8 Ensure Grantee Program Integrity and Accountability

Program integrity and accountability activities are integral to the effective administration of the CCDF program. Lead Agencies are required to describe in their Plan effective internal controls that ensure integrity and accountability while maintaining the continuity of services (98.16(cc)). These accountability measures should address reducing fraud, waste, and abuse, including program violations and administrative errors.

This section includes topics on internal controls to ensure integrity and accountability and processes in place to investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud. Respondents should consider how fiscal controls, program integrity and accountability apply to:

-- Memorandums of understanding within the Lead Agency's various divisions that administer or carry out the various aspects of CCDF

-- MOU's, grants, or contracts to other state agencies that administer or carry out various aspects of CCDF

-- Grants or contracts to other organizations that administer or carry out various aspects of CCDF such as professional development and family engagement activities

-- Internal processes for conducting child care provider subsidy

8.1 Internal Controls and Accountability Measures To Help Ensure Program Integrity

8.1.1 Lead Agencies must ensure the integrity of the use of funds through sound fiscal management and must ensure that financial practices are in place (98.68 (a)(1)). Describe the processes in place for the Lead Agency to ensure sound fiscal management practices for all expenditures of CCDF funds. Check all that apply:

☑ a. Verifying and processing billing records to ensure timely payments to providers

Michigan utilizes technology (Bridges and I-Billing) to process payments for providers.

☑ b. Fiscal oversight of grants and contracts

Describe:

The Department reviews the monthly statement of expenses. Those receiving funds are to keep records of expenses and be able to submit to the state of Michigan when requested for auditing purposes.

☑ c. Tracking systems to ensure reasonable and allowable costs

Describe:

Each agreement in place requires an approved budget before we begin reimbursement. The Department reviews the statement of expenses monthly. Those receiving funds are to keep records of expenses and be able to submit to the state of Michigan when requested for auditing purposes.

☑ d. Other

Describe:

Michigan conducts time and attendance reviews throughout the fiscal year. Child Development and Care (CDC) Providers are selected for review by: (1) random pull (2) Billing discrepancies, (3) Self-Reporters, and (4) referrals.

Michigan conducts ongoing CDC Case Reviews of both open and closed CDC Cases to ensure the Michigan Department of Health and Human Services (MDHHS) local offices, who are responsible for determining CDC eligibility, are opening, and closing CDC cases in accordance with the CDC policies.

NOTE: Case reviews and time and attendance reviews were paused from April 2020 - February 2021 due to CDC staff resources being dedicated to the CARES Act Grants. The activities resumed in March 2021.

8.1.2 Check and describe the processes that the Lead Agency will use to identify risk in their CCDF program. Check all that apply:

☑ a. Conduct a risk assessment of policies and procedures

Describe:

The lead agency participates in the State's risk assessment process bi-annually to identify program risks and their mitigation strategies.

☑ b. Establish checks and balances to ensure program integrity

Describe:

The lead agency conducts time and attendance reviews to monitor appropriate billing practices and conducts ongoing state level criminal history checks for eligible providers and adult household members. In addition, the Department conducts ongoing state case reviews to identify risks associated with eligibility determination.

☑ c. Use supervisory reviews to ensure accuracy in eligibility determination

Describe:

Case reviews are conducted at local MDHHS agencies to ensure accuracy in eligibility determinations (the lead agency also conducts case reviews to monitor eligibility determinations). Follow up and secondary reviews are conducted on license-exempt provider enrollments to ensure accuracy.

☐ d. Other

Describe:

8.1.3 States and territories are required to describe effective internal controls that are in place to ensure program integrity and accountability (98.68(a)), including processes to train child care providers and staff of the Lead Agency and other agencies engaged in the administration of CCDF about program requirements and integrity.

a. Check and describe how the state/territory ensures that all providers for children receiving CCDF funds are informed and trained regarding CCDF requirements and integrity (98.68(a)(3)). Check all that apply.

☐ i. Issue policy change notices.

Describe:

☑ ii. Issue policy manual.

Describe:

A link to the policy manuals is available to providers on our website at Current MDHHS Policy Manuals (state.mi.us).

