



NATIONAL CENTER ON

Subsidy Innovation and Accountability



Fiscal Year 2022 National Program Integrity Webinar Series

Webinar #2: Identifying, Measuring, and Communicating Results of CCDF Program Integrity Activities

March 22, 2022 – 3 p.m. ET

Call Logistics

- Welcome
- Interactive session with discussion
- Slides available in Adobe pod labeled “Program Integrity Resources”
- For questions, “raise your hand” or use chat boxes
- For tech or registration issues contact Heidi Freymiller at hfreymler@wrma.com

Introductions

National Center on Subsidy Innovation and Accountability



Leigh Ann Bryan
Program Integrity Manager



Shannon Massaroco
Fiscal Management SME



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Program Integrity SME



Michael McKenzie
Program Integrity SME

Welcome from the Office of Child Care



Toya Bryant

Director, Division of Oversight and Accountability



Agenda



- CCDF Federal Requirements and Lead Agency Responsibilities
- Identifying What to Report
- Measuring Success
- Communicating Results
- Vermont Presentation
- Wrap-up and Next Steps



CCDF Federal Requirements and Lead Agency Responsibilities



Office of Child Care

National Center on Subsidy Innovation and Accountability

CCDF Program Integrity Requirements

45 CFR 98.68 Program Integrity

(a) Lead Agencies are required to describe in their Plan effective internal controls that are in place to ensure integrity and accountability, while maintaining continuity of services, in the CCDF program. These shall include:

- (1) Processes to ensure sound fiscal management;
- (2) Processes to identify areas of risk;
- (3) Processes to train child care providers and staff of the Lead Agency and other agencies engaged in the administration of CCDF about program requirements and integrity; and
- (4) Regular evaluation of internal control activities.

CCDF Program Integrity Requirements

45 CFR 98.68 Program Integrity

(b) Lead Agencies are required to describe in their Plan the processes that are in place to:

- (1) Identify fraud or other program violations, and
- (2) Investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud.

Record matching and database linkages

Review of attendance and billing records

Quality control or quality assurance reviews

Staff training on monitoring and audit processes

Lead Agency Responsibilities

In accepting the CCDF, the Lead Agency:

Complies with CCDF regulations

Defines policies, procedures, rules

Submits a plan to OCC every 3 years



- Describe how CCDF is administered
- Make public through hearings and posting on website
- Submit amendment for changes to CCDF Plan

Lead Agency Responsibilities – CCDF Plan

Within Section 8.1 of the CCDF Plan, three of the subsections (8.1.5, 8.1.6, and 8.1.7) specifically ask Lead Agencies to “include a description of the results of these activities.”

8.1.5a-c Check and describe all activities that the Lead Agency conducts, **including the results of these activities**, to identify and prevent fraud or intentional program violations, unintentional program violations, and agency errors. Include in the description how each activity assists in the identification and prevention.

8.1.6b-d Check and describe all activities, **including the results of such activity**, that the Lead Agency uses to investigate and recover improper payments due to fraud or IPV, unintentional program violations, and agency errors. Include in the description how each activity assists in the investigation and recovery of improper payment. Include a description of the results of such activity.

8.1.7 What type of sanction will the Lead Agency place on clients and providers to help reduce improper payments due to program violations? **Describe the activities and the results of these activities.**



Identifying Program Integrity Activities to Report



Office of Child Care

National Center on Subsidy Innovation and Accountability

Clues are in your CCDF Plan – 8.1.5

Lead Agencies are required to have processes in place to identify fraud and other program violations to ensure program integrity.



Match Data (e.g., New Hire, SSA, PARIS)



Red Flag Reports (e.g., system, manual)



Supervisor/QA Reviews (e.g., How many?, What did you find?, What did you do?)



Staff, Provider, Client Training/Education (e.g., Did it target or reduce errors found?)

8.1.5 Example - Activity



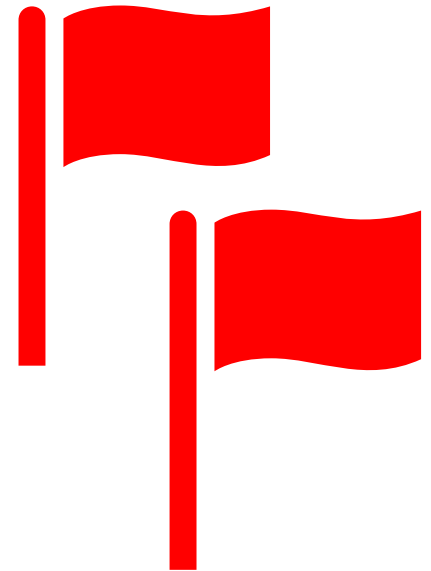
Red flag reports are developed to analyze data from CCDF clients and child care providers. Each report measures results and indicates if investigation is needed.

Client red flag reports:

- Unusual Parent Schedule
- Current Weekly Authorized Hours Greater Than 50
- Current Schedules for Approved Parent Activity

Provider red flag reports:

- Unusual Payment Timing; Payment Grouping
- Provider Overcapacity; Child Mobility
- Unusual Revenue Growth



8.1.5 Example - Results



In 2020, the Lead Agency and local agencies established a total of \$441,062.64 in provider overpayments for intentional violations. \$309,384.25 in claims were established for client intentional program violations.



