



NATIONAL CENTER ON

Subsidy Innovation and Accountability



YEAR ONE STATE COHORT CALL: Conducting Error Rate Reviews Using the Revised *Data Collection Instructions*

January 9, 2019 – 2:00PM EST

INTRODUCTIONS

- Leigh Ann Bryan, NCSIA
- Katie Watts, NCSIA
- Jenna Broadway, NCSIA
- Shelly Dilks, OCC Central Office
- Linda Winings, OCC Central Office

Welcome!

LOGISTICS



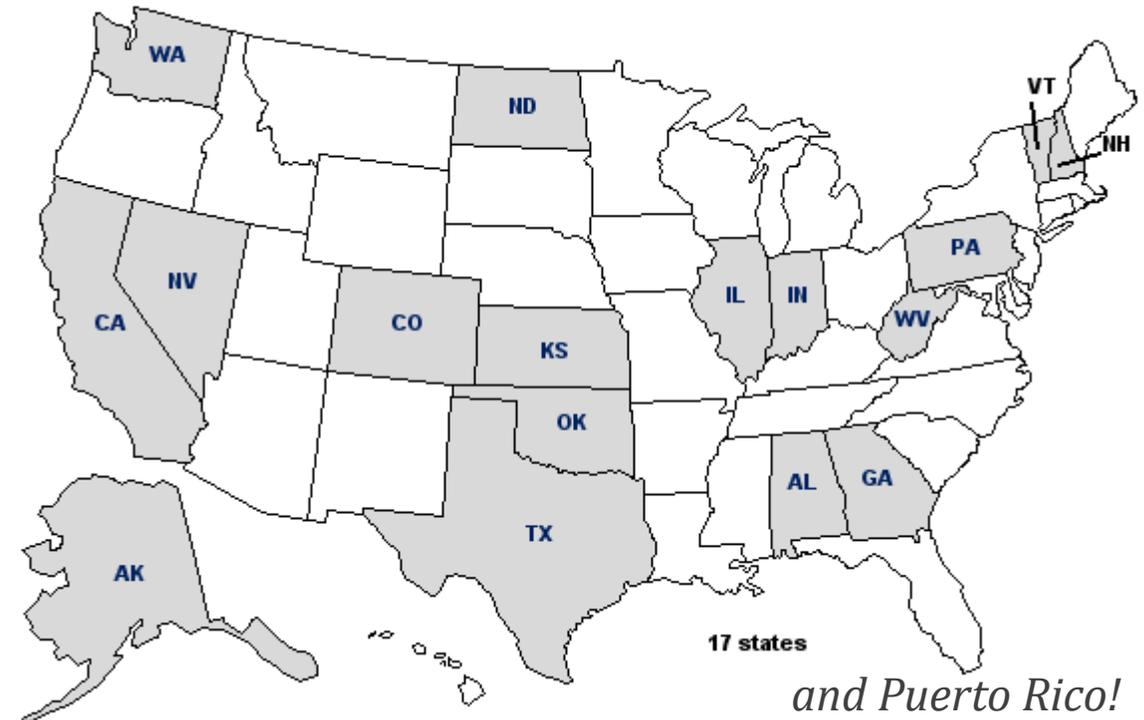
- Handouts
 - DCI
 - MID Table
 - DCI Changes Overview
- Webinar will be recorded
- For questions, problems, etc. **during** webinar, email Jenna:
jbroadway@wrma.com
- For questions **after** webinar, email Katie:
kwatts@wrma.com

POLL

Have you been involved in the error rate review process before?

- No – I'm new!
- Yes – this is my second cycle
- Yes – this is my third cycle
- Yes – this is my fourth cycle
- Yes – this is my FIFTH cycle!!!!

Map of Year One States



AGENDA



- Error Rate Review Overview
- Changes to the *Data Collection Instructions*
- Missing and Insufficient Documentation (MID) errors and the Additional Inquiry

Error Rate

Overview

ERROR RATE REVIEW OVERVIEW

YEAR ONE STATE
COHORT CALL

WHAT IS THE ERROR RATE REVIEW?



