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 Details: Public assistance fraud

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2003-04**

(session year)

**Joint**

(Assembly, Senate or Joint)

**Committee on Audit...**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (November 2012)



January 26, 2005

Representative Suzanne Jeskewitz  
Room 314 North  
State Capitol  
PO Box 8952  
Madison, WI 53708

Dear Representative Jeskewitz:

I consider myself fortunate to be involved, in many roles, with providing Public Assistance benefits to those in need. I am an Economic Support Specialist, member of the board of directors of the Wisconsin Association on Public Assistance Fraud, former Program Integrity worker, a registered voter, and a taxpayer. I believe I share the desire of the majority of taxpayers to provide assistance to individuals and families in need. I also believe the majority of taxpayers expect, and rightly so, that their tax dollars be spent as efficiently and effectively as possible. Consequently, I believe the expectation is that eligible individuals and families receive correct benefits and those who intentionally or unintentionally receive incorrect benefits, or benefits they are not entitled to, be required to repay those benefits.

In the late 1980's and early 1990's the State of Wisconsin recognized this and obtained funding from the federal government to assist counties in establishing program integrity and fraud programs. The federal government provided 75% of the funding, and the state provided the balance. With this support from the federal and state governments, counties enthusiastically established local program integrity and fraud programs. The Wisconsin Association on Public Assistance Fraud (then known as The Wisconsin Council on Welfare Fraud) provided training to statewide program integrity and fraud staff, with assistance from the State of Wisconsin. For a short time, the state also provided a fraud trainer.

Over time, the majority of counties developed very effective programs, the best of which included cooperative efforts from Economic Support, Sheriff Departments, fraud investigators and District Attorney's Offices. For a few years, the integrity of the Public Assistance programs continued to improve, and the taxpaying public was noticing.

Gradually the federal government decreased their financial support, until it was completely eliminated. As the federal monies decreased, the state Department of Health and Family Services and the Department of Workforce Development dedicated monies from their budgets in an attempt to maintain the program integrity and fraud programs. Unfortunately, budget constraints have made this an increasingly difficult task and counties are unable to contribute funding due to the cuts in their shared revenue.

With the advent of W-2 the funding structure changed. Program integrity funding became a part of the IM contract, which, initially, agencies found to be unidentifiable. Fraud investigation funding became performance-based, with a cap of \$500 per investigation, and that included investigative activities only. Counties were required to apply for right of first selection. Those counties that chose not to apply had their fraud investigations contracted by DWD to a private investigation agency. Because state funding that had previously been given to overworked Sheriff's Departments and District Attorney's offices had been eliminated, a large number of them began to consider fraud investigations and prosecutions a low priority. Consequently, many counties chose not to exercise their right of first selection. Though the private investigation agency instituted a referral procedure, many counties found it cumbersome to make referrals outside their agencies and complained of lack of contact, and the referral rates significantly dropped. In addition, many of these counties no longer have personnel dedicated to data entry on fraud and program integrity activities. Therefore, much of the activity is not being reported, making it appear, incorrectly, that the need of these services is diminishing. Further, with the absence of in-house fraud and program integrity personnel, Economic Support Specialists find it more difficult to make referrals in light of their growing caseloads.

Fraud investigators and program integrity personnel are hardworking individuals who are dedicated to ensuring that accurate benefits are given to eligible individuals and families. Their efforts are a fundamental part of the efficient use of taxpayer dollars. They do not wish to be punitive, just to ensure that there are consequences for individuals who choose to intentionally defraud the public assistance programs. Statistics prove that for every \$1.00 spent on program integrity, \$8.26 in public assistance benefits is being saved, either through recovery or prevention of incorrect benefits. This is being accomplished by the small number of counties still active in program integrity and fraud. Imagine the result if every county and tribe had dedicated staff for program integrity and fraud!

