



**CHILDCARE AND PARENT SERVICES (CAPS)
Georgia's Subsidy Program**

CAPS Policy – Program Integrity	No.: CAPS/00-16	Effective Date: 10/01/2016
		Revised: 10/01/2019
		Revision Effective: 10/01/2019

LEGAL AUTHORITY: O.C.G.A § 20-1A-10.1; Federal Register: 45 Code of Federal Regulation (CFR) 98 and 99.

Cross Reference/See Also: CAPS Parent Rights and Responsibilities Policy (CAPS/00-3), CAPS Participating Providers Policy (CAPS/00-11), CAPS Child Care Provider Rights and Responsibilities Policy (CAPS/00-12)

Note: Definitions of words or phrases in bold are located in [Definitions and Acronyms](#). Only the first occurrence of the defined words or phrases are bolded.

16 PROGRAM INTEGRITY

16.1 Purpose

The purpose of this policy is to establish guidelines for ensuring integrity and accountability of CAPS funds while maintaining continuity of services, through prevention, detection, investigation, sanction, and recoupment processes.

16.2 Scope

This policy applies to all employees of the **Department of Early Care and Learning (DECAL)**, all parties responsible for the administration of the CAPS program, **parents**, and child care **providers** who receive subsidies administered by DECAL on behalf of parents.

16.3 CAPS

16.3.1 The CAPS program supports program integrity efforts through data sharing, training, eligibility verification standards, attendance verification standards, provider management, quality assurance reviews, and preemptive disqualification of certain individuals.

16.3.1.1 CAPS will cooperate with other programs and departments within DECAL and other agencies to share information when appropriate to reduce, detect, and prevent improper payments.

16.3.1.2 CAPS will provide training to child care providers, parents, vendors, and staff to reduce and prevent improper payments.

16.3.1.3 CAPS will document and verify eligibility in accordance with [CAPS Eligibility Requirements Policy \(CAPS/00-6\)](#), [CAPS Priority Groups Policy \(CAPS/00-7\)](#), and [CAPS Income Calculations Policy \(CAPS/00-8\)](#) to ensure program dollars are going to eligible families for whom assistance is intended.

16.3.1.4 To ensure accountability of funds, CAPS requires all providers submit specified documents (e.g., Child Care Provider Agreement, W9, published rates) before receiving an initial CAPS payment and annually thereafter, as prescribed in [CAPS Provider Rights and Responsibilities Policy \(CAPS/00-12\)](#). The State Provider Management Agent (SPMA) ensures all CAPS providers comply with initial enrollment and annual renewal requirements.

16.3.1.5 CAPS requires that **arrival and departure records** and **transportation records** (if applicable) are maintained for three years as prescribed in [CAPS Health and Safety Standards Policy \(CAPS/00-15\)](#) to verify that authorized services were provided.

16.3.1.6 CAPS will conduct quality assurance reviews of eligibility determinations and utilize results to inform process improvements and identify training needs.

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- 16.3.1.7 The SPMA will conduct attendance verification assessments of provider billing and utilize results to inform process improvements and identify training needs.
- 16.3.1.8 At DECAL’s sole discretion and not subject to review or appeal, responsible principals or individuals (as defined in 7 C.F.R. 226.2), providers, corporate partners, business entities, and officers may be dismissed and disqualified from CAPS and shall not be enrolled in, participate in, financially benefit from, or be involved in any aspect of CAPS when they are terminated or disqualified by the Office of Inspector General (OIG) with the U.S. Department of Health and Human Services, by the Child and Adult Care Food Program (CACFP), or by the Summer Food Service Program (SFSP). This includes anyone receiving CAPS funds who may have participated in the cause of the deficiency. For CACFP and SFSP, the disqualification will span seven years from the day of disqualification or until the entity is removed from the CACFP/SFSP disqualification list.
- 16.3.1.9 Individuals, providers, corporate partners, business entities, and officers of providers disqualified from CAPS shall not be enrolled in, participate in, financially benefit from, or be involved in any aspect of CAPS.

