



NATIONAL CENTER ON

Subsidy Innovation and Accountability



NATIONAL PROGRAM INTEGRITY WEBINAR SERIES

WEBINAR #2: STATE-SPECIFIC STRATEGIES

MAY 17, 2017 - 3:00 EDT

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

WELCOME

Shannon Christian, Director, Office of Child Care



INTRODUCTIONS

Alicia Siryon-Wells, Associate Commissioner for Audits and Teacher Qualifications
Massachusetts Department of Early Education and Care



Denise Eckman, Evelyn Oliver, and Stacey Shell
Michigan Department of Education
Child Development & Care Division
Technology, Integrity & Outreach Section

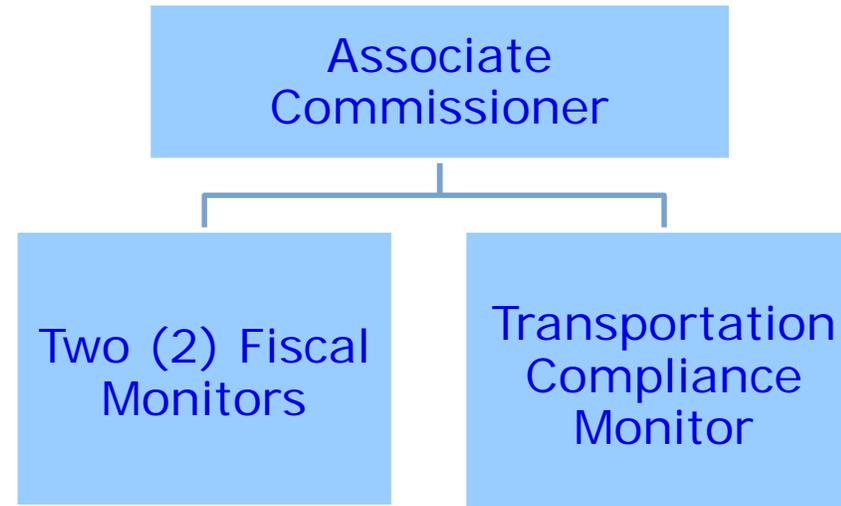




MA Department of Early Education and Care

Program Integrity and Fraud Activities





Subsidy Management and Grant Fiscal Monitoring

Improper Payment Project

Transportation Compliance Monitoring

Internal Controls/Audits

Training and Technical Assistance



EEC Monitoring Objectives

Ensure compliance , transparency, and accountability while minimizing fraud, waste, abuse, and audit issues through monitoring.



Purpose of Subrecipient Monitoring

- Ensure subrecipients are in compliance with rules, regulations, and requirements.
- Understand and assess subrecipient financial and management system capabilities.
- Safeguard federal funds against fraud, waste, and abuse.
- Help identify potential audit issues.
- Identify technical assistance and training needs.
- Identify improvements to EEC's current policies and procedures.
- Follow up on issues or corrective actions providing effective resolution.

Effective Monitoring Process



Pre Monitoring Activities

- **Provider Risk Assessment Analysis and Review**
 - Subrecipient Funds from EEC and other State Agencies.
 - Timeliness of submission; Independent Audit and Uniform Financial Report.
 - Independent Audit findings that result in Corrective Action.
 - Past monitoring, licensing, and transportation findings
 - Financial Assessment: Liquidity ratio, Days in cash, days in receivable.
- **Management Internal Control System Questionnaire**
 - Ensure effective Internal Controls.
 - Non Traditional hours (6pm-6am).
 - Subcontracts (Transportation, Accounting, Food Services, etc).
 - Lawsuits pending
 - Training needs



Subrecipient Areas to Review

- Financial Accounting Systems
- Award and Regulatory Requirements
- Policies and Procedures
- Internal Controls and Segregation of Duties
- General Ledger and Bank Reconciliation
- A-133 Audits
- Financial Reports
- Client Files
- Attendance Records
- Program Income/Parent Fee Collections
- Subcontracts (i.e., FCC Providers, Administrative, Food Services, and Transportation Services, etc.)

Onsite and post review techniques



- Sample file review includes the use of a Error Record Review Worksheet (RRW) that includes all of the IP required sections.
- Ensure providers utilize the IP checklist within each file.
- Provide onsite Technical Assistance when necessary.
- Continual follow-up throughout the Reporting and Corrective Action process.
- Work with EEC Legal on difficult files.
- Providers with major findings will require an additional visit in the next fiscal year cycle or sooner.



Top 10 Monitoring Visit Findings

10. Citizenship/Immigration Status
9. Income Verification
8. Family Size
7. Proof of Residency
6. Parent Identification
5. Rates
4. Documentation of a Service Need/Participation in an Approved Activity
3. Missing Required EEC Forms
2. Income Miscalculations
1. Eligibility Review Internal Controls



FY2015 Fiscal Monitoring

- Child Care Resource and Referral Agencies: **7**
- Contract Providers: **62**
- Total CCRR/CP Monitoring Visits: **69**
- Total Files Reviewed: **3,093**
- Total Errors: **188 (6%)**
- Total Improper Authorized Payments: **176 (6%)**
- Total Recoupment: **\$287,249.95** (\$156,731.83 - Excessive Absences)



Subsidy Management Training

- Trainings held at each EEC Regional Offices or other accessible locations.
- Required attendance for those with previous monitoring visit findings. Recommended for all contract providers.
- Representatives from EEC Audit, Fiscal, IT, and Legal Units.
- **Subsidy Management 101 training topics:**
 - Eligibility policies and process
 - Waitlist policies
 - Compliance Monitoring
 - Subsidy Management best practices
 - Top 10 Monitoring Visit Findings
- **Subsidy Management Advanced training topics:**
 - Communication
 - Contract Requirement Reminders
 - Policy Interpretations and Updates
 - Fiscal and Administrative Oversight requirements

Fraud Investigations

- **Memorandum of Agreement with MA Office of State Auditor/Bureau of Special Investigation (BSI)**
 - Initiating investigations and investigating complaints
 - Receives referrals from EEC Financial Assistance Unit
 - Potential fraud information was submitted by a child care subsidy recipient in order to receive services or has received services.
 - BSI has access to other state agency data: SSA, IRS, DOR
 - Examples include:
 - Second parent in home not reported.
 - Falsified paystubs, tax documentation, or any other legal documentation.
 - BSI Cases submitted by EEC since July 2015:
 - Referrals-75
 - Investigating-40
 - Criminal Compliant-4
 - Fraud Determined-43
 - No Fraud Determined-9
 - Amount of Fraud determined \$1,565,571.27