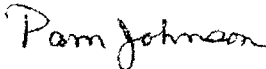
Economic Support Specialists are also hardworking, dedicated individuals who are committed to ensuring accurate benefits to eligible individuals and families. I'm sure each one would tell you they derive satisfaction from helping those in need, and strive to make accurate eligibility determinations. It is discouraging to them to find themselves in the position of being blamed for client errors in their cases, when they are doing their utmost to follow state and federal regulations. All were concerned when self-declaration of income was allowed for Medical Assistance. This caused an explosion of applications, which were simplified to the point that it is difficult to determine if the applicants' declarations were "questionable."

Though I understand that these are extremely difficult times in regard to budgets, I firmly believe that having dedicated staff in each county and tribe for the purpose of program integrity and fraud investigation would be the most effective method of ensuring that taxpayer dollars are used efficiently; and that state and/or federal funding is crucial to the existence of such programs. What remains of the current program is funded by collections of overpaid benefits, which are dwindling as staff continues to be eliminated, resulting in fewer overpayments being detected and collected. It is only a matter of time until that source of funding disappears.

Dedicated staff would take the burden of fraud prevention and detection off the shoulders of the Economic Support staff and allow them more time to efficiently process requests for benefits. Program integrity should be legitimized. Please support this effort.

Thank you for your time and consideration in this matter.

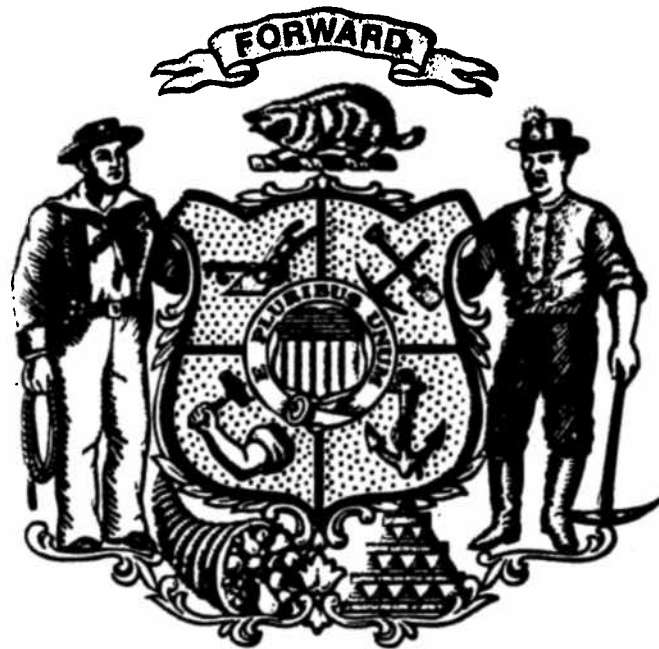
Sincerely,



Pam Johnson  
2742A S Savannah Circle  
Sheboygan, WI 53081

**OVERPAYMENT CLAIMS/FEV SAVINGS  
JUNE 2003**

- **Outagamie County**
  1. 1998 Claims (all programs) \$ 45,445.00
  2. 1999 Claims “ \$ 61,116.00
  3. 2000 Claims “ \$ 85,995.00
  4. 2001 Claims “ \$120,120.00
  5. 2002 Claims “ \$155,481.00
  6. Front End Savings not included (figures are strictly overpayment claims detected)
  
- **Portage County**
  1. 2002 FEV savings \$8,576.00
  2. 2002 Fraud Savings \$11,743.00
  - Total \$20,319.00
  1. 2002 FEV claims \$3,857.00
  2. 2002 Fraud Claims \$31,622.00
  - Total \$35,480.00
  
- **Dane County**
  1. 2002 (starting 7/5/00) \$43,045.00
  2. 2001 \$289,029.00
  3. 2002 \$251,956.00
  
- **St. Croix County**
  1. 2000 Claims \$28,911.00
  2. 2000 Collections \$36,297.00
  3. 2000 FEV Savings \$7,282.00
  4. 2001 Claims \$51,063.00
  5. 2001 Collections \$9,610.00
  6. 2001 FEV Savings \$3,976.00
  7. 2002 Claims \$126,789.00
  8. 2002 Collections \$84,017.00
  9. 2002 FEV savings \$4,850.00
  
