

NYS Office of Children and Family Services

CHILD CARE SUBSIDY PROGRAM INTEGRITY INITIATIVE

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**NYWFIA
29th Annual Training Seminar
Monday, June 4, 2012**



Gladys Carrión, Esq.
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.”



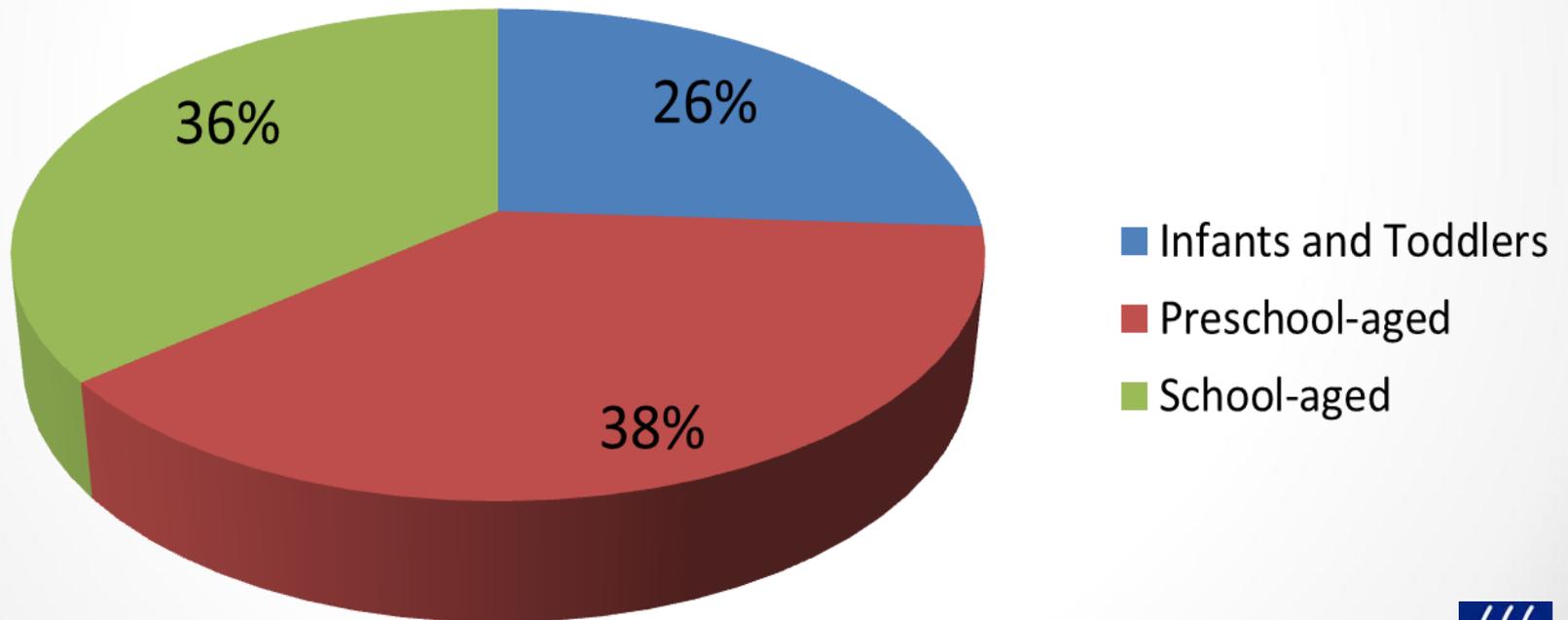
Regulated Child Care in NYS

Modality	Regulated Providers	Capacity
Child Care Center	4,089	273,289
Family Child Care Home	6,810	51,536
Group Family Child Care Homes	7,789	115,208
School-Age Child Care Program	2,570	239,648
Total:	21,258	679,681

(*Data as of 1/1/12)

Subsidized Child Care in NYS

***In FFY 2011, over 246,000 children received child care subsidies**



Subsidized Child Care in NYS

- In FFY 2011, the modalities of care for children receiving subsidies:
 - 61% in regulated care (34% in licensed child care centers; 27% in regulated family child care homes, including group family child care)
 - 39% in legally-exempt care, almost exclusively home-based setting: 51,103 legally-exempt providers served 95,887 subsidized children over the course of the year



