

Title: Operations Communiqué #08-26 CCIS Performance Standards and Monitoring – Results for Program Year 2007 – 2008, Results for the Federal Improper Payments Review and the Monitoring Process for 2008 – 2009

Date: October 3, 2008

Category: Informational

Priority: High

Action Required: Yes, see “Discussion” and “Next Steps”.

Response Required: None

Purpose:

The purposes of this communiqué are to:

- Report Pennsylvania's results for Performance Standards monitoring for the Child Care Information Services (CCISs) for Program Year 2007 – 2008.
- Report Pennsylvania's results for the "Improper Authorizations for Payment" review conducted earlier this year to satisfy new Federal requirements.
- Commend the CCISs for another year of "a job well done".
- Release CCIS Performance Standards for 2008 – 2009.
- Specify that the Office of Child Development and Early Learning is using the Federal process for "Improper Authorizations for Payment" to change the "Compliance" part of Performance Standards monitoring for Program Year 2008 – 2009.
- Explain the resulting changes to the Compliance standards and the process for monitoring, including defining the "unit of review" and explaining how the rating for the Performance Standards in this category will be determined.
- Confirm that Subsidy Coordinators will be reviewing this information in more detail during upcoming regional meetings with the CCISs.

Background:

The Office of Child Development and Early Learning (OCDEL), the Bureau of Subsidized Child Care Services established Performance Standards for the CCISs in October 2005 and has conducted annual monitoring every year since then. Operations Communiqué #07-14 “CCIS Performance Standards and Monitoring for Program Year 2007 – 2008”, issued November 20, 2007, most recently reaffirmed the standards and the monitoring process for the CCISs. This communiqué is available on the OCDEL Intranet.

In response to mandates imposed by the Improper Payments Information Act of 2002, the Child Care Bureau (CCB) of the Federal Administration for Children and Families implemented a review process designed to identify improper authorizations for child care payments funded by Child Care and Development Fund (CCDF) dollars. Pennsylvania was among 18 states participating in the first phase of this review, which focused on a random sample of children participating in the subsidized child care program during Federal Fiscal Year 2007 (the period October 2006 through September 2007). This will be an ongoing process under which states will be required to review and report every three years to the CCB. OCDEL issued General Communiqué #08-01 "Child Care Improper Payments and the National Error Rate for the Child Care and Development Fund" on January 15, 2008 to inform CCISs about the new Federal requirements for conducting case reviews and reporting. This communiqué is also available on the Intranet.

Discussion:

Results for Performance Standards for Program Year 2007 – 2008

Over all, 70% of all CCISs performed at a "Commendable" level across all categories of review for this program year. The remaining 30% of CCISs performed well within the "Satisfactory" level. No agency performed over-all at a "Needs Improvement" level.

The table below shows the percentage of CCISs performing at "Needs Improvement", "Satisfactory" and "Commendable" levels for the five categories of review.

	Needs Improvement	Satisfactory	Commendable
Customer Service	1.36%	2.71%	95.93%
Resource and Referral	0.00%	1.69%	98.31%
Compliance	23.73%	10.17%	62.23%
Caseload Management	4.24%	6.78%	88.98%
Funds Management	1.02%	7.80%	91.19%

Results for the Federal "Improper Authorizations for Payment" Review for Federal Fiscal Year 2007

In all reporting categories, Pennsylvania ranked among the top six or higher of the 18 states that participated in year one of the Federal Improper Authorizations for Payment review. There were no instances among the 276 cases reviewed where the child authorized for care was not eligible to participate in the program. However, areas requiring clarification were identified. These include establishing the child care schedule, calculating income and determining co-payment. OCDEL plans to address these issues in the near future.

The results of the Improper Payments review, as well as the results for Performance Standards monitoring for Program Year 2007 – 2008 continue to reflect exemplary performance by the CCISs. OCDEL takes this opportunity to express its gratitude and commends the CCISs for maintaining high standards in all critical areas of managing the subsidized child care program.

Monitoring Process for 2008 – 2009

As stated under "Purpose", OCDEL is incorporating the requirements and process for the Federal review into the Compliance part of performance standards monitoring for the CCISs. In doing this, OCDEL will be better prepared to carry out the review and reporting that will be required by the CCB again in three years. Additionally, the Federal review elements mirror Pennsylvania's regulations by appropriately focusing on the basic questions of "was the family eligible for subsidized child care?" and "was the payment amount calculated correctly?"

Attached to this communiqué are:

- CCIS Performance Standards for 2008 – 2009
- CCIS Performance Standards for 2008 – 2009 EXCEL Monitoring Tool
- CCIS Performance Standards for 2008 – 2009 Plan of Correction

Please refer to these documents while reviewing the following information.