Child Care Financial Assistance System (CCFA)

- Historically EEC has used two separate systems for programs, providers, and CCR&Rs to request reimbursement from EEC: CCIMS for voucher subsidies and eCCIMS for contract subsidies
- EEC developed a single platform for managing subsidy awards: the new Child Care Financial Assistance system (CCFA). CCFA successfully rolled out July 1, 2015.
- The CCFA is a web-based system that combines the functionality of CCIMS and eCCIMS into one platform with uniform application of child care financial assistance policies and requirements.
- CCFA utilizes “modules” similar to the legacy systems for the major reimbursement functions: intake, eligibility, placement, attendance, and billing.
- EEC administers nearly \$500 million annually in subsidy awards through its Child Care Financial Assistance system (CCFA).
- *CCFA Benefits*
 - Reduces data entry time through ability to pre-fill and re-use family information.
 - Reduces paperwork through online submission of attendance.
 - Offers easier access to users as a web-based platform.

CCFA Impact

CCFA has had a significant impact on EEC spending and compliance with EEC policies.

- CCFA business rules ensure that EEC is paying for a child only once:
 - Prevents overlapping placements for children as they move between programs.
 - Placement overlap with another placement FID: [redacted] (Enrollment Order: 1) from 12/21/2016 to 5/8/2017 at Osula, Anne.
 - If a child is at multiple providers (i.e., one for before school, one for after/full days, and school closure only providers), prevents both programs from billing for a holiday.

1/10/2017 11:55:29 AM	Blocking Attendance Encountered	Attendance summary generation failed for organization . There appears to be one or more blocking attendance(s) on a placement held by another provider for on 12/23/2016, 12/29/2016, 12/30/2016, 12/28/2016.	Archive
1/10/2017 10:22:56 AM	Blocking Attendance Encountered	Attendance summary generation failed for organization . There appears to be one or more blocking attendance(s) on a placement held by another provider for on 12/23/2016, 12/29/2016, 12/30/2016, 12/28/2016.	Archive
1/10/2017 9:51:17 AM	Blocking Attendance Encountered	Attendance summary generation failed for organization . There appears to be one or more blocking attendance(s) on a placement held by another provider for on 12/23/2016, 12/29/2016, 12/30/2016, 12/28/2016.	Archive

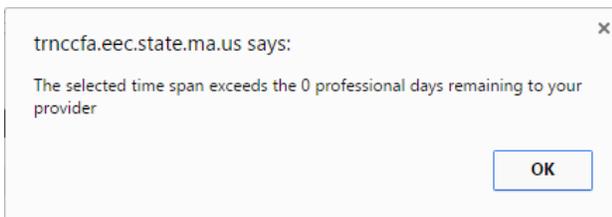
- Children are being aged up in a timely manner resulting in EEC being billed the applicable rate for the program type (i.e., preschool child being billed from an infant slot).

5/3/2017 11:39:33 AM	An Aged Out Placement Has Failed Attendance Validation	Placement needs to be aged up. Child attendance at as recently as 4/28/2017 which is over the 24 month maximum age for the selected program type and should have ended as of 4/11/2017. Please age up the placement to avoid automatic rejection of billing.	Archive
3/16/2017 8:03:46 PM	Placement Aged Up	Placement for , aged up.	Archive View Placement
3/15/2017 8:02:23 PM	Placement Aged Up	Placement for . aged up.	Archive View Placement
11/6/2016 8:03:00 PM	Placement Age Up Failed	Placement for , should be aged up, but CCFA cannot process it automatically. Please review the placement.	Archive View Placement
11/5/2016 8:03:48 PM	Placement Age Up Failed	Placement for . should be aged up, but CCFA cannot process it automatically. Please review the placement.	Archive View Placement
11/4/2016 8:03:36 PM	Placement Age Up Failed	Placement for . should be aged up, but CCFA cannot process it automatically. Please review the placement.	Archive View Placement

CCFA Impact, Continued



- Limits payments for absences:
 - Maximum of 30 absences in a rolling 6-month period
 - Maximum of 3 consecutive unexplained absences
 - Additional two-week (10 days) payment for absences if the provider terminates on the 4th unexplained or 31st absence
- Ensures that the correct billing rate is applied each billing month based on changes to the Published Private Rates.
- Validates use of approved closures and Professional Development/ QRIS days by preventing users from going over the maximum days allowed.



Published Private Rates - [Location] (-----)

Published Private Rates Information [Manage Transportation Rates](#)

Program Type	Published Private Rate	State Max Rate	Effective Date	Status
Center-Based After School Only	<input type="text"/>	\$19.15	<input type="text"/>	Active - No Rate
Center-Based Before and After School	<input type="text"/>	\$27.79	<input type="text"/>	Active - No Rate
Center-Based Before School	<input type="text"/>	\$8.65	<input type="text"/>	Active - No Rate
Center-Based Infant	<input type="text"/>	\$59.68	<input type="text"/>	Active - No Rate
Center-Based PreSchool	<input type="text"/>	\$40.16	<input type="text"/>	Active - No Rate
Center-Based School Age	<input type="text" value="35.00"/>	\$35.72	<input type="text"/>	Active
Center-Based Toddler	<input type="text"/>	\$53.74	<input type="text"/>	Active - No Rate
Head Start After School Only	<input type="text"/>	\$24.13	<input type="text"/>	Active - No Rate
Head Start Before and After School	<input type="text"/>	\$32.22	<input type="text"/>	Active - No Rate
Head Start Before School Only	<input type="text"/>	\$8.05	<input type="text"/>	Active - No Rate
Head Start Full Day	<input type="text"/>	\$40.16	<input type="text"/>	Active - No Rate
Kindergarten After School Only	<input type="text"/>	\$24.13	<input type="text"/>	Active - No Rate
Kindergarten Before and After School	<input type="text"/>	\$32.22	<input type="text"/>	Active - No Rate
Kindergarten Before School Only	<input type="text"/>	\$8.05	<input type="text"/>	Active - No Rate
Kindergarten Full Day	<input type="text"/>	\$40.16	<input type="text"/>	Active - No Rate

Save Cancel

CCFA Impact, Continued

- CCFA manages contract slot utilization.
 - EEC was reliant on the programs to move children with contract placements from Supportive expansion into a regular slot. Programs not moving Supportive expansion to a regular slot once available resulted in EEC paying the add-on rate twice.