16.4 Parents

- 16.4.1 Parents support program integrity efforts by complying with [CAPS Parent Rights and Responsibilities Policy \(CAPS/00-3\)](#). Most notably, parents are expected to provide accurate, current, and complete information, report certain changes, comply with investigations, and ensure their children are signed in and out of care each day.
- 16.4.2 CAPS will detect potential program integrity concerns related to child care cases during the eligibility determination process and through data matching and referrals.
 - 16.4.2.1 As the first line of contact for families, CAPS staff are vital in the prevention, detection, and reporting of activities that appear to be in violation of CAPS policy. Staff should verify questionable or inconsistent information when reviewing the child care application and supporting documentation.
 - 16.4.2.2 DECAL’s Audits and Compliance Division will periodically compare parents’ reported income to Georgia Department of Labor data and other sources. Discrepancies may result in further investigation.
- 16.4.3 DECAL’s Audits and Compliance Division conducts investigations related to child care cases.
 - 16.4.3.1 A parent’s child care case may be referred for investigation when conflicting information has been submitted, when information submitted appears to be altered or falsified, when there is an overpayment, or at the discretion of the CAPS program.

Requests for investigation should be submitted using [Appendix V](#) and sent to:

Georgia Department of Early Care and Learning
Audits and Compliance Division
2 Martin Luther King Jr. Drive SE
Suite 754, East Tower
Atlanta, GA 30334
 - 16.4.3.2 All parties are required to fully cooperate with any investigations on behalf of CAPS, and failure to do so may result in sanctions.
 - 16.4.3.3 Parents must cooperate with any investigation by completing any required forms, responding to scheduled interview appointments, and by making requested records or information available.
- 16.4.4 DECAL may impose sanctions allowable under federal, state, or local law, regulation, or policy when a parent is found to be in noncompliance with CAPS policies.
 - 16.4.4.1 The following chart details allowable sanctions for parents.

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Parent Program Integrity Noncompliance	Allowable Sanctions
<p>Parent provided inaccurate, outdated, or incomplete information or did not report a change that would have impacted eligibility.</p>	<p>If benefits were authorized for which the family was not eligible as the result of incomplete or incorrect information or failure to report a change, the child care case may be closed (if the family would not have been eligible), benefits will be appropriately adjusted for the remainder of the eligibility period (if applicable), and a claim will be established for the difference between benefits received and benefits for which they were eligible.</p>
<p>Parent did not cooperate with an investigation.</p> <p>Noncompliance occurs when CAPS administration has confirmed there have been at least two attempts to contact the parent through each available communication channel (phone, mail, and email).</p>	<p>Failure to cooperate with an investigation may result in the assessment of an overpayment for the review period and closure of the child care case.</p> <p>If a child care case is closed for failure to cooperate with an investigation, the parent will be disqualified from CAPS for three months, after which they may reapply. Limited exceptions to this disqualification may be granted through a waiver request for families participating in or transitioning from TANF and families with an active Child Protective Services case.</p>
<p>Parent did not respond to or honor the child care claim or repayment statement.</p> <p>Noncompliance occurs when an initial payment is not received within 60 calendar days of the date the repayment statement was signed or when subsequent payments are more than 30 calendar days past due.</p>	<p>Failure to respond to or honor the child care claim or repayment statement may result in closure of the child care case.</p> <p>If a child care case is closed for failure to respond to or honor a repayment statement, the parent will be disqualified from CAPS until the claim is paid in full, after which they may reapply. Limited exceptions to this disqualification may be requested through a waiver for families participating in or transitioning from TANF and families with an active CPS case.</p>
<p>Parent provided false information or documents related to their eligibility determination.</p>	<p>If falsified documents or information resulted in the authorization of benefits for which the family was not eligible, the child care case may be closed (if the family would not have been eligible), benefits will be appropriately adjusted for the remainder of the eligibility period (if applicable), and a claim will be established for the difference between benefits received and benefits for which they were eligible.</p> <p>Additional sanctions may be imposed, up to and including case closure or disqualification from CAPS, as determined by CAPS administration.</p>

