



NATIONAL CENTER ON

Subsidy Innovation and Accountability



# NATIONAL PROGRAM INTEGRITY WEBINAR SERIES

**WEBINAR #5: LOUISIANA'S STRATEGIES**

**AUGUST 2, 2018 - 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](mailto: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

- Fraud Tool Kit: Fraud Risk Assessment Tool Feedback
- Louisiana's Program Integrity and Fraud Prevention Strategies
- Benefits of Data Analytics
- Open Discussion



# THE FRAUD TOOL KIT - REFRESHER

- Will assist Lead Agencies in increasing program integrity and accountability and decreasing potential fraud.
- Topic areas with resources will include:
  - Assessment
  - Detection
  - Prevention
  - Enforcement
  - Monitoring
- The Fraud Risk Assessment Tool is a first step for Lead Agencies to assess their fraud risk level and provides basic guidance on next steps to reduce the risk.

# FRAUD TOOL KIT: FRAUD RISK ASSESSMENT TOOL

Areas of assessment include:

- System/Software
- Staff Training
- Provider Training
- Management/Communication
- Collections
- Procedures for Suspected Fraud



# FRAUD RISK ASSESSMENT TOOL - FEEDBACK REQUEST

What worked well for you?

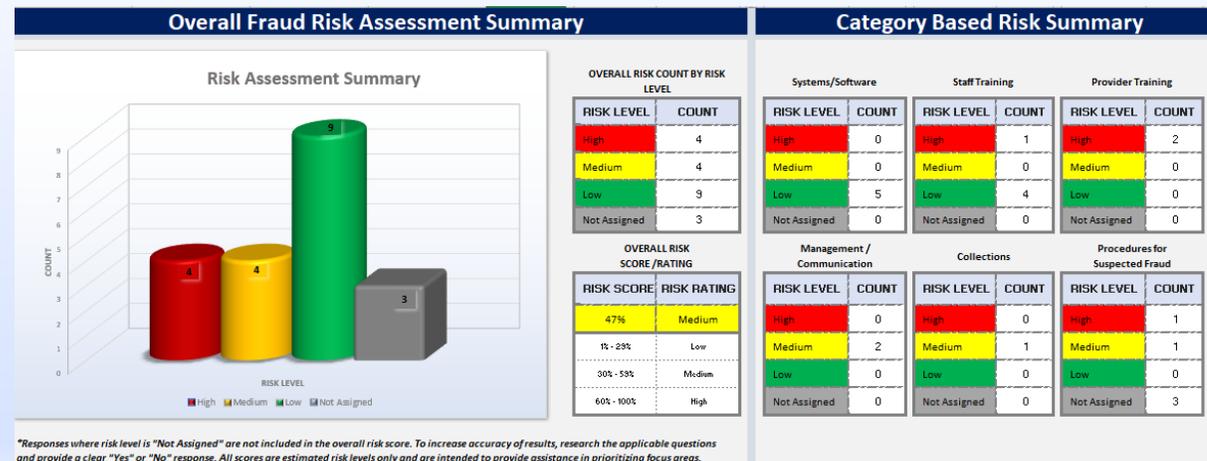
What could be improved?

What's missing?

What were your results?

Next steps taken?

