



Policy snapshot: The purpose of this policy is to provide an overview of procedures which will be implemented to correct issues of overpayment, misrepresentations, fraudulent activity and non-compliance on the part of clients and/ or providers.

Subject: Administrative Sanctions: Overpayments, Misrepresentations, Fraudulent Activity, and Provider Non-Compliance		Policy/Procedure # SR VPK- 2	
Page: 1 of 6		Adoption Date: 6.27.07	Revision Date: 4.22.09; 8.27.08
Approved by: ELCFH Board		Title: Andrew Bible, Chair	
Distribution: All Eligibility Management Policy/Procedure Manuals; All Contracted School Readiness and VPK Providers		Authority References: Associate Director: Client Services; Associate Director: Quality	

- I. **PURPOSE:** The purpose is to establish a standardized policy and procedure for administrative sanctions of individuals or providers who are the subject of overpayments, misrepresentations, suspicions of fraudulent activity and non-compliance with licensing regulations.
- II. **CONTACT:** Anne Bouhebent, Executive Director.
- III. **PERSONS AFFECTED:** All clients and providers receiving School Readiness and/or Voluntary Pre-Kindergarten services.
- IV. **POLICY:** This policy sets the process in which the ELCFH manages overpayments, misrepresentations, fraud referrals and non-compliance issues.
- V. **RATIONALE:** To have a system of accountability for proper distribution of federal and state money.
- VI. **CROSS REFERENCES:** 45CFR98, Code of Federal Regulations; Chapter 411.01-243, 402.301-319, Chapter 1002.51-79, Florida Statutes; Rule 60BB-4, Florida Administrative Code, AWI policy # OEL – PI-0021-05, other policies approved by the Early Learning Coalition of Florida’s Heartland.
- VII. **DEFINITIONS:**

“**Client**” refers to any individual who has made application, received benefits or services in either the school readiness or voluntary pre-kindergarten program in Charlotte, Desoto, Hardee or Highlands Counties.

“**Coalition**” or “coalition” means an early learning coalition created under s. 411.01, FS. And specifically refers to “**Early Learning Coalition of Florida’s Heartland, Inc. (ELCFH)**.”

“**DCF**” refers to the Florida Department of Children and Families.

“**Early Learning Services**” refers to the provisions of school readiness and/or voluntary pre-kindergarten services in Charlotte, Desoto, Hardee, or Highlands Counties.

“**Client Services Specialist**” refers to any specialist with the responsibility of determining the eligibility of School Readiness or Voluntary Pre-Kindergarten applicants.

“**Immediately**” – without interval of time, as soon as possible.

“**Parent**” means a parent by blood, marriage or adoption, legal guardian or person standing in loco parentis.

“**Provider**” means the individual or facility responsible for the provision of early learning services for children.

“**Reasonable**” means of sound judgment.

“**Reasonable Belief**” means that which any reasonable person, given the same set of circumstances or facts, would believe to be true.

“**School Readiness**” refers to the School Readiness Act in Chapter 411.01, F.S.

“**VPK**” means Voluntary Pre-Kindergarten Education Program pursuant to Chapter 1002, Part V, Florida Statutes.

VIII. **PROCEDURES:**

A. Overpayments to Providers

If, at any time, a Client Services Specialist identifies that a provider received additional money in excess of the services they provided, regardless of inaccuracy or omission on the part of the parent, provider or ELFCH, the following steps must be taken to recoup the inappropriate expenditure:

1. The Client Services Specialist must immediately notify the responsible Client Services Coordinator of the overpayment and the reasons which caused the overpayment.
2. The Client Services Coordinator will verbally notify the provider within 3 business days of discovery of overpayment. A follow-up letter will be sent within 5 business days confirming the amount of overpayment and what action is to be taken, with a carbon copy to the Associate Director: Client Services and Finance Officer. A copy will be placed in the provider’s file.

3. If the provider is continuing to provide care for children, then the funds will be recouped through deducting the amount of the overpayment (known as “prior period adjustment”) from the funds currently paid to the provider.
4. If the provider is not continuing to provide care for children, then the funds must be recouped directly from the child care provider. The ELCFH will arrange a written repayment plan not to exceed 3 months for the provider to repay. The ELCFH finance department will be responsible for tracking and enforcing the repayment plan.
5. If the overpayment was caused by a client’s failure to provide information that directly affected the eligibility for services, AND there is no evidence that the provider knowingly failed to report such information, then the client will be responsible for repayment of funding. The client must be notified in writing of the amount of repayment to be made. If the sum of money is such that the client cannot immediately repay, then the ELCFH will arrange with the client, a written repayment plan not to exceed three months.
6. Copies of all written correspondence and repayment plans will be promptly provided to the local ELCFH office, with a copy to the Associate Director: Client Services and Finance Officer. The ELCFH finance department will be responsible for tracking and enforcing the repayment plan.

B. Misrepresentation by Clients or Providers

If, at any time, it is determined or suspected that a client or provider has given false, misleading or inaccurate information or failed to disclose information which could directly affect the client’s eligibility for School Readiness or VPK funding or the provider’s eligibility for reimbursement, the following course of action must be taken:

1. The Client Services Specialist must immediately notify their ELCFH Coordinator verbally and provide any initial evidence to support the suspicions.
2. The Client Services Specialist must enter history notes into the EFS system identifying the details of the client or provider’s case. This entry should include:
 - citing information provided or failed to provide which impacts their eligibility for services or reimbursement
 - the Client Services Specialist’s issues of concern
 - any available evidence such as a falsified application, attendance record, or other documentation.

The history note must provide factual information, specify dates and address questions of “Who, What, When, Where, and How”. If overpayment is believed to have occurred, the Client Services Specialist should clarify the extent, duration, and amount of the overpayment.