ERROR RATE REVIEW

- Examines eligibility errors and improper payments in states' CCDF programs, through case record review process
 - States report number and percent of errors, types and sources of errors, and strategies for reducing future errors
 - Error rate: percentage of CCDF payments that were improper payments
- Focuses on a 12 month period (October 1 – September 30), once every three years
- *Data Collection Instructions* (DCI): document to instruct states in implementing the methodology
 - Revised in 2018

REQUIRED SUBMISSIONS

ERROR RATE REVIEW

Sampling Decisions, Assurances, and Fieldwork Preparation Plan (SDAP)

- Template for plans for sampling cases and conducting case record reviews

Record Review Worksheet (RRW; ACF-403)

- Template (customized by Lead Agency) used for assessing case records

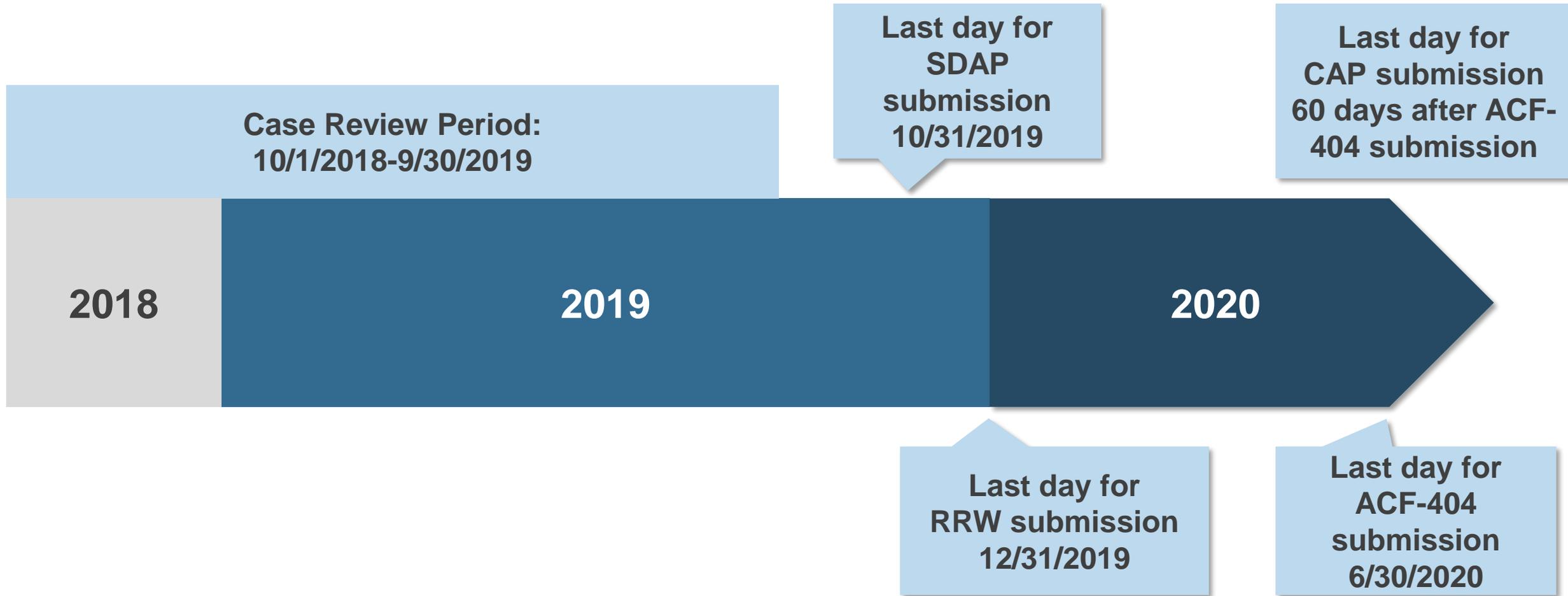
State Improper Payments Report (ACF-404)

- Contains the error and improper payments findings and analysis from the case record reviews

Corrective Action Plan (CAP; ACF-405)

- Submitted by states with error rates at or above ten percent

YEAR ONE STATES 5TH CYCLE TIMELINE



YEAR ONE STATES 5TH CYCLE TIMELINE

- Case review period:
10/1/2018 – 9/30/2019
- Last day to submit the *Sampling Decisions, Assurances, and Fieldwork Preparation Plan*: **10/31/2019**
- Last day to submit the customized *Record Review Worksheet* (RRW; ACF-403):
12/31/2019
- Last day to submit the *State Improper Payments Report* (ACF-404): **6/30/2020**
- Last day to submit *Corrective Action Plan* (ACF-405), if applicable (error rate at or above 10 percent): **60 days after ACF-404 submission**



REAL-TIME REVIEWS

What are real-time reviews?