Public Assistance Reporting Information System (PARIS)

- All states participate in PARIS for at least the Medicaid program (required to participate once a year).
- PARIS match is available quarterly for child care, TANF, Medicaid, and SNAP.
- Contact the PARIS administrative representative in state if interested in child care information and to work to submit one input file for processing.
- State PARIS contacts: <https://www.acf.hhs.gov/paris/map>

PARIS Example



From Quarter 2 2019 through Quarter 1 2020, 145 matches were received from the PARIS reports. Any instance discovered of a client receiving benefits from multiple states is entered as a fraud referral. When a match is received, a letter is sent to the corresponding state requesting information on benefit start and end date. Of the 145 letters sent, the Lead Agency received 92 responses from other states. This resulted in 10 referrals for fraud investigation.



Clues are in your CCDF Plan - 8.1.6

The Lead Agency is required to identify and recover misspent funds as a result of fraud, and it has the option to recover any misspent funds as a result of errors.



How much did you collect for each activity? (e.g., repayment plan, tax intercept)



For what time period?



How many investigations? What were the results?



What makes your fraud unit effective?

8.1.6 Examples



State #1

Collection revenue in 2020 for client repayment plans, tax intercept, lien, and levy totaled \$1,595,586.55. Collection revenue in 2020 for provider repayment plans, tax intercept, lien, and levy totaled \$102,346.74. In 2020, 236 provider claims were sent to the Department of Revenue (DOR) in the amount of \$1,454,310.55, and \$9,638.12 was recovered via DOR.

8.1.6 Examples



The Lead Agency established a program integrity unit to investigate improper payments and collect child care benefits that were improperly authorized. In 2020, the Lead Agency received 1,401 referrals from red flag reports and the Child Care Fraud mailbox. In 2020, the Lead Agency screened 635 provider referrals and completed 185 formal investigations (29% of referrals). Of the provider formal investigations, 105 resulted in no overpayment, 54 resulted in overpayment only, seven resulted in overpayment and stipulation that the provider would follow program rules, and 19 resulted in provider permanent suspension from the program. In 2020, \$218,488.60 in provider overpayments were established due to unintentional provider violations, and \$1,267,864.04 in client overpayments were established due to unintentional client violations.



Clues are in your CCDF Plan - 8.1.7

What type of sanction will the Lead Agency place on clients and providers to help reduce improper payments due to program violations?



Parent sanctions?



Provider sanctions?



Is there a cost savings from these actions?



Prosecution? If not, why not?

8.1.7 Examples



State #1

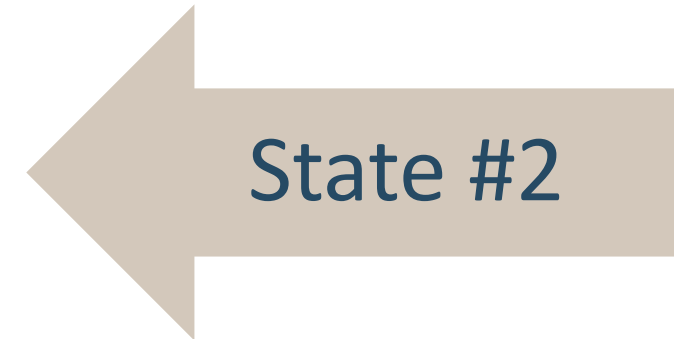
From January 2021 to August 2021, the Office of Inspector General submitted eight cases to the Attorney General's Office for prosecution. Of the eight cases submitted, breakdown is as follows:

- 1 case conviction
- 2 cases currently pending prosecution
- 5 cases were declined prosecution

8.1.7 Examples



Clients may be disqualified if they have: (1) committed fraud; (2) provided false or misleading documentation, including failure to keep the agency informed of changes in status, income, need, etc.; and/or (3) failed to provide required supporting documentation for billing or provided false or misleading supporting documentation. When a client is disqualified, a letter is sent via mail that includes the reason(s) for disqualification, the date the disqualification is effective (30 days from the date of the letter), and his or her right to appeal the disqualification within 10 days of the notification. **No clients were disqualified in 2019-2020.**



Examples of PI Results

Claims established

e.g., the amount of claims established for any type of improper payment collected by the Lead Agency, including intentional program violations (IPVs), unintentional program violations (UPVs), fraud, agency error

Improper payments recovered

e.g., the number of claims established for improper payments, how much of it was collected, including the percentages of the different methods used, such as tax intercept or benefit reduction

Number of intentional program violations

e.g., counts of IPVs referred and those established after adjudication

Program savings

This savings estimate could be derived monthly and annually using an established methodology. It could be based on combining improper payment claims established, a savings estimated for every intentional program violation established, and future savings (e.g., future improper benefits prevented from continuing as a result of the claim or fraud investigation).

Let's Talk About It

- Does your state track something we haven't described?
- If so, why do you track the data?
- Do you have stakeholders that are interested in this information?





Measuring Your Success

Why Measuring Success is Critical



Understanding your data and developing meaningful measures are **key to the success** of your program!

Benefits:

Identifies areas for process improvement, leading to savings and opportunities to maximize funds and improve program.

