

Albany County Department of Social Services & NYS Office of Children and Family Services

COMBATTING CHILD CARE SUBSIDY FRAUD TO MAKE EVERY DOLLAR COUNT

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The New York Public Welfare Association

144th Annual Summer Conference

Monday, July 22, 2013



Gladys Carrión, Esq.
Commissioner



David Kircher,
Acting Commissioner



Andrew M. Cuomo
Governor

Mission of OCFS

“Promoting the safety, permanency, and well being of our children, families, and communities. We will achieve results by setting and enforcing policies, building partnerships, and funding and providing quality services.”



Regulated Child Care in NYS

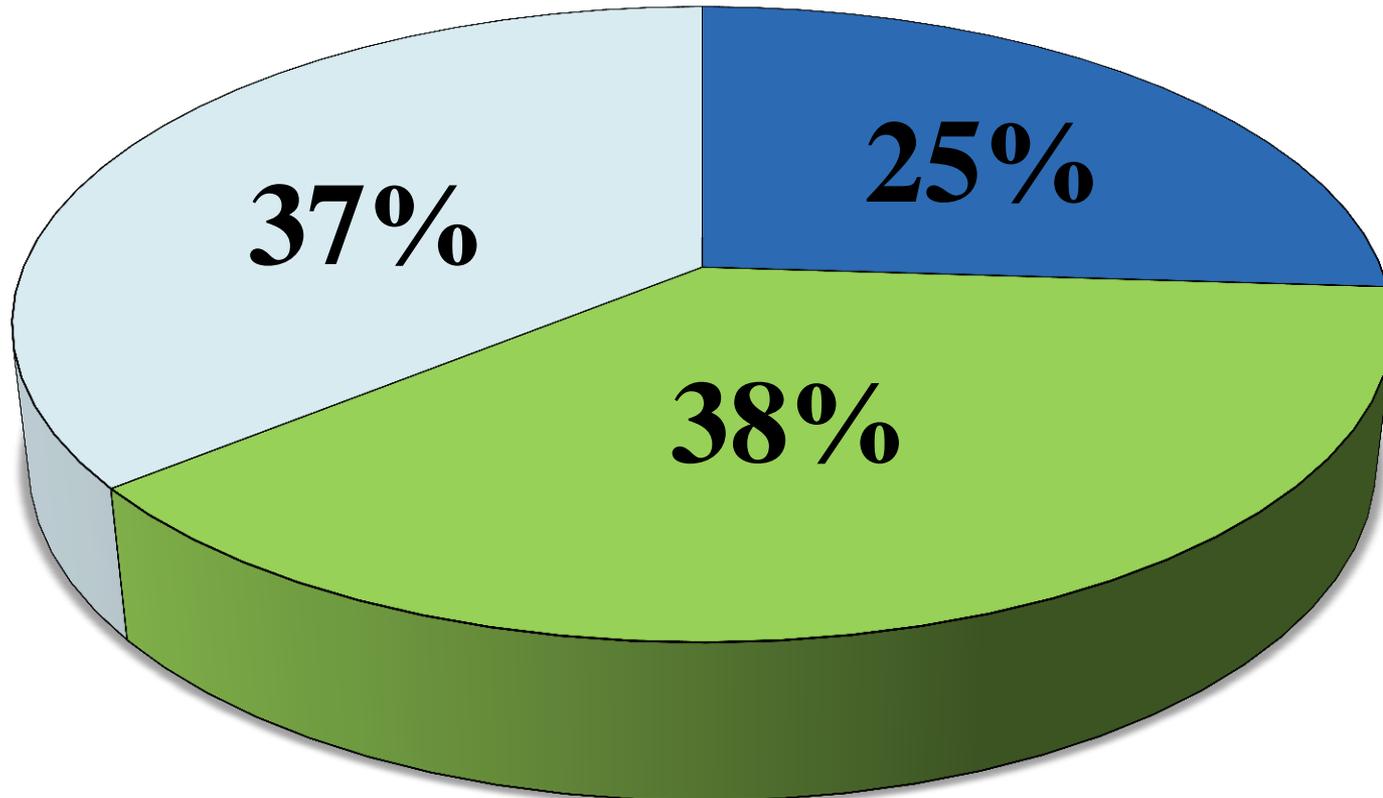
Modality	Regulated Providers	Capacity
Child Care Center	4,178	280,586
Family Child Care Home	6,576	49,877
Group Family Child Care Home	8,150	122,125
School-Age Child Care Program	2,512	238,119
Total:	21,416	690,707

