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State of Wisconsin
Governor Tony Evers



TO: **Child Care Eligibility and Authorization
Workers and Supervisors
Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Training Staff
Child Care Coordinators**

BWF/BPI OPERATIONS MEMO

No: 19-J6

DATE: 06/24/2019

CC	<input checked="" type="checkbox"/>	W-2	<input checked="" type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	RAP	<input type="checkbox"/>
Other EP <input type="checkbox"/> *					

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

Margaret McMahon, Director
Bureau of Working Families
Division of Family and Economic Security
Department of Children and Families

SUBJECT: Benefit Recovery Investigation Tracking System (BRITS) Future Cost Savings Formula Update

CROSS REFERENCE: [BRITS User Manual 9.6.3 Cost Savings & Completion and 22 Cost Savings & Completion of a Program](#)
[DCF-F-5223-2019 Wisconsin Works Overpayment Worksheet 2019](#)

EFFECTIVE DATE: Immediately

PURPOSE

The purpose of this memo is to:

1. Introduce a new definition of Future Cost Savings (FCS) for Child Care (CC) and the Wisconsin Works (W-2) programs in the Benefit Recovery Investigation Tracking System (BRITS);

2. Provide a step-by-step process for calculating FCS; and
3. Describe scenarios in the CC and W-2 programs where workers would need to calculate FCS and provide examples of these calculations.

BACKGROUND

The Department of Children and Families (DCF) implemented BRITS on November 14, 2016 and released current Version 1.2 on November 20, 2017. As part of the benefit recovery tracking process in BRITS, workers must calculate FCS. FCS is a method for calculating future benefits that would have been paid out if the Department had not identified overpayments or fraud in its programs.

The DCF Bureau of Program Integrity (BPI), the Bureau of Working Families (BWF), and Office of Inspector General (OIG) identified a need to modernize the current FCS formula to better define the purpose of data collected and use variables that closely align with other state agencies engaged in fraud prevention efforts.

FCS DEFINITION AND FORMULA UPDATES

CURRENT DEFINITION

The current definition of FCS is the last monthly benefit amount that the assistance group would have received had their case (CC or W-2) not been closed or denied. This definition is provided in the Tool Tip description for Future Cost Savings in BRITS, which is not accurate and no longer up to date.

NEW FCS DEFINITION AND FORMULA

The new definition of FCS is the total benefit amount that might have been issued had overpayments and fraud not been identified. To determine the FCS amount, workers must multiply the average monthly overpayment amount (the total overpayment amount divided by the number of months where issued payments were in error) by the remaining number of months in the current eligibility period:

(Average Monthly Overpayment x Months Remaining in Current Eligibility Period)

- **NOTE:** Until the Tool Tip is updated in a future BRITS release, workers should follow the guidance below for calculating FCS.

CALCULATING FCS

To determine FCS, the worker must first gather and review variables necessary for the FCS calculation. These variables are:

1. *Total Overpayment Amount* - the amount of benefits issued in error to a participant, as determined by the investigation process.
 - a. For assistance with calculating overpayments, see form [DCF-F-5223-2019 Wisconsin Works \(W-2\) Overpayment Worksheet 2019](#).
2. *Average Monthly Overpayment Amount* - the *Total Overpayment Amount* divided by the number of months payments were issued in error.
3. *Remaining Months in Current Eligibility Period* – the number of months left in a participant's current eligibility period once the fraud was discovered.
 - a. The maximum number of remaining months in an eligibility period is 12 months for CC and 6 months for W-2. The eligibility periods are in CARES Worker Web (CWW) under the **Override Renewal/Review Dates** page.

EXAMPLE 1: A worker receives a BRITS referral for a W-2 participant. The worker investigates, and discovers that the participant committed fraud for the first two months of participation in W-2. Due to this, payments were issued in error, and qualify as overpayments. The worker determines the average monthly overpayment amount by combining the two months of overpayment amounts issued in error to get the total overpayment amount and then divides by two. The eligibility period for W-2 is two months, so there would be four months remaining in the current eligibility period because the fraud was discovered after the 2nd month of eligibility. The worker now has all variables needed to calculate Future Cost Savings.

After variables are calculated and gathered, the worker can calculate the Future Costs Savings amount:

1. Multiply the *Average Monthly Overpayment Amount* by the *Remaining Months in Current Eligibility Period*. This is the FCS amount.
2. In the **Post Investigation** section in BRITS, under the relevant program's tab, enter the FCS amount in the **Future Cost Savings** field in the **Cost Savings and Completion** subsection. Refer to the BRITS screenshot below. All programs will display the same information as is in the screenshot.

Post Investigation

CC FS MA W-2

Claim Determination

Claim Needed? Yes Assignment Type

Claim Created ☒ **10/31/2018 - 11/30/2018** Assigned To

[+ Create CC Claim](#)

Fraud Determination

Pursue Fraud? Yes Assignment Type

Fraud Method Administrative Program Policy Assigned To

Fraud Committed Yes **10/31/2018 - 11/30/2018**

Cost Savings & Completion

CC Future Cost Savings **\$150.00**

CC Post Investigation Complete ☒ **10/31/2018 - 11/30/2018**

CHILD CARE FCS SCENARIOS

There are two (2) possible scenarios when calculating FCS for CC:

1. The case is currently open. In this scenario, there will be a FCS amount.

EXAMPLE 1: Alice is receiving Wisconsin Shares Child Care and is in Gradual Phase Out copayment period. Her eligibility period is from March 1, 2018 to February 28, 2019. Alice failed to report a change in her income on November 1, 2018, which resulted in a Wisconsin Shares overpayment. The local agency discovered this on December 29, 2018. A \$200 overpayment was established for November, and a \$100 overpayment was established for December. The Future Cost Savings would be calculated as \$150 (average monthly overpayment) x 2 (months remaining in Alice's eligibility period) = **\$300 Future Cost Savings**.

