

2013 DRAFTING REQUEST

Bill

Received: 11/7/2013 Received By: fknepp
Wanted: As time permits Same as LRB:
For: Chris Taylor (608) 266-5342 By/Representing: Kelsey Wallner
May Contact: Drafter: fknepp
Subject: Public Assistance - Wis shares Addl. Drafters:
Extra Copies: PJK

Submit via email: YES
Requester's email: Rep.Taylor@legis.wisconsin.gov
Carbon copy (CC) to: fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Wisconsin Shares changes related to provider payments and fraud prevention policies

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 12/3/2013			_____			
/P1	fknepp 1/30/2014	csicilia 12/11/2013	rschluet 12/11/2013	_____	sbasford 12/11/2013		State
/1		csicilia 2/3/2014	jmurphy 2/3/2014	_____	mbarman 2/3/2014	rose 2/24/2014	State

FE Sent For:

At
Intro.

<END>

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/?	fknepp 12/3/2013			_____			
/P1		csicilia 12/11/2013	rschluet 12/11/2013	_____	sbasford 12/11/2013		State

FE Sent For:

1 /js [scribble] <END> [scribble]
2/3
14

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/?	fknepp						
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Pl ejs 12/11/13
J
JM
12/2/13

FE Sent For:

<END>

Knepp, Fern

From: Kahler, Pam
Sent: Thursday, November 07, 2013 12:32 PM
To: Knepp, Fern
Subject: FW: Wisconsin Shares Reform Drafting Instructions

Here it is, Fern. If you want to take this one (I don't know if you've gotten more requests since you were out of them a couple days ago), I can check the amendments I did for the budget to see if any do any of these things.

From: Wallner, Kelsey
Sent: Thursday, November 07, 2013 12:26 PM
To: Kahler, Pam
Cc: Trost, Craig
Subject: Wisconsin Shares Reform Drafting Instructions

Ms. Kahler,

Below are the drafting instructions Rep. Taylor would like for the WI Shares Reform bill that you previously spoke with Craig Trost (copied on this email) about on the phone:

1. Abolish current policy that bases the pay structure from WI Shares to Licensed Family Providers (LFAMS) on the attendance of children from qualifying families, returning the Shares program to an enrollment-based system.
2. Require the agency to establish policies to prevent fraud in the Wisconsin Shares Program.
 - o Require the Legislative Audit Committee to annually report to the legislature the result of the agency's fraud prevention efforts.
3. Mandate that any fraud payments or savings are reinvested in the WI Shares Program. — PR approp
4. ~~Mandate a reimbursement rate of 75% of market rate for childcare providers.~~

Please feel free to follow up with any questions you may have. Thank you very much!

Best,

Kelsey Wallner
Intern for Representative Chris Taylor

6-5342



DEPARTMENT OF
CHILDREN AND FAMILIES
Secretary Eloise Anderson
201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916
Telephone: 608-266-8684
Fax: 608-261-6972
www.dcf.wisconsin.gov

DEPARTMENT OF HEALTH SERVICES
Secretary Dennis G. Smith
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhs.wisconsin.gov

State of Wisconsin
Governor Scott Walker

TO: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Jim Bates, Director
Bureau of Child Care Administration
Division of Early Care and Education

DECE/BCCA OPERATIONS MEMO					
No: 11-47					
DATE: 8/11/2011					
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	CC	<input checked="" type="checkbox"/>
W-2	<input checked="" type="checkbox"/>	FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
				EP	
PRIORITY: HIGH					

SUBJECT: Authorizations to Licensed Family Providers to be Attendance Based Only

CROSS REFERENCE: Child Care Manual Chapter 3, Sections 3.4.6, 3.6.8, 3.6.9 and 3.6.11

EFFECTIVE DATE: August 28, 2011

The new authorization and reimbursement policy will apply to all newly created authorizations as of the effective date including retroactive (backdated) authorizations that cover periods prior to the effective date.

PURPOSE

This Operations Memo describes the policy and procedures for local agencies to follow to implement a change in the reimbursement methodology for licensed family child care providers (LFAMs) to only allow Attendance based authorizations.

BACKGROUND

The 2011-13 Biennial Budget (Act 32, Section 1383), included statutory language that permits the department to implement a series of cost saving measures for the Wisconsin Shares child care subsidy program. One provision allows the department to, "adjust the amount of reimbursement paid to child care providers providing child care services under this section." A way of "adjusting the amount of reimbursement paid" is to restrict the type of payment authorization under DCF 201.04(2g), for licensed family providers to only be attendance based and no longer allow enrollment based authorizations.



