



TOM TORLAKSON
State Superintendent
of Public Instruction

Early Education and Support Division Field Services Office

Information for the Improper Payments and Elimination Recovery Act

DRAFT

1



TOM TORLAKSON
State Superintendent
of Public Instruction

Agenda

- Purpose
- Information for the Improper Payments and Elimination Recovery Act (IPERA)
 - History
 - Background
 - Requirements
- Prior Error Rate by Cycle and Most Common Errors
 - Federal Fiscal Year (FFY) 2007–08
 - FFY 2010–11
 - FFY 2013–14
 - FFY 2015–16
- FFY 2015–16 Action Steps
 - Need
 - Eligibility
 - Income and Co-payment Assessment
 - Authorization Selection
- Questions

DRAFT



TOM TORLAKSON
State Superintendent
of Public Instruction

Purpose

The purpose of this informational session is to present information and results regarding the IPERA review for Federal Fiscal Year 2015–16.



TOM TORLAKSON
State Superintendent
of Public Instruction

Information for the Improper Payments and Elimination Recovery Act History

The IPERA was first signed into law in 2002, and was formerly known as the Improper Payments and Information Act (IPIA). The IPERA requires federally funded agencies to:

- Review programs and activities they administer annually
- Identify those that may be susceptible to significant improper payments
- Submit a report on actions taken to reduce improper payments



TOM TORLAKSON
State Superintendent
of Public Instruction

Information for the Improper Payments and Elimination Recovery Act Background

- Each state reports its error rate once every three years
- The Administration of Children and Families has designated a twelve (12) month review period, based on the FFY October 1, to September 30, for the error rate methodology



TOM TORLAKSON
State Superintendent
of Public Instruction

Information for the Improper Payments and Elimination Recovery Act Requirements Federal Fiscal Year 2015–16

- Sample size – States select a random sample of 276 active cases
- 23 cases were selected from each month covering the case review period October 1, 2015, to September 30, 2016
- California’s error rate target was 5 percent
- The IPERA report was submitted June 30, 2017 to the Administration of Children and Families



TOM TORLAKSON
State Superintendent
of Public Instruction

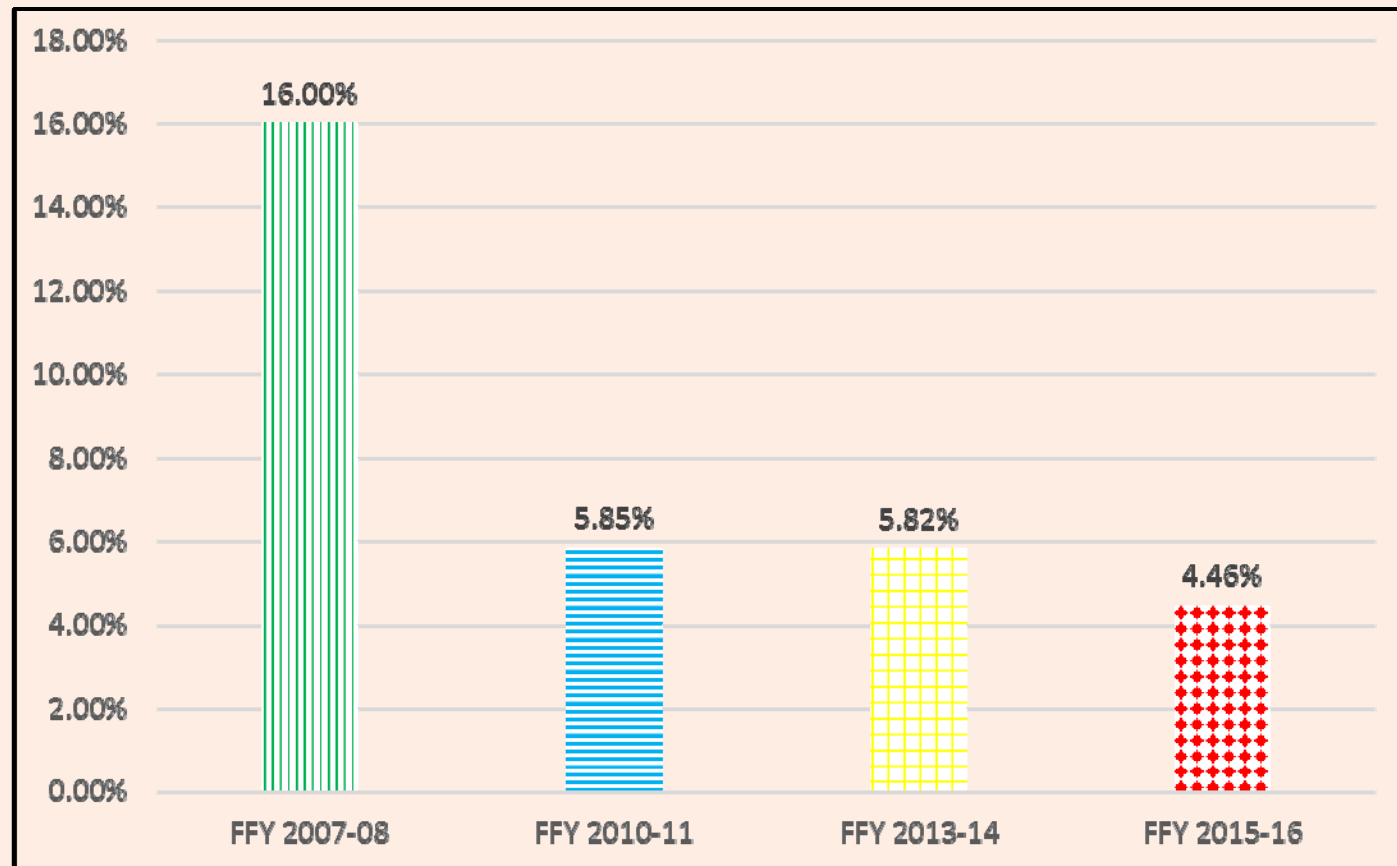
Information for the Improper Payments and Elimination Recovery Act Requirements Error Rate by Cycle