2. The case is closed. In this scenario, there is no FCS because the case is closed and CC workers must use current case information to calculate FCS.

EXAMPLE 2: Lucas failed to report he was no longer residing in Wisconsin on June 1, 2018, which would have resulted in him being ineligible for Wisconsin Shares beginning July 1, 2018. The local agency discovered this on October 5, 2018. When the local agency completed their investigation on October 31, 2018, Lucas' case was closed due to him being ineligible. Because his case was closed when the investigation was completed, there were no future months in his eligibility period. The local agency calculated that the average monthly overpayment was \$658. The Future Cost Savings would be calculated as \$658 (average overpayment) x 0 (months left in his eligibility period) = **\$0 Future Cost Savings**.

W-2 FCS SCENARIOS

When calculating FCS for W-2, there are three (3) possible scenarios:

1. The participant is in an unpaid placement at the time the agency discovered the fraud. W-2 Workers must use current case information to calculate FCS, and if a participant is in an unpaid placement when the case closes, there is no FCS. The W-2 agency may still establish an overpayment claim, and impose an Intentional Program Violation (IPV), if the participant has committed one.

EXAMPLE 3: On March 4, 2018, Laura was determined eligible for W-2 and her FEP placed her in a CSJ placement. After 3 months in her CSJ placement, she found unsubsidized employment and moved to a CMF placement on June 4, 2018. An investigation later revealed that she intentionally misrepresented her assets during her time as a CSJ from March 15, 2018 – April 25, 2018. Laura received an IPV for that offense, and her case closed on September 19, 2018. Because she was in an unpaid placement when the offense was discovered, there is no average overpayment for her current placement. The FCS is calculated as \$0 (average overpayment issued) x 3 (months remaining in Laura's CMF eligibility period) = **\$0 Future Cost Savings.**

2. The case closed prior to or during fraud investigation for reasons not related to the investigation. In this scenario, there is no FCS because the case was closed prior to fraud identification. The W-2 agency may still establish an overpayment claim and impose an IPV.

EXAMPLE 4: On January 13, 2018, Zoua was determined eligible for W-2 and her FEP placed her in a W-2 T placement. On February 28, 2018, Zoua declined W-2 services and her W-2 case closed. The W-2 agency received a referral on May 21, 2018 indicating that Zoua was receiving duplicate benefits in Minnesota. Because the case closed prior to fraud identification, there are no remaining months of eligibility. The FCS is calculated as \$608 (average overpayment issued) x 0 (months remaining in Zoua's eligibility period) = **\$ 0 Future Cost Savings.**

3. The case is open at the time of fraud identification or closes due to fraud investigation, IPV, or other error. In this scenario, depending on whether or not there were remaining months in the current eligibility period, there may be a FCS amount.

EXAMPLE 5: On September 20, 2018, James is determined eligible for W-2 and his FEP placed him in a CSJ placement. The W-2 agency received a BRITS referral on November 28, 2018 that James was not reporting self-employment income, and determined James intentionally committed the fraud. The agency enters an IPV on January 2, 2019 and notifies James that he has seven days to provide additional information regarding the violation. James does not respond by the January 9, 2019 deadline, and on January 10, 2019, the W-2 agency imposes the IPV, and runs eligibility to fail his case for February. James had two months of eligibility remaining on his CSJ placement and on average received a \$100 monthly overpayment. The Future Cost Savings would be calculated as \$100 (average overpayment issued) x 2 (months remaining in James' eligibility period) = **\$200 Future Cost Savings.**

TRAINING

The following resources are available in the [DCF Partner Training Team \(PTT\) Learning Center](#):

- BRITS Future Cost Savings – Desk Aid

AGENCY ACTION

W-2 and Child Care agencies must familiarize staff with these updates and update any relevant local agency processes to use the new FCS calculation. DCF OIG will begin monitoring Child Care and W-2 agencies use of the new process in August 2019.

CONTACTS

WISCONSIN SHARES CHILD CARE

For Investigation, Overpayment, and Program Integrity internal procedure development questions; written resource and subject matter expert requests; and Voluntary Payment Agreements and Retractions, please contact the Bureau of Program Integrity (BPI) at: DCFBPITArequest@wisconsin.gov or the [Technical Assistance Request Page](#) on the DCF Website.

For Wisconsin Shares Child Care Chapter 3 and 4 policy questions outside of Milwaukee County contact the Bureau of Regional Operations (BRO) Child Care Policy Help Desk at BROCCPolicyHelpDesk@wisconsin.gov.

For referrals regarding alleged client or provider child care fraud or other program integrity concerns, please submit a referral to the Child Care Fraud Mailbox at DCFMBCHILDCAREFRAUD@wisconsin.gov.

W-2

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 CARES and WWP Functionality Questions: W-2 Help Desk

DCF/DFES/BWF/MP & DVD
DCF/DECE/BPI/MRF