THIS WEEK SOON

State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3596?

FFK:.....

ys

JA
RMK

In
12-3-13

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA

Gen Cat

1 **AN ACT**...; **relating to:** payments to child care providers and preventing fraud
2 in the child care subsidy program, and making an appropriation

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: "f" s1215

3 **SECTION 1.** 13.94 (1) (f) of the statutes is created to read:
4 13.94 (1) (f) Annually, conduct a financial and performance evaluation audit
5 of the polices and procedures established by the department of children and families
6 under s. 49.155 (7d). The legislative audit bureau shall file a copy of the report of the
7 audit under this paragraph with the distributees specified in par. (b).

8 **SECTION 2.** 13.94 (1s) (c) 9. of the statutes is created to read:

8 A

✓

✓

✓

x A

Handwritten notes: "LAS" in a box, "2-2" with an arrow pointing to line 3.

1 13.94 (1s) (c) 9. The department of children and families for the cost of an audit
2 performed under sub. (1) (f). ^{up shows} _m

3 SECTION 3. 20.437 (2) (me) of the statutes is amended to read:

4 20.437 (2) (me) *Child care and temporary assistance overpayment recovery*. All
5 Except as provided in par. (mf), all moneys received from the recovery of
6 overpayments, and incorrect or disallowed payments, and voluntary repayments of
7 federal Child Care and Development Fund block grant funds, of federal Temporary
8 Assistance for Needy Families block grant funds, and of state moneys paid from other
9 appropriations to meet maintenance-of-effort requirements under the federal
10 Temporary Assistance for Needy Families block grant program under 42 USC 601
11 to 619 and the federal Child Care and Development Fund block grant program under
12 42 USC 9858 that the department elects to treat as federal revenue, for costs related
13 to recovering the overpayments and incorrect or disallowed payments, for activities
14 to reduce errors under the Wisconsin Works program under ss. 49.141 to 49.161, and
15 for any of the purposes specified under s. 49.175 (1).

History: 2007 a. 20 ss. 331, 335, 340, 341, 342, 344 to 352, 354 to 368g, 374 to 376, 380, 381, 401, 404, 405, 423 to 437, 447, 448, 450, 451, 453, 453p, 454, 456 to 458, 460e, 463, 465 to 472, 474 to 480, 9121 (6) (a); 2009 a. 28 ss. 471 to 513, 522; 2009 a. 76, 180, 185, 265, 339; 2011 a. 32, 258; 2013 a. 20.

16 SECTION 4. 20.437 (2) (mf) of the statutes is created to read: **(F)**

17 20.437 (2) (mf) ^{Wisconsin Shares overpayment recovery.} All moneys received from the recovery of overpayments made
18 under s. 49.155 ^{investigate} for activities to detect and reduce fraud in the program under s.
19 49.155 and for direct child care services under s. 49.155.

****NOTE: You may want to have the Legislative Fiscal Bureau review these appropriations to make sure that they will function in accordance with your intent.

20 SECTION 5. 49.155 (6) (e) 3. (intro.), b., c. and e. of the statutes, as affected by
21 2013 Wisconsin Act 20, are amended to read:

that the department elects to treat as federal revenue,

1 49.155 (6) (e) 3. (intro.) The department ~~may~~ shall modify a child care
2 provider's payment rate under subd. 2. on the basis of the provider's quality rating,
3 as described in the quality rating plan, in the following manner:

****NOTE: Please let me know if requiring DCF to apply the modifications described
in the rating system is not consistent with your intent to mandate certain payments to
providers.

4 b. For a child care provider who receives a 2-star rating, the department ~~may~~
5 ~~reduce~~ shall pay the maximum payment rate by ~~up to 5 percent~~.

6 c. For a child care provider who receives a 3-star rating, the department ~~may~~
7 ~~pay up to~~ shall increase the maximum payment rate by 5 percent.

8 e. For a child care provider who receives a 5-star rating, the department ~~may~~
9 shall increase the maximum payment rate for such a child care provider by ~~up to 25~~
10 percent.

History: 1995 a. 289; 1997 a. 27, s. 1766 to 1775, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20; 2009 a. 28, 76,
77, 185; 2011 a. 32, 120, 158, 202; 2013 a. 20.

11 **SECTION 6.** 49.155(6) (e) 3. d. of the statutes, as affected by 2013 Wisconsin Act
12 20, section 1006, is amended to read:

13 49.155 (6) (e) 3. d. For a child care provider who receives a 4-star rating, the
14 department ~~may~~ shall increase the maximum payment rate by ~~up to 10 percent~~.