☑ iii. Provide orientations.

Describe:

During the Great Start to Quality Orientation (GSQO), license exempt providers receive a copy of the CDC Handbook and are instructed to review all program rules, including the billing and record keeping rules. Orientation for licensed providers includes two documents. The first explains payments for Child Care and Development Fund (CCDF) billing and the other explains how to register to receive payments.

☑ iv. Provide training.

Describe:

Provider instruction videos are available at MDE - Providers (michigan.gov)for training on how to keep accurate time and attendance records and how to use the

online billing system correctly.

☑ v. Monitor and assess policy implementation on an ongoing basis.

Describe:

The lead agency participates in the State's risk assessment process bi-annually to not only determine program risks and identify program integrity.

The Office of Auditor General conducts an annual audit, State of Michigan Comprehensive Annual Financial Report (SOMCAFR), that reviews our internal control activities.

☐ vi. Meet regularly regarding the implementation of policies.

Describe:

☑ vii. Other.

Describe:

The CDC Handbook is a plain language, simplified and condensed interpretation of policy manuals. It is updated at regular intervals, along with policy. The handbook is posted on the CDC website at www.michigan.gov/childcare.

b. Check and describe how the Lead Agency ensures that all its staff members and any staff members in other agencies who administer the CCDF program through MOUs, grants and contracts are informed and trained regarding program requirements and integrity (98.68 (a)(3)). Check all that apply:

☑ i. Issue policy change notices.

Describe:

Policy change notices are issued to MDHHS staff and partners when there is a change in policy and manuals are updated.

☑ ii. Train on policy change notices.

Describe:

In addition to the standard policy change bulletin that is provided to MDHHS staff, a summary of changes is provided along with a training for all systems changes.

☑ iii. Issue policy manuals.

Describe:

Michigan Department of Education (MDE) updates the CDC policy sections in the MDHHS local office manuals on a quarterly basis when policy changes are needed. These manuals are available online for all MDHHS staff and the public.

☑ iv. Train on policy manual.

Describe:

Training is available to MDHHS local office staff through online modules and includes training to help with both policy understanding and application, as well as technology use. In-person training is conducted for new hires at MDHHS.

☑ v. Monitor and assess policy implementation on an ongoing basis.

Describe:

Michigan conducts ongoing case reviews to ensure MDHHS local offices are utilizing current policy to open cases and determine authorizations. NOTE: This activity was paused from April 2020 - February 2021 due to CDC staff resources being dedicated to the CARES Act Grants. This activity resumed in March 2021.

☐ vi. Meet regularly regarding the implementation of policies.

Describe:

☑ vii. Other.

Describe:

Policy manuals reflect our definitions for all program violation types. Technology supports a fraud designation in our eligibility system. Our new time and attendance review process ensures that we monitor for program integrity, while being fair to both parents and providers by reducing the burdens expected of them. Our efforts focus on offering support to address administrative errors and ensuring intentionality prior to making a fraud referral for investigation.

8.1.4 Describe the processes in place to regularly evaluate Lead Agency internal control activities (98.68 (a)(4)). Describe:

The lead agency participates in the State's risk assessment process bi-annually to determine program risks.

8.1.5 Lead Agencies conduct a wide variety of activities to fight fraud and ensure program integrity. Lead Agencies are required to have processes in place to identify fraud and other program violations to ensure program integrity. Program violations can include both intentional and unintentional client and/or provider violations, as defined by the Lead Agency. These violations and errors, identified through the error-rate review process, may result in payment or nonpayment (administrative) errors and may or may not be the result of fraud, based on the Lead Agency definition. Check and describe any activities that the Lead Agency conducts to ensure program integrity.

a. Check and describe all activities that the Lead Agency conducts, including the results of these activities, to **identify and prevent fraud or intentional program violations.** Include in the description how each activity assists in the identification and prevention of fraud and intentional program violations.

☑ i. Share/match data from other programs (e.g., TANF program, Child and Adult Care Food Program, Food and Nutrition Service (FNS), Medicaid) or other databases (e.g., State Directory of New Hires, Social Security Administration, Public Assistance Reporting Information System (PARIS)).

