

## Webinar 1: Error Rate Review Training Using the Revised DCI Training for States

### **Webinar 1: Error Rate Review Training Using the Revised DCI: Training for States**

- This is a training for States on using the 2012 revised **Data Collection Instructions (DCI)**. The webinar was first offered in June 2012 to Year 1 states when the DCI was undergoing the public comment period.
- This webinar will assist States when they initiate the planning process for their error rate reviews. Speakers will pause frequently so States' may ask questions to encourage State discussion and comments.
- A copy of the PowerPoint presentation was emailed to all registrants before the Webinar.
- The revised **Data Collection Instructions** is available for download on the Office of Child Care website. [http://www.acf.hhs.gov/sites/default/files/occ/data\\_final\\_revised.pdf](http://www.acf.hhs.gov/sites/default/files/occ/data_final_revised.pdf)



## AGENDA

### Key changes:

- **Sampling Decisions, Assurances and Fieldwork Preparation Plan**
- **Generating a sample**
- **Record Review Worksheet**
- **Error Definition**

### AGENDA

This session will cover key changes with the revised DCI, including:

- Changes to the Sampling Decisions, Assurances and Fieldwork Preparation Plan submission (SDAFPP), generating a sample, the Record Review Worksheet (RRW) and
- Sharing thoughts and ideas from the Error Definition Workgroup to define core eligibility errors versus administrative errors.

## DATA COLLECTION INSTRUCTIONS

- The *Data Collection Instructions* is the official document to instruct States in completing the error rate methodology:
  - Sections
    - Introduction
    - Overview & State Reporting Cycle
    - Sampling Decisions, Assurances and Fieldwork Preparation Plan
    - Generating a sample of cases for review
    - Customizing the *Record Review Worksheet* (ACF-403)
    - Conducting case record reviews
    - Completing and submitting the *State Improper Payments Report* (ACF-404)
  - *Glossary*
  - Attachment 1: *Record Review Worksheet* and Instructions (ACF-403)
  - Attachment 2: *State Improper Payments Report* and Instructions (ACF-404)
  - Attachment 3: *Error Rate Review Corrective Action Plan* (ACF-405)

### DATA COLLECTION INSTRUCTIONS

- The revised DCI, approved on September 30, 2012, is the official document to instruct States in completing the error rate methodology.
- The revised DCI contains eight Sections, a Glossary, and three Attachments of the Instructions.
- Sections
  - Introduction
  - Overview & State Reporting Cycle
  - Sampling Decisions, Assurances and Fieldwork Preparation Plan
  - Generating a sample of cases for review
  - Customizing the *Record Review Worksheet* (ACF-403) – **Note the form number change from the previous DCI**
  - Conducting case record reviews
  - Completing and submitting the *State Improper Payments Report* (ACF-404) – **Note the form number change from the previous DCI**
- Glossary
  - Attach 1: *Record Review Worksheet* and Instructions
  - Attach 2: *State Improper Payments Report* and Instructions
  - Attach 3: *Error Rate Review Corrective Action Plan* (ACF-405) - **Note the new form**
- It may help new State Administrators to understand that the previous final report was the ACF -402 Program Performance Report so that's what they'll see on OLDC if they're looking for old reports.

## ERROR RATE TIMELINE

2015 Reporting Year Review Period : October 1, 2013 - September 30, 2014		
STEP #	CCDF ERROR-RATE METHODOLOGY	2015 REPORTING YEAR TIME LINE
1.	Submit Sampling Decisions, Assurances and Fieldwork Preparation Plan to the Child Care Program Manager in the ACF Regional Office for approval	On or before October 31, 2014
2.	Submit <i>Record Review Worksheet</i> (ACF- 403) to the Child Care Program Manager in the ACF Regional Office for approval	On or before December 31, 2014
3.	Using the OLDC, Submit <i>State Improper Payments Report</i> (ACF- 404) to the Child Care Program Manager in the ACF Regional Office for approval	On or before June 30, 2015
4.	Submit <i>Corrective Action Plan</i> (ACF- 405), if applicable, to the Child Care Program Manager in the ACF Regional Office for approval	Within 60 days of the ACF-404 submission