(Data as of 1/4/13)

Subsidized Children in NYS by Age Group

In FFY 2012, over 234,000 children received child care subsidies

■ Infants and Toddlers ■ Preschool-age □ School-age



Subsidized Child Care in NYS

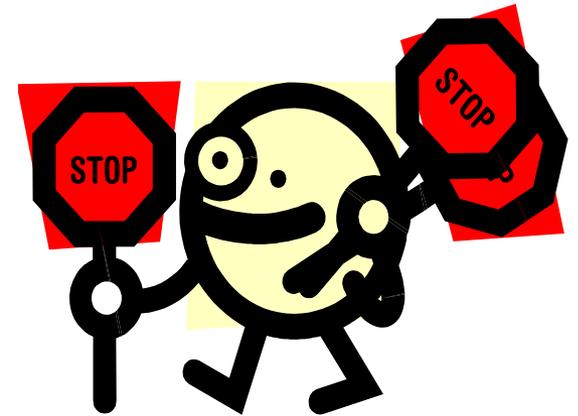
- In FFY 2012, the modalities of care for children receiving subsidies:
 - **63%** in regulated care (34% in licensed child care centers, 29% in regulated family child care homes, including group family child care)
 - **37%** in legally-exempt care, almost exclusively home-based setting
 - **46,965** legally-exempt providers served **86,168** subsidized children over the course of the year



Child Care Subsidy Fraud

WAYS WE CAN PREVENT IT AND STOP IT!

- OCFS Child Care Subsidy Program Integrity Initiative
- Albany County DSS Child Care Subsidy Program Initiative



OCFS Child Care Subsidy Program Integrity Initiative

Includes Four Elements

- Child Care Time and Attendance (CCTA) - deployed January - September 2011
- Fraud regulations - effective October 2011
- Child Care Fraud Prevention and Detection Incentive Program (Mini-Grants to local districts)- April 2012
- Child Care Fraud Analytics Solution - contract execution August 2013



Child Care Time and Attendance (CCTA)

CCTA is a web-based application which allows parents to check their child(ren) in and out of care using a password.

Key components of CCTA:

- Tracks attendance
- Bill for services is automatically calculated
- Provider electronically submits the bill to SSD
- Biometrics pilot is currently being conducted in Albany and Livingston Counties



Child Care Time and Attendance (CCTA) Albany County

- Promoting CCTA to providers (faster processing)
- 187 Providers using CCTA for 1,466 Children

Accounting:

- “CCTA has cut our processing time in half”
- “CCTA has prevented duplicate payments for children with multiple providers”



Albany County Biometrics

- Currently have four providers using biometrics
- Local DSS able to review who is clocking children in and out

Fraud Indicators:

- Provider doing check in and out
- Provider overriding clock in times



What's with CCTA now?

- Release of Updated Enhancements – May 2013
 - Revised client notices
 - Eligibility Calculator (Scratchpad)
 - Enhanced payment page
 - Shows calculations for split week
 - Total per week
 - Actual hours in care vs. scheduled hours



Child Care Subsidy Fraud Regulations

- OCFS revised the child care subsidy regulations to:
 - Provide local social services districts with more authority to stop child care payments where appropriate.
 - Initiate enforcement actions against child care providers when they are found to be engaging in fraudulent activities.



How have the fraud regulations helped Albany County DSS?