Describe the activities and the results of these activities:

Child care subsidy eligibility in Michigan is determined by MDHHS, which also determines eligibility for temporary assistance for needy families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid. Additionally, MDHHS receives data from the State directory of new hires, Social Security Administration and Public Assistance Reporting Information System (PARIS). These data bases ensure accurate processing of known information, reduce errors during program processing and therefore, reduces the chances of fraud. This also

allows MDE the ability to correct CDC cases, as necessary.

☐ ii. Run system reports that flag errors (include types).
Describe the activities and the results of these activities:

☑ iii. Review enrollment documents and attendance or billing records
Describe the activities and the results of these activities:

Case Reviews: The purpose of the ongoing case review process is to determine if the CDC eligibility decisions and/or benefit amounts were determined correctly. Cases are randomly pulled and MDE reads approximately 80 open CDC cases monthly. If no errors are found, the local or county office is notified that a case read was completed and there were no errors found If errors are found. If there are errors, the local or county office is notified of the error(s) and a correction due date is provided. MDE determines an error rate (by local office/county). A detailed Error Rate Report is sent to each local office or county.

In addition to the case review process, MDE has a staff person who reads closed CDC cases to determine if any CDC cases were closed in error. If it is determined the case was closed in error, an email is sent to the local office or county, requesting they give the case be reviewed due to the error. A monthly closed case report is sent to MDHHS Field Operations.

Time and attendance review process: Providers are selected for a time and Attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors: unintentional or inadvertent errors made by a CDC provider who reported incorrect information or failed to report information to the MDE. These errors always trigger a program violation notice (PVN). A PVN is a written notice from MDE detailing the program violation. Provider intentional program violation (IPV): An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual

attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's Intentionality Review Team (IRT). The purpose of the IRT review is to determine if the action of the provider was intentional. The result is an increase in locating mistakes and training needs during case reads; determining if time and attendance records were completed incorrectly intentionally and ensuring consistency with IPV's. This assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

Results include the following:
·Allows MDE the ability to correct CDC cases.
·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.
·Establish claims for overpayments and collect on the overpayments.
·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ iv. Conduct supervisory staff reviews or quality assurance reviews.
Describe the activities and the results of these activities:
Supervisory staff reviews are conducted by MDHHS managers or supervisors in each local office, at application processing or redetermination across all programs, including CDC. The guidelines for supervisory reviews at the local level are a minimum of two cases, per worker, per month, up to twenty cases. The supervisory review is intended to ensure staff are following program policy, meeting standard operating procedures, and correcting cases for proper determinations. Six secondary quality assurance reviews are completed monthly by MDE staff. Accurate program processing and outcomes, manager/supervisors as well as specialists remain abreast of current policies and processing changes, and an opportunity to ensure program integrity are the results of these activities. This establishes claims for overpayments and collect on the overpayments.

Results include the following:

·Allows MDE the ability to correct CDC cases.

·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

·Establish claims for overpayments and collect on the overpayments.

·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ v. Audit provider records.

Describe the activities and the results of these activities:

Time and attendance review process: Providers are selected for a time and attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors: unintentional or an inadvertent error made by a CDC provider who reported incorrect information or failed to report information to MDE. These errors always trigger a PVN. A PVN is a written notice from MDE detailing the program violation. Provider IPV: An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's IRT. The purpose of the IRT review is to determine if the action of the provider was intentional. The result is an increase in locating mistakes and training needs during case reads; determining if time and attendance records were completed incorrectly intentionally and ensuring consistency with IPV's. This Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

Results include the following:

·Allows MDE the ability to correct CDC cases.

·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

·Establish claims for overpayments and collect on the overpayments.

·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ vi. Train staff on policy and/or audits.

Describe the activities and the results of these activities:

Training is available to the local MDHHS offices through online modules and includes training to help with both policy understanding and application, as well as technology use. Accurate program processing and outcomes is the result as staff stay abreast of current policies and processing changes. This allows us to regularly review our processes to determine if additional changes are necessary.