NOTE: NOTE: Subdpar. d. is shown as amended eff. 1-1-14 by 2013 Wis. Act 20. Prior to 1-1-14 it reads:NOTE:

15 d. For a child care provider who receives a 4-star rating, the department may increase the maximum payment rate by up to 5 percent.

16 **SECTION 7.** 49.155 (6d) (a) 3. of the statutes is repealed.

17 **SECTION 8.** 49.155 (6f) of the statutes is created to read:

18 49.155 (6f) BASIS FOR PAYMENTS TO LICENSED FAMILY CHILD CARE CENTERS. The
19 department may not restrict the payment under this section for a child receiving care
20 from a family child care center, as defined in s. 49.136 (1) (j), that is certified as a
21 Level I or II certified family child care provider ^{licensed} under s. 48.65 ^{48.65} to being calculated
22 only on the basis of the actual attendance of the child. The department shall calculate

as affected by 2013
Wisconsin Act 20

SECTION 8

1 payment or reimbursement for a child who ~~attends~~ ^{receives care from} a licensed family child care center
 2 based on the enrollment of the child at the licensed family child care center.

****NOTE: According to a DCF/DHS operations memo 11-47, dated August 11, 2011, the authorization for the current policy to use only an attendance based reimbursement model for licensed family child care centers was the cost savings measure under s. 49.155 (6d) (a) 3. In addition to this subsection, that authority is repealed in this draft.

3 **SECTION 9.** 49.155 (7d) of the statutes is created to read: ^

4 49.155 (7d) FRAUD PREVENTION PROGRAM. The department shall establish
 5 policies and procedures to prevent fraud in the program under this section.

6 Notwithstanding s. 227.10 (1), the department need not promulgate policies ^{and procedures} under
 7 this section as rules under ch. 227.

8 **SECTION 10. Initial applicability.**

9 (1) CHILD CARE PROVIDER PAYMENTS. The treatment of section 49.155 (6) (e) 3.
 10 (intro.), b., c., d., and e ^{and} (6f) of the statutes first applies to payment for child care
 11 provided on the effective date of this subsection.

12 **SECTION 11. Effective date.**

13 (1) This act takes effect on the first day of the first month beginning after
 14 publication.

15 (END)

✓

✓

✓

Ins
4-7



**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3596/P1ins
FFK:.....

INS 2-2

4W

1 **SECTION 1.** 20.001 (2) (e) of the statutes is amended to read:

2 20.001 (2) (e) *Federal revenues*. “Federal revenues” consist of moneys received

3 from the federal government, except that under s. 20.437 (2) (md) “federal revenues”

4 also include moneys treated as refunds of expenditures, and under s. 20.437 (2) (me)

5 and (mf) “federal revenues” consist only of moneys treated as received from the

6 federal government. Federal revenues may be deposited as program revenues in the

7 general fund or as segregated revenues in a segregated fund. In either case they are

8 indicated in s. 20.005 by the addition of “-F” after the abbreviation assigned under

9 pars. (b) and (d).

History: 1973 c. 333; 1977 c. 29, 418; 1979 c. 34; 1981 c. 20; 1983 a. 27, 538; 1985 a. 135 s. 85; 1985 a. 332 s. 253; 1987 a. 4; 1989 a. 31; 1993 a. 16; 1995 a. 27; 2001 a. 16; 2005 a. 25; 2007 a. 20; 2011 a. 32; s. 35.17 correction in sub. (2) (f).

END INS 2-2

INS 4-7

10 **SECTION 2.** 49.175 (1) (intro.) of the statutes is amended to read:

11 49.175 (1) **ALLOCATION OF FUNDS.** (intro.) Except as provided in sub. (2), within

12 the limits of the appropriations under s. 20.437 (2) (a), (cm), (dz), (k), (kx), (L), (mc),

13 (md), (me), (mf), and (s), the department shall allocate the following amounts for the

14 following purposes:

History: 1997 a. 27, 105, 236, 237, 252, 318; 1999 a. 9; 2001 a. 16, 104, 109; 2003 a. 33, 321, 327; 2005 a. 25, 254; 2007 a. 5, 20, 226; 2009 a. 2, 28; 2011 a. 10, 13, 32; 2013 a. 20.

