

**New York State
Office of Children and Family Services**

**COMBATING CHILD CARE SUBSIDY
FRAUD USING THE CHILD CARE
TIME AND ATTENDANCE SYSTEM**

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**NYWFIA
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Commissioner**

**Andrew M. Cuomo
Governor**



Presentation Overview

1. Overview of the NYS Child Care Subsidy Program
2. Child Care Time and Attendance (CCTA)
3. Fraud Tools
4. Biometric Devices & CCTA
5. Q & A

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.”



New York State: An Overview

- NYS is a State-supervised, county-administered system
- Counties/local social services districts have significant decision-making authority
- Child Care Subsidies to Districts – OCFS allocated **\$738 M** in SFY 2012-13

Number of Participating Child Care Providers*

• Child Care Centers	3,252
• Group Family Day Care	4,936
• Family Day Care	2,938
• Legally Exempt Child Care	<u>24,220</u>
TOTAL:	35,343

*Average **monthly** number of child care providers caring for one or more subsidized children

Number of Children Receiving a Child Care Subsidy by Setting*

• Child Care Centers	35,502
• Group Family Day Care	14,699
• Family Day Care	10,057
• Legally Exempt Child Care	<u>25,702</u>

TOTAL: 85,960

*Average **monthly** number of children receiving subsidized child care by child care setting

NYS Receives ARRA Funds

- In February 2009, the president signed the American Recovery and Reinvestment Act:
- OCFS received an additional \$96M over 2 years for child care (\$84M to child care subsidies; \$12M for quality activities)
- **Good News:** OCFS set aside \$5.3M to design and deploy CCTA
- **Not So Good News:** Strict deadline for spending ARRA funds (had to spend the funds by September 30, 2011)

Automate the Child Care Time and Attendance Process - CCTA

OCFS' Action Plan:

- Released an RFI in June 2009
- Released an RFP in January 2010
 - Deployed CCTA in all of the districts outside the City of NY
 - Included 25% or more of the children in each district
- Awarded the contract in May 2010 to Controltec, Inc.:
 - Subcontracted with SUNY PDP to train district staff and to develop training materials for providers and parents
 - Subcontracted with IBM to host the application
 - Staffed a support center located in Onondaga County

Automate the Child Care Time and Attendance Process - CCTA

GOALS:

- Improve the timeliness and accuracy of payments to child care providers
- Decrease the administrative burden on local districts and child care providers
- Save money on postage and operating costs
- Increase fiscal accountability, including fraud prevention



Child Care Time and Attendance (CCTA)

- CCTA is **parent**-driven
- CCTA Design:
 - Parent checks child in and out using a password
 - Bill for services is automatically calculated
 - Provider electronically submits the bill to LDSS
 - LDSS authorizes payment and electronically exports payment to Benefits Issuance CS
- CCTA helps identify **Red Flags** 