- FFY 2007–08 = 16 percent
- FFY 2010–11 = 5.85 percent
- FFY 2013–14 = 5.82 percent
- FFY 2015–16 = 4.46 percent
- Next review cycle error rate target is **4 percent**



TOM TORLAKSON
State Superintendent
of Public Instruction

Information for the Improper Payments and Elimination Recovery Act Requirements Error Rate by Cycle



DRAFT



TOM TORLAKSON
State Superintendent
of Public Instruction

Most Common Errors

- **Eligibility:**
 - Insufficient documentation to determine eligibility for services
- **Need:**
 - Insufficient documentation to determine need for services
- **Fee Assessment:**
 - Family size and/or income miscalculations resulting in incorrect assessment of family fees
- **Provider:**
 - Missing provider rate worksheets
 - Ineligible providers—lacking trust line clearance
- **Improper Authorizations:**
 - Incorrect Regional Market Rate ceilings selected based on certified need

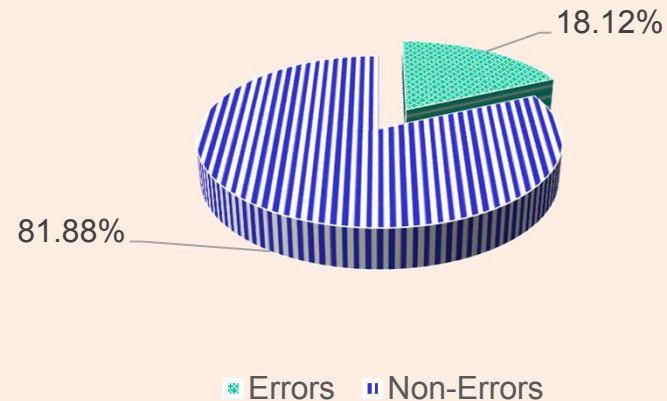


TOM TORLAKSON
State Superintendent
of Public Instruction

Federal Fiscal Year 2015–16 Results

Total Number of Cases With Errors

IPERA Errors vs Non-Errors



- Of the 276 sample cases reviewed for the IPERA there were a total of 50 errors
- Total number of cases with an improper payment error = 28
- Total number of cases with an administrative error = 22



TOM TORLAKSON
State Superintendent
of Public Instruction

Federal Fiscal Year 2015–16 Results(cont.)

The total amount of payments for the 276 cases sampled and reviewed was \$174,878. The total amount of improper payments for the review period was \$7,804 which resulted in an error rate percentage of **4.46 percent**.



TOM TORLAKSON
State Superintendent
of Public Instruction

Common Errors in Federal Fiscal Year 2015–16: Improper Payment

Eight cases with an improper payment had errors due to missing or insufficient documentation. The two most common types of errors were:

- 1. Need for Services:** Inadequate documentation to determine a need for services, for example:
 - Expired vocational training documentation
 - Missing work schedules/employment verification
- 2. Eligibility:** Recertification not completed within the twelve (12) month timeframe, for example:
 - Initial certification March 2013
 - Recertification August 2016



TOM TORLAKSON
State Superintendent
of Public Instruction

Common Errors in Federal Fiscal Year 2015–16: Improper Payment

Twenty cases with an improper payment had errors due to other causes. The two most common types of errors were:

1. Miscalculation of income resulting in incorrect co-payment assessment:

- Incorrect frequency of pay utilized to determine income or not adding all gross income
- Income miscalculations resulted in incorrect assessments of family co-payment (family fees)

2. Incorrect Authorization of Care:

- Incorrect Regional Market Rate (RMR) ceiling selected based on certified need for care
- Incorrect Standard Reimbursement Rate selection based on the certified need for care



TOM TORLAKSON
State Superintendent
of Public Instruction

Action Steps Need for Services

For errors due to insufficient documentation to determine certified need for services, the California Department of Education (CDE) will:

1. Provide training on the documentation needed for each type of need
2. Provide guidance to contractor on developing a checklist of the documentation required for each type of need
3. Provide training on how to properly case note a file to clarify or backup the documentation in the family data file
4. Provide guidance on the implementation or enhancement of a quality assurance system
5. Annually identify and review contractors deemed high risk or who have not received a review in more than five (5) years

DRAFT

14



TOM TORLAKSON
State Superintendent
of Public Instruction

Action Steps Eligibility

For errors due to recertification not completed within the twelve (12) month timeframe, the CDE will:

1. Provide technical assistance with the goal of reducing errors by providing trainings, guidance and best practice ideas. The CDE activities will include trainings on the regulations regarding the recertification timelines, and guidance on the use of an automated system to generate a report 45 days in advance of the due date of a recertification.
2. Annually identify and review contractors deemed high risk or have not received a review in more than five (5) years
3. Provide comprehensive technical assistance based on the individual contractor's Error Rate Reduction Plan (ERRP)

DRAFT

15



TOM TORLAKSON
State Superintendent
of Public Instruction

Action Steps

Income and Co-payment Assessment

For errors due to miscalculation of income resulting in incorrect co-payment assessed, the CDE will:

1. Provide trainings, guidance and best practice ideas
2. Annually identify and review contractors deemed high risk, or who have not received a review in more than five (5) years
3. Provide comprehensive technical assistance based on the individual contractor's ERRP



TOM TORLAKSON
State Superintendent
of Public Instruction

Action Steps Authorization Selection

For errors due to the incorrect selection of the RMR or Standard Reimbursement Rate when determining subsidy amount, the CDE will:

1. Provide regional training on how to select (a) the appropriate RMR ceiling based on the child's age, type of provider and certified need; **and** (b) the appropriate State Reimbursement Rate based on the child's age, and certified need
2. Provide guidance on the implementation or enhancement of a quality assurance system
3. Annually identify and review contactors deemed high risk or who have not received a review in more than five (5) years
4. Provide comprehensive technical assistance based on the individual contractor's ERRP

DRAFT

17



TOM TORLAKSON
State Superintendent
of Public Instruction

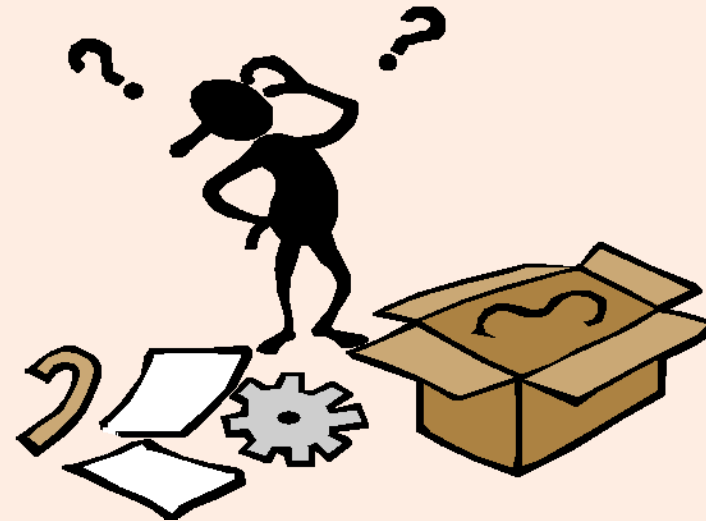
Trainings and Support

- Review Guide Overview
- Statewide Webinars
- On-site Training and Technical Assistance (T and TA)
- Sample family data file reviews and feedback
- Phone TA sessions



TOM TORLAKSON
State Superintendent
of Public Instruction

Questions?



DRAFT

19



TOM TORLAKSON
State Superintendent
of Public Instruction

Contact Information

Erica Otiono, Administrator, Field Services Office

eotiono@cde.ca.gov

Lisa Velarde, Administrator, Field Services Office

lvelarde@cde.ca.gov

Paul Saucedo, Manager, Governance and Administration

psaucedo@cde.ca.gov

Vanessa Saunders, Manager, Governance and Administration

vsauanders@cde.ca.gov



TOM TORLAKSON
State Superintendent
of Public Instruction

Thank You For Your Participation!



DRAFT

21