

POLICY TRANSMITTAL NO. 05-29 DATE: JUNE 29, 2005 FAMILY SUPPORT SERVICES
DIVISION DEPARTMENT OF HUMAN SERVICES OFFICE OF PLANNING, POLICY &
RESEARCH

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL OAC
340:40-13-5 and 40-15-1.

EXPLANATION: **Policy revisions were approved by the Commission and the Governor as required by the Administrative Procedures Act.** OAC 340:40-13-5 is revised to reflect that the Oklahoma Department of Human Services (OKDHS) no longer contracts with out-of-state child care providers and to add clarification about the contracting process for child care liaisons. OAC 340:40-15-1 is revised to include current procedures for completing overpayment referrals for clients and providers and clarify who is responsible for establishing these overpayments and when overpayments are established against clients and providers.

Original signed on 5-24-05
Mary Stalnaker, Director Family
Support Services Division

Sharon Neuwald, Co-Interim Administrator
Office of Planning, Policy & Research

WF # 05-01 (DT)

INSTRUCTIONS FOR FILING MANUAL MATERIAL

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following a “DHS” number, such as personnel policy at DHS:2-1 and personnel rules at OAC 340:2-1. The “340” is the Title number that designates DHS as the rulemaking agency; the “2” specifies the Chapter number; and the “1” specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, DHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, DHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at (405) 521-3611.

REMOVE

340:40-13-5
340:40-15-1

INSERT

340:40-13-5, pages 1-12, revised 7-01-05
340:40-15-1, pages 1-6, revised 7-01-05

340:40-13-5. Child care provider contracts

(a) **Criteria.** In order for the Oklahoma Department of Human Services (OKDHS) to purchase out-of-home child care services, a provider must have a current Form CCDF-1-E, Child Care Provider Contract, signed by both the owner of the facility and the OKDHS Director or designee on file with the Family Support Services Division (FSSD) Child Care Section. OKDHS assures all persons that OKDHS or any provider of contractual services, does not take into account a person's race, color, religion, sex, national origin, or disability in the selection or eligibility of individuals to receive services and in the manner of providing them. Age may be a factor only to the extent that certain services are designed for a particular age group.

(1) Written complaints of noncompliance with the assurance in (a) of this Section may be made to the Director of OKDHS or to the Secretary of Health and Human Services, Washington, D.C. 20201.

(2) County Division of Child Care (DCC) licensing staff provide initial information about contracts for child care facilities. The provider contacts the county child care liaison to request a contract.

(3) Child care contracts are valid for a maximum of one year. They are automatically renewed for successive one year terms, under the same terms and conditions, unless either the child care provider or OKDHS gives written notice of its intent not to renew to the other party at least 30 calendar days prior to the expiration of the current term.

(b) **Procedure for obtaining child care contracts.** OKDHS contracts only with licensed or permitted out-of-home providers. A child care center provider requesting an initial contract must be licensed or permitted and have a one star plus, two star, or three star status before signing Form CCDF-1-E. A one star child care home provider requesting an initial contract must be licensed; not on permit, before signing Form CCDF-1-E. ■ 1 A child care home provider at one star plus, two star, or three star status requesting an initial contract must be licensed or permitted before signing Form CCDF-1-E. The procedures in (1) through (8) of this subsection are used to obtain child care contracts.

(1) DCC licensing staff give the child care provider a promotional flyer containing information about contracting with OKDHS. The provider is instructed to contact the county child care liaison for training and review of the contracting requirements.

(2) When contacted by the owner or director of a child care facility, the county child care liaison arranges an appointment at which time the owner or director is required

to review the "Contracting with DHS for Child Care Subsidy Payments Handbook" and watch a training video. The owner or director must fulfill this training requirement before an initial contract is submitted. ■ 2

(3) If the provider wishes to contract with OKDHS following this training, the county child care liaison provides Form CCDF-1-E to the child care provider after typing all identifying information on the contract. The child care liaison explains that the earliest date a contract is valid is the date of approval by the OKDHS Director or designee.