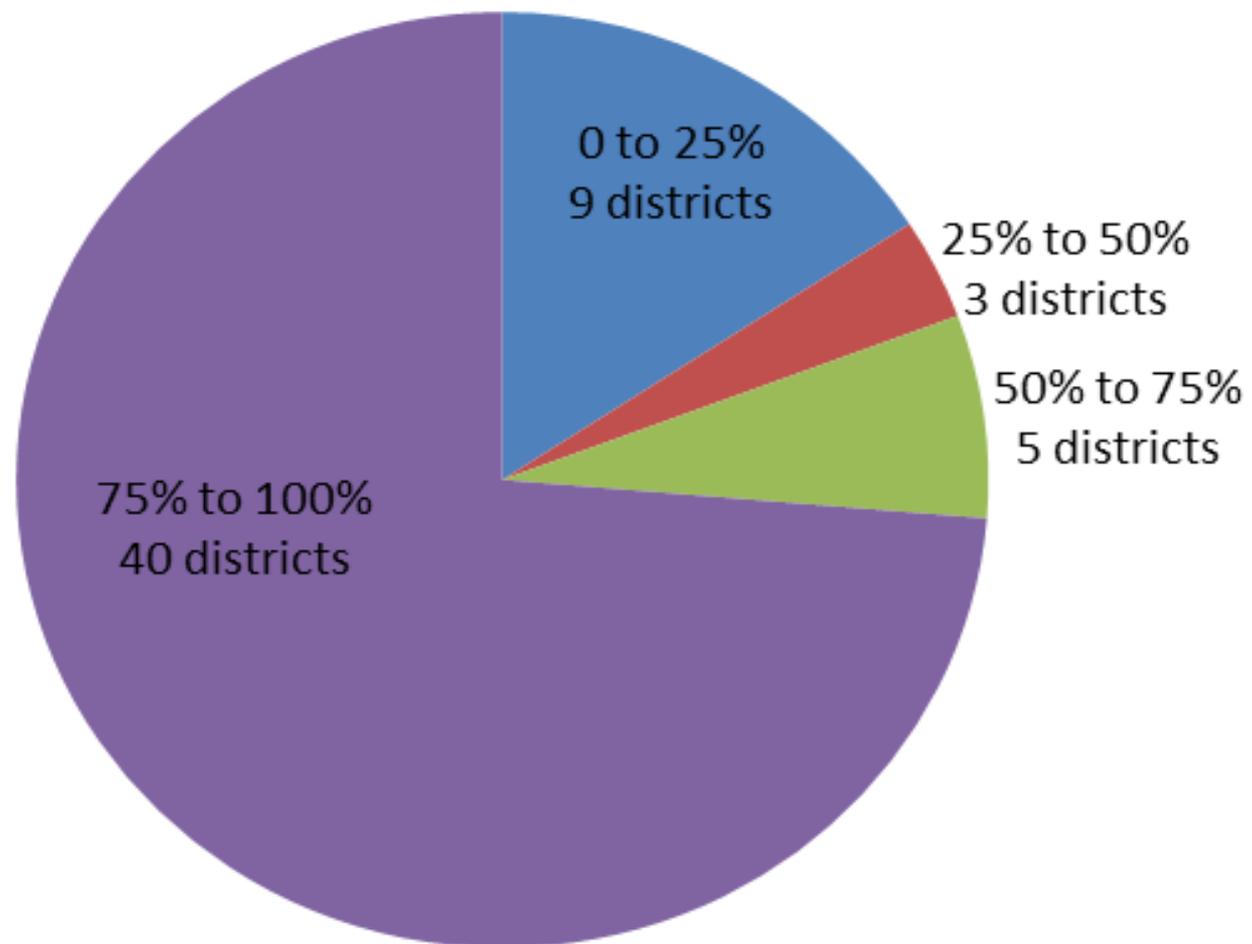
CCTA – Red Flags & Key Components

- Parents/caretakers use a password to check the child in and out of the system automatically.
- Attendance data is captured in the system in real time.
- The system records all transactions, creating a history and establishing an audit trail.
- The system captures “exceptions” such as perfect attendance and provider overrides
- CCTA interfaces with NYS’s regulatory database (CCFS) to confirm that the provider is licensed/registered and is eligible both at the time of authorization and at each payment.
- Child care inspectors check CCTA for attendance prior to conducting an inspection



CCTA Utilization

Providers Paid



CCTA Today

CCTA is now:

- Deployed in 57 of 58 districts
- Producing \$18.7M a month in payments (\$224M annually)
- Calculating payments for almost 20,000 families/33,000 children
- Paying almost 8,000 child care providers
- 40 districts are using CCTA for over 75% of their children

CCTA - Year 2 Enhancements:

- Review notices, timesheets, and other correspondence to families and providers for consistency.
- Review the payment process and the screens supporting that process (payment page, payment processing page, queues).
- Utilize the Provider Web Submittal site for electronic notification of information from LDSSs to providers i.e., fee amounts, fee changes, recertification dates, new authorizations and payment information.

Fraud Tools

- Child Care Subsidy Fraud Regulations
 - Gives local districts the authority:
 - To defer payments
 - To disallow payment
 - To disqualify providers
- Technical Solution to Detect Fraudulent Providers and Recipients of Child Care Services

Fraud Tools

Program Integrity Grants:

- Provides local districts with financial resources to investigate fraud
- Develop new strategies to identify fraud
- Inform the public of the cost of child care subsidy through Media Campaign
- Establish a hotline to report child care subsidy fraud

Fraud Tools

- CCTA provides the child schedule and actual attendance
- CCTA captures data related to child absences allowed by the county
- BICS payment system can provide a report showing the highest revenue-producing child care providers
- CCTA does not allow a child to be billed for two child care programs at the same time
- OCFS offers a one-day child care subsidy training to fraud investigators
- Child care inspectors have access to CCTA and are able to view real time attendance



Biometrics in Child Care Attendance Requirement

- Keeping children safe – only authorized adults pick up
- Fraud by reporting care for non-existent children
- Fraud by reporting care longer than actual care took place
- Authentication of authorized clients
- Time-stamping of actual attendance in care

Biometrics in Child Care Attendance Challenges

- Stigmatization of Children
- Fear of “fingerprinting” of parents
- Using finger scanners or palm vein scanners
- Devices should be flexible for future technologies

Biometrics in Child Care Attendance Challenges

- Children attend, adults check-in
- Multiple authorized adults (sponsor concept)
 - Babysitters
 - Carpool partners
 - Relatives
 - Siblings
 - Neighbors
- Some states want children to be scanned

Sponsors Checking in Children

- Sponsor scans and is identified
- The system shows a list of the children attached to the sponsor
- Sponsor selects children to check in or out
- Sponsor can also record absences
- System tracks in history the identity of the person doing the transaction

Exception Handling

- Provider override to record telephone transactions on behalf of sponsor
- Provider override to submit absences
- Sponsors can record absences
- Provider overrides are tracked, categorized and tallied in reports

Demonstration of Finger Scanning in Child Care



**Questions
and
Answers**

Contact OCFS:

518-474-9454

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