16.4.4.2 Categories of parent noncompliance include **client errors** and **program violations**.

- A. Client errors are a result of unintentional submission or omission of documentation or information.
- B. Program violations are the result of intentional noncompliance with CAPS policy and may be referred for further investigation. Program violations may be considered fraud if established by a court of jurisdiction.

16.4.4.3 If sanctions result in a reduction in child care benefits, such as an increased family fee or case closure due to inaccurate or incomplete information provided, the reduction in benefits will go into effect no sooner than 14 calendar days after the parent has been notified. This 14-day period is referred to as the adverse action period.

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- 16.4.4.4 As prescribed in [CAPS Administrative Hearings Policy \(CAPS/00-18\)](#), parents receiving subsidized child care have a right to appeal and receive a hearing regarding any actions instituted by DECAL that impact a parent’s eligibility or require a reclaim of funds. Parents must request an appeal in writing by the deadline listed on the notice or within 14 **calendar days** from the date of the notice on an appealable or adverse action taken by DECAL.
- 16.4.4.5 Findings of noncompliance that resulted in increased benefits may be pursued for recoupment and a claim may be established. Claims less than \$600 may be processed by CAPS Adverse Actions and Claims. Claims \$600 or more may be referred to DECAL’s Audits and Compliance Division for investigation.
- 16.4.5 DECAL may pursue any and all legal or equitable remedies available to the CAPS program in accordance with applicable state and federal laws or regulations to recoup claims in full.
 - 16.4.5.1 DECAL has the right to enter into repayment agreements with parents to ensure that all claims are collected in full and within 24 months.
 - 16.4.5.2 Parents may complete the [Parent Repayment Statement](#) to determine the amount and frequency of claim payments. The parent must adhere to all terms of the repayment statement.
 - 16.4.5.3 Claims may be repaid through a lump sum or monthly installments. Information regarding payment arrangements can be found in [CAPS Managing Program Integrity Procedure \(CAPS/01-08\)](#).
 - 16.4.5.4 DECAL reserves the right to enter into a hardship agreement with a parent whereby the recoupment rate may be reduced for a specific time frame. Hardship agreements are approved at the sole discretion of DECAL. Hardships include but are not limited to illness, job loss, unexpected expenses or loss of income due to the death of a family member, and unstable family situations involving child custody problems or Child Protective Services.
- 16.5 **Child Care Providers**
 - 16.5.1 Child care providers support program integrity by complying with [CAPS Provider Rights and Responsibilities Policy \(CAPS/00-12\)](#). Most notably, providers are expected to bill only for services provided and supported by arrival and departure records and transportation records maintained as prescribed in [CAPS Health and Safety Standards Policy \(CAPS/00-15\)](#). In addition, providers are expected to comply with the initial enrollment and annual renewal processes as well as all assessments, reviews, and investigations.
 - 16.5.2 CAPS will detect potential program integrity concerns related to child care providers through attendance verification assessments, risk-based compliance reviews, and referrals.
 - 16.5.2.1 The State Provider Management Agent (SPMA) conducts attendance verification assessments of provider billing records. Providers are typically required to submit arrival and departure records and transportation records for a specified month as instructed in the review notification. The purpose of attendance verification assessments is to support provider compliance. Failure to provide records timely may result in a referral to DECAL’s Audits and Compliance Division.
 - 16.5.2.2 DECAL’s Audits and Compliance Division conducts risk-based compliance reviews. Providers are typically required to submit arrival and departure records and transportation records for a specified three-month period within 15 calendar days from the date the notice was received. The review period may be widened at DECAL’s discretion. The purpose of compliance reviews is to identify and recoup improper payments; however, additional sanctions may also be imposed at the discretion of CAPS administration
 - 16.5.3 DECAL’s Audits and Compliance Division conducts investigations related to provider billing.
 - 16.5.3.1 Child care providers may be referred for investigation when conflicting information has been submitted, when information submitted appears to be altered or falsified, when there is an overpayment, or at the discretion of the CAPS program.