- **Waukesha County**
  1. **2000 – 2003 overpayment claims**
    - FS \$150,087.00
    - MA \$195,334.00
    - CC \$124,435.00
    - W2 \$26,169.00



## **Statement on Program Integrity within Wisconsin's Public Assistance Programs**

Public assistance programs are funded by the tax-payers, and as partners in administering these programs, the State and local agencies have a duty to ensure the integrity of eligibility for Food Stamps, Medical Assistance, Child Care, Wisconsin Works, and all of the other public assistance programs. Since the change in the financial and operational structure of the program set forth by the State in the Public Assistance Fraud Plan of 1998, statistics reveal that the plan has never been effective in terms of improving program integrity or benefit overpayment claims establishment. The plan confused job roles and responsibilities which resulted in the lack of participation by county/tribal agencies in the area of error investigation, front end verification and benefit overpayment claims establishment. Unfortunately, the State's Public Assistance Fraud Section (PAFS) took no initiative or action to monitor, rectify or solve any of the problems, of the 1998 fraud plan, regarding lack of agency participation, low benefit overpayment claims establishment, and policy relating to the financial and operational success of the program. As a result, the State's financial ability to administer a program which is solely responsible for program integrity is now in jeopardy

The first step needed to create a successful error reduction, investigative and benefit recovery program (Program Integrity) is to legitimize the process and structure. This can only be done with a strong, ambitious, proactive administration leading and directing dedicated staff to perform program integrity functions (investigation, front end verification and benefit recovery). The dedicated staff must be identified as responsible for the program integrity functions, and then be held accountable, by the administration, for the results. Since funding is derived from the revenue generated by this program, it is imperative that all counties and tribes participate and contribute to the success of the overall program. This may require consortiums for less populated areas, but accountability is absolutely necessary for the success of the program.

The general responsibilities of administrative leadership include:

- Directing, monitoring and scrutinizing the program's effectiveness on an on-going basis.
- Being proactive in communicating the importance of program integrity and the supporting policy and procedure.
- Acting promptly to adjust policy, procedures and laws that are not effective and do not promote program integrity.
- Being accountable for the successful operation of the program integrity program.
- Identifying and holding accountable those responsible for program integrity duties.
- Active in being an expert source of information regarding all areas program integrity.
- Coordinating program integrity activities between the Department of Health and Family Services and the Department of Workforce Development.

The general responsibilities of effective program integrity staff include:

- Receiving and soliciting referrals from agencies.
- conducting investigations concerning front-end verifications and potential errors.
- Maintaining case notes specific to the findings of the investigation.
- Notifying ES agency staff of findings and required actions within appropriate timeframe.
- Responsible for the entry of overpayment claims in CARES.
- Taking necessary action as the evidence requires and the law allows.
- Completing the Fraud Investigation Tracking Screens in CARES.

- Being responsible, accountable and capable of answering questions on the success or lack of success of the program in their particular region or agency.

Most times, an error investigation concerning public assistance requires extrapolating relevant information from data bases available to economic support personnel such as CARES, KIDS, EDS, EBT, etc. Because of the workload, responsibilities, priorities and knowledge of a caseworker, he/she should not be responsible for gathering evidence for a potential error or violation. Therefore, it is a prerequisite of the agency's Program Integrity staff to be proficient and knowledgeable about available information and relevant policy relating to public assistance.

Investigations can be conducted by in-house staff, contracted staff, or staff from the sheriff's department. More than one staff member may be responsible for the program integrity duties, but all should be accountable to the success or failure of the program in that agency or region.

The current error reduction/prevention, investigation and benefit recovery process is not working towards the goals set forth by the Wisconsin Department of Health and Family Services and the Department of Workforce Development. A new structure to ensure integrity in all public assistance programs must be established. The recognition of active dedicated staff responsible for the program integrity functions will improve the administration of public assistance as a whole.