1/7/2017 8:00:09 PM	Expansion slot switched to regular slot	Placement for slot at _____, changed from expansion to regular	Archive View Placement
12/21/2016 8:02:02 PM	Flexpool slot switched to regular slot	Placement for regular slot at _____, changed from flexpool to	Archive View Placement
 - Ensures when Supportive placements transition to Income Eligible they are included in slot utilization for the contract. The following CCFA reports show this:
 - Contract Line Activity Monthly and Contract Line Activity Summary reflect the movement of placements between slots.
 - Slot Utilization by Contract/ Contract Line reflects how slots are used daily within a given month. Report available for past, present, and future months.
- CCFA prevents splitting school age slots which in eCCIMS resulted in the contracts being over expended.
 - For FCC slots, this resulted in EEC paying 120%, FCC is paid 60% of the slot for part time care.
 - On school closure days and summer care EEC cost doubled.
- Limits payments of absences and the 2 week notice period for only 30 absence days or three consecutive unexplained absences

CCFA Impact, Continued



- Automation of the authorization (eligibility determination) process that standardizes the co-pay calculations.
- Enforces authorizations using travel time, helping the parents convert part-time eligibility to full-time.
- Per business rules, CCFA determines the eligibility status—approved or denied—based on:
 - Participation in an approved activity
 - Activity hours (full-time, part-time, ineligible)
 - Income at or below the SMI threshold

ADDITIONAL INFORMATION

Authorization Summary

Status	Pending	Contract or Voucher	Voucher
Type	Reassessment	Start Date	4/28/2017
Funding Source	IE	Provisional?	<input type="checkbox"/>
Service Need	3C - Employed Consumer (Part Time)	Disable Reassessment by Provider?	<input checked="" type="checkbox"/>
Beneficiaries	<ul style="list-style-type: none"> ▪ R..... (PID:.....) 		

Activity

Parent/Guardian	Activity	Hours	Start Date	End Date	
R.....	Employment	25	4/28/2017	4/27/2018	Add Edit Delete
R.....	Travel Time	5	4/28/2017	4/27/2018	Add Edit Delete

Income

Parent/Guardian	Income	Frequency	Amount	Monthly Amount	
R.....	Employment	Bi-Weekly	806.56	1750.24	Add Edit Delete

Document Checklist

Parent/Guardian	Document	Name	Description	
R.....	Birth Certificate	social security card		Add Edit Delete
R.....	Birth Certificate	social security card	drivers license	Add Edit Delete



CCFA Reports

Report	Both	Contract Admin	CCRR Admin.
Attendance for Service Month	X		
Blank Attendance Report	X		
Consecutive Unexplained Absences Reports	X		
Days Absent Report	X		
Contract Billing by Service Month		X	
Invoiced Billing Month Extract	X		
Invoiced Service Month Extract	X		
Org Admin Reconciliation Adjustment		X	
CCRR Reconciliation Adjustment			X
PV LOC Contract		X	
PV LOC Summary SEIU-contract		X	
PV LOC Summary SEIU-voucher	X		
PV LOC Voucher	X		



CCFA Reports

Report	Both	Contract Admin	CCRR Admin.
Reconciliation contract		X	
Reconciliation CCRR			X
SDR Detail by Service Month		X	
SDR Summary by Service Month		X	
Contract Line Activity-Monthly		X	
Contract Line Activity-Summary		X	
Slot Utilization by Contract/ Contract Line		X	
SEIU Dues Providers	X		
SEIU Remittance Report by Contract		X	
SEIU Remittance Report by Contract Provider		X	
SEIU Remittance Report by Voucher Provider			X



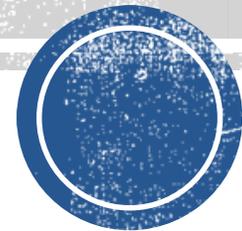
CCFA Reports

Report	Both	Contract Admin	CCRR Admin.
Providers by QRIS Level		X	
Providers by Service need	X		
Voucher Providers by Calendar year			X
Voucher Reassessments by Contract Provider			X

Question & Answer

CHILD DEVELOPMENT & CARE INTEGRITY EFFORTS IN THE STATE OF MICHIGAN

Technology, Integrity and Outreach (TIO) section
Office of Great Start (OGS)



CONTACTS

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517-373-4116

Evelyn J. Oliver, Manager

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Program Monitoring, Outreach and Technology Initiatives
Michigan Dept. of Education
Child Development and Care
517-284-7504

PRESENTER

Stacey Shell, Department Specialist

Technology, Integrity and Outreach
Michigan Dept. of Education
Child Development and Care
517-284-7503

PRESENTER

Denise Eckman, Billing Analyst

Technology, Integrity and Outreach
Michigan Dept. of Education
Child Development and Care
517-284-7507

INTRODUCTION

- The Child Development and Care (CDC) program integrity efforts have evolved over the past nine years. In an effort to become more customer-friendly while continuing to meet our program monitoring requirements, Michigan Department of Education (MDE) revised the CDC Time and Attendance review process. These changes took place around March 2016 and they will be highlighted in this presentation.



