

**Income Maintenance Advisory Committee
Public Assistance Program Integrity/Fraud Prevention Ad Hoc
Subcommittee
Minutes of the Wednesday October 08, 2003 Meeting**

- Members present: Chair person Rick Zynda (DHCF) Gene Kucharski (WAPAF/Portage Co.) Mary Mireles (Racine Co.) Nancy Foss (Medicaid Policy Sec. DHCF) Richard Eddings (Dane Co.) Jeff Briowski (Food Stamp Section DHFS) Jodi Ross (DHFS/BIMA) Barry Chase (DHFS/BIMA) Charles Billings (DHFS/PAFS) Gloria Guitan (Milwaukee Co.) Joyce McCrary (Milwaukee Co) Richard Basiliere (Outagamie Co)
- Teleconferencing: Nancy Muller (St Croix Co) Jim Borgeson (Douglas Co.) Virginia Wiedenfeld (Richland Co)
- Unable to attend Mike Poma (Co-Chair/Milwaukee Co.) Tony Welch (PAFU) John Haine (QA Section DHCF) Jane Alft (Marathon Co.) Pam Kiern (DHCF) Fay Simonini (DWD)

The meeting was called to order by Rick Zynda at 9:30. All members present introduced themselves.

Minutes

Minutes from the meeting of September 11, 2003 were approved on voice vote.

WAPAF Conference

Richard Basiliere reported on the Wisconsin Association of Public Assistance Fraud Conference that was held on October 1, 2, and 3rd 2003 in Mishicot. Rich stated that during an open forum one of the main concerns of participants appeared to be funding. And WAPAF is concerned that in many counties fraud duties are diminishing. Training was mentioned. DHFS will continue to use CADET for training.

There needs to be an emphasis on the establishment of claims. Counties are cutting staff. Waupaca is pulling their part time FEV staff and putting her back on a caseload.

Rick Zynda stated there is a need for counties to understand allocations and retentions. He is working on an operations memo that will relay this information to the counties. The memo is at DWD for review. Richard Basiliere has offered to go around the state to promote program integrity. A successful program should have dedicated staff. With the changes in the Food Stamp program, specifically the 130% reporting, Gene Kucharski feels that FS overpayments will change. Workers must "get it right" at application and review.

The group talked about MA overpayments. Workers feel that MA has fewer verifications but that is not true. There is still a need for verification and accuracy. The Legislative Audit Bureau is in the process of reviewing the MA program.

Attendance was down at the annual conference. There were only 60 participants. WAPAF wants to increase attendance. And they are in the process of looking at a two day conference.

State Funding and Allocations

Jodi Ross presented information that covered the basics of state funding. Jodi covered the various CARS profiles in addition to the information noted below. Profile 965 is Food Stamps, 980 is MA and 975 is AFDC. These profiles show the 15% retention.

Funding of Program Integrity and Fraud Investigation contracts

- Program Integrity and Fraud Investigation contracts are funded with state and federal funds.

- State funds are derived from program revenue from collection of overpayments for Food Stamps, Medicaid, Child Care and W-2 cases.
- Federal funds are available at a 50% match rate to the state funds for the Food Stamp and Medicaid programs.

Allocating, claiming, and paying of expenses

Program Integrity contracts with the counties and tribes:

Prior to Calendar Year (CY) 2003 these contract expenses were allocated to the four different programs (Food Stamps, Medicaid, Child Care and TANF) based on current month's agency-specific ratios derived from the following CARES data: New Front-End Verification cases, New fraud investigation referrals created, overpayment collection claims, and new referrals for fraud prosecution. This allocation methodology was used for federal reporting purposes as well as billing for Child Care and TANF expenses to the Department of Workforce Development (DWD).

For Calendar Year 2003 and forward, the contract expenses for counties are allocated based on Random Moment Sampling (RMS) statistics. The tribes are not using RMS. This methodology is now used for federal reporting purposes as well as billing to DWD.

