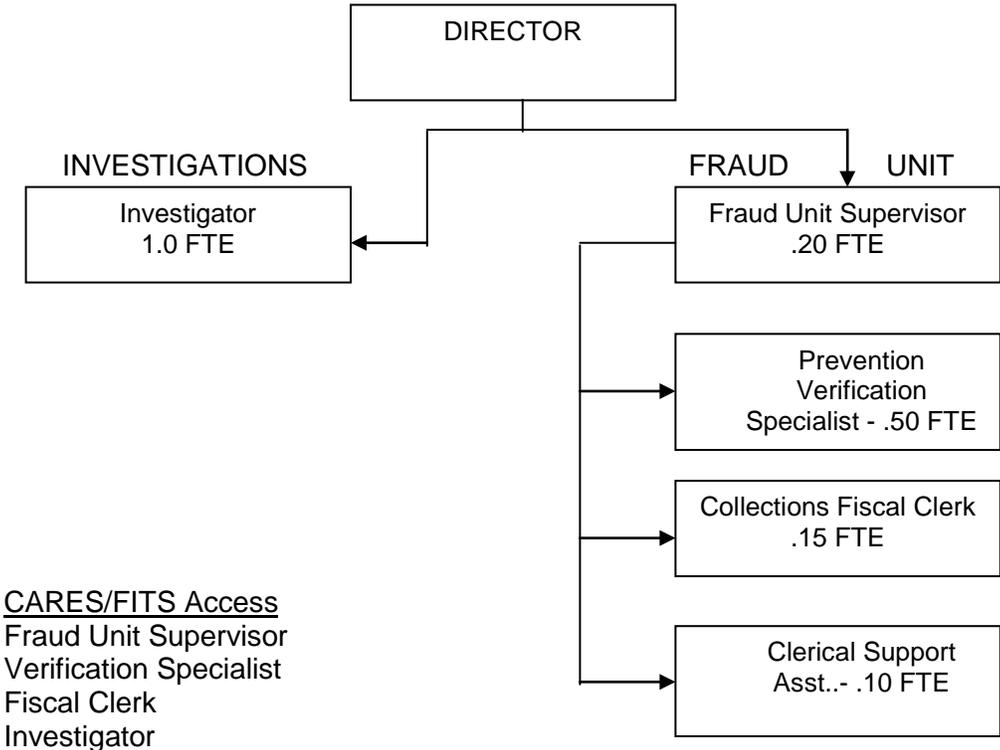
MODEL ORGANIZATIONAL STRUCTURE

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.

2014 COOPERATIVE AGREEMENT FRAUD PREVENTION and INVESTIGATION PROGRAM

This Agreement by and between the State of Wisconsin, Department of Health Services (DHS), 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, 2014 through December 31, 2014.
 - 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 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: _____