TIME AND ATTENDANCE REVIEW PROCESS

RANDOM SAMPLING

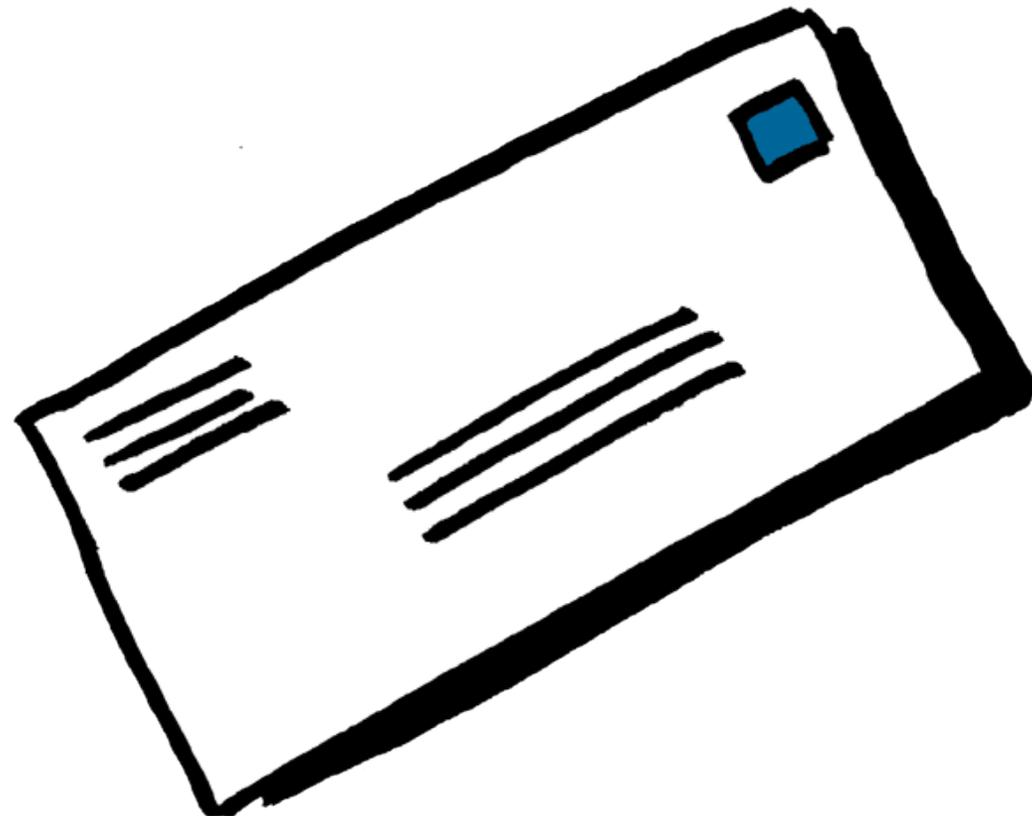
- The CDC Analysts conduct Time and Attendance Reviews on a random sampling of Child Care providers. The purpose of these reviews is to ensure compliance with program guidelines in a non-punitive, educational, informative, and customer friendly manner.

OTHER REASONS TO CONDUCT A TIME & ATTENDANCE REVIEW

- CDC Service Center Referrals
- Referrals from partners
- Lawsuits
- Returned Warrants

REQUESTING PROVIDER RECORDS

- A CDC Provider Time and Attendance Review letter is mailed to the provider requesting two pay periods of Time and Attendance Records.



Central Reconciliation Unit
P.O. BOX 30267
LANSING, MI 48909

Michigan Department of Education
Office of Great Start
Central Reconciliation Unit

CHILD DEVELOPMENT & CARE
PROVIDER TIME & ATTENDANCE REVIEW

Date: 4/25/2017

Due Date: 5/9/2017

PROVIDER NAME
PO BOX NUMBER
LANSING MI 48906

(FINAL NOTICE)

RE: Child Care Hours Review for Pay Period(s): 707-709

Dear Provider

This letter is to inform you that your Child Care billing is under review. Please be advised that we are requesting Time and Attendance records for the pay period(s) noted above. These records are due by: 5/9/2017. Failure to submit your Time and Attendance records may result in a Program Violation. If you receive an Intentional Program Violation (IPV), you may no longer qualify to receive payment for CDC subsidy children. (Only checked box(es) apply.)

- A portion of your CDC payment(s) will remain on hold until we complete our review
- All of your CDC payment(s) will remain on hold until we complete our review
- Your payment(s) will not be held during our review

Additional comments (disregard if unchecked)

Please submit requested information to :

State of Michigan
Central Reconciliation Unit
Attention: Jason Rapelje
P.O. Box 30267
Lansing, MI 48909

OR

Fax to: 517-284-7530, Attention: Jason Rapelje

DO NOT SEND ORIGINALS

NOTE: Providers are required to keep Time & Attendance records for 4 years from the date of care.

We also need your contact information. Please send us your telephone number and/or email address. Thank you for your cooperation. If you have any questions or concerns, please call Jason Rapelje at 517-284-7512.

Sincerely,

Jason Rapelje

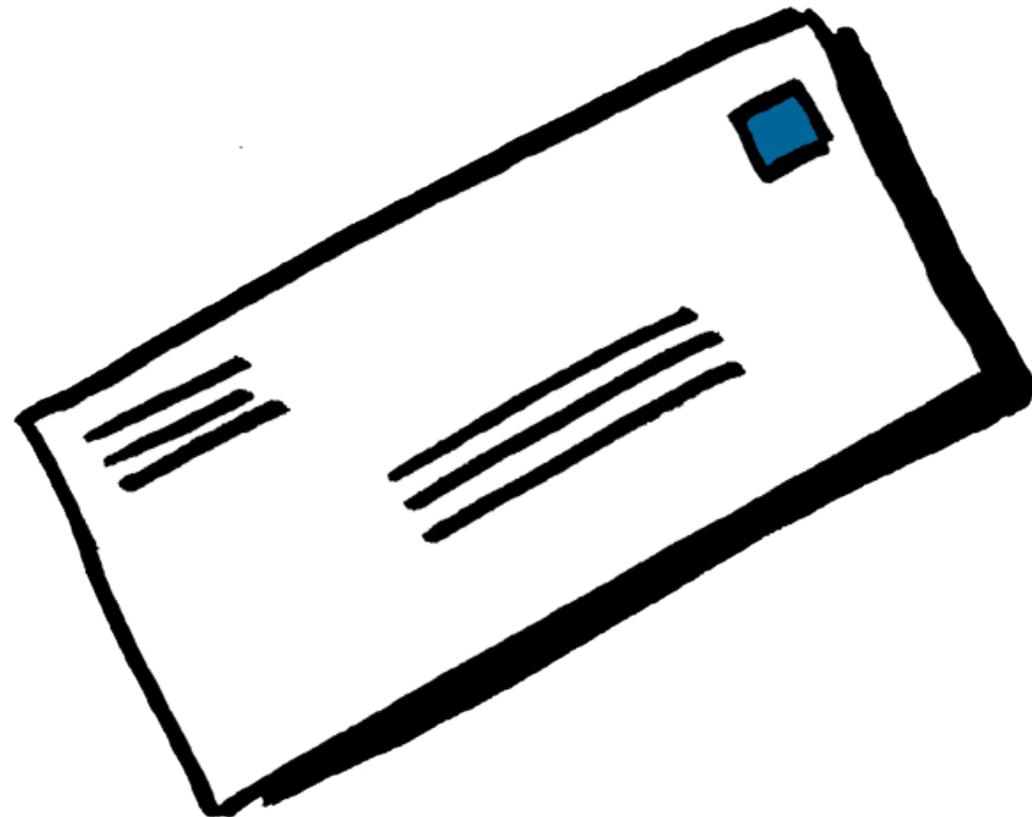
EXAMPLE PROVIDER REQUEST LETTER

Information Communicated:

- You are under review
- Explains which pay periods are requested
- Gives the date the requested information is due
- Explains if there is a hold on payments

REQUESTING PARENT DOCUMENTATION

- Parent records may be requested if verification of care hours are needed.