### ERROR RATE TIMELINE

- The error rate methodology includes the following action steps and timeline based on the specific reporting year. The table in the slide reflects the timeline for 2nd Year States who must complete the tasks no later than the date listed in the "2015 Reporting Year Timeline" column in the table.
- In addition to the submissions in Steps #1 – 3, which are the same as they were in the previous methodology, there is now a step #4 which introduces the requirement for the submission of a Corrective Action Plan for those states whose *Percentage of the total amount of payments for the sampled cases that are improper payments* is greater than 10%.
- States can submit the SDAFPP and RRW as early as they would like. It will benefit states who want to start the process early and those who review cases later but simply want to get the submissions completed and approved.



## COMPARISON OF KEY CHANGES

	<b><u>Current DCI</u></b>	<b><u>Revised DCI</u></b>
<b><u>Sampling Unit</u></b>	A case is a (child) for whom a subsidy was <u>authorized</u> for a sample month	A case is a (child) for whom a subsidy was <u>paid</u> for services received in the sample month
<b><u>Review Focus</u></b>	Reviewer computes error based on case's sample month <u>subsidy amount</u>	Reviewer computes error based on case's sample month <u>payment amount</u>
<b><u>Sampling Decisions, Assurances and Fieldwork Preparation Plan</u></b>	Fieldwork Preparation Plan	Mandatory portions of the Fieldwork Preparation Plan
<b><u>Record Review Worksheet</u></b>	States <u>may</u> modify the RRW	States <u>will</u> modify the RRW

### **COMPARISON OF KEY CHANGES**

- This webinar focuses on key changes in the Revised DCI affecting the SDAFPP and the RRW. This table provides a comparison of the major changes between the current methodology, which was in effect for reporting years 2011 - 2013 and the Revision DCI.
- The changes include:
  - The definition of the **sampling unit** changed from a child authorized for the sample month to a child where a payment was made for services received in the sample month;
  - The key change in the focus of the review is that in the previous methodology the reviewer determined the amount of an error based on the case's sample month's **subsidy amount**. In the Revised DCI the reviewer will determine the amount of the error based on the case's sample month **payment amount**;
  - The Fieldwork Preparation portion of the SDAFPP **now includes mandatory information**; and
  - There is now **a requirement to modify the RRW**.
  - Now we'll review the key changes in more detail.

## **SAMPLING DECISIONS AND ASSURANCES**

### **Part I: Sampling Decisions**

- **Sample size**
- **Source of random number**
- **Sampling frequency and projected start date**
- **Number of replacement cases**

### **Part II: Assurances and Certifications**

## **SAMPLING DECISIONS AND ASSURANCES**

The SDAFPP consists of three parts, of which the first two are:

- **Part 1** - contains the sampling decisions which includes five areas where States have flexibility. Those decisions are:
  - The selection of a sample size of either 271 or 276 cases;
  - The source of random number generator;
  - Frequency of selecting monthly sampling frames;
  - The projected start date for the sampling process; and
  - The number of replacement cases the state will sample each month of the review period, either the minimum of 3 or some higher number.
- **Part II** - the State assures that it will abide by the instructions contained in the DCI. (This can be found on Pg. 5 of the DCI)



## SAMPLING UNIT

- **A case (child) for whom a subsidy was paid for services received during the sample month**
- **CCDF and Pooled CCDF Funded Children Only**
- **State systems and payments**

### SAMPLING UNIT

Before moving on to Part III of the SDAFPP lets review some of the details of Part I, the sampling process.

- The sampling unit has changed from a **child who was authorized for a subsidy** for the sample month to a child for whom a **subsidy was paid for services received** in the sample month.
- For the child to be in the sample month's universe the payment for sample month services must be:
  - payments composed purely of CCDF funds and
  - payments where CCDF funds have been pooled with other funds.
- The key for the sampling process is that a **payment has been made**. When creating a universe of paid cases from which a month's sample is drawn the timeline the state allows providers to submit for payments will be a factor. Providers may have 30, 60, 90 days, even longer in some states, to submit the materials needed for a payment to be made.
- A few Year 1 states wanted to start reviews early so that the review would be as current with the sample month as possible. They knew that the closer their sampling was to the end of the sample month the more likely there would be cases where a payment would eventually be made but wasn't as of the time of the sample pull. If states have questions about sampling and the effect their provider payment calendar may have they should contact the Regional Office or NCCCSIA TA representative.

