



NATIONAL CENTER ON
Subsidy Innovation and Accountability



FY 2020 National Program Integrity Webinar Series

Webinar #1: An Introduction to CCDF Program Integrity

December 10, 2019 – 3 p.m. EST

Call Logistics

- Welcome to our new program integrity Adobe Connect platform.
- Interactive session with breaks for dialogue.
- If you're using audio only, the slides are available for download in the Adobe pod labeled "Program Integrity Downloads."
- If you called in, or the Adobe room called you, please mute your phone.
- If you would like to ask a question, "raise your hand" or type in questions and comments using the "Chat" boxes within the Adobe room.
- For Adobe Connect or registration issues please contact Kara Lehnhardt at klehnhardt@wrma.com.



Introductions

National Center on Subsidy Innovation and Accountability



Leigh Ann Bryan
Program Integrity
Manager



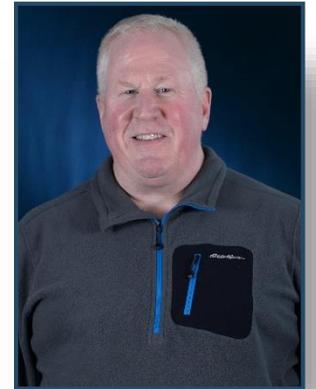
Ann Renaud
Fiscal Management
SME



Jenna Broadway
Program Integrity
Specialist/SME



Katie Watts
Program Integrity
Specialist/SME



Michael McKenzie
Program Integrity
Specialist/SME

Welcome from the Office of Child Care

Moniquin Huggins

Director, Division of Oversight and Accountability



Agenda



- CCDF Program Integrity – What is it?
- Federal Requirements & Program Integrity Strategies
- Fiscal Management Strategies
- Error Rate Reporting
- State Presentations
- Program Integrity Resources
- Questions & Open Discussion
- Closeout & Next Steps



CCDF Program Integrity

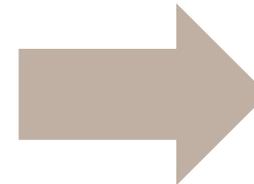
What is CCDF Program Integrity?

*A plan or system under which action may be taken toward a goal

*Firm adherence to a code of especially moral or artistic values; incorruptibility

Program Integrity

is the system or processes put in place to ensure a firm adherence to regulatory requirements of the CCDF program.



Doing the right thing even when no one is looking!

*Merriam-Webster Dictionary

Why is program integrity important in CCDF?

- **E**nsure program and provider quality
- **T**axpayer dollars are spent appropriately
- **H**elp families to sustain employment and education to become self-sufficient
- **I**ncorporate internal controls that prevent fraud, waste, and abuse
- **C**onserve financial accountability
- **S**afeguard funds to maximize benefits for eligible children and families



Program Integrity Benefits



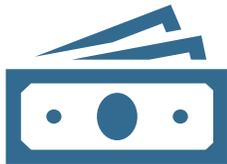
Correct eligibility determinations



Eligible children and families receive CCDF benefits



Providers meet federal and state CCDF participation requirements



Timely and accurate child care payments



Reduced improper payments



Deterrence tools for program fraud, waste, and abuse

Let's Talk About It

- What does program integrity mean to you?
- How does your Lead Agency enforce program integrity?





CCDF Federal Requirements and Program Integrity Strategies

CCDF Program Integrity Requirements

45 CFR 98.68(a) Program Integrity

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.

Sound fiscal management

Identify areas of risk

Train providers and staff about program requirements and integrity

Regular evaluation of internal control activities

Sound Fiscal Management

Effective strategies can include:

Conducting contract monitoring and budgetary/expenditure reviews of contractors, as well as sub-recipients, to ensure compliance with CCDF rule.

Conducting annual audits and financial reviews of contractors, as well as sub-recipients, to ensure proper fiscal controls are in place.

Developing a system to ensure payments and invoices are routinely reviewed to determine whether costs are reasonable and allowable.

