



NATIONAL CENTER ON
Subsidy Innovation and Accountability



FY 2019 NATIONAL PROGRAM INTEGRITY WEBINAR SERIES

WEBINAR #1: DATA MINING, SHARING, AND ANALYTICS

DECEMBER 11, 2018 - 3:00 EST

CALL LOGISTICS

- Interactive sessions with multiple breaks for Q & A's
- If you're using the Phone Call option, you **MUST** enter your audio PIN in order to be heard
- If you'd like to ask a question, raise your hand or type in questions and comments using the "Questions" panel
- For PowerPoint or registration issues – kwatts@wrma.com

INTRODUCTIONS



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WELCOME FROM THE OFFICE OF CHILD CARE

Dr. Ellen Wheatley,
Deputy Director of the
Office of Child Care



AGENDA



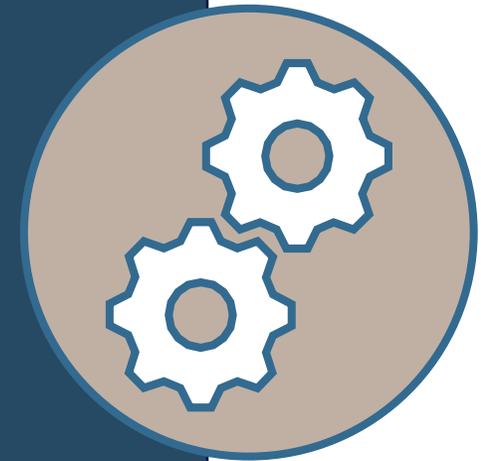
- Discuss the correlation between program internal controls, data mining, sharing and analytics
- Dig into data mining, sharing and analytics, including challenges and benefits
- Confidentiality
- Written Agreements
- Questions and open discussion



DATA MINING, DATA SHARING & DATA ANALYTICS

INTERNAL CONTROLS CORRELATION

- Lead Agencies are required to have internal controls in place to ensure integrity and accountability while maintaining continuity of services.
 - Measures should include detecting and deterring fraud, program violations, and errors.
- Internal controls are processes that include screening and checking of eligibility and payment decisions and identifying areas of risk.
- Essential parts of internal controls may include data mining, sharing, and analytics.



EFFECTIVE INTERNAL CONTROLS

- Effective internal controls should include data systems that provide at least three elements: Prevent, Detect and Predict
- Preventive elements are established to stop fraud, program violations, and errors before they occur.
- Detective elements are established to identify fraud, program violations or error after the occurrence.
- Predictive elements are established to identify areas which are error prone, potential fraud, or program violation risks.
- Data mining, sharing and analytics are efficient and effective tools for these elements of internal control.



DATA MINING - WHAT IS IT?

- Uses algorithms to churn through large data sets and can be structured to automatically flag items such as:
 - Potential improper payments;
 - Incorrect authorizations;
 - Eligibility decision inconsistencies;
 - Processing delays;
 - Graduated phase out benefits applied incorrectly;
 - Rate or copayment discrepancies;
 - Continuity of care issues.
- Detect patterns in data across data sources that could easily be missed by human detection or would require additional staff for manual process
- **Detective element** of internal control



DATA MINING - CONT.

- Communication requests between integrated or non-integrated systems:
 - Eligibility
 - Time and Attendance
 - Payment
 - Licensing/Provider
- Use of a data warehouse



DATA MINING – GROUP DISCUSSION

- An estimated 70% of CCDF Lead Agencies utilize Red Flag reports to identify potential errors.
- Let's talk about it.



DATA SHARING – WHAT IS IT?

- Nuts and bolts of program integrity in government programs
- Detection/Prevention element to assist in informing a Lead Agency of inconsistent participant/provider information.
- Sources for information can include, but are not limited to:

TANF, SNAP, and Medicaid	Child support enforcement
Public Assistance Reporting Information System (PARIS)	Motor vehicle registration
EHS/HS/PreK	Vital statistics
Social Security Administration	Non-public organizations/agencies
Labor and unemployment compensation	

DATA SHARING – GROUP DISCUSSION

- Estimated 73% of Lead Agencies utilize data sharing as an activity to fight fraud and ensure program integrity.
- Let's talk about it.



DATA ANALYTICS – WHAT IS IT?