(4) The owner and director sign the contract, have it notarized, and return the contract to the county child care liaison. ■ 3 Proof of ownership of the child care business is attached. ■ 4

(5) The child care liaison attaches Form CCDF-1-E and proof of ownership to the Contract Checklist and sends them to the FSSD Child Care Section for approval or denial. If the DCC licensing staff provide the county child care liaison with a copy of the provider's Oklahoma State Bureau of Investigation background investigation report, he or she attaches that document to the contract. ■ 5

(6) If the child care provider signs Form CCDF-1-E but fails to complete other contracting requirements within 30 calendar days, the child care liaison attaches Form CCDF-1-E to the Contract Checklist and sends it to the FSSD Child Care Section for denial.

(7) If approved, the FSSD Child Care Section staff assign a contract number and send a copy of the signed contract back to the provider. ■ 6

(8) If denied, the FSSD Child Care Section returns the original contract to the provider with a letter advising the provider OKDHS has decided it is in the best interest of OKDHS not to contract with the provider.

(c) **Out-of-state providers.** OKDHS does not contract with out-of-state child care providers. ■ 7

(d) **Changes that must be reported.** Form CCDF-1-E advises child care providers to report to the FSSD Child Care Section the anticipated sale of the business, change of legal business entity, change of location, or plan to stop caring for children no less than 30 calendar days prior to the change occurring. The training video does not need to be viewed as long as the person who signs as owner on the new contract remains the same and he or she already viewed the most recent training video. When the provider fails to report the anticipated change timely and a new contract is needed, a gap may

occur in the child care subsidy payment to the provider. A new contract is required in the situations included in (1) through (4).

(1) Change in facility status. A change in facility status occurs when a facility changes from a home to a center or a center to a home. A change from a family child care home to a large family child care home does not require a new contract as long as the same license number is used.

(A) When the status of a child care home changes to a child care center, a new license application is required. Prior to signing a new contract, the provider must be issued a license or permit at one star plus, two star, or three star status.

(B) When the status of a child care center changes to a child care home, a new license application is required. Prior to signing a new contract, the provider must be issued a license or permit at one star plus, two star, or three star status, or be licensed; not permitted, at one star status. ■ 1

(2) Change in ownership for a child care center. The new owner must meet or be anticipated by DCC licensing staff to meet one star plus, two star, or three star status within 30 calendar days before a new contract is signed and submitted to the FSSD Child Care Section. ■ 8

(3) Change of location.

(A) A child care center provider must sign a new license application when the facility changes location. They must wait to sign a new contract until a license or permit is approved at the new location. Center providers approved at one star status at their new location may only sign a new contract if a child(ren) already receiving a child care subsidy at the old location wishes to move to the new location. ■ 9

(B) A child care home provider is not required to sign a new license application when the home location changes. A new contract is signed agreeing to care for children receiving a child care subsidy only at the new location. The provider maintains the same contract number. ■ 9

(4) Change of legal business entity. The child care provider must complete a new license application and contract when he or she changes his or her legal business entity. ■ 10 Examples of changing legal business entity include changing from a sole proprietor to a corporation, partnership, or limited liability company. The provider must provide proof of ownership. ■ 4

(A) A child care center provider who was at one star plus, two star, or three star status under their previous legal business entity can sign and submit Form CCDF-1-E to the FSSD Child Care Section while the new license application is pending. A child care center provider who was at one star status under the previous legal business entity cannot sign a new contract until attaining one star plus, two star, or three star status even if a child(ren) already receiving a child care subsidy is currently in care under their previous legal business entity.

(B) Child care home providers who were at one star plus, two star, or three star status under their previous legal business entity can sign and submit Form CCDF-1-E to the FSSD Child Care Section while the new license application is pending. Child care home providers who were at one star status may only sign a new contract once they are licensed; they cannot be on permit. ■ 1

(e) **Providing care at a different site than is authorized.** When the child care provider signs the child care contract, he or she agrees to provide care only at the physical address designated in the contract. In certain circumstances, a child care center provider who owns more than one child care center may move children eligible for a child care subsidy to an alternate center after he or she receives prior approval in writing from the FSSD Child Care Section authorizing him or her to move the children and the point-of-service (POS) machine to the alternate site for a designated period of time. FSSD Child Care Section staff give approval when:

(1) the alternate site is owned by the same owner or legal business entity;

(2) the alternate site is licensed and contracted at the same star level;

(3) there is a legitimate business reason for providing care in another location; and

(4) the provider advises FSSD Child Care Section staff how he or she is ensuring that parents are aware their children are being cared for at a difference location.