☐ vii. Other

Describe the activities and the results of these activities:

8.1.5 Lead Agencies conduct a wide variety of activities to fight fraud and ensure program integrity. Lead Agencies are required to have processes in place to identify fraud and other program violations to ensure program integrity. Program violations can include both intentional and unintentional client and/or provider violations, as defined by the Lead Agency. These violations and errors, identified through the error-rate review process, may result in payment or nonpayment (administrative) errors and may or may not be the result of fraud, based on the Lead Agency definition. Check and describe any activities that the Lead Agency conducts to ensure program integrity.

b) Check and describe all activities the Lead Agency conducts to identify unintentional program violations. Include in the description how each activity assists in the identification and prevention of unintentional program violations. Include a description of the results of such activity.

☑ i. Share/match data from other programs (e.g., TANF program, CACFP, FNS, Medicaid) or other databases (e.g., State Directory of New Hires, Social Security Administration (PARIS)).

Describe the activities and the results of these activities:

Child care subsidy eligibility in Michigan is determined by MDHHS, which also determines eligibility for TANF, SNAP, Medicaid. Additionally, MDHHS receives data from the State directory of new hires, Social Security Administration and PARIS. These data bases ensure accurate processing of known information, reduce errors during program processing and therefore, reduces the chances of fraud. This also allows MDE the ability to correct CDC cases, as necessary.

☐ ii. Run system reports that flag errors (include types).

Describe the activities and the results of these activities:

☑ iii. Review enrollment documents and attendance or billing records

Describe the activities and the results of these activities:

Case Reviews: The purpose of the ongoing case review process is to determine if the CDC eligibility decisions and/or benefit amounts were determined correctly. Cases are randomly pulled and MDE reads approximately 80 open CDC cases monthly. If no errors are found, the local or county office is notified that a case read was completed and there were no errors found. If there are errors, the local or county office is notified of the error(s) and a correction due date is provided. MDE determines an error rate (by local office/county). A Detailed Error Rate Report is sent to each local office or county.

In addition to the case review process, MDE has a staff person who reads closed CDC cases to determine if any CDC cases were closed in error. If it is determined the case was closed in error, an email is sent to the local office or county, requesting they give the case be reviewed due to the error. A monthly closed case report is sent to MDHHS Field Operations.

Time and attendance review process: Providers are selected for a Time and Attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors: unintentional or

inadvertent errors made by a CDC provider who reported incorrect information or failed to report information to the MDE. These errors always trigger a PVN. A PVN is a written notice from MDE detailing the program violation. Provider IPV: An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's IRT. The purpose of the IRT review is to determine if the action of the provider was intentional. The result is an increase in locating mistakes and training needs during case reads; determining if time and attendance records were completed incorrectly intentionally and ensuring consistency with IPV's. This assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

Results include the following:
·Allows MDE the ability to correct CDC cases.
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Allows us to regularly review our processes to determine if additional changes are necessary.

☑ iv. Conduct supervisory staff reviews or quality assurance reviews.
Describe the activities and the results of these activities:
Supervisory Staff Reviews are conducted by MDHHS managers or supervisors in each local office, at application processing or redetermination across all programs, including CDC. The guidelines for supervisory reviews at the local level are a minimum of two cases, per worker, per month, up to twenty cases. The supervisory review is intended to ensure staff are following program policy, meeting standard operating procedures (SOPs), and correcting cases for proper determinations. Six secondary quality assurance reviews are completed monthly by MDE staff.

Accurate program processing and outcomes, manager/supervisors as well as specialists remain abreast of current policies and processing changes are the results of these activities. Mistakes and intentional fraud are also discovered and handled throughout this process. NOTE: This activity was paused from April 2020 - February 2021 due to CDC staff resources being dedicated to the CARES Act Grants. This activity resumed in March 2021.

Results include the following:
·Allows MDE the ability to correct CDC cases.
·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.
·Establish claims for overpayments and collect on the overpayments.
·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ v. Audit provider records.

Describe the activities and the results of these activities:

Time and attendance review process: Providers are selected for a time and attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors, unintentional or inadvertent errors made by a CDC provider who reported incorrect information or failed to report information to the MDE. These errors always trigger a PVN. A PVN is a written notice from MDE detailing the program violation. Provider IPV: An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's IRT. The purpose of the IRT review is to determine if the

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·Allows MDE the ability to correct CDC cases.
·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.
·Establish claims for overpayments and collect on the overpayments.
·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ vi. Train staff on policy and/or audits.