- Disqualification of fraudulent providers (deterrent factor)
- Authority to hold payments and investigate allegations of fraudulent billing



Child Care Fraud Prevention & Detection Incentive Program

- Competitive grants program for local county social services districts
- 12-month initiative, starting April 1, 2012
- \$1.2M total funding pool
- Flexible funding, tiered according to child population (maximum grants of \$40,000, \$60,000, or \$100,000 for small, medium, and high child population counties, respectively)
- 20 winning counties



Child Care Fraud Prevention & Detection Incentive Program (cont'd)

20 COUNTIES

REGION 1 – Buffalo

Erie
Cattaraugus

REGION 2 – Rochester

Monroe
Steuben
Ontario
Chemung
Jefferson

REGION 3 – Syracuse

Onondaga
Broome
Cayuga
Tompkins

REGION 4 – Albany

Albany
Essex
Franklin
Schenectady

REGION 5 – NYC

REGION 6 – Spring Valley

Westchester
Rockland

REGION 7 – Long Island

Nassau
Suffolk



ALBANY COUNTY DEPARTMENT OF SOCIAL SERVICES WELFARE FRAUD UNIT

Supervising Investigator

Sean M. Hicks

Investigator

James Fiammetta

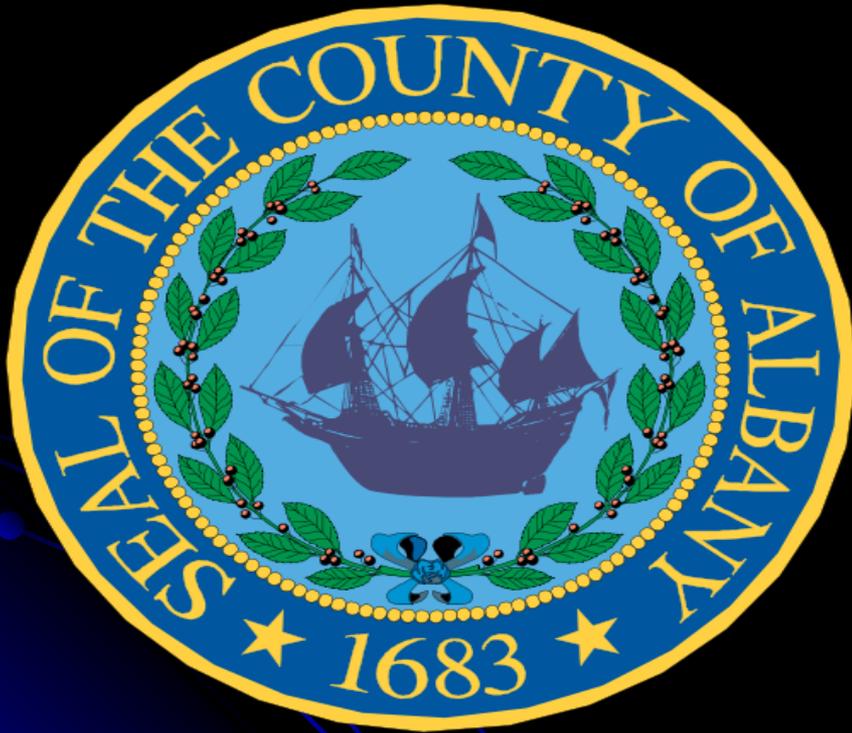


NEW YORK STATE OFFICE OF CHILDREN AND FAMILY SERVICES

*Child Care Fraud Prevention and Detection
Incentive Program \$60,000*



ALBANY COUNTY, NY CHILD CARE PROGRAM



- 304,204 RESIDENTS IN ALBANY COUNTY
- 400+ LEGALLY EXEMPT PROVIDERS IN ANY MONTH
- 25-30 ANTICIPATED NEWLY ENROLLED PROVIDERS MONTHLY

TARGET:

Legally Exempt Providers



90% OF CHILD CARE FRAUD DETECTED
IN ALBANY COUNTY IS IN THE
LEGALLY EXEMPT POPULATION

IDENTIFY ALL ACTIVE LEGALLY EXEMPT PROVIDERS RECEIVING ASSISTANCE



- SEARCH BICS (Benefit Issuance and Control System) FOR ACTIVE PAYMENTS
- INSERT ALL PROVIDERS INTO FRAUD TRACKING DATABASE
- CREATE "PROVIDER" CASE RECORD
- Check WMS for current benefits

SEARCH W.M.S. FOR PROVIDERS RECEIVING ASSISTANCE



- Notify workers
- Budget income
- Calculated
Overpayments totaled
\$103,048.63 (69
Providers)
- Interview Providers
- Set up payment
agreements /
recoupments

SEND PROVIDER QUESTIONNAIRE



- Are you currently receiving any assistance? If so, what are you receiving?
- Are you currently employed? If so, where and what hours do you work?
- Are you currently in school or training? If so, where and what hours?
- Provider Agreement to release information.

QUESTIONNAIRE RESULTS

- 411 Completed Questionnaire
- 31 Questionnaires were not returned
- 10 providers forfeited checks totaling \$8,448.60

*** ALL PROVIDERS ARE NOW REQUIRED TO SIGN QUESTIONNAIRE**

RANDOM FIELD VISITS

“non-traditional hours”

LATE EVENING

EARLY MORNING

WEEKENDS

PREVENTION / EDUCATION

- Review of county forms
- Proper billing procedures / expectations
- Payment expectations
- Reporting changes
- Definition of fraud and abuse
- Penalties for fraud
- Notify provider of the CCTA system

“UNANNOUNCED” FIELD VISITS ON ACTIVE CASES

- Verify if care is being provided...
- Verify who is providing the care...
- Ask for ID !!
- If care is not being provided...why not?
- If care is being provided by someone other than the enrolled provider.....Who? Why?

FEDS PUSH 2012

“Prevention!!”