Identify Areas of Risk

Effective risk strategies include:

Conducting analysis of errors and improper payments utilizing risk analysis tools (i.e. Pareto Diagram).

Reviewing program requirements, implementation, and compliance.

Developing guidelines to monitor program performance, mission, objectives, and subsidy-related goals.

Brainstorming program operations and administration policies and procedures (i.e., internal town halls, management meeting with leadership or selected program staff).

Reviewing job duties and staffing structure to ensure proper oversight.

Use of the *Grantee Internal Controls Self-Assessment Instrument*.

Train Providers and Staff about Requirements

Effective state strategies include:



Trainings on policy manuals and policy changes.

Providing staff and providers with forums to discuss program requirements or policy changes.



Ongoing monitoring and assessment of policy implementation.

Making online content on program requirements and policies available to staff and providers for ongoing learning opportunities.

Regular Evaluation of Internal Controls

Strategies to evaluate internal controls include those that identify program risk and prevent errors associated with recipient eligibility and CCDF payments such as:

Monitoring checks and balances to ensure accuracy and adherence to procedures.

Data mining for automated checks of red flags or warning signs and real-time system alerts.

Reviewing established protocols and procedures to ensure consistency and accountability.

Quarterly and/or annual assessment of administrative errors and improper payments.

CCDF Program Integrity Requirement

45 CFR 98.68(b) Program Integrity

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.

Fraud Identification

Effective strategies to identify fraud include:

Clearly defining fraud and/or intentional program violations

Review of attendance and billing records

Quality control and quality assurance reviews

Data analytics to identify potential risk

Use of the Fraud Toolkit

Red Flag Reports

Fraud Investigations

Strategies for Investigating Fraud:

- Review of provider billing
- Case reviews
- Collaboration with other subsidy programs
- Fraud desk guides
- Fraud awareness
- On-site visits
- Surveillance



Improper Payments Recovery

While Lead Agencies are required to recover payments resulting from fraud, they have discretion regarding recovery of other improper payments and to develop the specific processes that will be used.



Lead Agencies utilize various strategies to recover fraudulent payments from providers and participants, including:

- Repayment agreements
- IRS tax offset
- Recoupment or reduction in future provider payments
- Lien and levy actions

Eligibility Requirements

§ 98.68(c) Program Integrity

Lead Agencies must describe in their Plan the procedures that are in place for documenting and verifying that children receiving assistance under this part meet eligibility criteria at the time of eligibility determination and re-determination.



Lead Agencies should, at a minimum, verify or maintain documentation of the child's age, family income, and require proof that parents are engaged in eligible activities.

Let's Talk About It

- What eligibility processes do you have in place to detect or prevent fraud?
- Tell us about the types of front-end prevention strategies that are used by your eligibility staff.





COLORADO

CCDF

Program Integrity

How Quality Assurance & Quality Improvement
Informs Technical Assistance In Colorado