- Reviews that take place during the review period, after the sample month has ended
- As a reminder: review period is from 10/1/2018-9/30/2019



REAL-TIME REVIEWS



Advantages to real-time reviews

- Plenty of time to complete reviews and the *State Improper Payments Report* – no rushing in June 2020!
- Can find, and possibly mitigate, error causes so they do not continue to occur during review period



Challenges to real-time reviews

- Potential logistical challenges



OVERVIEW OF DCI CHANGES TO SDAP, RRW, AND CONDUCTING REVIEWS

YEAR ONE STATE
COHORT CALL

CHANGES TO THE SDAP

- **The SDAP is now submitted using a template, found in Attachment 1 of the DCI** (submit to RO; OLDC not yet updated for SDAP submission)
- All items are now required; there are no optional decisions
- New items:
 - Date for starting reviews (1c)
 - Separate definitions for a) error; b) improper payment error; and c) nonpayment error (3d)
 - Plans for the pooling factor (3e)
 - Coordination plans for IT systems, or how tasks will be accomplished if not in coordination with IT (3f)
 - Process to determine annual amount of payments



**See DCI Chapter IV
for more info.**

CHANGES TO RRW TEMPLATE AND CUSTOMIZATION

- Include item (2A) to include in column 4 of Elements 100-400
- Title of Section IV has changed: from “Income and Payment” to **“Financial Requirements and Payment”**
- Titles of Elements 400 and 410 have changed:
 - Element 400 from “Income Requirements” to **“Financial Requirements”**
 - Element 410 from “Payment/Case Summary” to **“Payment”**



**See DCI Chapter V
for more info.**

CHANGES TO RRW TEMPLATE AND CUSTOMIZATION

- Changes to column 1 boilerplate language in Elements 320, 340, 400, 410
- Provider payment rate has been moved from Element 400 to Element 340
- Addition of Element 500 and the MID Table
- **Customization of Element 410, column 1 is now required**

CONDUCTING CASE RECORD REVIEWS

- Element 410 no longer includes the case summary; case summary is now in Element 500
- New requirement to more closely examine MID errors that may cause improper payment, including use of the Additional Inquiry



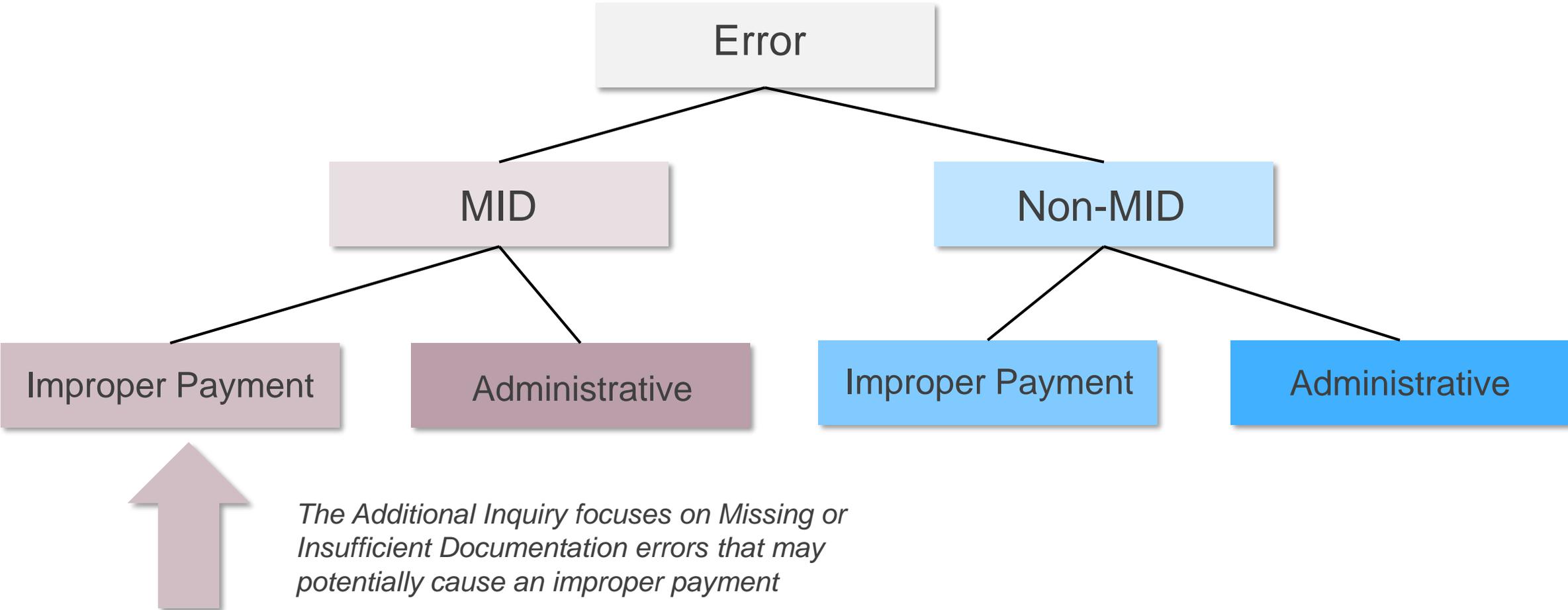
See DCI Chapter VI
for more info.