3. The history note must be prepared and submitted to the Client Services Coordinator, along with the file.
4. The Client Services Coordinator must review the file within 3-5 business days and determine what action, if any, should be taken, including whether more information is needed. The Client Services Coordinator must take measures to gather any additional information needed to make a determination for appropriate action within 10 business days from receipt of Client Services Specialist's summary and case file materials.
5. If the Client Services Coordinator's review does not find any evidence to support a belief that the client or Provider knowingly gave false, misleading, or inaccurate information or failed to disclose information necessary to their eligibility or participation in the early learning programs, then the Client Service Coordinator must document those findings in the history notes.
6. If the Client Services Coordinator's review find that the client or provider gave incorrect information based on lack of knowledge or a misunderstanding of requirements, then corrective measures in the form of technical assistance or training should be provided within 5 business days to the client or provider to avoid future problems. These measures must be adequately documented through correspondence and/or notations in the history notes. Repeat offenders should be warned that further infractions could result in disqualification from the program.
7. The Client Services Coordinator should consult with the Associate Director: Client Services on any questionable situation.
8. The Client Services Coordinator should determine whether there is evidence to support if the client or provider knowingly:
 - (a) Made a false or misleading statement to the Client Services Specialist.
 - (b) Misrepresented, concealed or withheld information.
 - (c) Altered or changed documents to obtain benefits to which the household was not entitled.
 - (d) Committed any act intended to mislead, misrepresent, conceal or withhold facts or propound falsity.
9. If any of the above criteria is present, the Client Services Coordinator will take action within 5 business days to include one or more of the following:
 - (a) Require repayment of any benefits or reimbursements.
 - (b) Collaborate with the Executive Director and finance department for possible legal action.
10. The Client Services Coordinator must prepare letter of correspondence to the client or provider advising them of the allegation, findings and decision. In addition, the client or provider must be advised of their right to appeal and request a hearing as outlined in the Grievance Policy EM-3 .

11. Correspondence must be sent by certified mail, return receipt requested. Copies of all correspondence must be placed in the client or Provider file and noted in the EFS system. A copy must be provided to the Finance Officer and the Associate Director: Client Services.
12. No client or provider may re-apply unless they have satisfied the overpayment. Sanctions may be permanent depending on the nature and extent of the misrepresentation.

C. Fraudulent Activity

1. If review of the file establishes that the client or provider received benefits and/or funds equating to \$750 or more of which they were not entitled; and signed documents which contained false or inaccurate information on an application or other applicable forms, the Client Services Coordinator must immediately contact the Associate Director; Client Services to consult on the case. Coordination of a referral through the Inspector General's office will be facilitated.
2. After investigation, if the client or provider is found by a court of competent jurisdiction to have fraudulently misrepresented enrollment or attendance records, the provider will immediately be permanently disengaged per Rule 60BB-4.503, FAC.

D. Action against Provider by Licensing, Accreditation Agencies or Early Learning Coalition

1. If official action is taken by DCF Licensing or a religious accreditation agency against a participating provider's license such as denial, revocation or suspension, or issuance of a notice to cease operations or withdrawal of approval by a religious exempt authorized agency, ELCFH Administrative Team will review the case. These parties will outline measures to suspend payments, unless otherwise warranted, even if the provider has filed an appeal. Any exceptions are to be approved by the Executive Director.
2. The provider will also be identified on the "Do Not Refer" list within the CCRR system until the matter has been rectified.
3. The Client Services Coordinator must ensure that parents of children attending the particular facility are promptly notified of the pending actions and assist in relocating children to another facility. Any parent, whose wishes to maintain their child in the identified child care program, may continue on their own and ELCFH funding will cease.
4. If the final resolution of the licensing action results in a settlement or in favor of the provider, the ELCFH Executive Director will evaluate continued participation by the provider in the Early Learning program if requested by the provider. This also applies to providers operation under 402.3025 and 402.316, Florida Statutes (public schools,

non-public schools, and religious exempt facilities) who are similarly adversely affected by their authorizing entity.

5. The ELCFH will exercise their right to notify any family considering a provider, if the provider has not signed the respective provider agreements; or maintained the standards set forth by the Agency for Workforce Innovations – Office of Early Learning, or the Early Learning Coalition of Florida’s Heartland; has been the subject of administrative sanctions by Department of Children and Families or the accrediting agency responsible for accreditation standing.
6. Any child care provider of school readiness and/or voluntary pre-kindergarten services, who fails to maintain the standards set forth in law, rule, contract or policy, which poses a health or safety risk to children, or who have provided false or misleading information for purposes of personal gain, or would otherwise create a negative influence for participants of the early learning programs, may be denied payment, or dismissed at the discretion of the Executive Director of the Coalition under the direction of the ELCFH Executive Committee and/or Board without benefit of a remedial plan. In such circumstance, a letter must be sent by certified mail, return receipt requested, that details the reasons for dismissal and the provider’s right of appeal consistent with the process addressed in Grievance Policy EM-3.
7. A child care provider who has been dismissed by the ELCFH Executive Director of the Coalition under the direction of the ELCFH Executive Committee and/ or Board as a provider of school readiness and/ or voluntary pre-kindergarten services will be able to submit an ELCFH provider contract application no sooner than one year after the original contract termination date (as noted in above referenced letter). Submitted applications will be reviewed by the ELCFH Executive Committee and/ or Board. If the submitted application is not accepted by the ELCFH Executive Committee and / or Board, then the applicant must wait one year from the time of the application rejection to submit another application.
8. Reinstatement of any child care provider to the School Readiness program after termination by the ELCFH with or without cause will be at the discretion of the Executive Director of the Coalition under the direction of the ELCFH Executive Committee and/or Board. The Coalition retains the right, at its sole discretion to refuse to contract with any provider.