Demonstrates due diligence and aids in building public trust and stakeholder buy-in.

Keeps you informed of trends which allow you to be proactive not reactive.

Better serves your community.

Demystifying the Process

If you don't pay appropriate attention to
what has your attention, it will take more of
your attention than it deserves.

— David Allen —

Getting Organized



Program Integrity Metrics



Data Collection



Data Analysis



Data Evaluation

Data Collection



Existing/New



Internal/External



Data Use Agreement



Automated/Manual



Qualitative/Quantitative



If you don't have the data, what's your plan to get it?



PI Tip: Data use agreements should include the reason for the request, points of contacts, data points, frequency, delivery method, assurances to safeguard the data and overall term. It is good practice to summarize informal agreements via email for documentation purposes.

Data Analysis



A simple spreadsheet equips you with helpful information, leading to significant results.

Spreadsheet Key Tips:

- Organize your data files.
- Develop a master spreadsheet with a tab for each metric.
- Customize each tab with relevant fields; remember to show trends over time; you will need a date field (e.g., Jan. 2022, 2022 – Q1, 2022).
- Document your approach to ensure it's systematic, consistent, and promotes continuity.

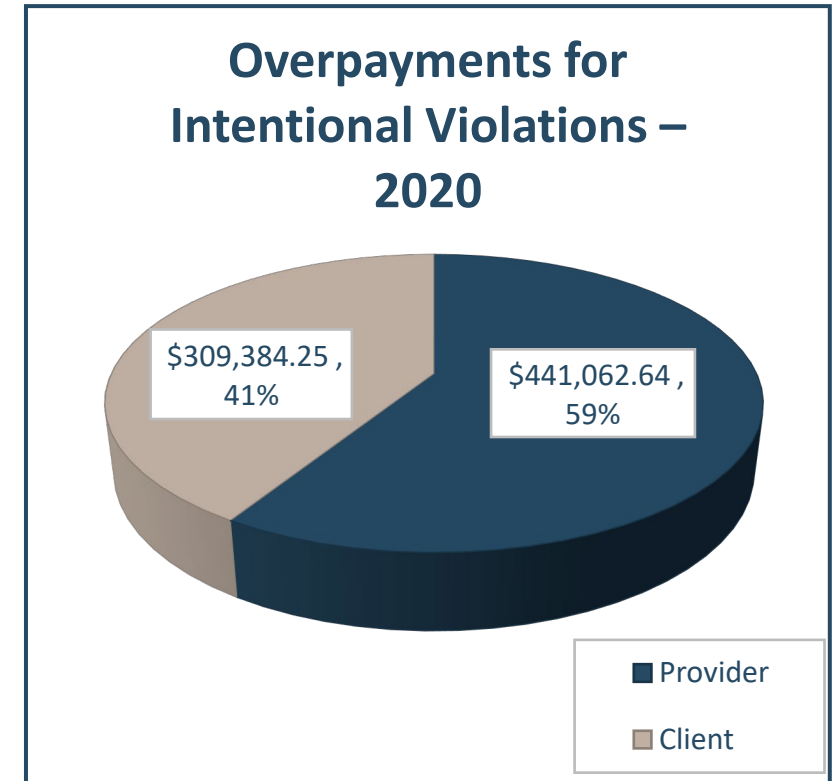
Results Examples



8.1.5a-ii (System Reports)

Activity: Red flag reports analyze data from CCDF clients and child care providers. Each report is programmed to measure results that may indicate further investigation is needed for a particular client or provider.

Result: *In 2020, the Lead Agency and local agencies established a total of \$441,062.64 in provider overpayments for intentional violations; \$309,384.25 in claims were established for client intentional program violations.*