ADDITIONAL INQUIRY FOR MISSING OR INSUFFICIENT DOCUMENTATION ERRORS

YEAR ONE STATE
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BACKGROUND: ERROR TYPES



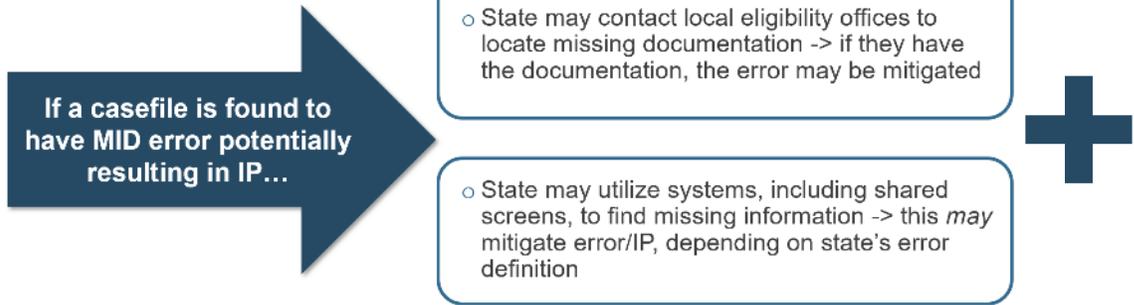
CASE REVIEW PROCESSES AND AI

If a casefile is found to have MID error potentially resulting in IP...

- State may contact local eligibility offices to locate missing documentation -> if they have the documentation, the error may be mitigated

- State may utilize systems, including shared screens, to find missing information -> this *may* mitigate error/IP, depending on state's error definition

CASE REVIEW PROCESSES AND AI

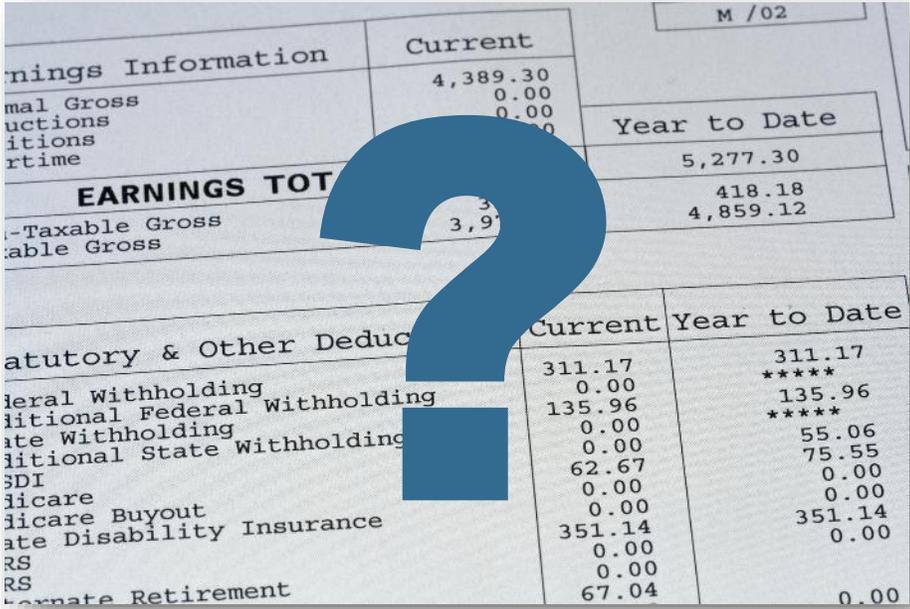


Under new DCI, case review process includes *Additional* piece:

- Additional Inquiry (AI) allows for determining whether casefiles with MID errors potentially causing improper payments ultimately met eligibility criteria for child care subsidy
- Lead Agency may utilize state resources not normally included in their eligibility and review process
- The inquiry may allow for mitigation of MID payment errors *for this review*
- Specifics will vary from state to state

EXAMPLE: MISSING PAYSTUBS

A reviewer finds paystubs missing from the case file. These are required by the state for determining income in Element 400. Without income information, the case would become ineligible.