(f) Renewal of child care contracts. Child care provider contracts are effective July 1 through June 30 of each year. They are automatically renewed for successive one year terms, under the same terms and conditions, unless either the provider or OKDHS gives written notice of its intent not to renew to the other party at least 30 calendar days prior to the expiration of the previous term. A contract is not renewed when a provider fails to attend required contract training or to provide any other information or documents requested during the contract renewal period.

(g) Contract violations. The worker or the county child care liaison investigates all reports of contract violations by providers. The worker or the county child care liaison

discusses and participates in planning with the provider to eliminate any apparent violation. The provider is informed that, under the terms of the agreement with OKDHS, all terms of the contract must be met and ten calendar days are given to correct any violation. If at the end of the ten-day period the provider fails to correct the violation, the worker documents and reports the continued violation to his or her supervisor, who is then responsible for submitting the information by memorandum to FSSD Child Care Section for a determination of further action. ■ 11 Examples of contract violations include, but are not limited to:

- (1) discriminating against persons seeking services either by charging a discriminatory rate or violating a person's rights as listed in the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended, or the Americans with Disabilities Act of 1990;
- (2) failing to post all of the facility's rates and fees;
- (3) failing to inform OKDHS of a change in facility status, location, legal business entity, or ownership of the business at least 30 calendar days in advance of the change;
- (4) charging a client receiving subsidized child care more than the OKDHS rate for days and hours within the client's plan of service;
- (5) moving the child(ren) from the agreed upon location shown in the contract for reasons other than field trips and claiming for services at this other location without prior written approval from the FSSD Child Care Section;
- (6) subcontracting services to another provider without written prior approval from OKDHS;
- (7) refusing unlimited access by a parent or caretaker to the facility during the hours of operation;
- (8) failing to maintain a drug-free workplace;
- (9) refusing to make available to OKDHS within an hour of request by any OKDHS representative all business records that document proper fiscal and program management by the provider;
- (10) failing to advise and provide OKDHS a completed copy of any agreement the provider enters into within 30 calendar days of entering into such collaboration or agreement; and

(11) claiming and/or receiving payment from OKDHS for the same hours of care the provider receives payment from another state or federal funding source.

(h) **Additional electronic benefit transfer (EBT) contract violations.** Examples of EBT contract violations by a provider include:

- (1) filing manual claims when they could be filed through the EBT system;
- (2) possessing or swiping a client's EBT card;
- (3) knowing a client's personal information number (PIN);
- (4) failing to ensure accurate time and attendance information was recorded by the parent or caretaker on the POS machine. The attendance, not time, of a child(ren) approved for the part-time or blended authorization must be recorded during the school year by the parent or caretaker;
- (5) moving the POS machine and allowing parents to record time and attendance at a different location than agreed upon in the contract without receiving prior written approval from the FSSD Child Care Section;
- (6) breaching the contract signed by the provider with the OKDHS EBT contractor;
and
- (7) not maintaining written records for any manual claims filed during the last three years.

(i) **Cancellation of child care provider contracts.** FSSD Child Care Section staff initiates the cancellation by issuing a notice to the provider by certified mail and regular mail at the same time.

(1) Contracts may be canceled:

- (A) with cause. The effective date of cancellation is 13 calendar days after FSSD staff mail the notice. This allows three calendar days for mailing time. The notice must contain a reference to the grounds for cancellation including the specific contract provision(s) that was violated; or ■ 12
- (B) without cause. The effective date of cancellation is 33 calendar days after FSSD staff mail the notice. This allows three calendar days for mailing time. ■
12

(2) The FSSD Child Care Section communicates with the county child care liaison when a contract is being canceled to ensure that county staff have sufficient time to plan with clients to find another facility, if necessary. When it is necessary to cancel authorizations with a child care provider, the provider is notified by use of a computer-generated notice. FSSD Child Care Section staff closes all authorizations with the provider whose contract is canceled.