Central Reconciliation Unit
P.O. Box 30267
Lansing, MI 48909

Michigan Department of Education
Office of Great Start
Central Reconciliation Unit

**CHILD DEVELOPMENT & CARE
PARENT RECORD REVIEW**

Date 2/10/2017

Laura Lansing
123 Lansing Street
LANSING MI 48906

Please return to us by: 2/27/2017
(FINAL NOTICE)

RE: Child Care Hours Review for Pay Period(s): 701-703

Dear Laura Lansing :

Your child care provider's child care billings is under review. In order for the Department to pay your provider for child care provided to your child(ren), we need some additional information from you. Please send copies of the following information:

- Preschool/School Schedule for children (Ages 3-13 years old)
- Written statement of number of hours your child(ren) was in care for pay period(s) above
- Other Documentation

DO NOT SEND ORIGINALS

We also need your contact information. **Please send us your telephone number and/or email address.** If you do not send this information by, payment to your provider may be impacted.

Information can be sent via mail or by fax. Please send your information to:

Central Reconciliation Unit
Attn: Jason Rapelje
P.O. Box 30267
Lansing, MI 48909

OR

Fax to: 517-284-7530, Attention: Jason Rapelje

Thank you for your cooperation. If you have any questions or concerns, please call Jason Rapelje at 517-284-7512 .

Sincerely,

Jason Rapelje

EXAMPLE PARENT REQUEST LETTER

Types of Items Requested:

- Child's school schedule
- Written statement RE: care provided

Michigan Department of Education Child Development and Care Billing/Attendance Invoice CDC Provider Name CDC Provider Address	Confirmation #														
	#####														
	<ul style="list-style-type: none"> Please enter your actual daily IN/OUT times, and I-Billing will round and total the hours. Child absence hours may be billed for any periods in which the child is not in care when he/she would have normally been in attendance. Child absence hours cannot be billed after the child's last day in attendance. If you do bill child absence hours, you may not enter more hours than the child would have normally been in care that day. CDC payment for child absences is limited to 208 hours per fiscal year- October 1-September 30- per child. (See Child Development and Care Handbook.) For Absence hours, please enter the IN/OUT times of the child's actual absence or the actual time the child would have normally been in care then select the "ABSENT" checkbox. 														
BILLING/ATTENDANCE PERIOD DATES														PAY PERIOD NUMBER	PAGE
11/13/2016 To 11/26/2016														624	1

Provider ID Number #####	SU	MO	TU	WD	TH	FR	SA	SU	MO	TU	WD	TH	FR	SA	Total Hours Billed
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	

Child's Name: EXAMPLE CHILD		8.0	8.0	8.0	8.0	8.0			8.0	8.0	8.0				Care Hours: 64.0
Child's ID Number: #####												8.0	8.0		Absence Hours: 16.0
Case Number #####															
IN:		02:30 PM			02:30 PM										
OUT:		10:30 PM			10:30 PM										
Care / Absent (Abs)		Care	Care	Care	Care	Care			Care	Care	Care	Abs	Abs		
IN:															
OUT:															
Care / Absent (Abs)															
IN:															
OUT:															
Care / Absent (Abs)															

EXAMPLE BILLING INVOICE

Information Entered:

- Begin Time of Care
- End Time of Care
- Regular or Absent Hours Designation

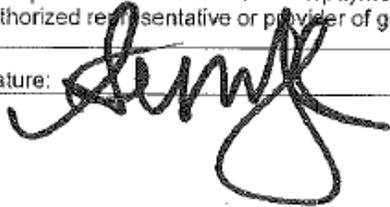


Provider Name	ABCD Daycare		Provider ID Number	122456	Pay Period Number	604	Page Number	
Child Information	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
Date	11/13	11/14	11/15	11/16	11/17	11/18	11/19	
Child Full Name	Example child							
Begin Time	: AM/PM	2 : 30 AM/PM	2 : 52 AM/PM	2 : 27 AM/PM	3 : 01 AM/PM	2 : 44 AM/PM	: AM/PM	
End Time	: AM/PM	10 : 30 AM/PM	10 : 01 AM/PM	10 : 12 AM/PM	9 : 27 AM/PM	10 : 07 AM/PM	: AM/PM	
Absence Hours								
Parent Initials		DE	DE	DE	DE	DE		
Child Full Name	Example child	11/20	11/21	11/22	11/23	11/24	11/25	11/26
Begin Time	: AM/PM	2 : 29 AM/PM	2 : 18 AM/PM	2 : 27 AM/PM	3 : 00 AM/PM	2 : 30 AM/PM	: AM/PM	
End Time	: AM/PM	10 : 00 AM/PM	10 : 19 AM/PM	10 : 36 AM/PM	10 : 01 AM/PM	10 : 30 AM/PM	: AM/PM	
Absence Hours								
Parent Initials		DE		DE		DE		
Child Full Name								
Begin Time	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM
End Time	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM
Absence Hours								
Parent Initials								
Child Full Name								
Begin Time	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM
End Time	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM	: AM/PM
Absence Hours								
Parent Initials								

I certify the following information:

- The above billing information is true and accurate to the best of my knowledge based on available information.
- I know I must keep complete and accurate records for each approved CDC child in care for four years, showing time of arrival and departure for each child on a daily basis.
- I understand that if benefits are overpaid for any reason, the extra benefits received will have to be repaid. If intentional misrepresentation caused the overpayment, the responsible party, including any adult in the program group or the group's authorized representative or provider of goods or services, may be disqualified from the program and/or prosecuted for fraud.