RMS is NOT used for expense reimbursement to the county/tribe. The agency-specific ratios are used as in previous years. Agencies are reimbursed 100% up to their contract allocation. Food Stamp and Medicaid expenses over the contract allocation are reimbursed 50% with federal funds. The other 50% of Food Stamp and Medicaid expenses are not reimbursed. Child Care and TANF expenses over contract are not reimbursed. If there aren't enough federal funds claimed with RMS, these contract allocations could be decreased at year end.

Fraud Investigation contracts with the counties and tribes:

Prior to CY 2003 local agency expenses of conducting each fraud investigation was allocated and charged on a case-specific basis. The cost of each case was charged on an equivalent basis to each of the benefiting programs corresponding to that specific case. For example, if fraud investigation services for a particular case totaled \$500, and the fraud claim involved all four programs (Food Stamps, Medicaid, Child Care and TANF), then the cost would be allocated equivalently to all four programs, i.e. \$125 each. This methodology was used for federal reporting purposes as well as billing for Child Care and TANF expenses to DWD.

Presently for CY 2003 the same methodology as stated above is being used. RMS statistics will eventually be used, and a reconciliation will be done for CY 2003 for federal reporting purposes and billing to DWD once this process is worked out. This is more difficult since some counties subcontract their fraud investigation, while others do them within the county. The tribes are not using RMS.

RMS is NOT used for expense reimbursement to the county/tribe. The case-specific information is used as in previous years. Agencies are reimbursed 100% up to budgeted funds. The budgeted funds will not be increased if there is overspending, as has been done in some previous years. The overspending is eligible for appropriate federal reimbursement. State staff will do a manual process to permit the agency to receive this federal reimbursement. Food Stamp and Medicaid expenses over the budgeted funds will be reimbursed 50% with federal funds after year end.

closeout. The other 50% for Food Stamps and Medicaid are not reimbursed. Child Care and TANF expenses over budgeted funds are not reimbursed. If there aren't enough federal funds claimed with RMS, these budgeted funds could be decreased at year end.

Charles Billings stated there is a carry over of funds from previous years but those funds are dwindling. Group members questioned where more money could come from. Can legislation be presented? Members state that counties need extra funds so they can have designated staff to administer the fraud program. Do we want to look at changing from a pay for performance funding and pool all funding for dedicated staff? Jim Boregeson stated the Minnesota got a federal grant to help with overpayment collections.

Each county uses the BV system differently. Contract agencies do not have access to CARES at this time. There is still a security issue. Pam Kiern is researching this issue. There continue to be training issues regarding entering data in the BV system. Counties should use EOS reports as an administrative tool. Rick Zynda stated we should look at counties who don't report FEV and fraud activity. Should state staff work with them? The group questioned if Program Integrity could be a mandated program. But what would be the performance standard? Establishment of claims...How would the state measure performance for funding? The need for dedicated staff was discussed again.

An Administrators memo will be issued that contains information about fraud allocations. Additional monies will be given to counties who use the overmatch but overall the total funding is down a quarter of a million statewide.

The meeting was adjourned at 12:50.

Next Meeting

The next meeting will be held on November 13 at the Wisconsin Department of Agriculture building.

**Income Maintenance Advisory Committee
Committee Charter**

Public Assistance Program Integrity/Fraud Prevention Subcommittee

Purpose/Scope:

Created as an ad-hoc committee in June 2003 by agreement of the Income Maintenance Advisory Committee to assess the State's goals related to issues of program integrity, fraud prevention, payment accuracy, error reduction. The Committee will identify the level of funding and staff resources currently available for such programs, and determine methods and options for cost effective and efficient program integrity/fraud administration, based on needs established by DHFS and DWD. The Committee will also examine ways to relieve workload at the local level, improve program accuracy through front-end verification, and increase the establishment of claims for the recovery of overissued benefits. The Committee will coordinate efforts with other IMAC Subcommittees, including Quality Assurance, Policy Improvement, and Information Technology. The Committee will also develop a liaison with the W-2 Advisory Committee. The Committee will make program administration and funding recommendations to IMAC, and share recommendations with the W-2 Advisory Committee.