**State
Presenter:
Colorado**



COLORADO

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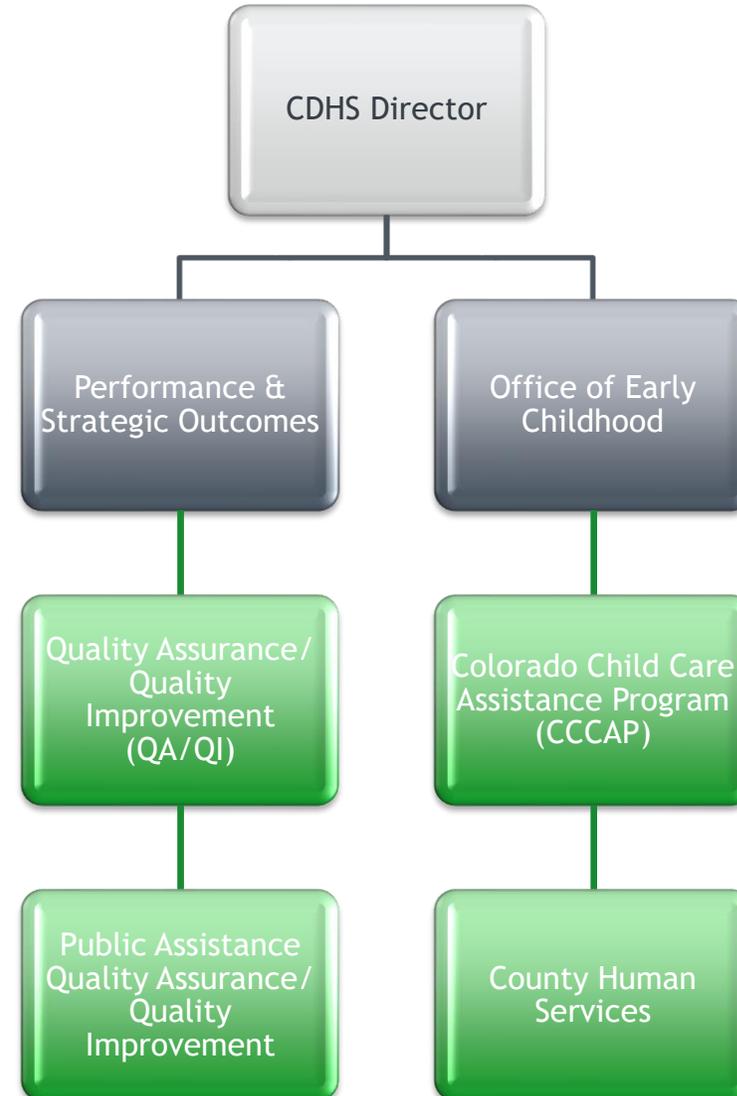
How Quality Assurance & Quality Improvement
Informs Technical Assistance In Colorado



COLORADO
Department of Human Services

Operational Structure

- Separate performance-based analysis strategy that allows every program within the Colorado Department of Human Services (CDHS) to better focus on and improve performance outcomes
- By identifying areas of focus, CDHS determines what is working and what needs improvement
- Allows programs to make more informed, collaborative decisions to align our efforts and resources to affect positive change
- Analyze the data to identify positive trends and opportunities for improvement
- Determine strategies for improvement and implement these strategies