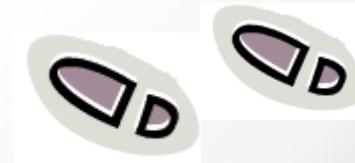
Overview

- New Child Care Fraud Regulations
- Seeking a Technical Solution for the Detection and Investigation of Fraud
- Child Care Fraud Prevention and Detection Incentive Program



Steps New York State Has Taken to Prevent Waste, Fraud, & Abuse

- Issued new child care subsidy regulations
- Deployed an automated child care time and attendance system in all of the counties outside the City of New York
- Learned from the information technology vendor community about implementing a statewide technical solution that predicts fraudulent activity
- Identified resources for counties to use toward identifying, investigating and prosecuting child care subsidy fraud
- Created an investigative protocol for child care inspectors of regulatory care and county caseworkers to work together to address fraud



New 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



Child Care Subsidy Fraud

WAYS WE CAN PREVENT IT AND STOP IT

Best Practices

- Effective use of section **415.4** of the regulations and collaboration with OCFS regional day care offices



New Tools for the Fight

- A. Deferral and disallowance of claims
- B. Disqualification from the subsidy program



Child Care Subsidy

Fraud Regulations (cont'd.)

Providers may be disqualified if they have:

- ▶ Been convicted of fraud
- ▶ Been found civilly liable for fraud
- ▶ Voluntarily admitted to fraud
- ▶ Voluntarily admitted to filing a false statement



Child Care Subsidy

Fraud Regulations (cont'd.)

Provider may be disqualified if they have:

- ▶ Been convicted of an activity indicating lack of business integrity
- ▶ Been disqualified from the Child and Adult Care Food Program (CACFP)
- ▶ Failed to comply with a repayment plan
- ▶ Been found to have submitted false claims, after an administrative review was conducted by the county



A Few Examples

1. County X contacted an OCFS Regional Office (RO) to confirm licensing status of a provider. The county learned the provider's license had been suspended and revoked. The county moved to recover monies that had been wrongfully paid to the provider.



A Second Example

2. County Y was contacted by an OCFS Regional Office (RO) about suspect attendance records at a day care center. The county and RO did a joint visit to retrieve records. The county did a review of the center's financial dealings and moved to disqualify the center from the subsidy program.



Last Example

3. County Z staff were reviewing the billing records for a home-based provider. The totals were in excess of \$10,000/month. The staff contacted the OCFS RO and asked if it could check the provider's attendance records. A comparison of the billing and attendance records showed major discrepancies. The county commenced an action to recover overpayments.



Program Integrity-Technical Solution

- **Current challenge:** various disparate data sources that exist; lack of data integration between systems/data in “silos”
- **September 2011**-- released a Request For Information (RFI)
- **Lessons learned:** Spectrum of services should include, but not limited to:
 - Data integration
 - Rules management
 - Anomaly detection
 - Predictive modeling
 - Social networking analysis
 - Forensic review
 - Fraud case management



Program Integrity-Technical Solution

NEXT STEPS:

- OCFS is developing a Request for Proposals (RFP)
- Implement a tool that will analyze and integrate data from the various data systems in New York State
- Run data against various predictors/red flags identified as highly indicative of fraudulent activity
- Focus investigations on cases that have a higher propensity of fraudulent activity



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 (con't.d)

20 WINNING COUNTIES

REGION 1 – Buffalo

Erie	\$94,051
Cattaraugus	\$40,000

REGION 2 - Rochester

Monroe	\$47,433
Steuben	\$40,000
Ontario	\$40,000
Chemung	\$40,000
Jefferson	\$40,000