Fraud Risk Assessment Tool				
CATEGORY	QUESTION	ANSWER	RISK	RECOMMENDATION
Systems / Software	Does your agency have security roles in place to limit data access to only those who need it? (for example, provider data, financial data, client data, etc.)	NO	Medium	User-specific security roles protect your program data from falling into the wrong hands or being used in a fraudulent way. Consider requesting technical assistance to help identify best practices in this area.
Systems / Software	Does your eligibility/provider system have controls in place that would enforce adherence to policy? (for example, alerts, management reports, or system edits that prevent a worker from proceeding if required information is missing)	YES	Low	That is great! System restrictions for policy exceptions helps to prevent intentional and unintentional errors.
Systems / Software	Does your agency's CCDP related systems have audit tracking capabilities? (for example, tracking user actions in an eligibility system)	YES	Low	Super! Audit trails within the system help deter users from engaging in inappropriate or fraudulent activities and help administrators track specific transactions taken by users within the system.
Systems / Software	Does your agency have the ability to run CCDP regulated case management reports?	YES	Low	That is great! Utilizing case management reports is a great way to detect and prevent fraud for pending applications and active cases. This is especially true when you have the ability to capture data and generate management reports on cases with error prone indicators for both families and child care providers.
Systems / Software	Does your agency have the ability to run CCDP related attendance, enrollment, and payment reports?	YES	Low	That is great! Utilizing attendance, enrollment, and payments reports is a great way to detect and prevent fraud.
Staff Training	Does your agency have staff training on fraud prevention and detection?	YES	Low	This is great! Having staff training on fraud prevention and detection is a best practice.
Staff Training	Does your agency have trainings in place for the eligibility workers on front-end detection? (for example, early detection for new applicants and active recipients)	NO	High	Having this front line of defense is important to prevent fraudulent activities. Early detection is one of the most important steps for reducing fraud. Consider requesting technical assistance to help identify best practices in this area.
Staff Training	Does your agency have staff training on protocols for reporting and acting on suspected fraudulent activity?			



# **LOUISIANA'S PROGRAM INTEGRITY & FRAUD PREVENTION STRATEGIES**





*Early Childhood*  
IMPROVING SCHOOL READINESS

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Louisiana Department Of  
Education(LDOE)  
Child Care Assistance (CCAP)  
Program Integrity

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# Louisiana Department of Education Staff



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CCAP Program Director



**Dawnielle Broussard**

CCAP Program Manager



**Veronica Buckley**

Provider Help Desk  
Supervisor



**Romney Manual**

Provider Certification  
Supervisor



**Jennã Broadway**

Fraud Manager

# AGENDA

*Purpose: To provide an overview of systems and practices that promote program integrity in Louisiana Department of Education/Child Care Assistance Program*

- Internal Audit
- Data Processes
- Analysis and Review
- Continuous Staff Development
- Provider Invoices and Payments
- Continuous Training
- Fraud Processes

# Child Care Assistance Program (CCAP) Overview

*CCAP uses many factors in making the determination for assistance*

The purpose of CCAP is to provide financial assistance to low-income families to obtain high quality child care while they work or attend school. Eligibility determining factors include:

- **Household size and household income**
- **Number of hours the child is in care (determines full or part times care)**
- **Number of hours the client and any other adult caregiver works or attends an education and/or training program (participants must work 20 hours per week or participate in school or training full time)**

While the goal of CCAP is to assist all low-income families in need of quality child care, currently funding is limited.

# Accountability

*A system of reward, training, and accountability encourages low errors.*

- Staff receive a policy manual and constant training on payment calculations.
- Internal tracking of payment and administrative errors is monitored monthly through survey monkey.
- A large percentage of cases are sampled monthly.
- Staff are separated into three tiers monthly based on error percentage.
- Staff receiving low error numbers are included on the brag board and the morale committee rewards them.
- SSA3s work one-on-one with staff that have high error rates using data that identifies their specific errors.

# Case Reading Process

*To measure quality standards and report staff performance of the Child Care Assistance Program, case readings are conducted.*

Determining the criteria for case selection must include, but is not limited to:

- Error-prone cases identified by provider/client complaints, program specialist, supervisory staff, and management evaluation reviews
- Cases which reflect new agency programs, policies and procedures
- Cases completed by new analysts
- Cases completed by analyst experiencing problems with application of procedures
- Other specific case actions such as applications (pre- and post-disposition), redeterminations, changes, improper payments, and payment requests

# Data Process/Red Flags

*Internal monitoring uses reports from several systems to ensure proper protocols are adhered to continuously.*

CCAP utilizes a web-based application called Systemware (formerly InFo Pac) that interfaces with eligibility payment processing systems to generate reports of possible discrepancies in payments and eligibility determination. Types of reports include:

- CCAP associated with Food Stamps
- Cases closed for sufficient income
- Household designee on multiple cases
- TOTS previous check-in/previous check out tracking
- Underutilized authorizations
- Care provided outside of hours

# Data Process/Red Flags, cont.

*Systems developed using data analysis are used to assist in proper program functioning*

CCAP utilizes a web based application called Systemware (formerly InFo Pac) that interfaces with eligibility payment processing systems to generate reports of possible discrepancies in payments and eligibility determination. Types of reports include:

- Social Security number change
- CAPS/JAS/LAMI CID Mismatch comparison
- Time and Attendance Exception listing, Application Out of Conformity report
- Application pending 30 days, Referral records over 30 days
- Time and attendance failed authorizations
- Auditor listing semi-automated invoices
- CAPS “E” status over 30 days
- Expired service authorizations, Time and attendance exemption (provider bank information discrepancy) listing

# Provider Invoices and Payments

*Louisiana utilizes a state wide automated time and attendance process called Tracking of Time Services (TOTS).*

TOTS uses two technology based systems:

- 1) Biometric technology, specifically finger imaging, and
- 2) Interactive Voice Response (IVR) to document attendance. This automated process submits attendance electronically to the Department for each eligible child.

TOTS reduces manual processes, saves time for staff and providers and improves the frequency and accuracy of payments to providers. Providers and CCAP participants are required to participate in TOTS to receive CCAP payments and benefits for child care services.

## Provider Invoices and Payments, cont.

*To adhere to recommended regulations, Louisiana's goal is to provide the most effective and efficient way to pay providers in 21 days or less.*

- Attendance payments are recorded using Tracking of Time Services (TOTS). The finger scan tracks each child's attendance while in the care of a CCAP provider.
- The provider is responsible for TOTS being available to parents and household designees during their licensed hours or operation.
- The agency payments are paid to participating providers based on the electronic evidence of actual child care services. TOTS sends a Weekly Activity File using actual attendance scanned for payment. The agency pays for a week of attendance using this file and other system calculations. EFT deposits are available to providers within two business days.

# Provider Invoices and Payments, cont.

## Level of Care for Service Authorizations

- Full-time - CCAP payments are based on an eight-hour work day, five-day work week, with a maximum of 22 days per month.
- Part-time - CCAP payments are based on before and after care and an hourly rate with a maximum of 29 hours per week for part-time care.

# Internal Audit

*Internal audits aid CCAP in maintaining program integrity.*

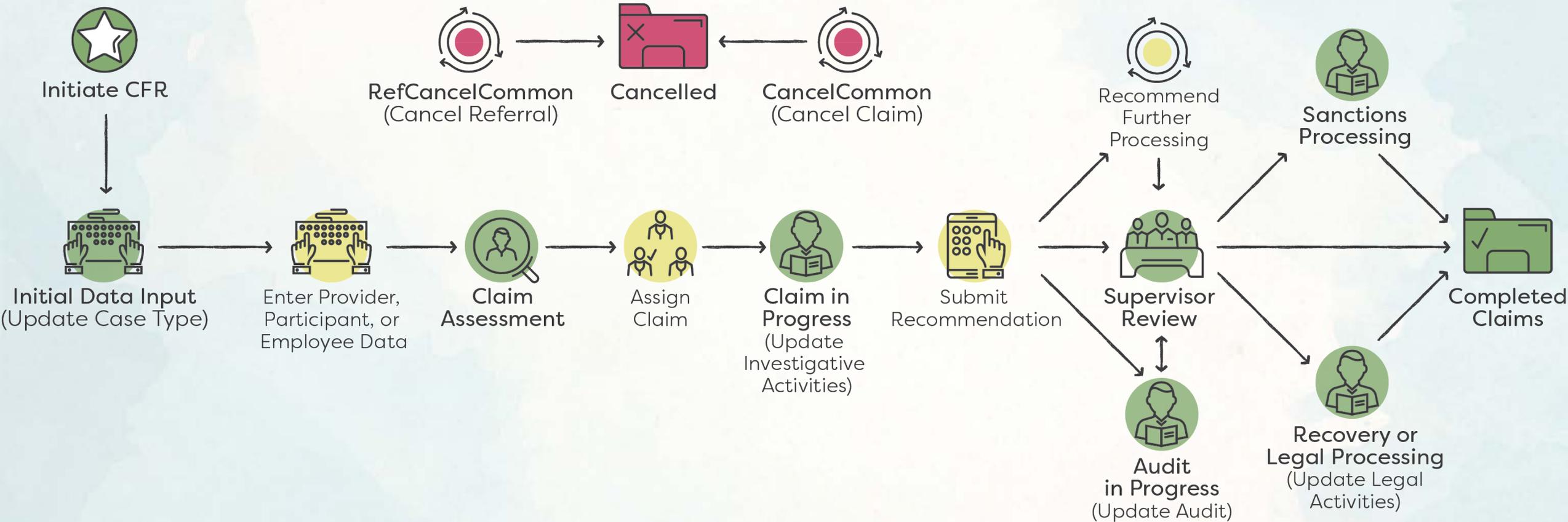
- 2016 - Completion of Grantee Internal Controls Self-Assessment Instrument provided by the Administration for Children and Families, Office of Child Care (OCC)
- 2017 - Third party contractor performed an Internal Control Analysis and Fraud Risk Assessment
- 2018 - Utilized the updated Self-Assessment Instrument provided by OCC
- 2018 - Every manual payment to providers is audited by FMU and requires management signature