15 **SECTION 3.** 49.197 (1m) of the statutes is amended to read:

16 49.197 (1m) **FRAUD INVESTIGATION.** From the appropriations under s. 20.437 (2)

17 (dz), (kx), (L), (mc), (md), (me), (mf), and (nL), the department shall establish a

18 program to investigate suspected fraudulent activity on the part of recipients of aid

19 to families with dependent children under s. 49.19, on the part of participants in the

20 Wisconsin Works program under ss. 49.141 to 49.161, and, if the department of

1 health services contracts with the department under sub. (5), on the part of
 2 recipients of medical assistance under subch. IV, food stamp benefits under the food
 3 stamp program under 7 USC 2011 to 2036, supplemental security income payments
 4 under s. 49.77, payments for the support of children of supplemental security income
 5 recipients under s. 49.775, and health care benefits under the Badger Care health
 6 care program under s. 49.665. The department's activities under this subsection may
 7 include, but are not limited to, comparisons of information provided to the
 8 department by an applicant and information provided by the applicant to other
 9 federal, state, and local agencies, development of an advisory welfare investigation
 10 prosecution standard, and provision of funds to county departments under ss.
 11 46.215, 46.22, and 46.23 or multicounty consortia, as defined in s. 49.78 (1) (br), and
 12 to Wisconsin Works agencies to encourage activities to detect fraud. The department
 13 shall cooperate with district attorneys regarding fraud prosecutions.

History: 1985 a. 29, 176; 1987 a. 27, 413; 1989 a. 31; 1991 a. 39; 1995 a. 27, 289; 1997 a. 27, 35; 2001 a. 16; 2005 a. 25; 2007 a. 20 ss. 1465 to 1466, 9121 (6) (a); 2009 a. 28, 76; 2011 a. 32.

14 **SECTION 4.** 49.197 (2) (b) 1. of the statutes is amended to read:

15 49.197 (2) (b) 1. Subject to subd. 2., the department shall by rule establish an
 16 incentive program that, from the appropriation under s. 20.437 (2) (mf) and using
 17 moneys from the allocation under s. 49.175 (1) (p), rewards county departments,
 18 Wisconsin Works agencies, and tribal governing bodies that administer the subsidy
 19 program for identifying fraud in the subsidy program. The rules shall specify that
 20 a county department, Wisconsin Works agency, or tribal governing body shall
 21 receive, for identifying fraudulent activity under the subsidy program on the part of
 22 a child care provider, an amount equal to the average monthly subsidy payment per
 23 child during the prior fiscal year, multiplied by the number of children participating
 24 in the subsidy program for whom the provider provides care, multiplied by 1.5

1 months. A county department, Wisconsin Works agency, or tribal governing body
2 may use payments received under this subsection for any purpose for which moneys
3 under the Temporary Assistance for Needy Families block grant program may be
4 used under federal law.

History: 1985 a. 29, 176; 1987 a. 27, 413; 1989 a. 31; 1991 a. 39; 1995 a. 27, 289; 1997 a. 27, 35; 2001 a. 16; 2005 a. 25; 2007 a. 20 ss. 1465 to 1466, 9121 (6) (a); 2009 a. 28, 76; 2011 a. 32.

END INS 4-7

11-30

Telephone call from Craig Trost
in Taylor's office

Make 3596 a / 1

No changes



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3596/P1
FFK:cjs:rs

In 1-30 Soon

stays
RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LPS:
please delete
the 4 star notes
as indicated ✓
in the draft

SAV

Gen Cat

1 **AN ACT to repeal** 49.155 (6d) (a) 3.; **to amend** 20.001 (2) (e), 20.437 (2) (me),
2 49.155 (6) (e) 3. (intro.), b., c. and e., 49.155 (6) (e) 3. d., 49.175 (1) (intro.), 49.197
3 (1m) and 49.197 (2) (b) 1.; and **to create** 13.94 (1) (fm), 13.94 (1s) (c) 9., 20.437
4 (2) (mf), 49.155 (6f) and 49.155 (7d) of the statutes; **relating to:** payments to
5 child care providers, preventing fraud in the child care subsidy program, and
6 making an appropriation.

Analysis
Insert

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

stays →

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

7 **SECTION 1.** 13.94 (1) (fm) of the statutes is created to read:
8 13.94 (1) (fm) Annually, conduct a financial and performance evaluation audit
9 of the polices and procedures established by the department of children and families

1 under s. 49.155 (7d). The legislative audit bureau shall file a copy of the report of the
2 audit under this paragraph with the distributees specified in par. (b).