Provider Signature:



Date:

11/26/2016

Confirmation Number:

Rev. 1.2017

EXAMPLE TIME AND ATTENDANCE RECORD

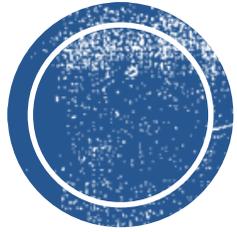
Required Information:

- Children's Names
- Dates of Care
- Begin & End Times of Care
- Daily Parent Certifications
- Provider Signature

CONVERSATIONS WITH PROVIDERS & PARENTS

- During the review, the CDC Analyst contacts the provider and or parent (if needed) for the following reasons:
 - Inform
 - Clarify
 - Answer questions
- The CDC Analyst takes the opportunity to educate both the provider and parent on the CDC program rules
- Often the review creates a positive relationship between the provider and the CDC Analyst, and the provider uses the CDC Analyst as an resource with future questions even after the review is completed
- When needed, the CDC Analyst may assist the parent in finding an appropriate child care provider





REVIEW FINDINGS

PROVIDER INFRACTIONS

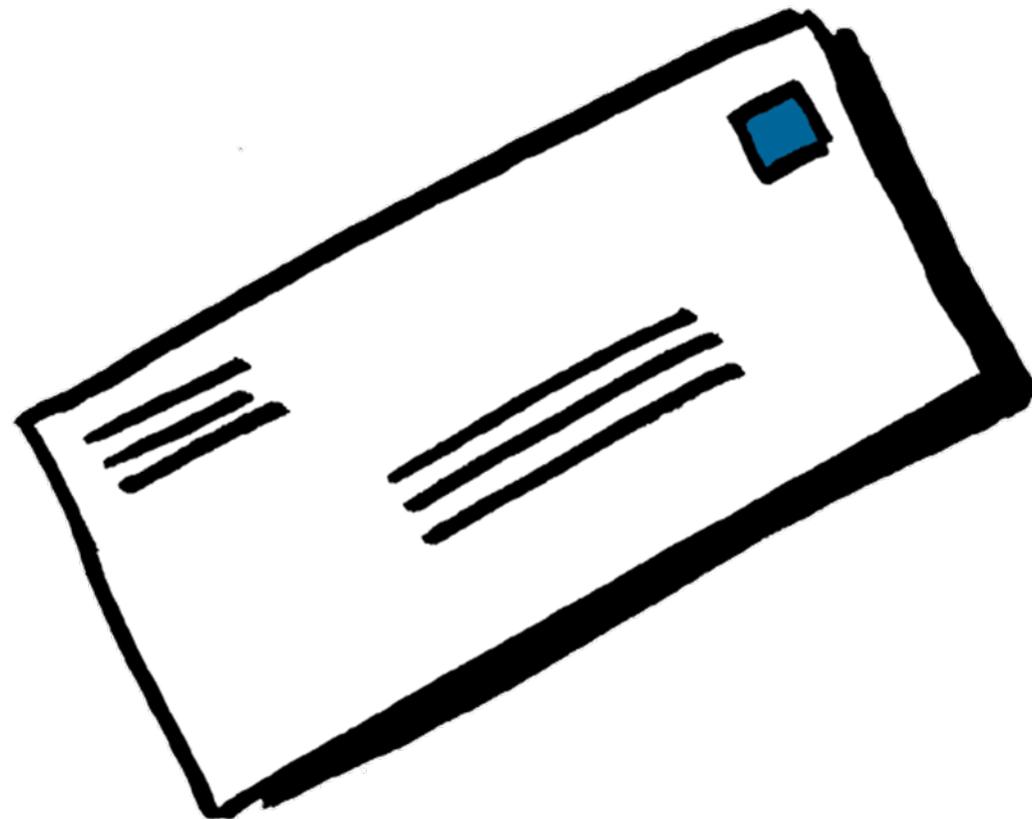
- We have defined the various types of infractions that providers make:
 - Provider Error: An unintentional or inadvertent error made by a CDC provider who reported incorrect information and/or failed to report information to the Michigan Department of Education (MDE).
 - Intentional Program Violation: An act where the provider intentionally violated the CDC program rules and reported incorrect information and/or failed to report information to the Michigan Department of Education (MDE).
 - Fraud: An illegal act involving the obtaining of something of value through willful misrepresentation. Whether an act is in fact, fraud is a determination to be made through the judicial (or other adjudicative) system.

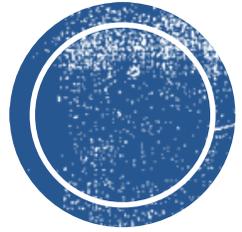
EXAMPLES OF PROVIDER ERRORS

- Math errors, including rounding errors
- Care provided in the wrong location
- Unlicensed providers failing to use the mandatory CDC Daily Time and Attendance Record form
- Time and Attendance records missing required information, such as:
 - Children's names
 - Date of care
 - Begin and/or end time of care
 - Parent certifications
 - Provider Signature
- Failure to respond to request for Time and Attendance records

PROGRAM VIOLATION NOTICE (PVN)

- Provider errors will always generate a Program Violation Notice (PVN). A PVN is a written notice from MDE detailing which program violations were committed.





PROVIDER FOLLOW UP



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

5/2/2017

PROVIDER NAME
PO BOX NUMBER
LANSING MI 48906

CDC Program Violation Notice

Dear Provider

It has been determined that you are not in compliance with the Department's Child Development and Care (CDC) policy for the following reasons:

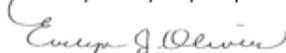
- Failure to respond to request for Time and Attendance Records
- Failure to maintain adequate Time and Attendance Records
- Inappropriate billing for one or more of the following:
 - Absence hours
 - Times when child(ren) were in school
 - For child(ren) who were not in your care
 - For more hours than child(ren) were actually in care
- Caring and billing for more than the maximum number of children at one time
- Providing care in the wrong location (e.g., unrelated unlicensed provider caring for child(ren) in the provider's home)
- Other

The Department has made you aware of the program violation(s) noted above. You must discontinue this practice immediately. Failure to comply with **any** of the CDC program requirements listed above may result in an additional Program Violation Notice. You may also be required to return payments you have received. If it is determined that your actions were intentional (Intentional Program Violation or IPV) and/or fraudulent, you will be disqualified as a CDC provider.

The CDC Handbook, located at www.michigan.gov/childcare, includes additional information about program requirements and is **required** reading for all CDC providers.

If you have reason to believe you have received this letter in error, you may contact the CDC program at 866-990-3227.

Thank you for your prompt attention to this matter.


Evelyn J. Oliver
Reference #: TIO-15053

STATE BOARD OF EDUCATION
CANDRA E. ULBRICH – CO-PRESIDENT • RICHARD ZEILE – CO-PRESIDENT
MICHELLE FECTEAU – SECRETARY • TOM McMILLIN – TREASURER
NIKKI SNYDER – NASBE DELEGATE • PAMELA PUGH
LUPE RAMOS-MONTIGNY • EILEEN LAPPIN WEISER
608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • 517-373-3324

EXAMPLE PROGRAM VIOLATION NOTICE

Information Communicated:

- Explains which violations were committed
- Explains where the CDC handbook is located
- Explains who to call with questions





STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

5/4/2017

PROVIDER NAME
PO BOX NUMBER
LANSING MI 48906

We have completed our Child Development and Care (CDC) Time and Attendance Record Review.