Priorities:

1. The source and adequacy of funding for Public Assistance Program Integrity and Fraud functions, including strategies to increase program revenue at the state and local level by increasing collection/recovery activities.
2. Methodology for distribution of available funds at the state and local level. Currently, DHFS and DWD require local IM and W-2 agencies to separate program integrity (fraud prevention) from fraud investigative services. Funding for program integrity is included as an allocation in the IM and W2 contracts, for activities associated with program integrity (fraud prevention). Fraud investigative services (the determination of fraudulent intent) is paid on a pay-for-performance model in which the agency providing the service is paid based on the number of hours invested in a fraud investigation.
3. Level of local agency retention of recovered overissued benefits as an incentive to increase and fund program integrity and payment accuracy activities.
4. Cost allocation of the administrative expenses attributed to the programs associated with a fraud referrals, investigations, and outcome of the investigations.
5. Coordination of DHFS and DWD administered program integrity and fraud programs, including formal liaison with the IM Advisory Committee, and the C&I subcommittee of the W-2 advisory committee
6. IM and W-2 contract language relative to program integrity and fraud responsibilities, including the development and administration of local plans.
7. Optional service delivery models for various size geographical areas and agencies, such as consortiums of smaller agencies, or contracting between agencies for program integrity, fraud investigations, claims establishment, etc.
8. Opportunities to modify work processes, utilizing program integrity/fraud staff to relieve workload of IM and W-2 eligibility workers and case managers.

Goals:

1. Increase program integrity and fraud prevention activities at the local level;
2. Improve efficiency and effectiveness of the administration of public assistance program integrity and fraud prevention programs
3. Ease workload for local agency workers
4. Increase the establishment of claims and recovery of overissued benefits

5. Provide public information and customer education about program integrity and fraud prevention in Wisconsin

Membership and staffing responsibilities:

Local agency representatives recruited by the DHFS regional offices – with the goal of representation from each region and members of the Wisconsin Association of Public Assistance Fraud (WAPAF). The Division of Health Care Financing names state agency representatives.

Members:

Co-chair – Rick Zynda, Bureau of Income Maintenance Administration, DHCF
Co-chair - Mike Poma, Milwaukee County HSD (Milwaukee Region)
Public Assistance Fraud - Tony Welch, DHCF
Public Assistance Fraud - Charles Billings, DHCF
Quality Assurance Section - John Haine, DHCF
IT Section - Pam Kiern, DHCF
Food Stamp Policy Section - Jeff Brikowski, DHCF
Medicaid Policy Section - DHCF, Nancy Foss,
Public Assistance Collections, Child Care, W-2 - Fay Simonini, DWD
Northeastern Region - Rich Basiliere, Outagamie County
Craig Kasten, Oconto County (Backup)
Northern Region - Jan Alft, Marathon County Dept of Employment & Training
Mary Pat Mertens, Wood Co DSS (Backup)
Western Region - Jim Borgeson, Douglass County
Nancy Muller, St. Croix County (Backup)
Southeastern Region – Mary Mireles, Racine County
Southern Region – Virginia Wiedenfeld (Christy Duhr – Backup), Richland County
Richard Eddings, Dane County (Backup)
Wisconsin Association of Public Assistance Fraud (WAPAF) - Gene Kucharski, Portage County

Recording meeting minutes will be shared among committee members, with each member taking a turn. The Co-Chairs will be responsible for distributing the draft minutes for comments, and posting approved minutes on the IMAC website.

Meeting Schedule:

Business will be conducted in meetings, conference calls and using e-mail. The co-chairs, following discussion with the committee, will develop the schedule. The first meeting will be on August 14, 2003 from 1:00 PM – 3:30 PM in Room 1050A, 1 West Wilson Street, Madison, WI.

Assignments, products and milestones:

1. Review draft of committee charter – reviewing priorities and goals – finalize charter
2. Identify activities and products to address priorities and goals
3. Prioritize committee activities and target dates to achieve goals
4. Establish meeting schedule