# Fraud Management Unit - Process Overview

*Claims are initiated within the Fraud Management Unit (FMU) from both internal and external sources.*

- Claims are assessed by a fraud supervisor(s) to ensure the validity of the claims.
- Valid claims receive a claim code that coincide with program violations or inadvertent errors.
- Claims are housed in a centralized system, Claims Fraud Referral (CFR).
- Claims are assigned to staff according to work product and regional area.
- Claims are investigated utilizing all Louisiana agency resources and investigative procedures.
- Provider claims are tiered based on the results of the claim.
- Technical Assistance visits are conducted.
- FMU works with Provider Certification and Provider Help Desk unit in monitoring providers.
- FMU sanction recommendations for providers and participants are sent to management for final approval.

# Claims Fraud Referral (CFR) - Centralized System



# Fraud Management Unit - Recovery

*FMU oversees recovery of Child Care and Development Funds at all levels for improper payments made due to actions administratively, contractual and/or fraud.*

- Program losses resulting from audits are sent to the recovery section (can be disputed within 30 days of notification).
- Written warnings and/or sanctions are sent to providers and participants (can be disputed within 30 days of notification).
- Providers/Participants are sent audit findings and repayment agreement (if applicable) with payment options.
- Recoupments are retrieved from participating providers future CCAP payments.
- Manual payment options can be made by both providers and participants.
- Prosecution cases would be worked with area law enforcement and Attorney General's office.

# Fraud Management Unit - Recovery, cont.

- Failure to pay 60/30 day collection letters are sent.
- Office of Debt (ODR) recovery receives failure to pay debtors after the 60/30 day letters are sent.
- ODR attaches an additional 25% for noncompliance and works directly with the Attorney General's office.
- LDOE works with local law enforcement and AG's office for possible criminal prosecution of CCAP fraud cases.

# The Role of the Provider Help Desk

*The Provider Help Desk Team uses several strategies that support program integrity.*

- The Provider Help Desk in conjunction with the Fraud Management Unit conducts monthly reviews of excessive back scans and underutilized scans by CCAP clients.
- Finger scanning issues are addressed immediately to minimize use of Semi-Automated Invoicing (SAI).
- Individualized Technical Assistance and regional trainings are held regionally for providers to remain abreast of CCAP policies and expectations (checking TOTS attendance often, monitoring client scans, etc.).
- Reports, findings or suspicions of fraud are immediately reported to the Fraud Management Unit for further investigation.

# The Role of Quality Program Specialists

*Quality Program Specialists support continual program integrity as they research provider inquiries.*

- In addition to emails, appointments and phone calls, the Provider Help Desk utilizes a state wide mass ticket system for providers in Louisiana to document concerns and receive a timely response within the same ticket.
- Suspicious activity is detected relative to provider charges to clients.
- Fraudulent providers are prevented from participating in CCAP (having same address as child needing care, requesting/receiving funds that do not match services provided, requesting payment from clients different from the set rate).
- Quality Program Specialists participate in case readings and attend fraud management trainings.