Describe the activities and the results of these activities:

Training is available to the local MDHHS offices through online modules and includes training to help with both policy understanding and application, as well as technology use. Accurate program processing and outcomes is the result as staff stay abreast of current policies and processing changes. This allows us to regularly review our processes to determine if additional changes are necessary.

☐ vii. Other

Describe the activities and the results of these activities:

8.1.5 Lead Agencies conduct a wide variety of activities to fight fraud and ensure program integrity. Lead Agencies are required to have processes in place to identify fraud and other program violations to ensure program integrity. Program violations can include both intentional and unintentional client and/or provider violations, as defined by the Lead Agency. These violations and errors, identified through the error-rate review process, may result in payment or nonpayment (administrative) errors and may or may not be the result of fraud, based on the Lead Agency definition. Check and describe any activities that the Lead Agency conducts to ensure program integrity.

c) Check and describe all activities the Lead Agency conducts to identify and prevent agency errors. Include in the description how each activity assists in the identification and

prevention of agency errors.

☑ i. Share/match data from other programs (e.g., TANF program, CACFP, FNS, Medicaid) or other databases (e.g., State Directory of New Hires, Social Security Administration (PARIS)).

Describe the activities and the results of these activities:

Child care subsidy eligibility in Michigan is determined by MDHHS, which also determines eligibility for TANF, SNAP, Medicaid. Additionally, MDHHS receives data from the State directory of new hires, Social Security Administration and PARIS. These data bases ensure accurate processing of known information, reduce errors during program processing and therefore, reduces the chances of fraud. This also allows MDE the ability to correct CDC cases, as necessary.

☐ ii. Run system reports that flag errors (include types).

Describe the activities and the results of these activities:

☑ iii. Review enrollment documents and attendance or billing records

Describe the activities and the results of these activities:

Case reviews: The purpose of the ongoing case review process is to determine if the CDC eligibility decisions and/or benefit amounts were determined correctly. Cases are randomly pulled and MDE reads approximately 80 open CDC cases monthly. If no errors are found, the local or county office is notified that a case read was completed and there were no errors found If errors are found. If there are errors, the local or county office is notified of the error(s) and a correction due date is provided. MDE determines an error rate (by local office/county). A detailed error rate report is sent to each local office or county.

In addition to the case review process, MDE has a staff person who reads closed CDC cases to determine if any CDC cases were closed in error. If it is determined the case was closed in error, an email is sent to the local office or county, requesting they give the case be reviewed due to the error. A monthly closed case report is sent to MDHHS Field Operations.

Time and attendance review process: Providers are selected for a time and attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are

requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors: unintentional or inadvertent errors made by a CDC provider who reported incorrect information or failed to report information to the MDE. These errors always trigger a PVN. A PVN is a written notice from MDE detailing the program violation. Provider IPV: An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's IRT. The purpose of the IRT review is to determine if the action of the provider was intentional. The result is an increase in locating mistakes and training needs during case reads; determining if time and attendance records were completed incorrectly intentionally and ensuring consistency with IPV's. This Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

☑ iv. Conduct supervisory staff reviews or quality assurance reviews.

Describe the activities and the results of these activities:

Supervisory staff reviews are conducted by MDHHS managers or supervisors in each local office, at application processing or redetermination across all programs, including CDC. The guidelines for supervisory reviews at the local level are a minimum of two cases, per worker, per month, up to twenty cases. The supervisory review is intended to ensure staff are following program policy, meeting SOPs, and correcting cases for proper determinations. Six secondary quality assurance reviews are completed monthly by MDE staff. Accurate program processing and outcomes, manager/supervisors as well as specialists remain abreast of current policies and processing changes are the results of these activities. Mistakes and intentional fraud are also discovered and handled throughout this process. NOTE: This activity was paused from April 2020 - February 2021 due to CDC staff resources being dedicated to the CARES Act Grants. This activity resumed in

March 2021.