(3) Copies of all correspondence regarding contract cancellation proceedings that are not initiated by the provider are routed by the FSSD Child Care Section to:

(A) DCC, licensing coordinator;

(B) Legal Division;

(C) Finance Division;

(D) Office of Inspector General;

(E) FSSD Overpayment Section;

(F) Commodity Distribution Unit;

(G) the Child Care Resource and Referral Agency serving the area where the provider is located;

(H) Department of Education, Child Care Food Program;

(I) Cherokee Nation, if serving the area where the provider is located;

(J) Creek Nation, if serving the area where the provider is located;

(K) Choctaw Nation, if serving the area where the provider is located;

(L) Field Operations Division area office where the provider is located; and

(M) the local county director, county child care liaison, DCC licensing supervisor, and DCC licensing staff where the provider is located.

(4) Copies of all correspondence regarding contract cancellation proceedings that are initiated by the provider are routed by the FSSD Child Care Section to:

(A) Finance Division; and

(B) local county director, county child care liaison, DCC licensing supervisor, and DCC licensing staff where the provider is located.

INSTRUCTIONS TO STAFF

1. (a) The county child care liaison monitors the license status of all providers requesting a contract by accessing Division of Child Care (DCC) Licensing Services information on the Information Management System (IMS). To obtain a license case number, the liaison uses the LISAX transaction. Enter LISAX space and up to the first 15 letters of the child care center name or child care home provider's last name. The LF transaction is used to inquire about the status of child care centers, and the LH transaction is used to inquire about the status of child care homes. Enter LF or LH space and the licensing case number. Case status code 2 indicates the facility is on permit status; 3 indicates the facility is licensed; and 4 indicates the facility is on provisional status.

(b) The LF or LH screen also shows the star status of a provider near the top of the screen. If the star status is one star plus, two star or three star, the child care liaison allows the child care provider to sign a contract even when the star status effective date is a future date.

(c) If the LF screen shows a child care center provider is at one star status, the child care liaison advises the provider he or she must attain one star plus, two star, or three star status before he or she may sign Form CCDF-1-E, Child Care Provider Contract.

(d) If the LH screen shows that a child care home provider is at one star status, the child care liaison looks at field (413) to determine whether the case status code is 3. If the case status code is not 3, the child care liaison advises the provider he or she must become licensed, not permitted, or attain a one star plus, two star, or three star status before he or she may sign Form CCDF-1-E.

(e) The child care liaison uses the Contract Checklist document located on the Family Support Services Division (FSSD) Child Care Web site under Child Care Liaison Tools to ensure all necessary information is submitted with Form CCDF-1-E.

- (f) See Instruction to Staff 7 when a new contract is requested because of a change in ownership.
2. (a) The provider must wait to view the training video until after he or she meets necessary criteria at subsection (b) and Instructions to Staff 1 of this Section. The child care liaison encourages both the owner and director to view the video.

(b) If the owner of the child care facility lives in Oklahoma, he or she must view the training video to meet this requirement. The owner may view the video in a different county than the one in which the facility is located. If the owner lives in another state, the director of the child care center may view the video to fulfill this requirement.
 3. Contracts for child care center providers must be signed by both the owner and the director of the facility. Contracts for child care home providers must be signed by the owner of the business. The dates in Part One and Part Two of Form CCDF-1-E are left blank for entry by FSSD Child Care Section staff. The earliest date entered is the date approval of the contract is granted.
 4. The provider designates on Form CCDF-1-E his or her type of legal business entity. Based on the legal business entity the provider checks on Form CCDF-1-E, the child care liaison uses Oklahoma Department of Human Services (OKDHS) Appendix L-7, Ownership Proof Chart, to determine what proof of ownership is required.
 5. In order to obtain a license, the owner of a child care facility must undergo an Oklahoma State Bureau of Investigation background check. If the provider's criminal history investigation report includes a conviction for fiscal mismanagement, such as embezzlement or fraud, or if there are repeated convictions which indicate a pattern of criminal activity, DCC licensing staff send a copy of the report to the county child care liaison. These confidential reports are secured in a storage area, such as a locked desk or file cabinet in the county office. Authorized OKDHS staff review the reports in the event the provider is granted a license and wishes to contract with OKDHS.
 6. (a) FSSD Child Care Section staff enter information about the provider on the Day Care Contract File when the contract is initially approved and as changes occur. FSSD Child Care staff notify the child care liaison by e-mail of the contract number and the approval date for the contract. The child care liaison then notifies the new contracted provider and appropriate county staff of the

new contract number and approval date for the contract.