**IMAC Public Assistance Program Integrity/Fraud Prevention Ad Hoc Subcommittee  
Recommendations – April 2004**

**Purpose**

- Assess the level of funding and staff resources available for fraud prevention investigations, fraud investigations, and establishing overpayment claims and collections.
- Examine ways to relieve local agency workload, reduce errors, and increase benefit recovery.

**Issues**

- The organizational structure, staffing, and funding of local fraud prevention and benefit recovery program activities is, in many agencies, not adequate to be effective and efficient.
- The funding methodology of three separate allocations for Program Integrity, Fraud Investigations and Benefit Recovery inhibits local flexibility to meet the overall goals.
- Funding the majority of Program Integrity/Fraud programs primarily with Program Revenue from Food Stamp and Medicaid overpayment collections is inadequate and counterproductive to prevention activities.

**Background**

- 1998 state policy established separate funding for “Program Integrity” and “Fraud” programs for local agencies.
  - Pre-Certification investigation (a.k.a. Program Integrity or Front-End Verification(FEV)) is funded as an allocation by an addendum to the IM Contract
  - Post-Certification investigation (a.k.a. Fraud) is funded as a budgeted amount, reimbursed under a pay-for-performance process, based on capped fee (up to \$500) per investigation fee per agency
  - Benefit Recovery is funded as part of general IM responsibilities in the IMAA base funding
  - Particular roles and responsibilities for either type of investigation, at local agency discretion, may be assigned to one or more agency staff or contracted with an outside agency.
  - Benefit recovery is generally a part of the IM Worker’s role.
  - Local agencies may also elect to use a State contracted investigation agency for Pre or Post-Certification investigations.
  - Many agencies distribute Pre-Certification investigations (FEV) to all of their IM Workers.
  - Most agencies designate less than 1 FTE to perform Pre and Post-Certification administrative and investigative functions

**Local Agency Administrative Structure and Funding**

CY2003 Local Agency Fraud Plans	CY2003 Allocations/Budgets	CY2003 Expenses Reported	CY2004 Allocations/Budgets
• 24 – opted for State contractor (IRC) for Post-Certification investigations	• Pre-certification - \$1,114,000	• Pre-certification - \$1,611,367	• Pre-Certification- \$1,064,660
• 19 - contracted Pre and Post-Certification investigations	• Post-certification - \$1,232,000	• Post-certification – \$838,926	• Post-Certification- \$1,275,500
• 17 - contracted for Post-Certification investigations – Pre-certification done “in-house”	• <b>Total - \$2,346,000</b>	• <b>Total - \$2,450,293</b>	• <b>\$2,340,160</b>
• 16 – all investigations done “in-house”	• IRC - \$275,000 budgeted (included in Post-certification)	• IRC - \$23,225 (included in Post-certification expenses)	
		• 11 agencies claimed \$0 for Pre-Certification investigations	
		• 36 agencies claimed \$0 for Post-Certification investigations	
		• 17 IRC agencies claimed \$0 expenses	

## **Rationale for Change**

- Reform of the organizational and financial structure of the program is needed in order to achieve increased and consistent integrity within the Food Stamp, Medical Assistance, W2, Child Care programs.
- Maximization of program integrity efforts will result in identification of trends in errors, increased revenue/retention to offset State/local expenditures, and a reduction in the amount of erroneous benefits being issued.
- Rising caseloads, shrinking budgets, error rate problems, and payment accuracy issues make the current Fraud plan and policy expectations prohibitive and unrealistic because the DHFS Fraud policy requires (via contract under the program integrity portion of the allocation) that the agency (ES staff) be responsible for gathering a large amount of information in making a referral for investigation. By the very nature of the agency's responsibility, in making the investigation referral, the ES staff are performing the majority of the investigative functions when their priority is and should be the delivery and issuance of needed public assistance benefits.
- The responsibilities of the agency, within the Fraud Plan, in making an investigation referral has put a huge strain on the ES Staff, has confused priorities, job roles, duties and responsibilities, and, in part, has caused referrals and detection of errors to be reduced. Because of the required responsibilities, many local agencies have not been able to participate adequately in the program integrity functions, and because funding for the program is financially dependant on overpayment collections, the lack of participation has put the program in financial jeopardy.