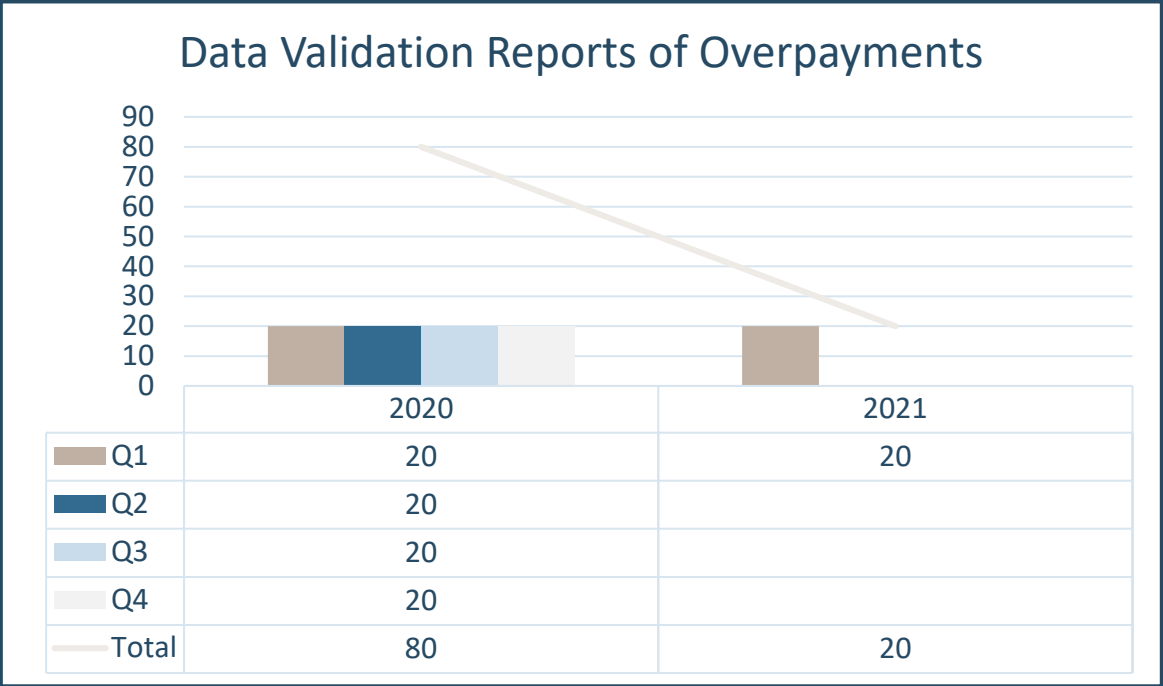
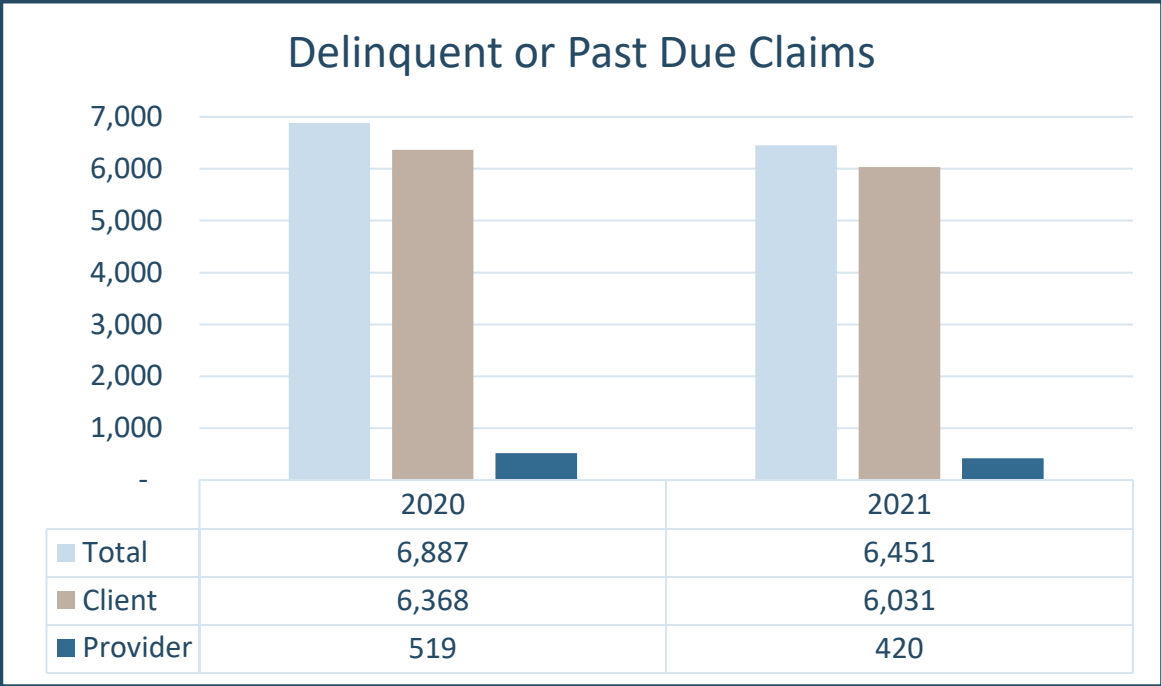


Results Examples



8.1.6b-iii (Repayment Plans)

In FY 20, program integrity activities yielded results of approximately 6,887 delinquent or past due claims; 6,368 client claims and 519 provider claims. Red flag reports identified 80 overpayments for FY 20, and roughly 20 as of the first quarter of 2021. As of the first quarter of 2021, there are currently 6,450 delinquent or past due claims; 6,031 individual or client claims, and 420 provider claims with approximately 200 repayments agreements for clients and 55 for providers.



8.1.5a-i (Data Sharing)

To confirm eligibility criteria, program staff use interfaces with other programs, including the Department of Labor and Training, TANF, and Child Support Services, as needed. These systems provide verification of eligibility criteria including employment and wages, demographic information, information regarding the eligibility for and receipt of public assistance benefits, and child support expense and income details.



*The **results** of this activity **mitigate the potential for fraud in the program** by using the information obtained from these sources to **research potential allegations of fraud and to confirm or refute information gathered** when determining eligibility and/or conducting investigations.*

8.1.6b-ii (Coordination with Other Agencies)

Overpayments are established where warranted and collection efforts are made via 1st, 2nd, and 3rd Notices of Fiscal Action that are sent via email and certified letter mailed to providers. If a provider does not make a payment after 90 days, the provider's account will be submitted for collection action to the Office of Finance, the CCDF Participant Agreement will be submitted to the CCDF administrator for approval of provider disqualification, and placement on the agency's exclusion list. If there are large irregularities and/or the agency suspects major fraud activity and/or misuse of funds, the Lead Agency, if needed, will submit the provider to the Office of Inspector General. Improper payments identified from the individual recipients of subsidy will be reviewed and sent to the CCDF program coordinator for review and collection efforts.