Roles & Responsibilities

QA/QI

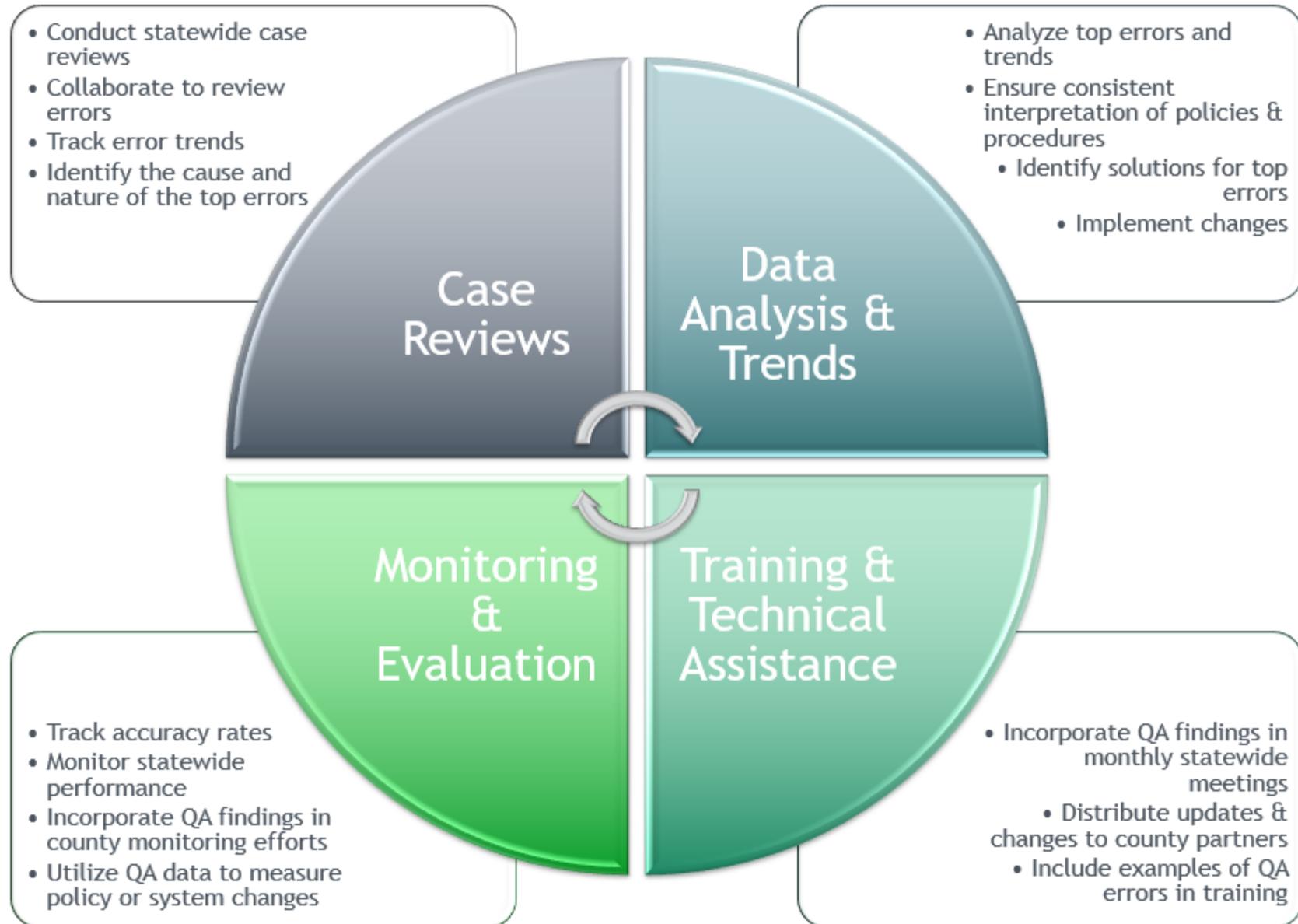
- Conduct independent reviews
- Utilize streamlined QA process
- Follow consistent methods of review utilizing standardized tools with high levels of inter-rater reliability
- Perform state/federal mandated case reviews of a randomly selected, statistically valid sampling of cases

CCCAP

- Administer CCDF program
- Establishes and maintains rules & policies
- Oversee county operations
- Monitor compliance
- Provide training & technical assistance



Process



Let's Talk About It

- Any questions regarding Colorado's quality assurance and technical assistance process?





CCDF Fiscal Management Strategies

Fiscal Management and Accountability

§ 98.67 Fiscal Requirements

(a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures ...

(b) ... Contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency ...

(c) Fiscal control and accounting procedures shall be sufficient to permit:

- 1) Preparation of reports required by the Secretary ...*
- 2) The tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.*

Fiscal Management and Accountability

§ 98.65 Audits and financial reporting

*Lead Agencies are required to have an independent audit conducted at the close of each program period to verify that CCDF funds have been expended in accordance with the statutory and regulatory requirements of the program and with the State Plan.

*Lead Agencies are required to submit a copy of their audit report to the legislature of the state or, if applicable, to the Tribal Council(s), to the HHS Inspector General for Audit Services, as well as to their cognizant agency, if applicable.

*Summary of § 98.65(a), (c), (e), and (f)

Fiscal Management and Accountability

§ 98.60 Availability of funds

(g) Funds that are returned (e.g., loan repayments, funds deobligated by cancellation of a child care certificate, unused subgrantee funds) as well as program income (e.g., contributions made by families directly to the Lead Agency or subgrantee of care where the Lead Agency or subgrantee has made a full payment to the child care provider) shall,

*(1) if received by the Lead Agency **during** the applicable obligation period ... be **used** for activities specified in the Lead Agency's approved plan and must be obligated by the end of the obligation period; or*

*(2) if received **after** the applicable obligation period ... be **returned** to the Federal government.*

Let's Talk About It

- What fiscal management strategies are used in your state?
- Do you have tips to share related to preparing for an independent audit?