## **Sources of Funding**

- Prior to 1998, nearly \$10 million was appropriated for Fraud Prevention Program administration.
  - State and Local Fraud Programs were funded by State GPR, Program Revenue from public assistance collections, Local Revenue, and Federal matching funds
- Since 1998, funding levels have decreased to approximately \$2.3 million. The requirement of local agency mandatory financial participation was eliminated and all GPR fraud funding was reallocated to the W-2 Administrative Appropriation by the legislature. Programs are now funded by:
  - DHFS - Food Stamp and Medicaid Program Revenue with Federal matching funds
  - DWD - TANF and Child Care Block Grant funds- for W-2 and Child Care costs
  - Local Revenue with partial matching funds – for agencies exceeding their contract allocations
  - Cost allocation – DHFS/DWD = 85%/15% - based on the ratio of overpayment claims established for each of the public assistance programs
- In the past two years, due to insufficient Program Revenue funds, DHFS has used unbudgeted GPR to meet shortfalls in the Food Stamp and Medicaid Fraud Prevention programs.

## **Other States**

- In response to a survey of 7 states:
  - In all other states, 100% of the funding for their Fraud Prevention programs is from State GPR and Federal Match.
  - Program Revenue from benefit recovery is returned to the States' budgets and is not a factor in their administrative budget appropriations for their programs.
  - Designated administrative and investigative staff to perform the functions of the Fraud Prevention programs.
  - Ratio of savings/costs range from approximately \$4 - \$7 saved for every \$1 spent.

## **Recommendations for CY2005**

1. Program Priorities
  - a. Benefit Recovery – emphasis on increased claims/collections to provide Program Revenue to administer programs
  - b. Pre-certification investigations – reduce errors and IM staff workload
  - c. Post-certification investigations – validate overpayments and reduce intentional program violations
2. Combine Program Integrity, Fraud Investigation, and Benefit Recovery administrative funding into a single IM Contract Addendum – eliminating the current separate funding methods
  - a. Ensures that funding is used specifically for the designated functions
  - b. Provides local flexibility to use the total allocation to design and budget their program according to their needs
  - c. Broadens the scope of fraud programs to include benefit recovery as a specialized function.

- d. Requires complete and accurate data reporting and increased monitoring to measure program activity and cost effectiveness
- 2. Require annual Fraud Plans to identify specific Fraud Prevention and Benefit Recovery structure and staffing
  - a. Designate specialized part-time or full-time agency staff or contracted agency/staff to perform Pre and Post-Certification investigations
  - b. Designate specialized part-time or full-time agency or contracted agency/staff to calculate overpayments, establish claims and take actions to recover overissued benefits
  - c. Some agencies may choose to combine the functions in a. and b.
  - d. Promote consortia as an option to maximize available funding, particularly small agencies combining resources with other small agencies or a larger agency – with designated agency or contracted staff serving multiple agencies
- 3. Develop and implement a monitoring plan to adequately measure and document outcomes.
- 4. Evaluate costs of systems enhancements to assist staff in identifying errors, calculate and recover overpayments – through CARES and/or other available software programs in the marketplace
- 5. Review and revise program policies and manuals to meet the needs of the programs
- 6. Provide training for specialized staff in program functions and methods, using state and local staff (WAPAF) for technical assistance, sharing best practices, etc.