REGION 3 – Syracuse

Onondaga	\$60,000
Broome	\$58,529
Cayuga	\$40,000
Tompkins	\$40,000

REGION 4 – Albany

Albany	\$60,000
Essex	\$40,000
Franklin	\$40,000
Schenectady	\$60,000

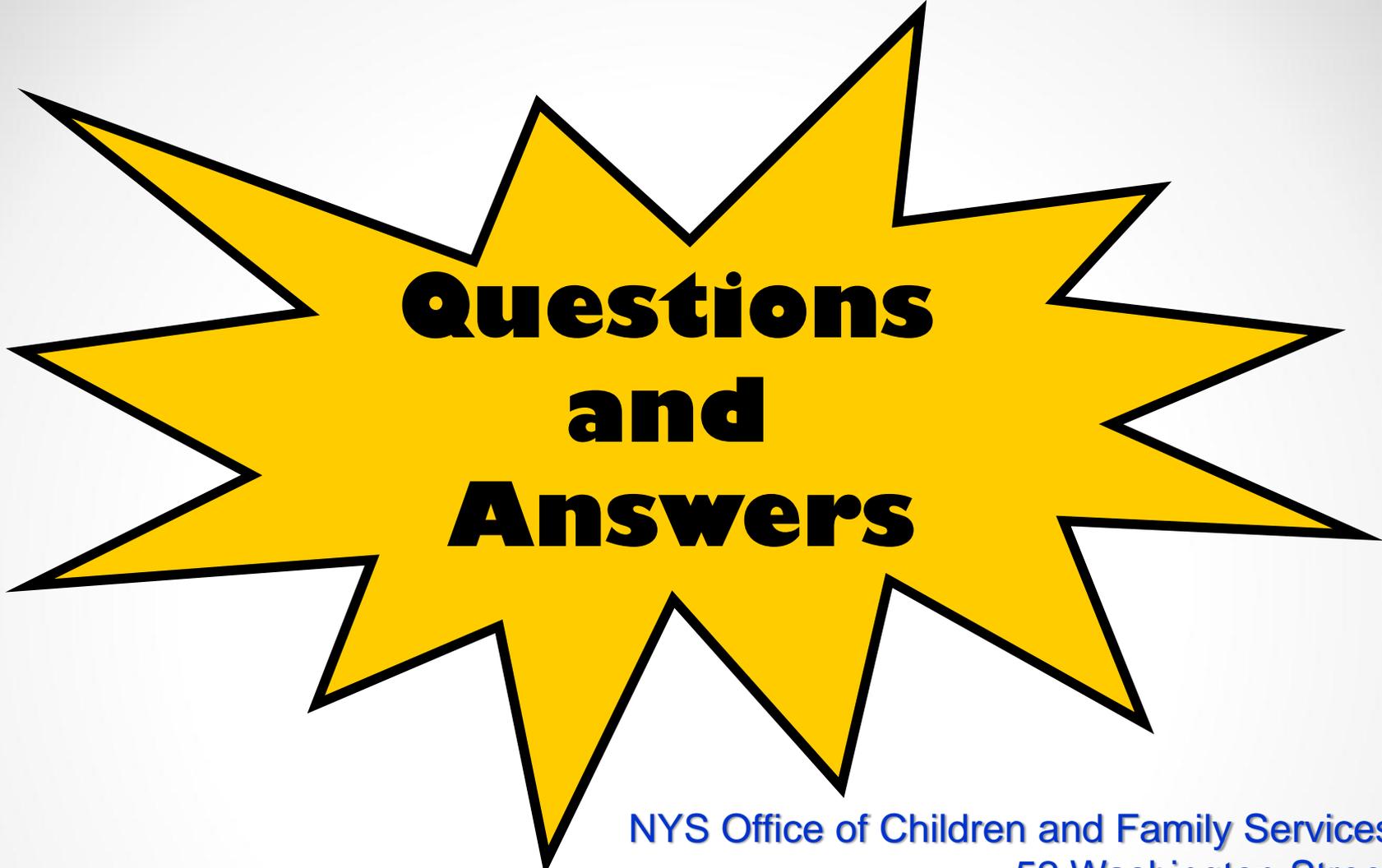
REGION 5 – NYC \$100,000

REGION 6 – Spring Valley

Westchester	\$98,810
Rockland	\$60,000

REGION 7 – Long Island

Nassau	\$100,000
Suffolk	\$100,000



Questions and Answers

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