3 **SECTION 2.** 13.94 (1s) (c) 9. of the statutes is created to read:

4 13.94 (1s) (c) 9. The department of children and families for the cost of an audit
5 performed under sub. (1) (fm).

6 **SECTION 3.** 20.001 (2) (e) of the statutes is amended to read:

7 20.001 (2) (e) *Federal revenues*. “Federal revenues” consist of moneys received
8 from the federal government, except that under s. 20.437 (2) (md) “federal revenues”
9 also include moneys treated as refunds of expenditures, and under s. 20.437 (2) (me)
10 and (mf) “federal revenues” consist only of moneys treated as received from the
11 federal government. Federal revenues may be deposited as program revenues in the
12 general fund or as segregated revenues in a segregated fund. In either case they are
13 indicated in s. 20.005 by the addition of “-F” after the abbreviation assigned under
14 pars. (b) and (d).

15 **SECTION 4.** 20.437 (2) (me) of the statutes is amended to read:

16 20.437 (2) (me) *Child care and temporary assistance overpayment recovery*. ~~All~~
17 Except as provided in par. (mf), all moneys received from the recovery of
18 overpayments, and incorrect or disallowed payments, and voluntary repayments of
19 federal Child Care and Development Fund block grant funds, of federal Temporary
20 Assistance for Needy Families block grant funds, and of state moneys paid from other
21 appropriations to meet maintenance-of-effort requirements under the federal
22 Temporary Assistance for Needy Families block grant program under 42 USC 601
23 to 619 and the federal Child Care and Development Fund block grant program under
24 42 USC 9858 that the department elects to treat as federal revenue, for costs related
25 to recovering the overpayments and incorrect or disallowed payments, for activities

1 to reduce errors under the Wisconsin Works program under ss. 49.141 to 49.161, and
2 for any of the purposes specified under s. 49.175 (1).

3 SECTION 5. 20.437 (2) (mf) of the statutes is created to read:

4 20.437 (2) (mf) *Wisconsin Shares overpayment recovery*. All moneys received
5 from the recovery of overpayments made under s. 49.155 that the department elects
6 to treat as federal revenue, for activities to investigate and reduce fraud in the
7 program under s. 49.155 and for direct child care services under s. 49.155.

****NOTE: You may want to have the Legislative Fiscal Bureau review these
appropriations to make sure that they will function in accordance with your intent.

8 SECTION 6. 49.155 (6) (e) 3. (intro.), b., c. and e. of the statutes, as affected by ✓
9 2013 Wisconsin Act 20, are amended to read:

10 49.155 (6) (e) 3. (intro.) The department ~~may~~ shall modify a child care
11 provider's payment rate under subd. 2. on the basis of the provider's quality rating,
12 as described in the quality rating plan, in the following manner:

****NOTE: Please let me know if requiring DCF to apply the modifications described
in the rating system is not consistent with your intent to mandate certain payments to
providers.

13 b. For a child care provider who receives a 2-star rating, the department ~~may~~
14 ~~reduce~~ shall pay the maximum payment rate ~~by up to 5 percent~~.

15 c. For a child care provider who receives a 3-star rating, the department ~~may~~
16 ~~pay up to~~ shall increase the maximum payment rate by 5 percent.

17 e. For a child care provider who receives a 5-star rating, the department ~~may~~
18 shall increase the maximum payment rate for such a child care provider by ~~up to~~ 25
19 percent.

20 SECTION 7. 49.155 (6) (e) 3. d. of the statutes, as affected by 2013 Wisconsin Act ✓
21 20, section 1006, is amended to read: ✓

1 **49.197 (1m) FRAUD INVESTIGATION.** From the appropriations under s. 20.437 (2)
2 (dz), (kx), (L), (mc), (md), (me), (mf), and (nL), the department shall establish a
3 program to investigate suspected fraudulent activity on the part of recipients of aid
4 to families with dependent children under s. 49.19, on the part of participants in the
5 Wisconsin Works program under ss. 49.141 to 49.161, and, if the department of
6 health services contracts with the department under sub. (5), on the part of
7 recipients of medical assistance under subch. IV, food stamp benefits under the food
8 stamp program under 7 USC 2011 to 2036, supplemental security income payments
9 under s. 49.77, payments for the support of children of supplemental security income
10 recipients under s. 49.775, and health care benefits under the Badger Care health
11 care program under s. 49.665. The department's activities under this subsection may
12 include, but are not limited to, comparisons of information provided to the
13 department by an applicant and information provided by the applicant to other
14 federal, state, and local agencies, development of an advisory welfare investigation
15 prosecution standard, and provision of funds to county departments under ss.
16 46.215, 46.22, and 46.23 or multicounty consortia, as defined in s. 49.78 (1) (br), and
17 to Wisconsin Works agencies to encourage activities to detect fraud. The department
18 shall cooperate with district attorneys regarding fraud prosecutions.