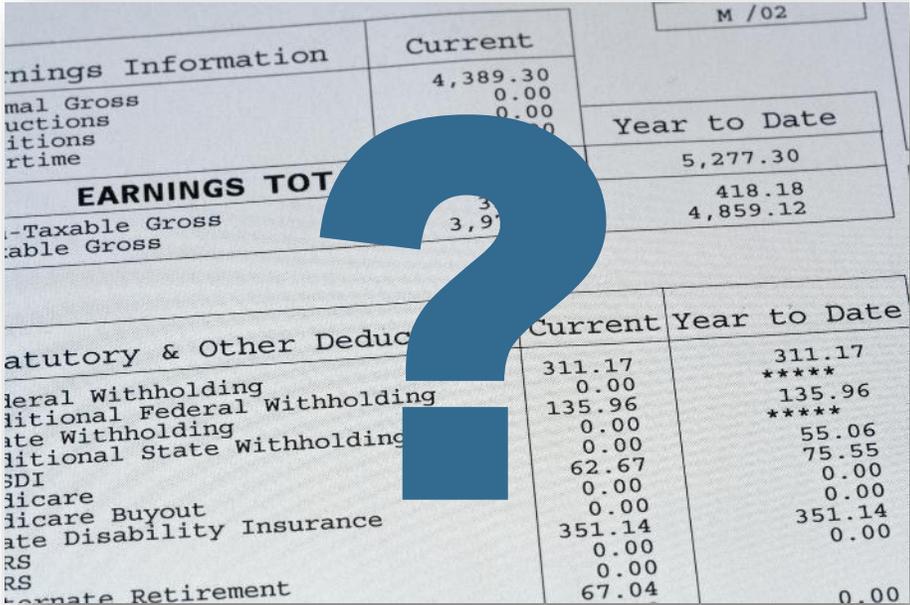


Earnings Information		Current	Year to Date
Normal Gross		4,389.30	
Deductions		0.00	
Adjustments		0.00	
Over Time		0.00	
EARNINGS TOTAL			5,277.30
Non-Taxable Gross		3,900.00	418.18
Taxable Gross			4,859.12

Statutory & Other Deductions		Current	Year to Date
Federal Withholding		311.17	311.17
Additional Federal Withholding		0.00	*****
State Withholding		135.96	135.96
Additional State Withholding		0.00	*****
SDI		0.00	55.06
Medicare		62.67	75.55
Medicare Buyout		0.00	0.00
State Disability Insurance		0.00	0.00
RS		351.14	351.14
RS		0.00	0.00
RS		0.00	0.00
Corporate Retirement		67.04	0.00

EXAMPLE: MISSING PAYSTUBS

- The reviewer contacts the local eligibility office, and they do not have the missing paystubs
- The reviewer determines that the family also receives SNAP benefits
- The Lead Agency has access to shared screens with SNAP as part of normal eligibility processes
- The reviewer accesses the system for family income information



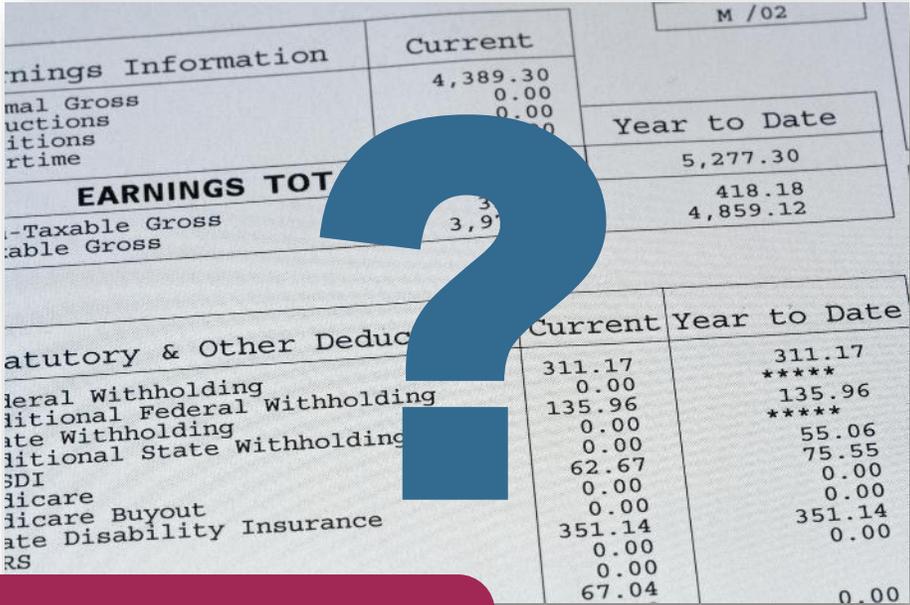
Earnings Information		Current	Year to Date
Normal Gross		4,389.30	
Deductions		0.00	
Adjustments		0.00	
Overtime		0.00	
EARNINGS TOTAL			5,277.30
Non-Taxable Gross		3,900.00	418.18
Taxable Gross			4,859.12