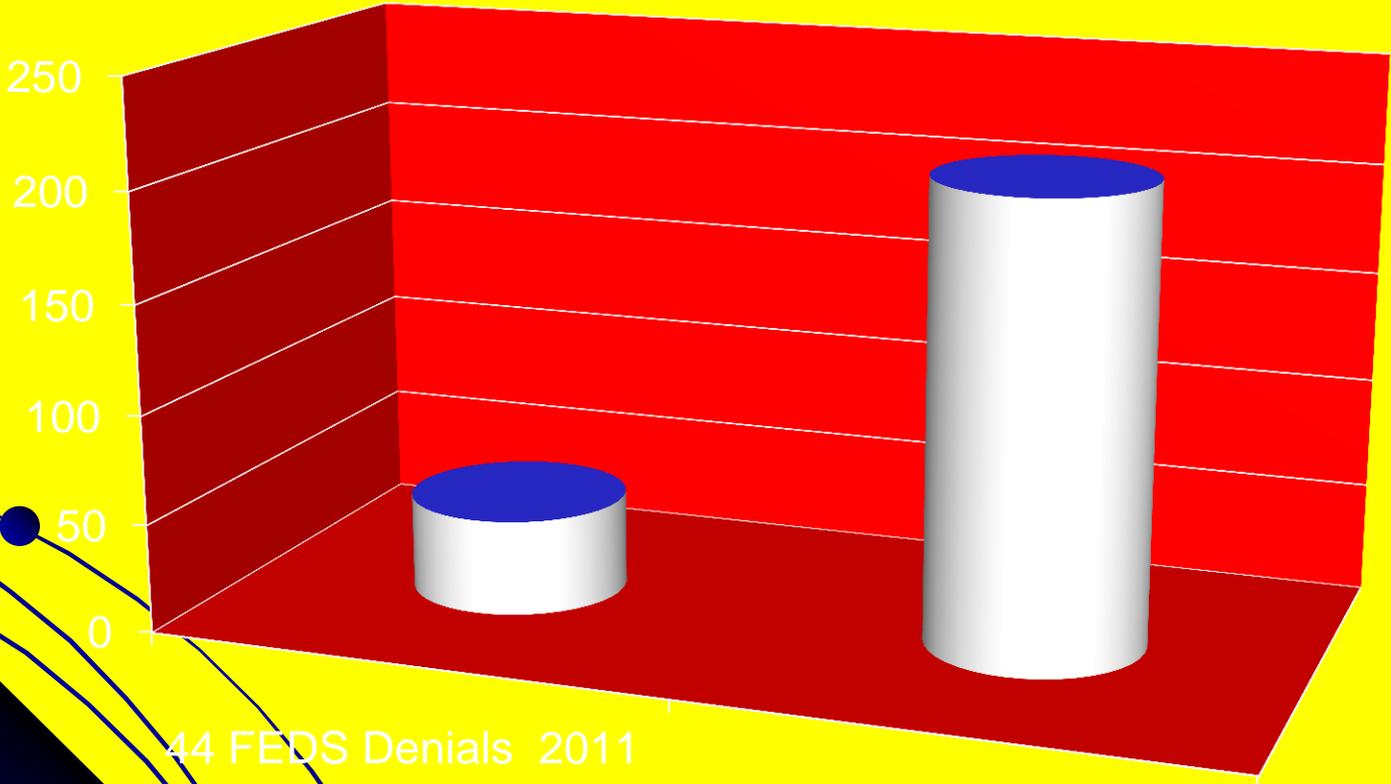
**PREVENTION
IS THE BEST
TREATMENT**

- Work close with Child Care Staff.
- Build confidence in the FEDS process.
- Quick turn around results.....
- MORE FEDS!

FEDS REFERRAL CLIMB STATE FISCAL YEAR 2011 & 2012



FEDS DENIAL CLIMB STATE FISCAL YEAR 2011-2012



44 FEDS Denials 2011

209 FEDS Denials 2012

FEDS COST AVOIDANCE STATE FISCAL YEAR 2011 & 2012



COLLECTION LETTERS

“TAX SEASON”



- Delinquent payment agreements on past Fraud Cases.
- “Final Notice” letters sent to all clients in April 2013
- Collected \$7,000+ to date.

OCFS ANNUAL GRANT REPORT

<u>CASES CLOSED</u>	<u>DISTRICT RESPONSE</u>
A. Number of cases closed due to fraud.	54
A. Number of children in cases closed due to fraud.	90
A. Amount of money the district has identified for recovery from cases closed due to fraud.	\$271,213
A. Amount of money the district has recovered to date from cases closed due to fraud.	\$78,404.57
A. Estimate of the amount of money the district will save by closing cases due to fraud (cost avoidance).	\$465,950

<u>CASES DENIED</u>	<u>DISTRICT RESPONSE</u>
A. Number of cases denied due to fraud on the application.	209
A. Number of children in cases denied due to fraud on the application.	284
A. Estimate of the amount of money the district will save by denying cases due to fraudulent information on the application.	\$1,159,950

Child Care Fraud Analytics Solution

- Implement an automated technical solution that will provide Social Services Districts and OCFS staff with a report that identifies potential subsidy fraud cases
- This solution will analyze and integrate data from the various data systems with New York State child care subsidy data
- Run data against various predictors/red flags identified as highly indicative of fraudulent activity



Child Care Predictive Fraud Solution (cont'd)

- Incorporates a numerical scoring mechanism that generates a risk rating, so that their investigations may be triaged and prioritized
- Focus investigations on cases that have a higher propensity of fraudulent activity
- Includes the ability to drill down into the details behind a case identified as "at-risk"