**Recommendations for CY2006**

- 1. Request GPR funding to replace Program Revenue funding to adequately fund and staff State and Local Agency Fraud Prevention program administration
- 2. Revise Priorities:
  - a. Pre-certification investigations – to reduce errors and IM staff workload
  - b. Post-certification investigations – to reduce intention program violations
  - c. Benefit Recovery – to offset GPR expenditures
- 3. If program not fully funded by GPR, continue 15% local agency incentive
- 4. Expand monitoring and evaluation processes to document program effectiveness

4/13/04



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- Pre-Certification (formerly known as Front End Verification) – involves suspected false information provided by a client in a report of change, review or application, which requires an investigation to determine the accuracy of the information given by the client. Timely investigations may result in the prevention of erroneous benefits from being certified or issued (pre-certification). Once benefits are issued based on false information, the investigation is then considered a post-certification issue.
- Post –Certification (formally known as fraud investigation) – involves information that was not reported by the client in the required time-frame, which possibly resulted in erroneous benefits being certified or issued (post certification).

		<b>Assume No Change in Funding Amount or Structure</b>		<b>Assume Increased GPR Funding Available Beginning CY06</b>	
<b>Issue</b>	<b>Current Fraud and Program Integrity Program</b>	<b>Recommendation - change to current program? If yes, explain.</b>	<b>Pros/Cons/comments</b>	<b>Recommendation - change to current program? If yes, explain</b>	<b>Pros/Cons/Comments</b>
<b>Program Priorities</b>	<ol style="list-style-type: none"> <li>1. Pre-certification investigations</li> <li>2. Recovery of overpayments</li> <li>3. Post-certification investigations</li> </ol>	<ol style="list-style-type: none"> <li>1. Recovery of overpayments</li> <li>2. Pre-certification investigations</li> <li>3. Post-certification investigations</li> </ol> <ul style="list-style-type: none"> <li>• However post certification investigations are needed to detect overpayments.</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasis is on increased claims/collections to provide Program Revenue to administer programs</li> </ul>	<ol style="list-style-type: none"> <li>1. Pre-certification investigations</li> <li>2. Post-certification investigations</li> <li>3. Recovery of overpayments</li> </ol>	<ul style="list-style-type: none"> <li>• Investigate and document errors</li> <li>• Reduce error rates</li> <li>• Reduce fraud</li> <li>• Recover overpayments &amp; offset GPR expenditures</li> </ul>
<b>Allocations/Cost</b>	<ol style="list-style-type: none"> <li>1. Program Integrity (Pre-certification) – IMAA allocation per agency</li> <li>2. Fraud (Post-certification) Investigations – Pay-for Performance – budgeted amount per agency</li> <li>3. Benefit Recovery- is funded as part</li> </ol>	<ol style="list-style-type: none"> <li>1. Combine Program Integrity, Fraud Investigation, and benefit recovery funds in separate IM Contract Addendum</li> <li>2. Designate use of funds in local Fraud Plans for Pre-certification and Post-certification investigations and Benefit Recovery</li> <li>3. Designate specific staff</li> </ol>	<ul style="list-style-type: none"> <li>• Designates separate funding from IMAA for Program Integrity programs</li> <li>• Local flexibility to designate funding for FEV &amp; Fraud programs</li> <li>• Requires monitoring to assure funds used for intended purpose</li> </ul>	Same as 2005	Same as 2005