Statutory & Other Deductions	Current	Year to Date
Federal Withholding	311.17	311.17
Additional Federal Withholding	0.00	*****
State Withholding	135.96	135.96
Additional State Withholding	0.00	*****
SDI	0.00	55.06
Medicare	62.67	75.55
Medicare Buyout	0.00	0.00
State Disability Insurance	0.00	351.14
RS	0.00	0.00
RS	0.00	0.00
Private Retirement	67.04	0.00

This is not an AI
(whether this mitigates the payment error will depend on your error definition).

EXAMPLE: MISSING PAYSTUBS

- The reviewer contacts the local eligibility office, and they do not have the missing paystubs
- The reviewer determines that the family also receives SNAP benefits
- The Lead Agency does not have access to shared screens with SNAP
- The reviewer contacts the SNAP worker, who provides evidence of family income



The image shows a portion of a paystub with a large blue question mark overlaid on it. The paystub is dated M / 02. It lists 'Earnings Information' with a 'Current' value of 4,389.30 and a 'Year to Date' value of 5,277.30. Below this, it shows 'EARNINGS TOTAL' with a 'Current' value of 3,900.00 and a 'Year to Date' value of 4,859.12. The 'Statutory & Other Deductions' section includes:

	Current	Year to Date
General Withholding	311.17	311.17
Additional Federal Withholding	0.00	*****
State Withholding	135.96	135.96
Additional State Withholding	0.00	*****
SDI	0.00	55.06
Medicare	62.67	75.55
Medicare Buyout	0.00	0.00
State Disability Insurance	0.00	351.14
RS	351.14	0.00
	0.00	
	0.00	
	67.04	0.00

This is an AI.



The AI includes...