## FREQUENCY OF SAMPLING FRAME SELECTION

- **Create one sampling frame for each month of review period**
- **Random Selection of 22 or 23 cases**
- **Specify sampling frequency and start date:**
  - **Monthly**
  - **Quarterly**
  - **6 months**
  - **Annually**

### FREQUENCY OF SAMPLING FRAME SELECTION

States make three decisions regarding sampling frame selection. These decisions have not changed from the previous methodology:

- States create sampling frames for each of the 12 months of the review period.
- The number of cases selected each month depends on whether the State chooses to sample the either 271 or 276 cases for the review period. In the two review cycles completed as of 2013 all but 2 States reviewed the maximum of 276.
- Two final sampling decisions that States must include in its SDAFPP are:
  - how frequently they will collect the sampling frames, e.g., monthly, quarterly, semi-annually, or annually;
  - and the projected start date for the sample selection.
- The sampling frequency may be different than when the State plans to review records, but most States choose their sampling frequency based on when the State plans to conduct the record review.

## REPLACEMENT CASES

- **Choose number of replacement cases to be sampled (minimum of three)**
- **RO approval required prior to use of any replacement case only for valid reasons:**
  - **Natural disaster**
  - **Under appeal or fraud investigation**
  - **Other**

*Section V, Pg. 6, Data Collection Instructions*

### REPLACEMENT CASES

- As part of the sampling decisions a state must choose the number of replacement cases it will sample each month, with the minimum being three.
- The Revision DCI continues to require that States obtain OCC approval prior to the use of any replacement case. States should provide their Regional Office with the details of the sampled case and the rationale for seeking approval for the use of a replacement case.
- The reasons for the use of replacement cases remain the same from the previous methodology. The criteria are:
  - If a case record was unavailable due to a natural disaster, is under appeal or referred for a fraud investigation.
  - Other - Only a few States used replacement cases with any frequency usually due to the fact that the case selected was closed or not authorized for the sample month. This may occur less frequently with the new sampling unit definition.

## FIELDWORK PREPARATION PLAN

### Mandatory

- Project and review team leadership
- Review team composition
- Methods to ensure inter-reviewer consistency
- Error definition
- Record retention measures

### Optional

- Designee(s) for submission of final report (ACF-404)
- Process for and use of the policy review
- Information systems project responsibilities
- Case review logistics

*Section IV, Pg. 5, Data Collection Instructions*

### FIELDWORK PREPARATION PLAN

- Part III of the SDAFPP is the Fieldwork Preparation section. **Another change in the Revised DCI is that the Fieldwork Preparation Plan section now has both mandatory and optional portions.**
- **The mandatory portions are:**
  - Identifying the leadership of the project and the review team;
  - Review teams composition; (while not mandatory it is a best practice to include the number of reviewers and some reference to how they meet the quality control reference) (DCI Pg. 14)
  - Listing the methods that will be used to insure inter reviewer consistency of review findings; such things as staff training, case re-review processes
  - An error definition; and
  - The means of retaining the sampling and review documentation for the required five years.
- **The optional portions are:**
  - Designating who will certify and submit the final report;
  - The eligibility policy review and how it will be incorporated into the modification of the RRW, the definition of error and the training of review staff;
  - The role of the IT staff in such things as the sampling and record retention; and
  - The logistics and process for the case records reviews.

## BENEFITS OF FIELDWORK PREPARATION PLAN

- Saves time
- Consider FPP a living document which records lessons learned
- Clarifies roles and creates a shared understanding
- May satisfy the state's program monitoring guidelines
- Written record of the review process for subsequent reviews.