Results include the following:
·Allows MDE the ability to correct CDC cases.
·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.
·Establish claims for overpayments and collect on the overpayments.
·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ v. Audit provider records.

Describe the activities and the results of these activities:

Time and attendance review process: Providers are selected for a time and attendance review using the following methods: random selection, parent referrals, call center referrals, and partner referrals. Time & attendance records are requested for two pay periods and reviewed. Records are reviewed to ensure they comply with CDC program guidelines. The result of a time & attendance review may include one of the following findings: provider errors: unintentional or inadvertent errors made by a CDC provider who reported incorrect information or failed to report information to the MDE. These errors always trigger a PVN. A PVN is a written notice from MDE detailing the program violation. Provider IPV: An intentional act where the provider is billing for more hours than a child is in attendance or intentionally maintaining time & attendance records that do not accurately capture the actual attendance of a child and/or otherwise billing in such a way that they are intentionally receiving higher payments than they are entitled to. Examples include 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 and maintaining records that do not accurately reflect the time children were in care. Suspected IPVs go through a thorough review process conducted by MDE's IRT. The purpose of the IRT review is to determine if the action of the provider was intentional. The result is an increase in locating mistakes and training needs during case reads; determining if time and attendance records were completed incorrectly intentionally and ensuring consistency with IPV's. This Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.

Results include the following:
·Allows MDE the ability to correct CDC cases.
·Assists in educating providers about the CDC program rules and regulations so that they may correct their billing practices.
·Establish claims for overpayments and collect on the overpayments.
·Allows us to regularly review our processes to determine if additional changes are necessary.

☑ vi. Train staff on policy and/or audits.

Describe the activities and the results of these activities:

Training is available to the local MDHHS offices through online modules and includes training to help with both policy understanding and application, as well as technology use. Accurate program processing and outcomes is the result as staff stay abreast of current policies and processing changes. This allows us to regularly review our processes to determine if additional changes are necessary.

☐ vii. Other

Describe the activities and the results of these activities:

8.1.6 The Lead Agency is required to identify and recover misspent funds as a result of fraud, and it has the option to recover any misspent funds as a result of errors.

a. Identify what agency is responsible for pursuing fraud and overpayments (e.g. State Office of the Inspector General, State Attorney).

Both the lead agency and the Office of Inspector General (OIG) are responsible for pursuing fraud and overpayments.

8.1.6 The Lead Agency is required to identify and recover misspent funds as a result of fraud, and it has the option to recover any misspent funds as a result of errors.

b. Check and describe all activities, including the results of such activity, that the Lead Agency uses to investigate and recover improper payments due to fraud. Include in the

description how each activity assists in the investigation and recovery of improper payment due to fraud or intentional program violations. Activities can include, but are not limited to, the following:

☑ i. Require recovery after a minimum dollar amount of an improper payment and identify the minimum dollar amount

Describe the activities and the results of these activities:

No minimum. All amounts are recovered after being identified. This activity ensure funds are returned and managed as intended.

☑ ii. Coordinate with and refer to the other state/territory agencies (e.g., state/territory collection agency, law enforcement agency).

Describe the activities and the results of these activities:

When application/eligibility information is determined by caseworkers to be questionable, or when findings of a billing and payment review are determined to be egregious by billing analysts within MDE CDC, a referral is made to MDHHS OIG for further investigation.

☑ iii. Recover through repayment plans.

Describe the activities and the results of these activities:

Voluntary agreement amount unless otherwise ordered by a court. This allows for repayment of over issued funds which are reasonable and affordable for the payer.

☑ iv. Reduce payments in subsequent months.

Describe the activities and the results of these activities:

Some CDC Providers choose the option to have 20% of their subsequent payments deducted to pay down their overpayment amount until it is paid in full. Active CDC Providers who do not maintain their Repay Agreement, by making regular payments to the MDE, are placed on automatic deductions of 20% of subsequent payments until their overpayment amount is paid in full or they request to resume cash payments.

☐ v. Recover through state/territory tax intercepts.

Describe the activities and the results of these activities:

☐ vi. Recover through other means.

Describe the activities and the results of these activities:

☑ vii. Establish a unit to investigate and collect improper payments and describe the composition of the unit below.

