

Strategies Discussed in the National Program Integrity Webinar Series #1

This document includes descriptions of the strategies that were presented during the first National Program Integrity Webinar on April 11, 2017.

Administrative Oversight and Control

Sub-Recipient Monitoring

While Lead Agencies have broad authority to administer their CCDF programs through other government or non-government agencies, the Lead Agency must comply with requirements for monitoring and management of the sub-recipients. For the county or locally administered sites, the Lead Agency is not looking solely at expenditures, but also performance.

Written Agreements

The Lead Agency is responsible for ensuring all CCDF-funded activities meet the requirements and standards of the program and must ensure that written agreements with sub-recipients appropriately support program integrity and financial accountability. Written agreements should have clear expectations of the work to be completed, and the Lead Agency should know how the performance of that work will be measured for sub-recipients and contractors.

Management Reports

The Lead Agency may use management reports to monitor caseload activity, eligibility determination outcomes, enrollment numbers, and fiscal administration.

Supervisory Case Reviews

Supervisory case reviews or desk audits at the local level are an excellent way to ensure consistent application of program rules. The Lead Agency may want to request the results of these reviews as a performance monitoring tool.

Ongoing Case Reviews

Many Lead Agencies are conducting ongoing case reviews every month as oversight, mirroring the error rate review process. The Lead Agency can look at the denied and discontinued cases for accuracy as well as those that were determined eligible.

Family Eligibility Policy and Procedures

Clear and Consistent Policies and Procedures

Administrative errors can happen when eligibility workers are not implementing policies and procedures correctly due to complexity, lack of clarity, or insufficient training. Easily understood and clearly communicated policies also make it easier for parents and providers to better understand program requirements, including those related to reporting changes in circumstances.

Impact of Policy Changes on Access, Continuity, and Administrative Efficiency

Are you thinking about the impact to access, continuity of care for the child, and administrative efficiencies when making changes to policies? In addition to the error rate review process, ongoing case reviews will help policy teams in assessing the impacts of policy and whether a few tweaks to procedures may be implemented to reduce errors. Can any verification or reporting policies be aligned with other programs to make things a little easier on the parents and the workers that are managing a caseload consisting of multiple programs?

Coordinate Redeterminations with Other Assistance Programs

Consider other programs, such as TANF, SNAP, Head Start, and Early Head Start – can redeterminations be aligned to benefit both the families and case managers? Are there clear communication channels in place for your workers and the families, especially when there are multiple workers? Do your workers or systems share information about the parent that may prevent duplication of effort?

Verification Resources

Lead Agencies are responsible for ensuring that all children served in CCDF are eligible. Is there a way to obtain documentation that eliminates any possible errors or potential for fraud? Forty-two out of 56 Lead Agencies are sharing data across programs or with other databases. What other systems interface with your eligibility system? Some examples of databases used for verification include TANF, SNAP, Child Support Enforcement, The Work Number, Social Security Administration, Unemployment Compensation, the IRS (earnings), and Department of Motor Vehicles. Using these automated verification resources also helps to reduce paperwork. The verification is automatically documented in the system instead of a paper document being required in the file.

System Automation

Lead Agencies are making changes to IT systems in an effort to reduce and prevent errors. For example, Lead Agencies have IT systems that automatically calculate the family's income and copayments, alert the worker when a training activity comes to an end or redeterminations are due, or alert when a case has questionable income. Eligibility systems may also generate soft warnings during the eligibility process to prevent or reduce administrative error.

Provider and Payment Policies and Procedures

Payment Accuracy

Lead Agencies determine how to provide payment for the child care received, including who processes the payment (the Lead Agency or another entity), the payment mechanism (electronic transfer into the provider's bank account, transfer of funds to an EBT card, check, payment to the parent), and the type of documentation required for payments. Do your payments accurately reflect the child's age, type or care, any special needs, or other payment factors?

Review of Attendance and Billing Records

To ensure payment accuracy, 54 out of 56 states and territories are reviewing attendance or billing records. If you have a time and attendance system, how does the system support enrollment and program integrity, ensuring the appropriate payments are going out the door?

Considerations Beyond Work or Training Schedule

As a reminder, authorizations do not have to be tied to the parent's work/education/training schedule. In some cases, matching the child and parent schedules may work against the interests of the child or parent. When thinking about authorization of hours and need for care, do the authorized or approved hours include travel time and other considerations beyond the parent's work or training schedule?