The collaborative efforts of the CCDF Program, Quality Assurance Unit, and Office of Finance have led to most funds being recovered.

Data Evaluation

Does the current data still meet your agency's needs?

Does the current frequency and delivery method still work?

Is there an opportunity to automate any of your data needs?

Are there new metrics that require additional data?



Let's Talk About It

- What do your Lead Agency's data collection efforts look like?
- What are some methods or tools your Lead Agency uses to analyze data?





Communicating the Results of Program Integrity Activities



Who is your audience?

Internal Audience

- Leadership
 - Administrators
 - Chief of staff
- Management
 - Directors
- Staff
 - Eligibility workers
 - Supervisors
 - Payments staff
 - Auditors

External Audience

- Legislators
- Advocacy groups
- Providers/parents
- General public
- Agency elected officials or board members
- Office of Child Care or other federal agencies

What is the purpose of communicating results?

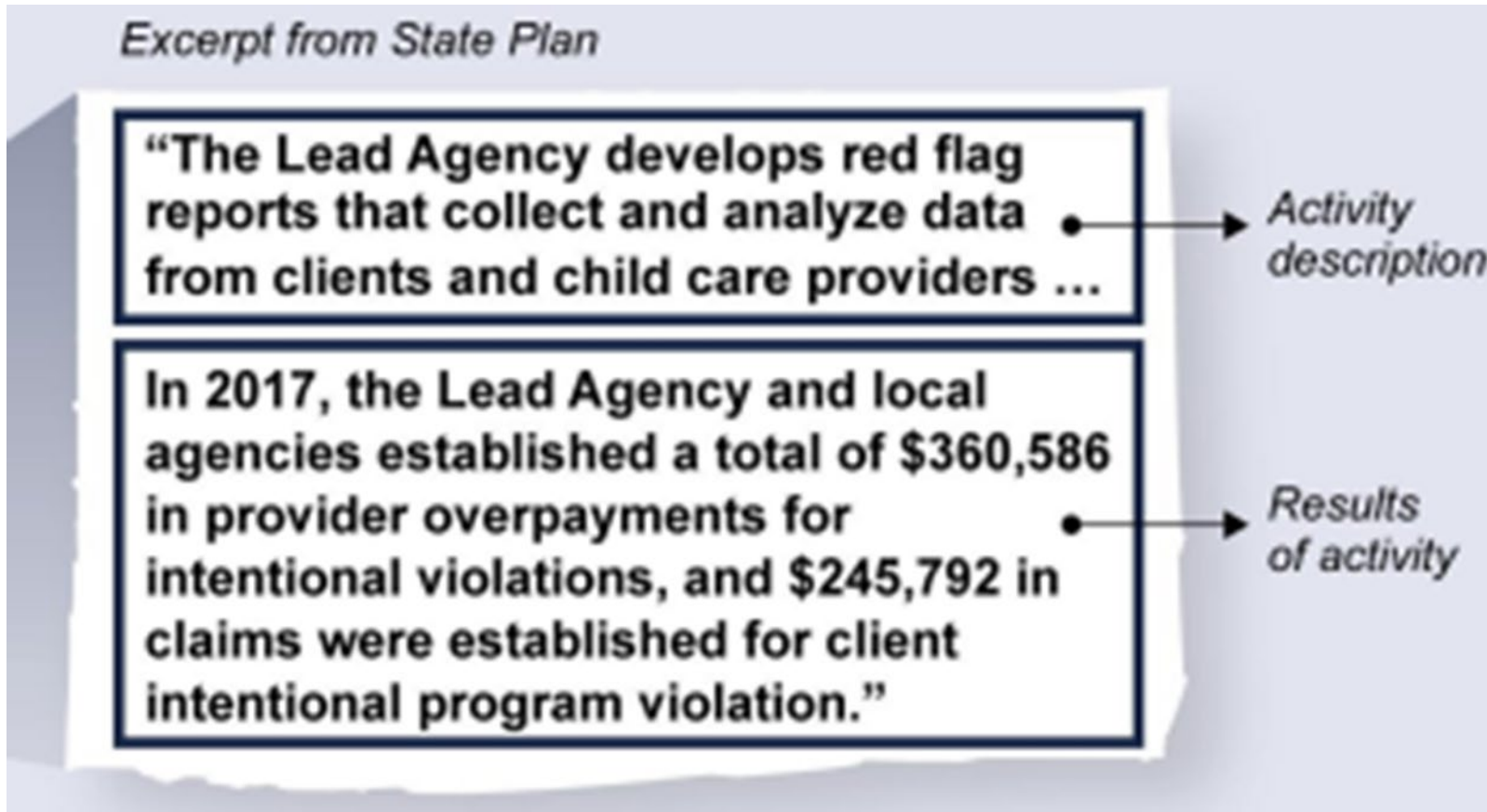
Internal

- Shows agency progress on identified goals
- Communicates accurate information – everyone knows what is important
- Measures progress
- Provides a level of accountability across the agency to assure it is in tune across sections/departments/units

External

- Shows agency commitment to integrity and accountability – Builds public trust
- Formulates an outside accountability – enabling citizen participation
- Supports current policies or advocates for policy reforms

Communicating Your Program Integrity Activity and Results



“Results” can be defined as any actual outcome that has been observed in relation to the activities described.