IMPORTANT NOTE: Child Care Providers receiving payments from the Michigan Department of Education (MDE) are required to meet the minimum Time and Attendance standards. They must keep these records for a minimum of four years from the date of care. Child Care Providers must follow CDC program guidelines. Failure to comply with these requirements may result in a Program Violation Notice.

In addition, you may be required to complete training before you submit subsequent billings. Intentional Program Violations (IPV's) will result in disqualification as a child care provider.

Based on the results of our review (only checked box(es) apply):

The records you submitted comply with program standards. You were not referred for a Program Violation.

A Program Violation Referral was made because:

You failed to submit your Time and Attendance records by the deadline

Failure to maintain adequate Time and Attendance Records. The Time and Attendance Records you submitted do not meet program standards because the item(s) checked below were not included:

- Total number of child care hours per child
- Name of child(ren)
- Begin time of care
- End time of care
- Parent certification
- Day/Date of care
- Provider signature

STATE BOARD OF EDUCATION

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EXAMPLE REVIEW DETERMINATION LETTER PAGE 1

Information Communicated:

- If Records comply or not
- If not, why not (what was missing)



EXAMPLE REVIEW DETERMINATION LETTER PAGE 2

- The Time and Attendance Records you submitted do not meet program standards because the CDC Daily Time and Attendance Record was not used. (This form is required for all Unlicensed CDC Providers)
- You billed inappropriately for one or more of the following:
- Absence hours
 - Times when child(ren) were in school
 - For child(ren) who were not in your care
 - For more hours than child(ren) were actually in your care
- Caring and billing for more than the maximum number of children at one time
- Provided care in the wrong location
- Other:

In addition to the above,

- You must complete the Training Module(s) checked below **before you submit future billings.** (Note: The modules are located at www.michigan.gov/childcare in the **Providers Resources** section.)
- Module 1:** Use of the Michigan's Child Development and Care I-Billing System
 - Module 2:** Strategies for Building Positive Parent-Provider Relationships
 - Module 3:** Tracking Time and Attendance
- You have been referred for Recoupment
- You have been referred to the Office of Inspector General (OIG) for further investigation

Enclosed is a copy of the portion of the CDC Handbook that applies to the box(es) checked above. The entire CDC Handbook is located at www.michigan.gov/childcare

If you have questions regarding the Time and Attendance Record review, you may contact Jason Rapelje at 517 - 284 - 7512.

Sincerely,

Jason Rapelje

Jason Rapelje
Central Reconciliation Unit
Office of Great Start
Michigan Department of Education

Information Communicated

- If billing is inappropriate & why
- If training modules must be completed
- If a recoupment referral was made
- If a referral to OIG was made
- Who to contact with additional questions

TRAINING MODULES

- Training modules were developed to educate providers in reducing billing errors. All Providers who are sent a PVN are encouraged to review CDC training modules, as well as the CDC Handbook. The three Training Modules are:

- Use of the I-Billing System
- Building Positive Parent-Provider Relationships
- Tracking Time and Attendance Records

- Certificates are generated upon completion



INTENTIONAL PROGRAM VIOLATIONS (IPVs)

- An act where the provider intentionally violated the CDC program rules and reported incorrect information and/or failed to report information to the Michigan Department of Education (MDE).

EXAMPLES OF IPV's

- Billing for children while they are in school
- Billing for children who are no longer in care
- Billing for children not in care or more hours than children were in care
- Maintaining records that do not accurately reflect the time children were in care
- Two instances of failing to respond to requests for Time and Attendance records



INTENTIONALITY REVIEW PROCESS

INTENTIONALITY REVIEW PROCESS

- Suspected Intentional Program Violations (IPVs) go through a thorough review process conducted by MDE's Intentionality Review Team (IRT). The IRT is made up of three CDC Analysts. The objective of the review is to determine if the action of the provider was intentional and if the provider should be referred to the CDC Program Office for a disqualification.
- The IRT reviews referrals from:
 - The Office of Inspector General (OIG)
 - Child Care Licensing Division
 - CDC Analysts



CONSIDERATIONS BY IRT

- When reviewing the referrals, the IRT considers if the following occurred:
 - Billing for children while they are in school
 - Billing for children who are no longer in care
 - Knowingly billing for children not in care or more hours than children were in care
 - Maintaining records that do not accurately reflect the time children were in care
 - Two instances of failing to respond to requests for Time and Attendance records

ADDITIONAL CONSIDERATIONS OF IRT

- In addition, IRT also takes the following into consideration:
 - Were there extenuating circumstances?
 - Does the action warrant disqualification or is there another option available?
 - What is the provider's billing history?
 - Has this provider done this before? If so, how many times?
 - What other actions against this provider have been taken in the past
 - Consistency (What has the IRT done in similar cases?)

EVIDENCE OF INTENTIONALITY

- The evidence used by the IRT when making decisions of intentionality includes:
 - Interviews or other communications with parents confirming that the provider overbilled or did not care for the child(ren) for the pay period(s) in question
 - Interviews or other communications with provider who state that they:
 - knowingly over-billed for child(ren)
 - billed for children not in care
 - knowingly maintained records that do not accurately reflect the time children were in care
 - Judicial conviction of fraud

EXAMPLE ONE

- A complaint was received that a child care provider billed for children four months after they stopped providing care.
- The IRT reviewed the evidence which included a signed written statement from the parent detailing the date child care stopped. Also, the IRT reviewed the provider's time and attendance records which showed that the children were not in care.
- Based on this information, the IRT determined the provider intentionally violated the program rules and referred the provider to CDC management for disqualification.