Delinking Reimbursement Rates from Child's Occasional Absences

The CCDBG Act requires lead agencies to delink reimbursement rates from the child's occasional absences due to holidays or unforeseen circumstances, to the extent practicable. Section 98.45(l)(2) of the CCDF regulation provides examples such as paying providers based on a child's enrollment, rather than attendance. What adjustments are you making in policy or the system to allow for delinking?

Processes to Ensure Providers are Operating Legally

Lead Agencies must establish policies to ensure providers are operating legally. A common strategy is a combination of announced and unannounced inspections or visits. Licensing data, vital statistics records, and other information sources may be used to identify child care programs not operating legally. Using the IRS Taxpayer Identification number (TIN) or other methods to verify provider Social Security Numbers may ensure legal operation. Some other policies and procedures are to establish communication protocols with the State licensing authority for monitoring changes in provider eligibility and violations, coordinating with the child welfare agency on child abuse and neglect complaints, and conducting investigations or site visits in response to complaints about unregulated providers.

Policies on Out-of-State Providers

How are you ensuring compliance or that the provider is operating legally in their home state if your state is not licensing or issuing a certificate to the provider? What sort of additional forms or documentation does the provider need to complete to receive payment for the subsidy program? Do you know who the contacts are in your neighboring states?

Establish Communication Protocols Between Subsidy and Licensing Staff

Communication between the licensing and subsidy staff is critical, especially when licensing acts to suspend or revoke a license. How will the subsidy side of the house be notified? What if there is an emergency closure? How will those subsidy families be notified, and how about resource and referral activities for the families?

Fraud Identification and Prevention

System Flags and Reports

System flags, alerts, and reports are discussed often in the context of preventing fraud. Some examples include flags for:

- providers that are over licensed capacity
- providers that consistently report perfect attendance or are never closed
- children being billed at multiple locations at the same time
- children that have enrollment or attendance records outside of the provider's operating hours
- school-age children receiving full-time care during the school year
- parents employed by providers where their children also attend
- manual eligibility overrides by workers

Processes to Routinely Check that Providers are Operating Legally

This overlaps with strategies to increase program integrity. A combination of announced and unannounced inspections or visits is also a strategy to identify and prevent fraud. Parents are in the provider location daily, so they should have a way to report potential fraud by using a fraud tip hotline or email inbox.

Activities to identify and prevent administrative errors

Quality control audits performing random reviews may help to ensure workers are processing cases per policy. Besides the system flags and reports – what do you see in your agency as a result of quality control measures, and can the system help to identify or prevent any of those administrative errors? Does your system have a built-in audit trail to track changes made in a case record? Is training provided to staff if quality control reviews show common errors or fraud-prone areas?

Linking Databases to Identify Potential Improper Payment Risks

Linking licensing and subsidy databases may be a way to check that providers are not receiving subsidies for more children than they are licensed to serve, and may flag providers who are at risk for fraud or abuse. Linking to other databases and records may also help in preventing improper payments. Another common strategy is creating a unique client identifier to cross check individual information provided by parents and providers across state and national databases. Income reported on the child care application may be checked against state quarterly wage databases or other benefit programs such as Medical Assistance, SNAP, TANF, or Child Support Enforcement. Many of these IT systems can be programmed to automatically flag potential improper payments.

Front-End Detection

Training staff on simple front-end detection is also a common strategy to catch fraudulent or potentially fraudulent activities before a payment goes out. What would a tampered pay stub look like? What questions should be asked when a parent reports their employer is the child care provider where their child is currently enrolled? What training strategies, including identifying high-risk factors, are in place for your eligibility workers?

Referring Suspected Overpayments for Investigation

Relationships and communication are key factors with those other agencies or bureaus. Now that the suspected fraud or overpayment has been identified, does it rise to the level of an investigation? How will your agency make that referral for investigation? What is the process? What individuals or agencies are involved?

Recoupment

While Lead Agencies are required to recover overpayments that are the result of fraud, they do have discretion on how misspent funds, including non-fraudulent overpayments will be recouped. Some examples of how states may recoup funds include repayment plans, reduced payments in future months, and tax intercept.