(b) County staff access information about contracted child care providers by using transaction PCI on IMS. Enter PCI space and the contract number. The PCI screen gives information about the child care provider such as the provider's name, location, and mailing addresses, contract begin date, and the name of the owner. If the contract number is unknown, the worker obtains the number by using the PCX transaction or Child Care Locator.

(1) To use PCX the worker enters PCX space and up to the first eight letters of the child care center name or child care home operator's first name. The PCX transaction displays the names of all child care providers with those beginning letters. County staff enter PCI next to the contract number on the list displayed to obtain information about the provider. To view instructions and filter options for these transactions, enter M space and the transaction code. Example: M space PCX.

(2) Child Care Locator is available on the InfoNet under OKDHS Tools. The worker clicks on Child Care Locator, chooses the county where the facility is located, and enters the name of the facility for a child care center or the first and last name of the owner for a child care home. A gray ball appears in front of the names of providers with child care contracts. The worker obtains the contract number by hovering over the gray ball.

7. (a) If a client states he or she wishes to use an out-of-state provider, the worker advises the client that OKDHS does not contract with out-of-state providers. The worker asks the client to choose an in-state contracted provider.

(b) If an out-of-state provider requests a contract, the child care liaison advises the provider that OKDHS only contracts with child care providers operating in Oklahoma. If the provider insists on filling out a contract, the liaison sends it to the FSSD Child Care Section. FSSD Child Care Section staff send the provider a denial letter.

8. (a) When the child care provider signs Form CCDF-1-E, he or she agrees to notify the FSSD Child Care Section no less than 30 calendar days prior to the effective date of any anticipated sale of the business. If the old and/or new owner provides timely notification of the anticipated ownership change and children receiving a child care subsidy are currently in care at the facility, OKDHS staff make every effort to avoid or reduce any gap in the child care

subsidy payment by allowing the new owner to sign a child care contract and view the training video as soon as possible.

(b) When the old owner contacts OKDHS in advance to advise of the ownership change, staff advise him or her to tell the prospective owner to apply for a child care license with the local DCC licensing specialist and a contract with the child care liaison as soon as possible.

(c) When the child care liaison is notified in advance of an ownership change by the new owner, the child care liaison advises the new owner that he or she must apply for a child care license first. If the new owner has already applied for a license, the liaison asks if the new owner applied for a one star plus or higher star level. If the new owner has not applied for a one star plus or higher star level, the liaison advises the new owner that a contract cannot be signed or the training video viewed until the owner requested a one star plus or higher star status.

(d) After the new owner has applied for a one star plus or higher star level, the liaison checks with the DCC licensing specialist about the status of the licensing application. If the DCC licensing specialist states it appears likely a permit or license can be approved upon change of ownership and one star plus or higher star status is expected to be approved within 30 calendar days, the liaison allows the provider to sign Form CCDF-1-E, shows the provider the training video, and submits the Contract Checklist and all necessary information to the FSSD Child Care Section.

(e) FSSD Child Care Section staff wait to approve or deny the child care contract until after the decision on the license application is made and star status determined. If a one star plus or higher status is not approved by DCC licensing staff, the contract is denied.

9. When a new contract must be signed because of a change of location, FSSD Child Care staff send the new contract to the provider. If the provider notifies the child care liaison first of a change in location, the liaison refers the provider to the FSSD Child Care Section for assistance.

10. When a new contract must be signed because of a change in legal business entity, FSSD Child Care staff sends the new contract to the provider. If the provider notifies the child care liaison first of the change in legal business entity, the liaison refers the provider to the FSSD Child Care Section for assistance.

11. FSSD Child Care Section staff review the material submitted and makes a decision regarding the provider's continued contractual status. One option is to cancel the contract and close all existing authorizations with a facility. When FSSD Child Care Section staff close a contract, they also close all existing authorizations for that provider.

12. Payments by OKDHS for care given by providers holding a current child care provider contract may continue throughout the 33-day calendar period during which the intent to revoke a license may be appealed.

(1) If the provider does not appeal the intent to revoke the license, the contract is automatically canceled.