Source: Government Accountability Office. (2020). Child Care and Development Fund: Office of Child Care Should Strengthen Its Oversight and Monitoring of Program-Integrity Risks (GAO-20-227). <https://www.gao.gov/assets/710/705035.pdf>

Communicating Program Integrity Activity and Results – CCDF Plan Example #1



In FY 21, the Lead Agency reviewed 12% of the state's child care providers using Excel randomize.

565 attendance and billing records reviewed, resulting in 165 formal investigations.

Of those investigations:

- 36 resulted in no overpayment.
- 48 resulted in administrative overpayment.
- 60 resulted in an overpayment and stipulation that the provider would follow program rules.
- 21 resulted in overpayment and provider termination.
- \$400,500 in provider overpayments established.

Communicating Activity and Results – CCDF Plan Example #2

In SFY 21 DHS received 120 fraud referrals through the agency's fraud hotline. Of those 120 referrals, 35 were related to provider fraud, and 17 cases involved client fraud. Of those 52 cases, 18 are either still under investigation or in various stages of criminal prosecution.

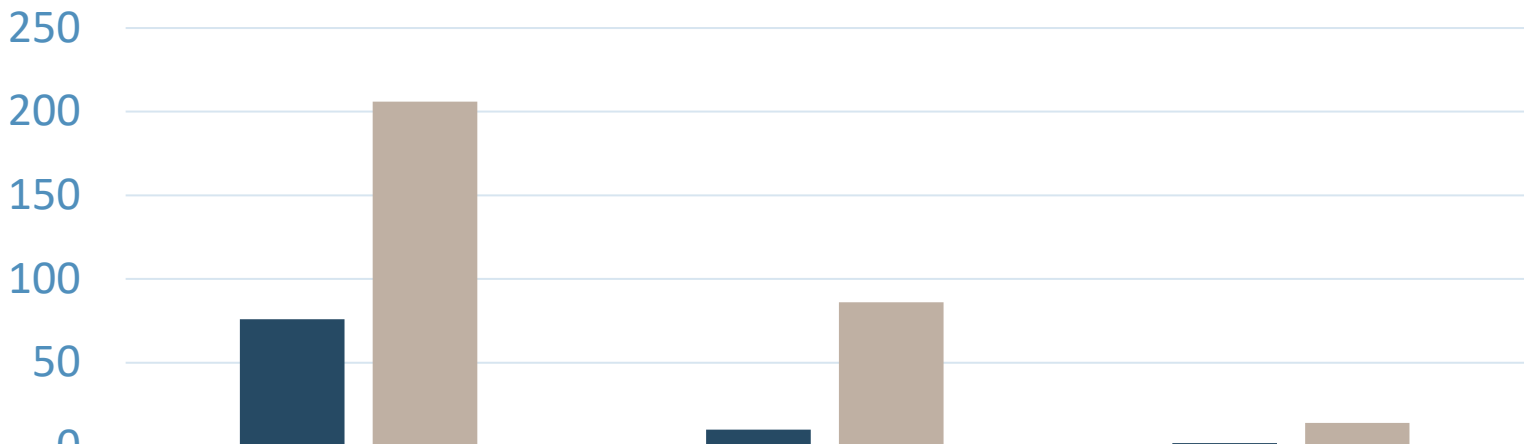
- Nine of the provider referrals resulted in provider being convicted of a felony level offense involving fraud. A total of \$268,267 in restitution was ordered in those cases.
- Four of the client cases resulted in parent(s) being convicted of a misdemeanor level offense involving fraud. A total of \$8,267 in restitution was ordered in those cases.