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	of ES responsibilities in IM contract.	to perform functions – p/t or f/t agency or contract staff.	<ul style="list-style-type: none"> <li>Provides for better monitoring and evaluation</li> <li>Increased detection of errors.</li> <li>Program is uniform in preventing, detecting and correcting errors.</li> </ul>	Same as 2005	Same as 2005
<b>Fraud Plans</b>	Annual requirement to describe local program design, staffing, costs	Identify specific program structure and staff that will be attending required program integrity training.	<ul style="list-style-type: none"> <li>Workload reduction for IM staff – resulting in error reduction and customer service</li> <li>Required training will develop specialized skills of investigation, resources for available information, legal dispositions, claims establishment and methods of benefit recovery.</li> <li>Uniformity will increase prevention, detection and correction of benefit errors which will result in increased revenue for the County to offset expenditures through retention of percentage of overpayment</li> </ul>	Same as 2005 – with added resources to address workload	Same as 2005
<b>Staff Resources</b>	<ol style="list-style-type: none"> <li>Pre-certification investigations – designated p/t or f/t agency staff, or assigned to multiple IM staff as part of position description, or contracted with outside agency</li> <li>Post-certification investigations – designated p/t or f/t staff or multiple IM staff is assigned to research and gather appropriate data and evidence to determine if fraud could be involved. If fraud could be involved, designated agency staff, or locally contracted</li> </ol>	<ol style="list-style-type: none"> <li>Combine FEV &amp; Fraud functions– local agency is to assign agency staff or contract with outside agency to prevent, detect and correct benefit errors</li> <li>Local Agency staff, contracted or in-house, will be required to attend program integrity training.</li> <li>Agencies have the option to develop consortia to maximize available funding, particularly for small agencies to pool resources with other small agencies or with a larger agency - designate an agency's staff to serve multiple agencies or contract for services</li> <li>Apply same concepts (agency staff, contracted staff, or</li> </ol>			

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	<p>with outside agency, or deferred to state contracted agency (IRC) is to review the case.</p> <p>3. Benefit Recovery is expected to be done by ES staff as part of their responsibilities.</p>	<p>consortia) for claims establishment/benefit recovery</p>	<ul style="list-style-type: none"> <li>collections.</li> <li>Requires more state training and monitoring to ensure that local agencies are achieving objectives</li> </ul>		
<p><b>Reporting</b></p>	<ol style="list-style-type: none"> <li>1. Case specific activity data reported via CARES system</li> <li>2. CARES Post-certification data used to determine investigation reimbursements for expenses via CARES</li> <li>3. Administrative Program Integrity (Pre-certification) costs claimed directly via CARES fiscal system</li> </ol>	<ol style="list-style-type: none"> <li>1. Same</li> <li>2. Under combined allocation, claim all costs for Fraud and Program Integrity directly via CARES</li> <li>3. CARES activity data continued to be used to identify types of activity and cost effectiveness</li> </ol>	<ul style="list-style-type: none"> <li>Simplifies and streamlines data reporting for all required functions</li> <li>Train local staff to properly report investigation data CARES</li> <li>Specialized staff will increase the likelihood that information is entered correctly</li> </ul>	<p>Same as 2005</p>	<p>Same as 2005</p>
<p><b>Program Scope</b></p>	<p>Assure accurate issuance of public assistance benefits by preventing, identifying, and detecting probable client errors or intentional program violations.</p>	<p>Broaden the scope to include, not only pre and post certification investigations of errors in general, but also on Benefit Recovery.</p>	<p>A structure based on trained staff responsible for investigation and benefit recovery will reduce workload of ESS, maximize program integrity and reduce errors</p>	<p>Same as 2005</p>	



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<b>Consortia</b>	Option available to local agencies, but not implemented, resulting in little or no program activity in several agencies	Encourage use of consortia to maximize available funding and increase program activity – using local agency or contracted staff	<ul style="list-style-type: none"> <li>Requires emphasis by DHFS and local agencies to promote and support the development of consortia.</li> <li>State staff resource commitment</li> </ul>	Same as 2005 with additional funding for expansion of programs	
<b>Policy</b>	<ol style="list-style-type: none"> <li>IM Manual – Chapter 1, Part E with reference to Chapter 1, Part C defines the current fraud prevention (pre-certification) program.</li> <li>IM Manual – Chapter 2, Part D defines the current Fraud (post-certification) program.</li> <li>IM Manual Chapter 2, Part A and the DES Accounting Manual Chapter 2 defines benefit recovery.</li> </ol>	The IM Manual concerning Chapter 1, Part E, Chapter 1, Part C, Chapter 2 Part D as well as any other sources that support the current policy may need to be changed in part or in full to accommodate the recommended changes and to promote the correct philosophy and structure.		Same as 2005 – continued work on the policy.	
<b>Systems</b>	<ol style="list-style-type: none"> <li>CARES collects program data for reimbursement of administrative costs to local</li> </ol>	Systems do not require to be changed in 2005 due to lack of resources		<ol style="list-style-type: none"> <li>CARES data collection may require enhancements to aid in program monitoring – dependent on revisions to</li> </ol>	