(2) If the provider does appeal license revocation, denial of a renewal license, or denial of a license while operating under a six month permit, the contract may be canceled or continued until the appeal is decided.

340:40-15-1. Overpayments

(a) **Determinations.** Overpayments occur as a result of agency, client, or provider error. An overpayment is established against either a client or child care provider when Oklahoma Department of Human Services (OKDHS) staff determine a child care benefit was received or paid in error. County workers, Office of Inspector General (OIG) auditors or investigators, Quality Control reviewers, staff from the Finance Division, or other OKDHS staff may identify a possible overpayment. ■ 1 The Family Support Services Division (FSSD) Overpayment Section establishes all client overpayments and provider overpayments that occurred prior to the implementation of the electronic benefits transfer (EBT) system. The Finance Division establishes all EBT provider overpayments.

(1) **Agency error overpayment.** An agency error overpayment is established against either the client or the child care provider depending on the circumstances. An agency error overpayment occurs when due diligence was not exercised by OKDHS.

(A) When the worker incorrectly calculates the family share co-payment or the amount of care approved, FSSD Overpayment Section staff establish the agency error overpayment against the client. ■ 2

(B) Finance Division staff establish agency error overpayments against the provider for plan of service errors when Oklahoma Department of Human Services (OKDHS) pays an incorrect rate. ■ 3

(2) **Client error overpayment.** A client error overpayment is established against the client when the client:

(A) provides incorrect information at the time of application or review;

(B) fails to report within ten days any change that affects eligibility; or

(C) uses child care for days and hours the client is not eligible for child care.

(3) **Provider error overpayment.** A provider error overpayment is established against the provider when the provider: ■ 4

(A) submits incorrect claims;

(B) fails to timely void inaccurate attendance entered in the point-of-service (POS) machine by the client;

(C) receives payment for care the provider did not provide and is not entitled to receive. This can occur when the provider has possession of the client's EBT card and swipes attendance for a day a child did not attend or facility staff request that a parent do so;

(D) receives payment for care from OKDHS that was provided after the date his or her child care license has been revoked or contract canceled;

(E) moves POS machine to a different location prior to obtaining written approval from FSSD Child Care Section and payment was made for care during that period; or

(F) fails to accurately maintain records as required by OKDHS for three years or until the resolution of pending legal issues whichever is later.

(4) **Liquidated damages.** Per OAC 340:2-11-150, Finance Division staff may assess liquidated damages in addition to an overpayment when the provider:

(A) is in possession of the client's EBT card;

(B) swipes the card through the POS machine; or

(C) knows the client's personal identification number (PIN).

(b) **Notice of overpayment.** FSSD Overpayment Section or Finance Division staff send an overpayment notice to the client and/or provider at the time they establish the overpayment. FSSD Overpayment Section staff send clients monthly account statements that reflect all payment and account information beginning the month following the initial notice month. ■ 5

(c) **Appeal rights.** Only a client has the right to appeal all or part of any overpayment established against his or her case.

(d) **Repayment of an overpayment.** OKDHS requires repayment of all established overpayments.

(1) FSSD Overpayment Section staff issue to clients Form ADM-8-B, Repayment Agreement, with the original overpayment notice. ■ 6

(2) Finance Division staff send a letter to the provider that explains the recoupment process for vendor overpayments. ■ 7

(A) Child care providers must contact the FSSD Overpayment Section to establish a mutually agreed upon repayment plan for overpayments that occur prior to EBT implementation. ■ 8

(B) Providers must contact the Finance Division if they have questions concerning the repayment plans for overpayments that occur after the EBT system was implemented. ■ 8

INSTRUCTIONS TO STAFF

1. (a) When a possible overpayment is discovered by county staff, a memo is sent to the Family Support Services Division (FSSD) Overpayment Section. Staff in the Overpayment Section determine whether to establish the overpayment against the client or the provider. FSSD Overpayment Section staff keep client overpayment memos and send provider overpayment memos to the Finance Division for establishment of provider overpayments. The memo includes:

(1) the case name and case number;

(2) the names, person codes, and birth dates of all children who received care;

(3) a short summary of the circumstances which led to the possible overpayment including the original and new family share co-payment amounts, if applicable;

(4) the time period covered by the overpayment;

(5) the contract number of the child care provider; and

(6) the worker's evaluation of whether the overpayment was caused by agency, client, or provider error.