- Looking at the data your program possesses
 - What can the data tell you?
- Program data is analyzed based on algorithms or programming logic (rules)
 - Red flags or potential fraud indicators



Simple or sophisticated

System Reports → Executive Dashboards → Predictive Analytics

DATA ANALYTICS – CONT.



- Data analyzed may include:
 - historical records
 - new information for real time analytics
 - internal/external sources

DATA ANALYTICS - CONT.

- Program procedures, policies and desired information should be the driving force behind the logic of data analytics
- Data analytics information can include:
 - Verification information
 - Provider/participant data
 - Payment data
 - Fiscal data
 - Risk areas for potential fraud and errors

DATA ANALYTICS – CONT.



- Predictive analysis
- Artificial intelligence - automated learning system to provide *reliable* data
- Statistical data - emerging trends

- Analytical data may provide high risk areas (fraud, errors, violations)
- Trending areas for the Lead Agency to improve
- **Preventative** element of internal control



DATA ANALYTICS - GROUP DISCUSSION

- Estimated less than 15% of Lead Agencies perform data analytics within their child care programs.
- Let's talk about it.



CHALLENGES TO DATA MINING, DATA SHARING, AND DATA ANALYTICS

- Quality of data
- Volume of data
- Security
- Cost



HOW CAN DATA MINING, ANALYTICS, AND SHARING BENEFIT OUR PROGRAM?

- Evaluate data from several data sources
- Improve efficiency - boost performance
- Early warning signs of potential fraud - respond quickly (proactive)
- Identify areas that require consistent focus
- Systems designed to fit your program's needs



VENDORS?



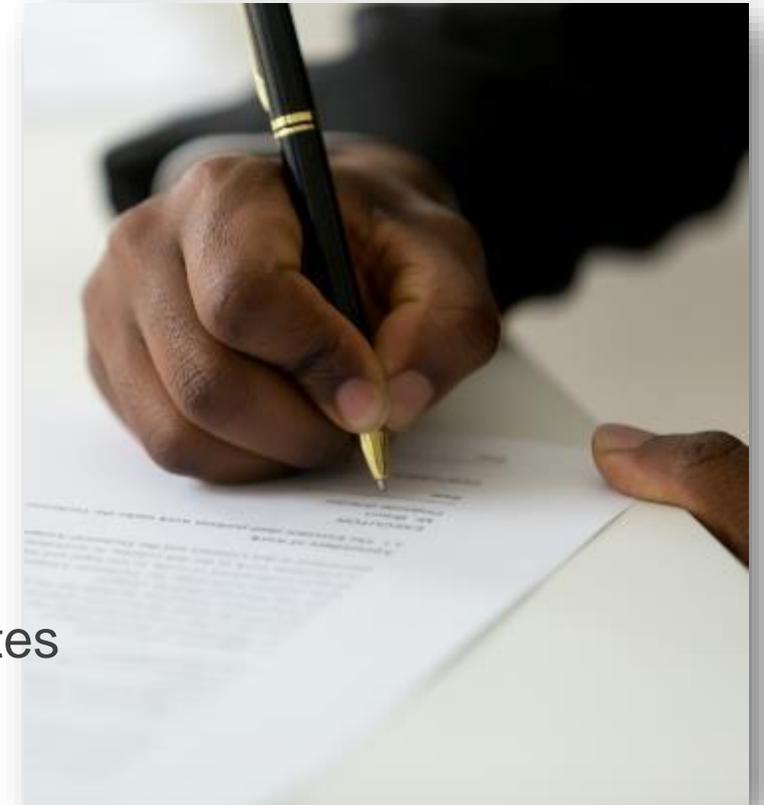
CONFIDENTIALITY



- *“There are in effect policies to govern the use and disclosure of confidential and personally identifiable information about children and families receiving CCDF assistance and child care providers receiving CCDF funds.” (45 CFR 98.15 (b)(13))*
- The Federal Privacy Act generally applies to federal agencies but has useable data matching guidelines for non-federal agencies
- Lead Agencies are responsible for ensuring security of the information within a data matching system approach.

WRITTEN AGREEMENTS

- Develop processes for sharing information between state agencies
- Memorandum of Understanding or Memorandum of Agreement
 - Purpose
 - Authority
 - Agreement Terms
 - Contacts
 - Confidentiality policy
 - Effective/Termination Dates



QUESTIONS AND OPEN DISCUSSION





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THANK YOU!