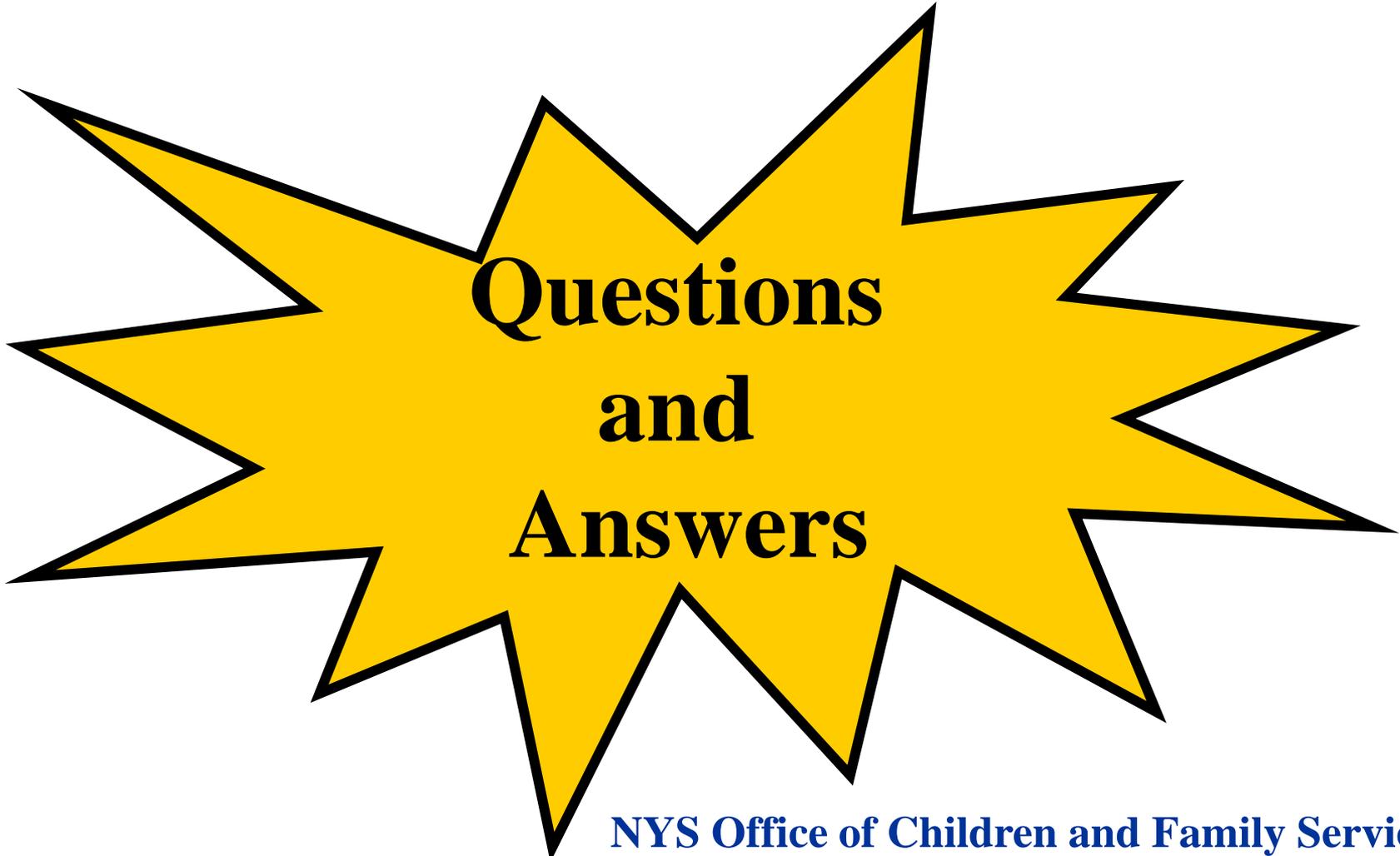


**What has your
experience been with
the Fraud Initiative?**



**Let's share examples
of how your County
has used the various
components of the
initiative.**





**Questions
and
Answers**

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<http://www.ocfs.state.ny.us/main/childcare>

