Strengthening integrity in the Child Care Assistance Program

Issues:

- The Child Care Assistance Program serves approximately 15,000 families and 30,000 children a month.
- Preventing fraud and administrative errors is the key to program integrity. It’s also more effective than investigating and recovering fraudulent payments after the fact.
- In 2013, the Legislature established a child care fraud investigation unit at the Department of Human Services. The unit has conducted a number of criminal and civil child care fraud investigations.

Proposal:

Governor Tim Walz proposes the following measures:

- Enhancing attendance record-keeping requirements for the Child Care Assistance Program and clarifying that providers must make attendance records available to DHS or county staff immediately upon request.
- Clarifying that absent days and holidays must be marked on child care providers’ billing forms. Dates billed as if children were present when attendance records indicate they were absent are considered overpayments subject to recovery by the state.
- Establishing a uniform method for calculating overpayments related to violations of attendance record-keeping requirements.
- Establishing a penalty if providers fail to follow existing attendance-reporting requirements.
- Shortening retroactive eligibility for the Child Care Assistance Program from six months to three months.
- Funding a case tracking system for Child Care Assistance Program investigation activity.

Benefits:

- Child care providers will keep more accurate records. This will help the department achieve greater accountability and ensure that tax dollars are spent responsibly.
- A consistent method for calculating attendance record overpayments will reduce the administrative burden on counties and tribes and promote consistency statewide in the calculation of overpayments.
- The department will have assurance that children receiving Child Care Assistance Program benefits are authorized for care they actually need.
- Program integrity will be strengthened overall as these provisions build on program integrity changes previously approved by the Legislature.
Fiscal impact:

- $2.1 million savings in FY 2020-21 and $2.8 million savings in FY 2022-23

Related information:


- Child care assistance: facts and figures: https://edocs.dhs.state.mn.us/lfserv/Public/DHS-4745-ENG

- Monitoring licensed child care: https://edocs.dhs.state.mn.us/lfserv/Public/DHS-6385-ENG

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