# DATA ANALYTICS



# DATA ANALYTICS – WHAT IS IT?

- Looking at the data your program possesses
  - What can the data tell you?
- Program data is analyzed based on red flags or potential fraud indicators.
- Simple or sophisticated

System Reports ➔ Executive Dashboards ➔ Predictive Analytics



# HOW CAN DATA MINING OR DATA ANALYTICS BENEFIT OUR PROGRAM?

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



# CHALLENGES TO DATA ANALYTICS

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



# VENDORS?



# QUESTIONS AND OPEN DISCUSSION





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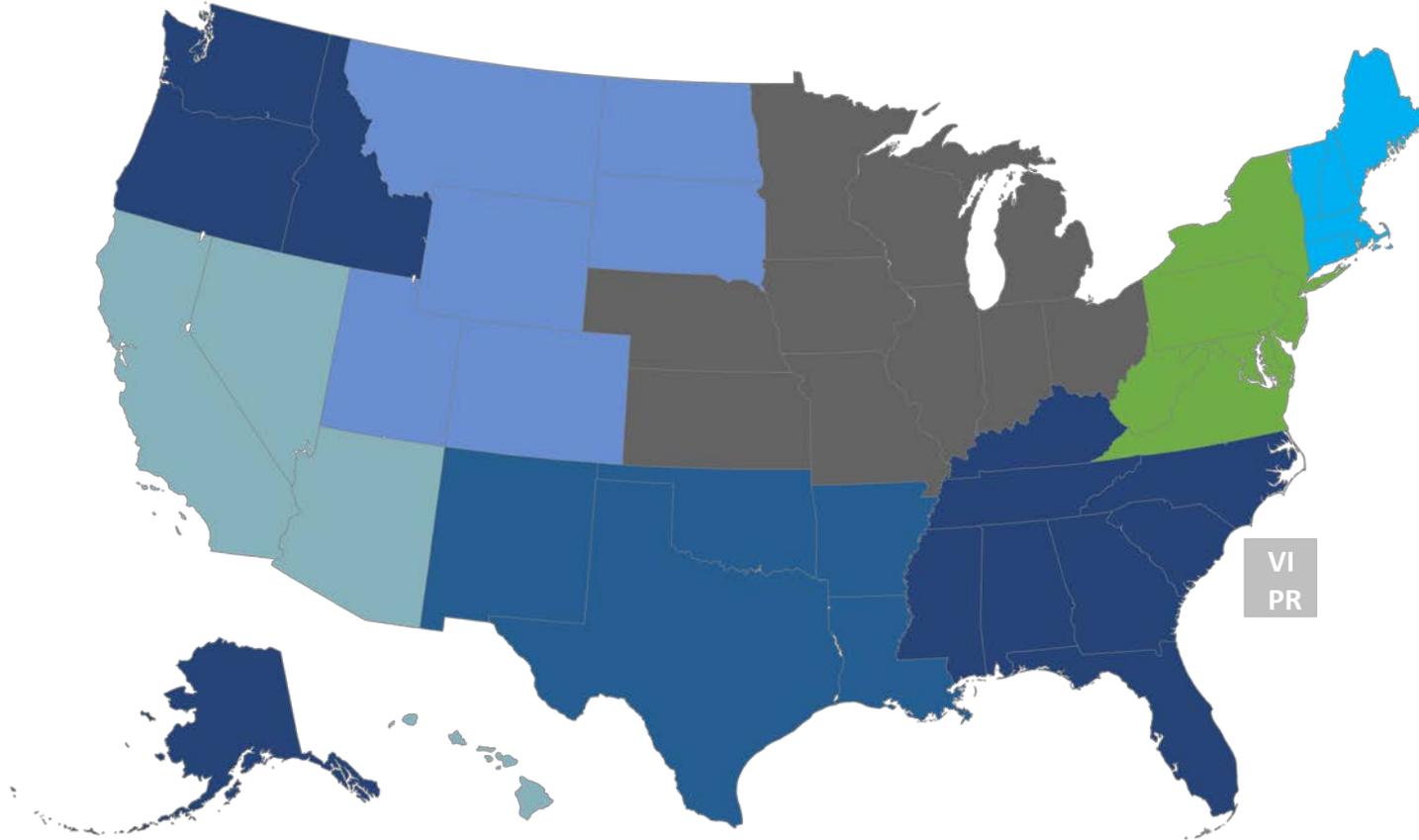
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# THANK YOU!

