

# Update on child care payments

## Senate Human Services & Corrections Committee

*January 13, 2012*



# Audit Observation

DSHS and DEL shared the following observation with the SAO:

- Of the \$2.6 million in overpayments identified by the SAO, \$2 million represents a 7-year extrapolation for a single case (provider reported stolen records)
- The remaining overpayments are based on a 3-month review

# Objective 1: Are providers being overpaid for child care services?

## DEL/DSHS actions:

- ✓ Completed overpayments for the identified providers
- ✓ Conducting investigations on several cases
- ✓ Developed new rules:
  - Providers may not bill for care provided beyond licensing requirements
  - Self-employed parents may not get child care subsidies while working in home
- ✓ Auditing compliance with registration fee rules
- ✓ Completed the legislatively mandated study and report, including a recommendation regarding automated attendance

[www.del.wa.gov/government/legislature/reports.aspx](http://www.del.wa.gov/government/legislature/reports.aspx)

# Objective 2: Do state laws and regulations provide the agencies with timely access to child care attendance records?

## DEL/DSHS actions:

- ✓ Exploring legislation to provide more immediate access to original records

# Objective 3: What options are available for those wishing to report suspected improper payments or fraud related to child care providers? Do the agencies effectively evaluate and resolve reported issues?

## DEL/DSHS actions:

- ✓ Convening a group to streamline the reporting process and develop appropriate protocols
- ✓ Included more information on DEL's website, to DEL staff about reporting suspected subsidy fraud
  - [www.del.wa.gov/care/help/fraud.aspx](http://www.del.wa.gov/care/help/fraud.aspx)

**Objective 4: Are the agencies effectively identifying child care providers who do not comply with program billing rules?**

**DEL/DSHS actions:**

- ✓ DEL reprioritized federal funding previously paid to DSHS for audits to hire auditing staff

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