Describe the activities and the results of these activities:

The lead agency unit consists of four time and attendance reviewers and a recoupment specialist. In addition, MDHHS operates a unit that establishes for parents and providers based on referrals. This ensures adequate staff for investigating and collecting improper payments.

☐ viii. Other

Describe the activities and the results of these activities:

8.1.6 The Lead Agency is required to identify and recover misspent funds as a result of fraud, and it has the option to recover any misspent funds as a result of errors.

c. Check and describe any activities that the Lead Agency will use to investigate and recover improper payments due to unintentional program violations. Include in the description how each activity assists in the investigation and recovery of improper payments due to unintentional program violations. Include a description of the results of such activity. Activities can include, but are not limited to, the following:

☐ i. N/A. the Lead Agency does not recover misspent funds due to unintentional program violations.

☑ ii. Require recovery after a minimum dollar amount of an improper payment and identify the minimum dollar amount

Describe the activities and the results of these activities:

No minimum. All amounts are recovered after being identified. This activity ensure funds are returned and managed as intended.

☐ iii. Coordinate with and refer to the other state/territory agencies (e.g., state/territory collection agency, law enforcement agency).

Describe the activities and the results of these activities:

☑ iv. Recover through repayment plans.

Describe the activities and the results of these activities:

Voluntary agreement amounts or 20% of subsequent payments until the amount is fully repaid. This assist in reducing the stress of repayment of lump sum and give option of paying an affordable amount.

☑ v. Reduce payments in subsequent months.

Describe the activities and the results of these activities:

20% of all future payments until the amounts is fully repaid. Keeps payment amounts consistent until the loan is paid off.

☐ vi. Recover through state/territory tax intercepts.

Describe the activities and the results of these activities:

☐ vii. Recover through other means.

Describe the activities and the results of these activities:

☑ viii. Establish a unit to investigate and collect improper payments and describe the composition of the unit below.

Describe the activities and the results of these activities:

MDE has processes in place to ensure overpayments made to CDC providers are appropriately recouped. There are two processes for recoupment. MDE recoups overpayments from CDC providers. The provider may elect to pay the claim in cash or opt for standard recoupment (20% of subsequent CDC payments go towards the claim until repayment is made in full). MDHHS recoups overpayments from both CDC providers and CDC parents. The CDC provider may elect to pay the claim in cash or opt for standard recoupment (20% of subsequent CDC payments go towards the claim until repayment is made in full). The lead agency has a recoupment unit, which consists of an Analyst and a Specialist, is responsible for investigating and collecting improper payments. OIG is responsible for investigating improper payments. They then turn them over to MDHHS accounting to pursue collection.

☐ ix. Other

Describe the activities and the results of these activities:

8.1.6 The Lead Agency is required to identify and recover misspent funds as a result of fraud, and it has the option to recover any misspent funds as a result of errors.

d. Check and describe all activities that the Lead Agency will use to investigate and recover improper payments due to agency errors. Include in the description how each activity assists in the investigation and recovery of improper payments due to administrative errors. Include a description of the results of such activity.

☐ i. N/A. the Lead Agency does not recover misspent funds due to agency errors.

☑ ii. Require recovery after a minimum dollar amount of an improper payment and identify the minimum dollar amount

Describe the activities and the results of these activities:

No minimum. All amounts are recovered after being identified. This activity ensure funds are returned and managed as intended.

☐ iii. Coordinate with and refer to the other state/territory agencies (e.g., state/territory collection agency, law enforcement agency).

Describe the activities and the results of these activities:

☑ iv. Recover through repayment plans.

Describe the activities and the results of these activities:

Voluntary agreement for amount. This assists in reducing the stress of repayment of lump sum and give option of paying an affordable amount.

☑ v. Reduce payments in subsequent months.

Describe the activities and the results of these activities:

20% of all future payments until the amounts is fully repaid. This keeps payment amounts consistent until the loan is paid off.

☐ vi. Recover through state/territory tax intercepts.

Describe the activities and the results of these activities:

☐ vii. Recover through other means.

Describe the activities and the results of these activities:

☑ viii. Establish a unit to investigate and collect improper payments and describe the composition of the unit below.