*Section IV, Pg. 5, Data Collection Instructions*

### **BENEFITS OF FIELDWORK PREPARATION PLAN**

- While the FPP section has both mandatory and optional portions the plan in its entirety has an important role:
  - A clearly articulated plan can save time over the period of the review process;
  - The plan is the basis upon which the state will construct its answers for Part III Question #15 of the Final Report (ACF-404);
  - The plan clarifies roles/responsibilities and creates a shared understanding amongst the project participants of their various roles;
  - The plan may satisfy the state's other program monitoring guidelines; and
  - The plan establishes a written record of the review process for subsequent reviews.

## CASE REVIEW LOGISTICS

The State needs to consider several logistical issues:

- Review of electronic case records
- Location of record review:
  - On-site, centrally or regionally
- Coordination with local offices for case record material submission

*Section IV, Pg. 5, Data Collection Instructions*

### **CASE REVIEW LOGISTICS**

- The revised DCI, like the earlier versions, discusses the various parts of review logistics, such as:
  - Hard copy and electronic portions of the record review;
  - Location of the record reading; and
  - Coordination with the local eligibility unit for submission of the cases selected for review.
- **There is an important change in the revised DCI.** If, in reviewing a case, there is missing documentation, the State may choose to contact the local eligibility office to offer that office an opportunity to locate the document(s) that was in its possession but was not included in the case record when it was submitted for review. Should the state choose to incorporate this step in the review process it should be made clear to the local office that the opportunity to locate a document can not be construed as an opportunity to obtain documentation that it had not previously obtained. (DCI Pg. 15)

## RECORD REVIEW WORKSHEET

- States will customize the RRW (ACF-403)
- States submit RRW to ACF RO no later than the end of December 2014
- ACF RO must approve RRW submission prior to use in record reviews
- Changes to Element 410

*Section VI, Pg. 9, Data Collection Instructions*

### RECORD REVIEW WORKSHEET

- The Revised DCI requires that states **will customize the RRW.**
- The customized RRW must be submitted for review and approval. States may submit the RRW at any point prior to that date.
- A state's customized RRW must receive Regional Office (RO) approval prior to conducting case-record reviews.
- While most of the content and format of the RRW template have remained the same there has been a complete change of Element 410 in order to provide the instructions for computing an improper payment error.

## REASONS FOR CUSTOMIZING RECORD REVIEW WORKSHEET

- **Identifies State policies and procedures for each element**
- **Assists reviewers in applying policy, documentation requirements**
- **Defines what is an IP error for each element**

*Section VI, Pg. 9, Data Collection Instructions*

### **REASONS FOR CUSTOMIZING RECORD REVIEW WORKSHEET**

There are three major reasons why States customize the *Record Review Worksheet* template.

- **So that it conforms to the specifics of the State's CCDF subsidy program.** States need to review laws, regulations, policies and state plan so as to:
  - Identify the appropriate State requirements for each of the 10 elements of the RRW and
  - To identify the policies that were in effect for the specific sample month for which the case was selected for review.

A second reason for customizing the RRW is:

- **So that the document assists reviewers in applying policy and documenting information during case record reviews.** The inclusion of policy prompts and citations, form names or numbers in Column 1, check-off boxes, yes or no questions in Column 2 will help reviewers in:

- Documenting information during record reviews;
- Expediting the completion of the *Worksheet*;
- Standardizing the review summaries and
- Operationalizing the agreed upon error definition.

The final, and arguably the most important reason for customizing the RRW is:

- **Operationalizing what the state has defined as an IP error in each element.** In developing the RRW program and review staff must arrive at consensus of what constitutes an administrative error vs. an error that results in an improper payment.