(b) Office of Inspector General (OIG) auditors and investigators submit a summary of their findings and supporting documentation to the FSSD Overpayment Section and/or the Finance Division upon completion of an audit or investigation. Auditors give child care providers a copy of the audit report.

(c) The Finance Division submits to FSSD Overpayment Section through

inter-office mail corrected provider forms with an explanation of any errors discovered for any period of time prior to implementation of the electronic benefit transfer (EBT) payment system. Finance Division staff establish any provider overpayments they discover that occur after EBT.

2. (a) An example of a plan of service error is when the worker approves 23 days of child care per month and the client's work hours show only 15 days per month is needed. The overpayment occurs when the client actually uses any additional care for a non-work reason.

(b) Examples of agency error overpayment are when:

(1) the worker inappropriately approves a child for a blended, weekly, or special needs authorization; and

(2) the provider receives a rate for which he or she is not entitled. The overpayment is the difference between the correct rate of payment and the actual amount received by the provider.

3. (a) Due diligence by county staff includes:

(1) processing child care benefits timely and accurately;

(2) taking action on reported changes within ten days;

(3) correctly approving the days and hours care is needed, based on the client's need for child care;

(4) informing the client and/or provider of Oklahoma Department of Human Services (OKDHS) policy and procedures; and

(5) arranging provider training for initial child care contracts.

(b) Due diligence by FSSD Child Care staff includes:

(1) informing the client and/or provider of OKDHS policy and procedures;

(2) providing ongoing provider training and/or training materials such as the Contracting with OKDHS for Child Care Subsidy Payments Handbook to keep providers informed of child care subsidy rules; and

(3) updating providers on changes in OKDHS policy and procedure. This includes informing providers about how a child qualifies for different rates in the Contracting with DHS for Child Care Subsidy Payments Handbook, on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, and OKDHS Appendix C-4-B, Guidelines for Weekly Authorizations.

(c) Due diligence by Finance Division staff include correctly processing child care claims.

4. The provider is responsible for maintaining accurate records for three years or until the resolution of pending legal issues, whichever is later.

(1) After EBT was implemented, the provider must:

(A) check the accuracy of the attendance swiped by the client and accurately complete Form ADM-12-S, Child Care Claims. If the client swipes inaccurate attendance, the provider must void out incorrect swipes and ask the client to swipe again; and

(B) maintain copies of any manual claim forms, Form ADM-12-S, he or she submitted to the Finance Division. The manual claim form completed by the provider is Form Adm-12-S.

(2) For care provided prior to implementation of the EBT payment system, the provider must maintain:

(A) accurate manual claim forms submitted to the Finance Division. Manual claim forms included Form ADM-12-S2, Day Care Monthly Cover Sheet, and Form DC-S-17, Monthly Claim Form, for monthly claims and Form ADM-12-S3, Retroactive Claim Form, for retroactive claims; and

(B) attendance information for each child for whom care was claimed. The attendance record must be Form CCDF-3, Service Attendance/Record, or the provider's computer-generated document containing the exact information shown on Form CCDF-3. Each Form CCDF-3 must be signed and dated by the parent or caretaker for each child before submission of a claim for that child.

5. (a) FSSD Overpayment Section staff send Form DC-S-3, Client Notice of Overpayment, to the client for each incident of overpayment, and includes:

(1) how the debt occurred, who was at fault, and the time period of the debt; and

(2) an explanation of the client's appeal rights. Clients must request an appeal through their local county office. See OAC 340:2-5 for hearing procedures.

(b) The overpayment notice Finance Division staff send to providers includes:

(1) how the debt occurred;

(2) the time period covered;

(3) the method of repayment of the debt; and

(4) when the Finance Division will begin recoupment from future OKDHS payments.

6. The FSSD Overpayment Section asks clients to complete and return Form ADM-8-B, Repayment Agreement.
7. Finance Division staff send a copy of the notice to the FSSD Child Care Section and OIG.
8. If a provider is not receiving payment from OKDHS, he or she is still required to set up a monthly repayment plan with FSSD Overpayment Section or the Finance Division.