What is not changing for 2008 – 2009?

- Performance Standards for Customer Service, Parent Information and Resource and Referral, Caseload Management and Funds Management are not changing.
- Use of reports in PELICAN-Child Care Works (CCW) by Subsidy Coordinators to measure CCIS performance in these areas will also continue.
- The review period for these categories will continue to be October through June.
- Ratings for these categories of the Performance Standards will continue to observe the "Needs Improvement", "Satisfactory" and "Commendable" system.

What is changing for 2008 – 2009?

Compliance

The Performance Standards for Compliance themselves have been increased from seven (7) to twelve (12) to incorporate all aspects of the case review required by the CCB. These include the new standards of determining the amount of child care authorized for the service month in question and the accuracy of that amount through determination of a "payment error rate" which equals the payment amounts for cases authorized in error divided by the payment amounts for all cases in the review sample. For more information, please refer to "CCIS Performance Standards for 2008 – 2009" and the "CCIS Performance Standards for 2008 – 2009 EXCEL Monitoring Tool".

Selection of Cases for the Review Sample will be conducted using the same random methodology used to identify cases for the Federal review. Cases will be drawn from PELICAN-CCW and will only include active Low Income, Former TANF and TANF cases that had funded enrollments during the period January 2008 to September 2008. The number of cases each CCIS will contribute to the state sample will be determined by the random methodology, which will be modified to insure that at least five (5) cases are identified for each CCIS.

NOTE: Federal fiscal years span the months October through September. However, for the transition year of 2008 – 2009, OCDEL has decided to not include the months of October 2007 through December 2007 in the sample selection as these months contributed to the case sample drawn for Compliance monitoring for 2007 – 2008.

The Unit of Review for Compliance continues to be the case. However, for purposes of determining the accuracy of the amount authorized for child care, the review will zero in on a specific child during a specific service month as part of the over-all case review.

Rating for the Compliance Performance Standards will continue to observe the "Needs Improvement", "Satisfactory" and "Commendable" system. However, over-all ratings for Compliance will be determined based on the number of standards (review elements), not the number of cases, marked wrong. The total number of standards or review elements marked wrong across all standards/elements will be translated into a percentage, with the over-all ratings for Compliance being assigned as follows:

- 41% or greater marked wrong = Needs Improvement
- 21% to 40% marked wrong = Satisfactory
- 0% to 20% marked wrong = Commendable

Example: The review sample drawn for the CCIS is composed of the minimum of five cases. Twelve standards or elements are reviewed for each of the five cases, resulting in a total of 60 standards or elements being reviewed. The total number of standards/elements marked wrong is 20, which represents 33% of the 60. The over-all rating for Compliance for the CCIS is Satisfactory.

This breakdown offers a broad range, affords a more equitable way to measure agency performance in this category and increases the CCIS's chances of realizing at least a "Satisfactory" rating for Compliance over all.

The EXCEL Monitoring Tool

The EXCEL Monitoring Tool has been modified to eliminate rating sheets for Customer Service, Resource and Referral, Caseload Management (Performance Standard #2 only) and Funds Management. Coordinators will not use the EXCEL Monitoring Tool to determine ratings in these areas. They will use the reports in PELICAN-CCW and will include results for these Performance Standards categories in the final letters to the CCIS.

The Monitoring Tool has also been modified to incorporate the 12 standards/review elements, the rating percentages for Compliance and the Payment Error Rate. For more information, please refer to the "CCIS Performance Standards for 2008 – 2009 EXCEL Monitoring Tool".

Sample Selection for Caseload Management, Performance Standard #1

OCDEL will optimize use of the cases selected for the Compliance review by using the invoice attached to the specific child/service month identified by the random sample methodology to conduct the review for this standard.

Plan of Correction

The Plan of Correction has been modified to reflect the 12 standards/review elements for Compliance. For more information, please refer to the "CCIS Performance Standards for 2008 – 2009 Plan of Correction".

CCIS Regional Meetings

Subsidy Coordinators will review the Performance Standards monitoring process for Program Year 2008 – 2009 with the CCISs at their regional meetings scheduled in October. On-site visits to complete monitoring for the Compliance Performance Standards and for processing invoices under Caseload Management will be scheduled by the assigned Subsidy Coordinator beginning November 2008 and continuing through June 2009.

Next Steps:

1. Review this information with appropriate staff.
2. Bring questions about this communiqué and its attachments to the upcoming regional meeting with your Subsidy Coordinator.
3. Look for a letter scheduling the on-site visit.
4. Direct questions to the assigned Subsidy Coordinator.