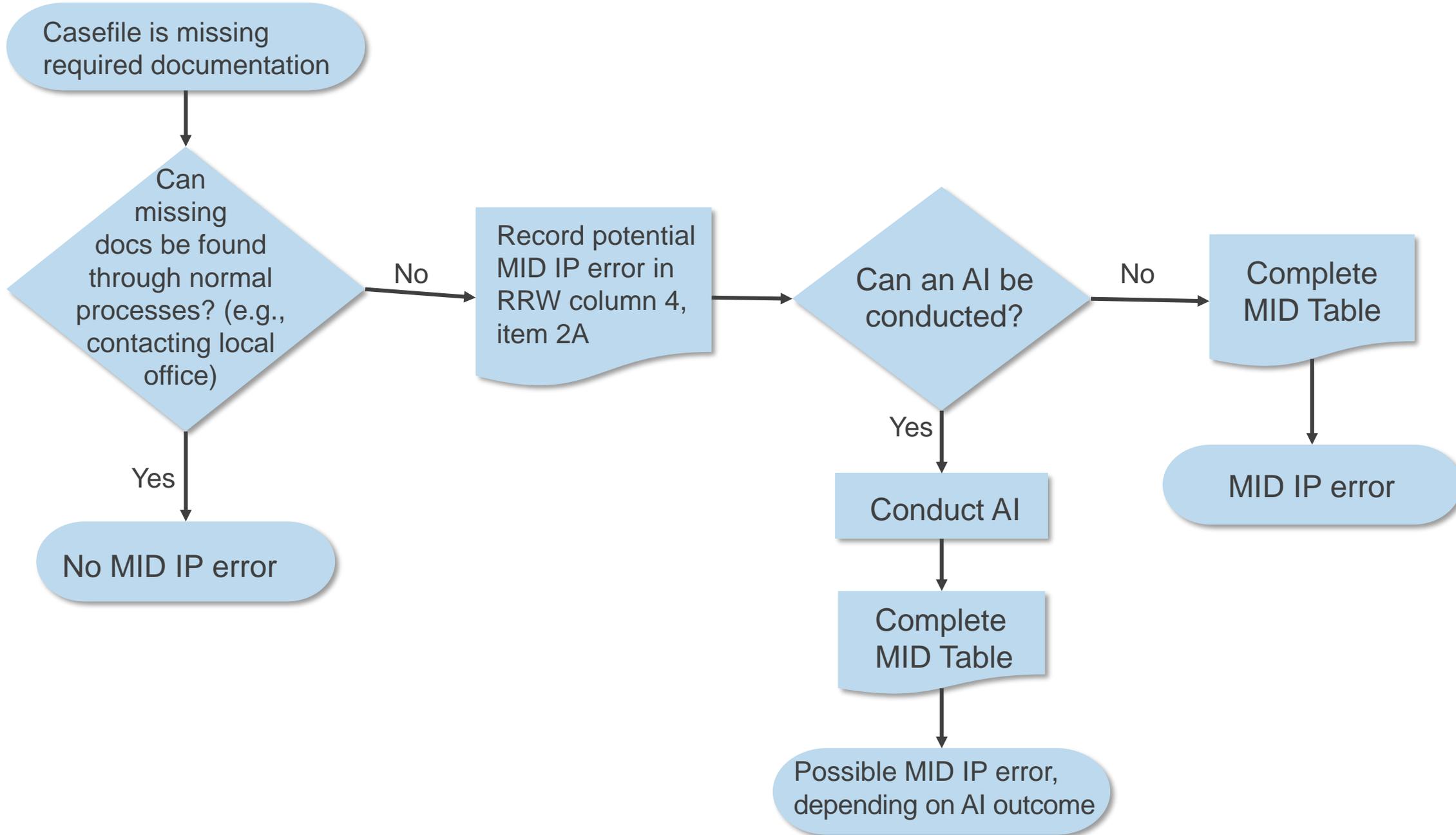
- Utilization of resources from other state agencies and systems that are **not part of the typical eligibility process**
- **Specifics will vary from state to state**

**See DCI, pages
32-41 for more
information and
examples!**



The AI does not include...

- Processes *already used* by the Lead Agency for obtaining potential missing documentation
- Processes already used to obtain missing information (shared systems, etc.)
- Independent or third-party verification (not in the scope of this review)
- Contacting client, employers, or providers for verification (Lead Agencies are **never** to do this!)



MID TABLE

Child ID:

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

MID TABLE

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

Reviewers must complete the MID Table for any element with an MID error that may result in an IP – regardless of whether the AI is used.

MID TABLE

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

Refer to the row for the element with the error.

MID TABLE

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

If AI was not used, complete columns 2-5 for that element.

MID TABLE

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

If AI was used, complete columns 2-4 and 6-9 for that element.

MID TABLE

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400								
Total								

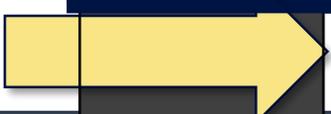
Complete "Totals" row, which corresponds to RRW Element 500.

EXAMPLE: MISSING PAYSTUBS

- The reviewer contacts the local eligibility office, and they do not have the missing paystubs
- The family does not participate in any other benefit programs. There are no other state resources the reviewer can use to find the missing income information
- No AI can be conducted. The reviewer would complete columns 2-5 of the MID table.

Earnings Information		Current	Year to Date
Normal Gross		4,389.30	
Deductions		0.00	
Adjustments		0.00	
Part-time		0.00	
EARNINGS TOTAL			5,277.30
Non-Taxable Gross			418.18
Taxable Gross	3,9		4,859.12

Statutory & Other Deductions		Current	Year to Date
Federal Withholding		311.17	311.17
Additional Federal Withholding		0.00	*****
State Withholding		135.96	135.96
Additional State Withholding		0.00	*****
SDI		0.00	55.06
Medicare		62.67	75.55
Medicare Buyout		0.00	0.00
State Disability Insurance		0.00	0.00
RS		351.14	351.14
RS		0.00	0.00
Corporate Retirement		0.00	0.00
		67.04	0.00

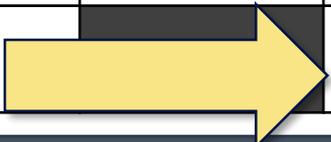
1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No , describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes , describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330								
340								
350								
400	Could not locate paystubs in the casefile	\$250	0	Client does not participate in any other benefit programs. No way of finding missing information.				
Total		\$250	0					

EXAMPLE: MISSING BIRTH CERTIFICATE



- The reviewer cannot find the child birth certificate in the casefile for element 330. The birth certificate is required by the Lead Agency and if it is missing, the case would be considered ineligible.
- The reviewer contacts Vital Records to locate the missing birth certificate.