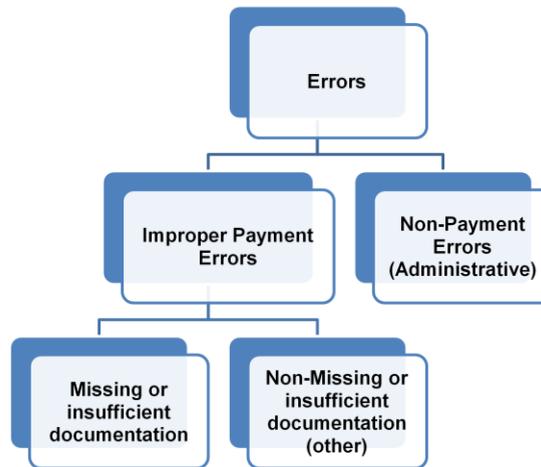
Office of Child Care National Center on Child Care Subsidy Innovation and Accountability		 OMB Control No. XXXX-XXXX Expiration Date: XX/XX/XXXX		
REVIEW WORKSHEET (TEMPLATE) (ACF-400)				
CHILD ID#	STATE:	COUNTY:	SAMPLE MONTH/YEAR:	REVIEW DATE:
ELEMENTS OF ELIGIBILITY & PAYMENT DETERMINATION (1)	ANALYSIS OF CASE RECORD (2)	FINDINGS (3)	Results(4)	
SECTION I. STATE CHILD CARE PROGRAM FORMS				
100 APPLICATION/RE-DETERMINATION FORMS			100 RESULTS	
Determine presence, date, and completeness of required eligibility forms. Examples include (1) signed and dated CCDF application form, (2) child care agreement, and (3) voucher or certificate. •Child Care Application (Pol. Man. Sect. I/A) •Child Care Assistance Certificate (Pol. Man. Sect. I/B) •Provider Agreement Form (Pol. Man. Sect. I/C)	Signed App. or Redet form Y <input type="checkbox"/> N <input type="checkbox"/>  Child Care Certificate Y <input type="checkbox"/> N <input type="checkbox"/>  Provider Agreement Form Y <input type="checkbox"/> N <input type="checkbox"/>  Comments:		1	No Error / Error
			2	Insufficient/ Missing Documentation

**WHERE TO CUSTOMIZE THE RECORD REVIEW WORKSHEET:**

This slide provides an example of one element of a customized RRW. Most of the rules that speak to the RRW customization have not changed from the previous DCI.

- OMB identifiers, case identification information, column and section headings and the Column 1 boilerplate language must be retained in all elements.
- In Column 1, adding in the appropriate State requirements for each of the review elements. This is a critical task as the policies cited in Column 1 become the basis for the error/non-error findings for each element.
- In Column 2, add features that assist reviewers in summarizing information found in the case file. Having a space for comments in Column 2 is important because the DCI require a summary including "companion facts, questions, or conflicts."
- As required by the DCI no changes were made in Columns 3 or 4 of the example.

## ERROR DEFINITION



### ERROR DEFINITION

- The DCI gives States the role of defining what constitutes an error and which of those errors result in an improper payment. In sum, the DCI assumes that there will be two types of errors:
  - Those which are purely administrative in nature and do not affect the child's eligibility or the accuracy of the payment
  - and those errors which occur in core eligibility policies and would impact either the eligibility as a whole or the amount of the subsidy.
- As depicted in this slide, States must capture and then report on all errors.
  - After determining that an error occurred, States then determine:
    - Whether or not the error caused an IP and finally:
      - Whether the error was due to Missing or Insufficient Documentation.

## ERROR DEFINITION

- **Core Eligibility vs. Business Process Items**
- **Define which errors affect Core Eligibility as opposed to Business Processes**
- **All errors are important**
- **Determine what constitutes a reasonable/flexible Review approach**

### ERROR DEFINITION

In 2012 the OCC organized three conference calls with a group of states. The objective was for states to describe how they went about defining errors and what errors did or did not result in a dollar amount. At the conclusion of the three calls there were a number of common themes:

**Core eligibility items include those areas that are required for eligibility in a State's policy or procedure:** i.e. items that can verify the child or family status (birth certificates (age), pay stubs (work/training status/income/copy), provider information (valid provider status), hours/units of care, priority group placement.

**Business process items are those that simply move the case through the system to completion of the eligibility:** i.e. applications, copy of a certificate/voucher, HIPPA privacy notice, eligibility notification letter, TANF referral forms, other State-specific items that are needed, but would not affect the core eligibility of the case.

**Define which errors affect core eligibility requirements as opposed to business-processing functions:** Before the next review cycle, State program and review staff met to redefine or reconfirm errors as (1) those that affect the child's eligibility amount; and (2) those that are State-defined business processing requirements that do not affect the eligibility.