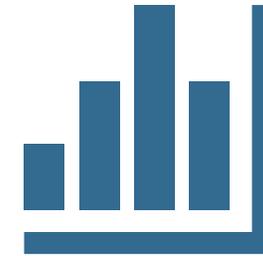
Error Rate Reporting & Improper Payments

Error Rate Reporting



Regulatory requirements in Subpart K

- § 98.100 Error Rate Report
- § 98.101 Case Review Methodology
- § 98.102 Content of Error Rate Reports



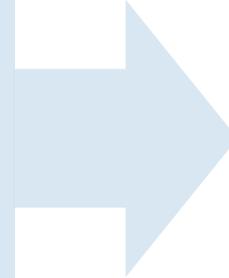
Data Collection Instructions

- OCC guide used to implement the error rate reporting process

Error Rate Reporting Overview

What is the error rate review?

- A process through which CCDF Lead Agencies measure **eligibility errors and improper payments** in their programs ...
- By reviewing 276 case records ...
- And reporting error measures, causes, and plans to reduce errors



Each state conducts the review once every three years:

- Year 1 states – reporting in 2020
- Year 2 states – reporting in 2021
- Year 3 states – reporting in 2022

Error Rate Reporting Process

Learn
about the process by reading the *Data Collection Instructions*

Plan
for your state's reviews by creating and submitting your *Sampling Decisions, Assurances, and Fieldwork Preparation Plan*

Customize
your state's *Record Review Worksheet*, the template for conducting reviews

Review
276 case records

Report
results of your case record reviews in your *State Improper Payments Report*

If applicable,
create and complete an *Error Rate Review Corrective Action Plan*

Error Rate Reporting

The error rate process can drive additional program integrity strategies.
States report on their action steps to reduce errors, and three years later, report on the outcomes of those action steps.



As a result of the error rate reviews, states have implemented:

- New eligibility policies and procedures
- Trainings for eligibility workers
- Ongoing case reviews
- Increased monitoring of eligibility agencies

Let's Talk About It

- What is role in the improper payments process?
- Have you implemented new strategies as a result of your most recent error rate review?





WISCONSIN DEPARTMENT OF
CHILDREN AND FAMILIES

**State
Presenter:
Wisconsin**



Wisconsin Shares Targeted Case Review



WISCONSIN DEPARTMENT OF
CHILDREN AND FAMILIES

High Level Process Overview

- 2011-2012 Federal Improper Payment (FIP) Review
- Targeted Case Review (TCR)
 - Relation to the FIP
 - High Level Process Overview



Organizational Impacts

- Training and Technical Assistance
- WI Shares Subsidy Policy & Procedures
- Potential Data System Updates and Changes



Let's Talk About It

- Any questions for Wisconsin and their targeted case review process?





Program Integrity Resources

Program Integrity Resources

Program Integrity Resources Landing Page:

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

CCDF Fraud
Toolkit

Program
Integrity
Webinars

Regional
Presentations

TLA Fiscal Risk
Assessment

Grantee Internal
Controls Self-
Assessment
Instrument

CCDF Fiscal
Fundamentals

Succession
Planning
Contact List

Error Rate TA
Landing Page

Error Rate Resources

CCDF Error Rate Review Resources Landing Page:

<https://childcareta.acf.hhs.gov/resource/ccdf-error-rate-review-resources-0>

Data
Collection
Instructions

Training and
Technical Assistance
Cohort Calls

Error Rate

Fact Sheets

Questions and Open Discussion



What's Next?

- FY 2020 Program Integrity Webinar Series – Please share your ideas!
- Fraud Toolkit - Enforcement & Recovery
- Please complete the evaluation form. Your feedback is important to us!





NATIONAL CENTER ON

Subsidy Innovation and Accountability



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Thank you!