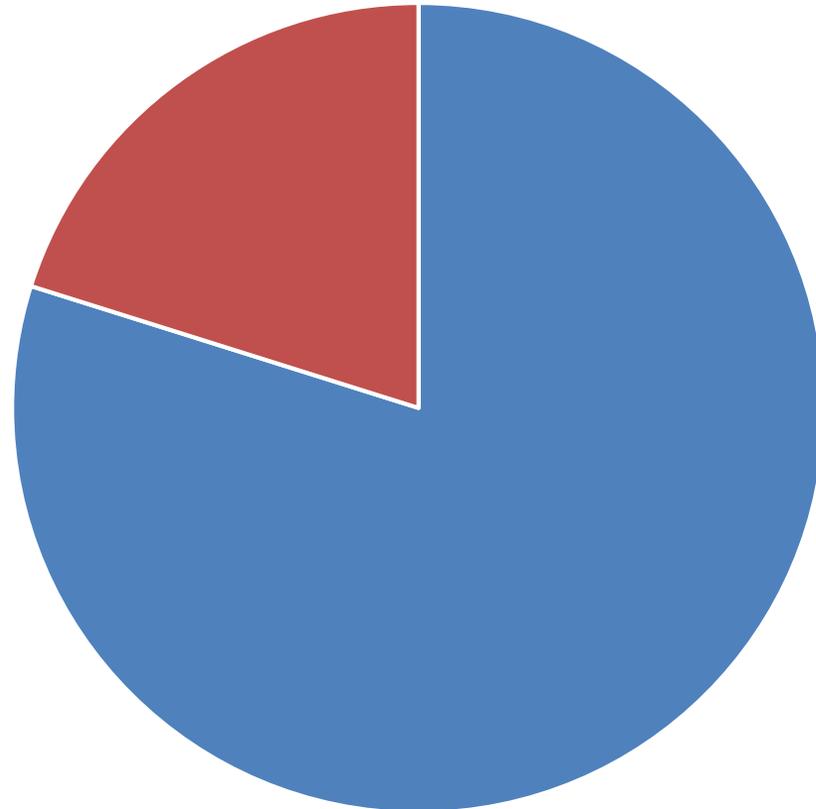
EXAMPLE TWO

- A complaint was received indicating that a child care center was billing for more hours than the children were in care.
- The provider submitted Time and Attendance records showing care took place M-F 4:00 p.m. to 10:00 p.m.
- However, during an interview with the parent, the parent stated the children were normally in care after school M-F from 4:00 p.m. to 6:15 p.m.
- During an interview with the provider, the provider admitted they were billing for more hours than the children were in care in order to bill for the maximum number of authorized hours.
- Based on this information, the IRT determined the provider intentionally violated the program rules by over-billing for children and referred the provider to CDC management for disqualification.

MANAGEMENT APPROVAL

- All IRT decisions require management approval prior to being referred to the CDC program office for a final decision regarding disqualification. This process helps to ensure the fairness and impartiality of the review process.
 - The first occurrence of a provider disqualification may result in the provider being unable to bill for CDC subsidy children for up to six months
 - The second occurrence of a provider disqualification may result in the provider being unable to bill for CDC subsidy children for up to 12 months
 - The third occurrence of a provider disqualification may result in the provider being unable to bill for CDC subsidy children for up to a lifetime
- NOTE: CDC Providers may appeal the disqualification determination

FROM JANUARY 2016 TO CURRENT



■ Unintentional ■ Intentional

80%

20%

INTENTIONALITY FINDINGS THUS FAR

149 Referrals

- 119 Unintentional
- 30 Intentional



ADDITIONAL INTEGRITY EFFORTS

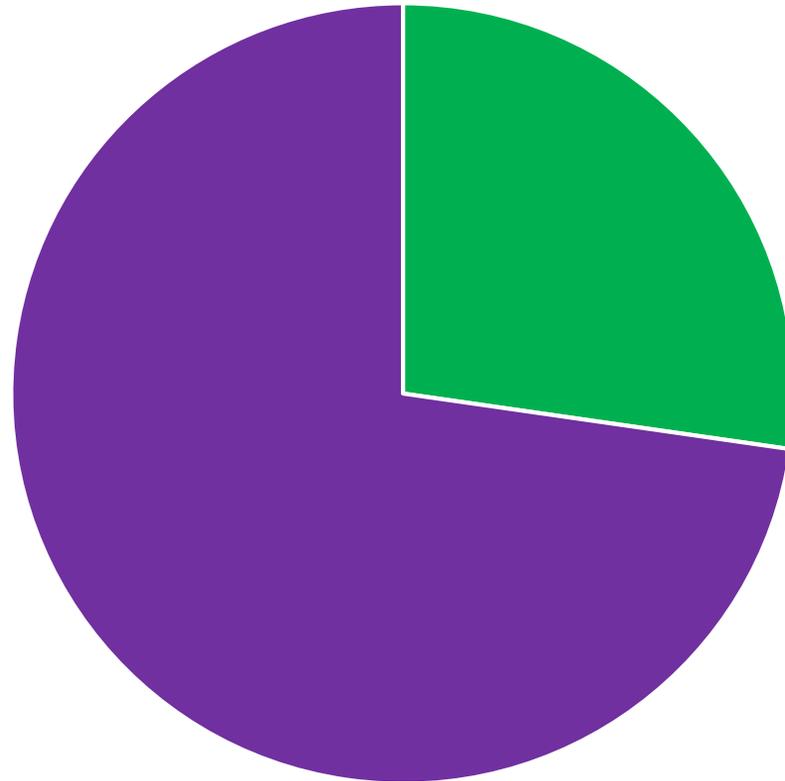
CASE REVIEW: ELIGIBILITY DETERMINATIONS

- The Case Reviewers review a random sample of open CDC cases on a monthly basis.
- The Case Review process measures for accurate eligibility determinations and complete documentation in the case record that supports eligibility.
- Case Corrections are requested for all errors identified as part of this process.
- Corrective Action Plans (CAP's) are requested and monitored for those local offices above the error threshold.

CLOSED CASE REVIEWS

- All closed CDC cases are reviewed by the Technology, Integrity and Outreach (TIO) Section to determine if they were closed correctly. If CDC cases were closed in error, they are reinstated.
 - A total of 13,000 Closed CDC Cases have been reviewed

CDC Cases Potentially Closed in Error and Reinstated



■ CDC Cases Correctly Closed

27%

■ CDC Cases Reinstated

73%

CDC CLOSED CASE REVIEW FINDINGS

- 1,646 CDC cases were identified as possibly closed in error
- Of those CDC cases 1,197 were determined to be closed in error and reinstated immediately

RECOUPMENT

- The Department may establish recoupments with providers who received payment for care that was not provided.



QUESTIONS

What do you want to learn more about?

Would you like to showcase your state's program integrity work?

Contact Info:

Leigh Ann Bryan, TA Lead
NCSIA
lbryan@wrma.com



NEXT WEBINAR:

**JUNE 14
2:00 - 3:30 PM
(EDT)**

THANK YOU!