19 **SECTION 13.** 49.197 (2) (b) 1. of the statutes is amended to read:

20 **49.197 (2) (b) 1.** Subject to subd. 2., the department shall by rule establish an
21 incentive program that, from the appropriation under s. 20.437 (2) (mf) and using
22 moneys from the allocation under s. 49.175 (1) (p), rewards county departments,
23 Wisconsin Works agencies, and tribal governing bodies that administer the subsidy
24 program for identifying fraud in the subsidy program. The rules shall specify that
25 a county department, Wisconsin Works agency, or tribal governing body shall

1 receive, for identifying fraudulent activity under the subsidy program on the part of
2 a child care provider, an amount equal to the average monthly subsidy payment per
3 child during the prior fiscal year, multiplied by the number of children participating
4 in the subsidy program for whom the provider provides care, multiplied by 1.5
5 months. A county department, Wisconsin Works agency, or tribal governing body
6 may use payments received under this subsection for any purpose for which moneys
7 under the Temporary Assistance for Needy Families block grant program may be
8 used under federal law.

9 **SECTION 14. Initial applicability.**

10 (1) CHILD CARE PROVIDER PAYMENTS. The treatment of section 49.155 (6) (e) 3.
11 (intro.), b., c., d., and e. and (6f) of the statutes first applies to payment for child care
12 provided on the effective date of this subsection.

13 **SECTION 15. Effective date.**

14 (1) This act takes effect on the first day of the first month beginning after
15 publication.

16 (END)

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ANALYSIS INSERT

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various education or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under W-2. This child care subsidy program is called Wisconsin Shares. ✓

Under current law, the Department of Children and Families (DCF) sets the maximum payment rates for child care providers who provide services under Wisconsin Shares and may modify an individual child care provider's payment rate in the following manner on the basis of the child care provider's quality rating under the quality rating system known as Young Star: a provider who receives a one-star rating may be denied payment; a provider who receives a two-star rating may have the maximum payment rate reduced by up to 5 percent; a provider who receives a three-star rating may receive up to the maximum payment rate; a provider who receives a four-star rating may have the maximum payment rate increased by up to 10 percent; and a provider who receives a five-star rating may have the maximum payment rate increased by up to 25 percent. Under the bill, DCF is required to pay an individual child care provider on the basis of the child care provider's quality rating under Young Star, as follows: a provider who receives a one-star rating is denied payment; a provider who receives a two-star rating is paid the maximum payment rate; a provider who receives a three-star rating is paid the maximum payment rate plus five percent; a provider who receives a four-star rating is paid the maximum payment rate plus 10 percent, and a provider who receives a five-star rating is paid the maximum payment rate plus 25 percent. ✓

For purposes of reducing the cost of Wisconsin Shares, current law allows DCF to adjust the amount paid to child care providers under the program. Currently, DCF pays or reimburses licensed family child care providers based on a child's actual attendance, while DCF pays licensed group child care providers based on a child's enrollment with the provider. Under the bill, DCF must base the payment for a child receiving care from a licensed family child care provider on the child's enrollment and may not base the payment to a licensed family child care provider on a child's actual attendance. Additionally, the bill eliminates DCF's authority to adjust the amount paid to child care providers for purposes of reducing costs in Wisconsin Shares. ✓

Under current law, DCF must establish a program to investigate fraudulent activity by participants in W-2, which includes Wisconsin Shares, and establish an incentive program to provide rewards to local agencies administering Wisconsin Shares for identifying fraud in the program. The bill requires DCF to establish policies and procedures to prevent fraud in Wisconsin Shares and requires the Legislative Audit Bureau to annually audit such policies and procedures. Finally, the bill requires that any money recovered from over payments in Wisconsin Shares be used to pay for direct child care services under Wisconsin Shares or to reduce fraud in Wisconsin Shares. ✓

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close up

End Analysis INSERT

Rose, Stefanie

From: Trost, Craig
Sent: Friday, February 21, 2014 3:45 PM
To: LRB.Legal
Subject: Draft Review: LRB -3596/1 Topic: Wisconsin Shares changes related to provider payments and fraud prevention policies

Please Jacket LRB -3596/1 for the ASSEMBLY.