1	2	3	4	5	6	7	8	9
Element	Describe documentation that was missing or insufficient	Dollar amount of potential improper payment	Is there an additional inquiry that can be made to mitigate the potential improper payment error? 0=No 1=Yes	If No, describe why not <i>(Note: After responding, go to Element 500 if there are no other Elements requiring the MID Table)</i>	If Yes, describe additional inquiry	Was the improper payment mitigated using the additional inquiry? 0=No 1=Yes	Enter dollar amount that was mitigated	Describe how the state determined whether or not the potential improper payment could be mitigated. <i>(Note: Please respond to this whether the potential improper payment was mitigated or not mitigated)</i>
100								
200								
300								
310								
320								
330	Could not locate birth certificate	\$500	1		We contacted vital records to locate the birth certificate	1	\$500	Vital records was able to provide the missing birth certificate
340								
350								
400								
Total		\$500	1			1	\$500	

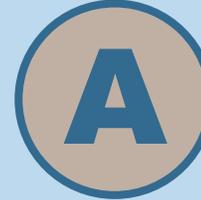




ADDITIONAL INQUIRY FREQUENTLY ASKED QUESTIONS



If I was able to mitigate a potential improper payment error, is there still an error in the element?



Yes, it would be considered an administrative error.



ADDITIONAL INQUIRY FREQUENTLY ASKED QUESTIONS

Q

What about utilization of resources that are available to eligibility workers, but that they didn't use, like the Work Number?

A

If the Work Number is normally available to eligibility workers, and the reviewer uses it to find missing information, it would not be AI.

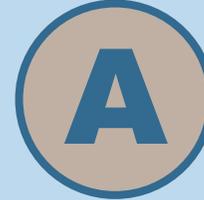
Whether an IP error exists would depend on your Lead Agency's error definitions.



ADDITIONAL INQUIRY FREQUENTLY ASKED QUESTIONS



What if the agency I contact for the AI will not provide the missing information?



Unfortunately, that means you would not be able to mitigate that potential improper payment error.



ADDITIONAL INQUIRY FREQUENTLY ASKED QUESTIONS

Q

What if multiple elements have MID errors? *Example: missing work schedule leads to ineligibility errors in 320 (Parental Work/Training Status) and 340 (Qualifying Care).*

A

Complete the AI for all elements. It is feasible that the AI might mitigate the error in one element, but not the other.

Ensure that the “total” row for columns 3 and 8 accurately represents the dollar amounts in error and dollar amounts mitigated. Summing may not give an accurate total.

We can provide TA on completing the MID Table with multiple errors

RECORD REVIEW WORKSHEET ELEMENT 500

FINDINGS (1)	RESULTS (2)
<p>500 CASE SUMMARY</p> <p>Potential MID improper payment error of \$500 in element 330. Additional inquiry was used and mitigated the error. No improper payment. No errors in any other element.</p>	<p>500 RESULTS</p> <p>1. No Error/Error 1</p> <p>2. Missing/Insufficient Documentation Y</p> <p>2A. Number of MID potential improper payment errors identified 1</p> <p>2B. Total amount of MID potential improper payment errors \$500</p> <p>2C. Number of times an additional inquiry was used 1</p> <p>2D. Number of times the additional inquiry mitigated the potential improper payment error 1</p> <p>2E. Total amount of improper payments mitigated \$500</p> <p>3. Overpayment/Underpayment NA</p> <p>4. Total Amount of Improper Payment \$0</p> <p>5. Total Payment Amount for Sample Month \$500</p>



NEXT STEPS FOR YEAR ONE STATES

YEAR ONE STATE
COHORT CALL

NEXT STEPS



- Contact ACF RO for TA on getting started with real-time reviews
- Familiarize yourself with DCI and case review process
- Complete and submit SDAP using Template in Attachment 1 of DCI
 - NCSIA can review drafts before submission
- Check-in webinar will take place this spring

CONTACT INFORMATION

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Please complete evaluation!