Communicating Activity and Results – Internal/External Audience Example #1



Process Results

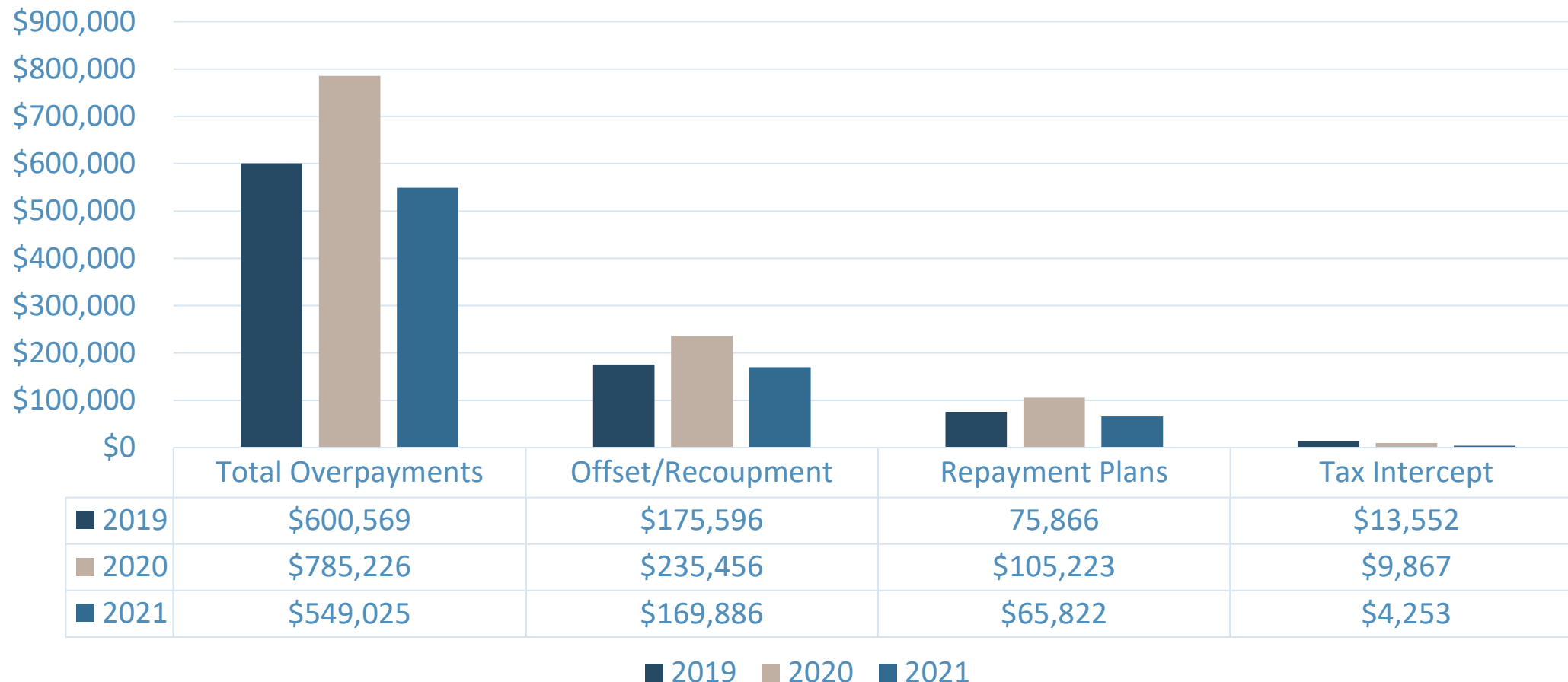


■ No 2nd Level QA Case Review-Quarter 1
■ 2nd Level Case Review Conducted-Quarter 2

Referral	Formal Investigations	Provider/Client Sanctions
76	10	2
206	86	14

Communicating Activity and Results – Internal/External Audience Example #2

Overpayments and Recovery Results

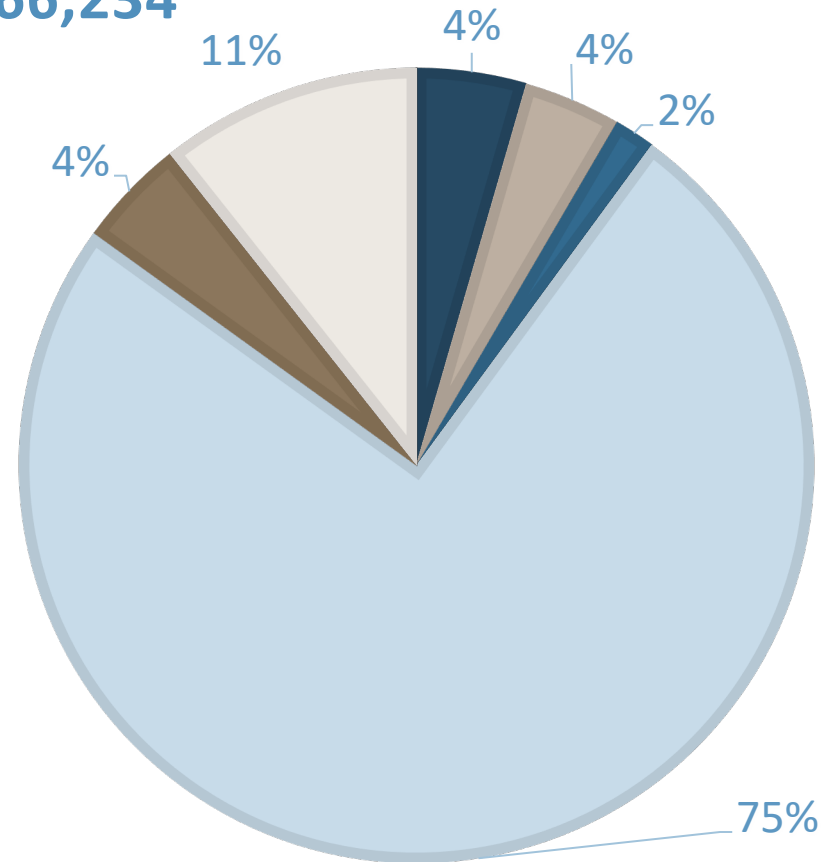


Communicating Activity and Results – Internal/External Audience Example #3

CCDF 2021 FUNDING \$6,566,234



- IP Recovered
- IP Not Recovered
- CCDF Disallowances
- CCDF Direct Services
- CCDF Administration
- CCDF QRIS



Benefits of Identifying and Communicating Results

Identifying and communicating the results of your program integrity activities:

Assists in training needs and policy development

Informs your administration and legislature of the positive impact of program integrity

Instills confidence in the general public that their tax dollars are being protected

Provides OCC with crucial data to improve program operations nationwide



Let's Talk About It

- Does your agency have a monthly or quarterly report that is used to measure performance? If so, please tell us about it.
- Has your agency made a process change (not related to COVID or regulatory requirements) as a result of the outcomes of a performance measurement conducted? If so, please tell us about it.