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	<p>agencies, federal reporting, etc.</p> <p>2. Limited monitoring due to insufficient State resources</p>			<p>program administration decisions</p> <p>2. Evaluate cost effectiveness of improvements to CARES ability to calculate overpayments &amp; establish claims</p>	
<p><b>Funding</b></p>	<p>1. FS &amp; Medicaid - Program Revenue</p> <p>2. W-2 &amp; Child Care- Block Grant funds</p> <p>3. Local agency 15% retention of FS &amp; Medicaid collections</p>	<p>No Change</p>	<p>No other funding sources available</p>	<p>1. GPR to fund local and state agency admin. Program Revenue refunded to State general fund</p> <p>3. Continue 15% local agency retention incentive if program not fully funded by GPR</p>	
<p>1. State Supervision</p> <p>2. Training</p> <p>3. Technical Support</p> <p>4. Monitoring</p>	<p>1. State oversight by p/t staff coordinator – other functions assigned to Sections</p> <p>2. Contracted with CCDET</p> <p>3. Contracted with CCDET</p> <p>4. Regional staff – periodic FS SAOR reviews – no other formal monitoring</p>	<p>1. Consider designating 1 FTE to coordinate State and local program administration to monitor programs efficiency, training, technical support.</p> <p>2. Use of professional organization – WAPAF to train on reporting requirements, related topics, and to share best practices.</p> <p>3. Develop a monitoring plan and increase monitoring efforts with existing resources – regional staff</p>		<p>1. Designate 1 FTE to coordinate State and local program administration</p> <p>2. Added training for locally designated and contracted staff in Pre &amp; Post investigations &amp; Benefit Recovery methods – including IT training</p> <p>3. Added technical support</p> <p>4. Increased resources for monitoring program performance and evaluation</p>	



FUNDING STRUCTURE

Topic	MN	WI	PA	OH	CT	WA	NY	MI
<u>Program Revenue Amount</u>	No NA	Yes \$2 mil	No Na	No Na	No Na	No Na	No Na	No Na
<u>GPR Amount</u>	Yes \$5.6 mil	No NA	Yes \$22 mil	Yes unk	Yes unknown	Yes \$4.4 mill	Yes unknown	Yes
<u>Mix %</u>	All GPR	All PRO	All GPR	All GPR	All GPR	All GPR	All GPR	All GPR
<u>Separate funding from IM</u>	Yes	No	Yes	No	Yes	Yes	Yes	Yes
<u>County retention</u>	Yes	Yes	No	Yes	No	No		No
<u>Method of allocation</u>	Caseload	Performance	Caseload	Caseload	Caseload	Caseload		Caseload
<u>Overpayment claims</u>	\$9.6 mil	unk	unk	unk	unk			unk
<u>Collections</u>	\$14.3 mil	\$4 mil	\$30 Mill	unk	unk	\$27.5 mil		unk

Total savings \$4.31/\$1.00 \$7.00/\$1.00 unk \$6.80/\$1.00

Operational structure

Operation County County State County State State County State

Designated administrative Staff Yes No Yes Yes Yes Yes Yes Yes Yes

Program Components 3 3 3 2 3 2 3 1

Designated Investigative Staff Yes no yes yes yes yes yes yes

Access to database Yes no yes yes yes yes yes

Referral Process 1 paragraph extensive 1 paragraph 1 paragraph 1 paragraph 1 paragraph 1 paragraph

O/P claim responsibility investigator worker investigator investigator investigator investigator investigator other

Number of investigators 40 ? 109 250 27 41 800 86

Training

yes

no

yes

yes

yes

yes

yes

yes