Describe the activities and the results of these activities:

The lead agency has a recoupment unit, which consists of an analyst and a specialist, and is responsible for investigating and collecting improper payments. The result is to aid the agency in collecting over payments.

☐ ix. Other

Describe the activities and the results of these activities:

8.1.7 What type of sanction will the Lead Agency place on clients and providers to help reduce improper payments due to program violations? Check and describe all that apply:

☑ a. Disqualify the client. If checked, describe this process, including a description of the appeal process for clients who are disqualified.

Describe the activities and the results of these activities:

When it is determined by a court, an administrative law judge, or a signed repayment agreement that a client or adult group member intentionally violated a program rule, a program disqualification referral is made. Disqualifications enacted through the lead agency, are for periods of six months for the first occurrence, twelve months for the second occurrence, and lifetime for the third occurrence. A client has the right to contest the department's decision affecting eligibility or benefit levels whenever the client believes the decision is incorrect. The department, through MDHHS, provides an administrative hearing to review the decision and determine its appropriateness in accordance with policy. This item includes procedures to meet the minimum requirements for a fair hearing. Efforts to clarify and resolve the client's concerns must start when the hearing request is received and continue through the day of the hearing. Finally, the lead agency reviews all client disqualification referrals, as well as administrative hearing decisions.

The result of these activities is to prevent future fraudulent behaviors against the CDC

program.

☑ b. Disqualify the provider. If checked, describe this process, including a description of the appeal process for providers who are disqualified.

Describe the activities and the results of these activities:

Providers who have been convicted of fraud are disqualified from program participation. Additionally, a provider who intentionally fails to cooperate with program rules will be determined ineligible for the CDC program for the following intervals: 6 months the first occurrence, 12 months for the second occurrence, and lifetime for the third occurrence. The removal of providers from programs who are not following program rules increases program integrity.

☑ c. Prosecute criminally.

Describe the activities and the results of these activities:

When fraud is suspected, an individual may be criminally prosecuted. This activity increases the integrity of the CDC program.

☑ d. Other.

Describe the activities and the results of these activities:

Provider errors are defined as unintentional errors made by the provider during the billing process. These types of errors will result in a PVN even if the error is found more than once. A PVN is written notice to the provider explaining the violation cited. Technical assistance is provided to the provider by one of our CDC analysts. Providers are strongly encouraged to complete training modules.

If a provider is suspected of intentionality, they are referred to the IRT. The IRT Coordinator reviews the issues and convenes the IRT on a weekly basis to review all referrals. These reviews include a review of the action and considers the following: were there extenuating circumstances, does the action warrant disqualification, is there another option available, provider history: has the provider done this before, if so, how many times, what other actions were taken in the past? If a disqualification referral (DR) has been submitted previously for this provider, the following will also be considered: time frame reviewed for the previous DR, reason for the previous DR. Based on the above, the IRT decides on a recommendation. If the IRT determines there appears to be no evidence of intentionality, then the recommendation is for denial of intentionality and

the provider is given a PVN. If the IRT concludes there appears to be evidence of intentionality, then the recommendation is for approval of intentionality. The CDC Director makes the final decision on whether to disqualify the provider. The IRT process has increased program integrity by increasing provider awareness of program billing rules and the penalties for not following program rules.

Appendix A: MRS, Alternative Methodology and Narrow Cost Analysis Waiver Request Form

Lead Agencies may apply for a temporary waiver for the Market Rate Survey or ACF pre-approved alternative methodology and/or the narrow cost analysis in. These waivers will be considered extraordinary circumstance waivers to provide relief from the timeline for completing the MRS or ACF pre-approved alternative methodology and the narrow cost analysis during the COVID-19 pandemic. These waivers are limited to a one-year period.

Approval of these waiver requests is subject to and contingent on OCC review and approval of responses in Section 4, questions 4.2.1 and 4.2.5.

To submit a Market Rate Survey (MRS) or ACF pre-approved alternative methodology or a Narrow Cost Analysis waiver, complete the form below.

Check and describe each provision for which the Lead Agency is requesting a time-limited waiver extension.