**All errors are important:** Both types of errors are important to provide the State with information on where training, technical assistance and policy changes are needed to reduce the incidence of errors.

**Determine what constitutes a reasonable/flexible approach to policy interpretation in the case-review process:** When CCDF case records have missing documentation errors and the reviewer is unable to obtain the missing documentation from the local agency, reviewers make a judgment call on the likelihood that the case would or would not be eligible. To assist reviewers with these "gray areas", State review teams may choose to use a more flexible approach to the application of the policy in the review process rather than a strict interpretation of what is stipulated in policy. Following are some examples:

- If policy requires four pay stubs and only three pay stubs are present in the case under review, what other documentation could be used to meet this requirement?
- If policy requires a birth certificate for the child, and the case under review did not have the actual certificate, what alternatives might be available to the review staff to obtain the information?
- If policy requires a State form that captures the adult(s)' work hours and the case under review did not have the required form, is there other information available to substantiate need/units of care?
- As mentioned earlier (Case Review Logistics - Slide 14), states may also request missing information from local eligibility offices that may have been omitted from the physical case record when it was submitted for review.
- Some states have begun attaching review guides to their draft RRW describing how findings within a specific element would lead to an error and which findings would constitute an improper payment for that element. The next two slides illustrate some examples of review guides and how they are used.

## EXAMPLE OF ELEMENT ERROR DEFINITION

Element 100 Application/Re-determination Forms			
Determine whether required eligibility forms meet all State and Federal policies in effect during the sample review month. Examples include (1) application form, (2) child care agreement, and (3) voucher or certificate, as applicable.			
1. Required Forms	DOCUMENTATION... (what to look for)	ERROR IF... What constitutes an error.	Type of ERROR
1. Required forms can vary from case to case which will require the reviewer to identify case specifics to determine which forms are required for the particular case under review.	1. Are all required forms contained in case record?	1. Forms shall be considered in error if they are required to be in the case record and are missing, incomplete, or unacceptable for any reason.	1. All errors in this category will be determined to be a policy and procedure error.
	2. Are all forms complete and correct?		
	3. Did worker use current and up-to-date forms?		
	4. Is verification provided complete and acceptable?		
	5. Is all required verification present or documented in case record?		



### EXAMPLE OF ELEMENT ERROR DEFINITION

- As mentioned earlier (Slide 16) there is a need for consensus amongst planning staff and reviewers on what constitutes an error.
- A number of states have documented their error decision logic in review guides and RRW supplements. This slide presents, as a best practice, what one state created as a supplement to its customized RRW.
- In this example the state specified the criteria for the documentation
- and more importantly what constituted an error and which errors would result in an improper payment. In this example, Element 100, the state has established that only administrative errors can be found in this element.

## EXAMPLE OF ELEMENT ERROR DEFINITION

<b>Element 320 Parental Work/Training Status</b>			
<i>To receive services a child's parent or parents must be working or attending a job training or educational program, or have a child receiving or needing to receive protective services.</i>			
<b>MS 3.5, MS 5.6</b>	<b>DOCUMENTATION... (what to look for)</b>	<b>ERROR IF... What constitutes an error.</b>	<b>Type of ERROR</b>
Households are considered to have met Work/Training requirements in the following instances. 1. One adult parent household working 20+ hrs/ week 2. Two parent households with combined work hours of 40+ /week with neither parent working less than 5 hrs/week. 3. Two parent household with 1 parent working 20+ hrs/week and the other parent verified as unable to provide care for children. 4. Teen parents attending high school 5. TANF Authorized 6. Authorized for protection by P&P	1. Reviewer should review case record for appropriate verification and documentation and complete questions on customized worksheet.	1. Approval of an individual who does not meet required work/training status. 2. Improper verification of work/training hours.	1. Only errors which are clearly defineable as not meeting work requirements will be considered as improper payments. All others will be administrative or documentation errors.
			

### EXAMPLE OF ELEMENT ERROR DEFINITION

- In this example, which involves Element 320 - Parental work training status, the state has established it's criteria for both improper payment and administrative/procedural errors.



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