State Presentation: How Vermont Identifies, Measures, and Reports PI Results

Child Care Financial Assistance

Program Integrity



Spring 2022

CCFAP Program Integrity Goals

The goal of Vermont's program integrity team is to ensure:

- Child Care Financial Assistance Program (CCFAP) eligibility determinations are made correctly, and families meet federal and state eligibility requirements
- Child care provider payment amounts are correct, and no fraudulent billing has occurred
- Information submitted by a client is valid

The team consists of:

- The Child Care Benefits Administrator
- 2 Child Care Financial Assistance Grant Monitors
- 1 Quality Control Specialist
- 1 Financial Specialist
- 36 Community Child Care Eligibility Specialists responsible for determining eligibility for families

Child Care Financial Assistance Program (CCFAP) Systems

The Child Care Financial Assistance Program utilizes a web-based, integrated data system. This system was built to do the following:

- Determine child care financial assistance eligibility for families
- License/register child care providers and maintain the program's quality status and staff credentials
- Pay child care providers on the family's behalf through weekly payroll runs
- Share/match data from other programs (ESD, FSD, Office of Child Support)

Provider Payment Integrity

- Each payment invoice goes through a two-step approval process. During this process 10-15 percent of the total number of invoices submitted receive a secondary screening of authorized child care hours versus attendance hours submitted and providers with consistently high subsidy payments.
- Attendance and payment data is aggregated into program reports, and these are regularly reviewed to detect anything that warrants further investigation. Our integrated system also generate reports related to enrollment of subsidized children at or above licensed capacity, and children with multiple providers
- If long term fraud is suspected, attendance records are requested/picked up from the childcare provider and the Quality Control Specialist compares these records with the information in BFIS.

Agency Program Integrity

Vermont contracts with 12 Community Child Care Support Agencies to determine child care financial assistance eligibility for families. These agencies are monitored through the following processes:

- Performance based agreements specifying the quality and accuracy of eligibility determination activities required by the Child Development Division. Data is pulled from case reviews and BFIS to determine if performance measures are met and correction plans are implemented when necessary.
- Regular on-site monitoring to ensure compliance with regulations and quality assurance including individual case reviews by the CCFAP Grant Monitors. Eligibility Specialists are required to complete a case file checklist form for every application submitted. This form ensures that all required documentation is in the file and the information is accurate.

Client Program Integrity

- A data bridge between the BFIS and the Economic Services database provides income information to BFIS daily.
- Agency eligibility specialists are trained on identification of fraud and potential program violations of eligibility.
- Audits are conducted on 10-15 files per agency per month with an emphasis placed on eligibility percentage, authorized child care hours and attendance hours of child.
- In cases of program violation by a client, the Eligibility Specialist and State Grant Monitor meets with the parent to verify the eligibility information.

How we got here

- 2005 – The Bright Futures Information System is launched
- 2011 - CCFAP was given a Program Integrity Investigator
- 2012 – Provider Training Handbook was developed
- 2013 – Child Care Policies/Procedure Training Manual developed
- 2014 – Electronic Case File Audit form developed
- 2015 – Created Case File Checklist Form
- 2016 – Updated policies/procedures to reflect new federal rules
- 2019 – CCFAP Payment Processing Manual developed

Why do we do this?

- To comply with State Plan requirements, OCC Monitoring, and the Improper Payment Process
- To provide data/information to Senior Management on current fraud activity and results of closed investigations
- To determine additional training requirements for agency personnel and child care providers
- To determine what procedures are needed internally to help improve billing processes for child care programs and the eligibility application process for clients

What Next?

- Vermont is currently building a new integrated data system and everything that we have developed for program integrity will inform how this system is built.



Useful Resources

Useful Resources

1. CCDF Fraud Toolkit

<https://childcareta.acf.hhs.gov/ccdf-fraud-toolkit-and-instructions>

1. CCDF State, Territory, and Tribal Reporting

<https://www.acf.hhs.gov/occ/policy-guidance/ccdf-state-territory-and-tribal-reporting>

2. Grantee Internal Controls Self-Assessment Instrument

<https://childcareta.acf.hhs.gov/resource/grantee-internal-controls-self-assessment-instrument-0>

3. National Center on Subsidy Innovation and Accountability Program Integrity Resources

<https://childcareta.acf.hhs.gov/resource/ncsia-program-integrity-resources>

4. Office of Child Care COVID-19 Resources

<https://www.acf.hhs.gov/occ/resource/occ-covid-19-resources>

Wrap it Up

- Please complete the evaluation at the end of this webinar to help us tailor future webinars based on your needs.
- Remember technical assistance is available upon request through your regional office.
- Next Program Integrity Webinar:
June 14, 2022, 3–4:30 p.m. ET
 - What topic do you want to hear about next?



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Thank you!

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