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2 Martin Luther King Jr. Drive SE
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- 16.5.3.2 All parties are required to fully cooperate with any investigations on behalf of CAPS, and failure to do so may result in sanctions.
- 16.5.3.3 For investigations, providers are typically required to submit arrival and departure records and transportation records for a specified time period within 15 calendar days from the date the notice was issued. However, records may be requested during an on-site visit and, if so, must be made available immediately upon request as prescribed in [CAPS Provider Rights and Responsibilities Policy \(CAPS/00-12\)](#). The time period for which records are requested varies based on the dates specified in the referral. The review period may be widened at DECAL's discretion.
- 16.5.4 DECAL may impose sanctions allowable under federal, state, or local law, regulation, or policy when a provider is found to be in noncompliance with CAPS policies.
 - 16.5.4.1 In addition to the sanctions below, DECAL may place providers in a probationary status which may include additional monitoring, a corrective action plan, training, technical assistance, or other actions taken by DECAL.
 - 16.5.4.2 The following chart details allowable sanctions for child care provider program integrity noncompliance.

Child Care Provider – Program Integrity Noncompliance Finding	Allowable Sanctions
Provider did not submit W9, 704, Child Care Provider Agreement, and direct deposit form to the SPMA by the date requested.	Payments to the provider will be suspended. Payments will be released to the provider once all documents are submitted to the SPMA. Payments will be withheld for no more than 30 calendar days before the provider is dismissed from CAPS. Reinstatement will occur once all documents are submitted. If reinstatement does not occur within 30 calendar days of being dismissed, the provider will have to begin the enrollment process again.
It was determined during an <i>attendance verification assessment</i> that the provider did not maintain arrival and departure records and transportation records as prescribed in CAPS Health and Safety Standards Policy (CAPS/00-15) .	The person legally responsible for the program and the person responsible for maintenance of records will be required to complete mandatory program training. If the provider does not make improvements in record maintenance, the provider will be referred to DECAL's Audits and Compliance Division for investigation and further sanctions may be imposed.
It was determined during a <i>compliance review or investigation</i> that the provider did not maintain arrival and departure records and transportation records as prescribed in CAPS Health and Safety Standards Policy (CAPS/00-15) .	CAPS will recoup the amount of any child care subsidies paid during the period under review for which adequate documentation (i.e., arrival and departure records and transportation records) was not provided.
It was determined during an <i>audit or investigation</i> that the provider billed for the wrong type of care and received an overpayment as a result.	CAPS will recoup the difference between the amount of any child care subsidies paid and the amount of child care subsidy that should have been paid based on the correct type of care.

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Child Care Provider – Program Integrity Noncompliance Finding	Allowable Sanctions
Provider did not submit requested records for a <i>compliance review or investigation</i> within 15 days if requested in writing or immediately if requested during an on-site review.	<p>Failure of the provider to submit documents for a compliance review or investigation by the deadline will result in the establishment of an overpayment claim for any period where documentation is not provided.</p> <p>Additional sanctions may be imposed, up to and including dismissal and disqualification from CAPS, as determined by CAPS administration in consultation with DECAL’s Audits and Compliance Division.</p>
Provider self-reports that they billed incorrectly.	If the error resulted in incorrect payment issuance, a claim will be established. Provider errors less than \$600 may be processed by the SPMA. Provider errors \$600 or more will be referred to DECAL’s Audits and Compliance Division for investigation.
Provider did not comply with a repayment statement.	<p>Child care providers that fail to adhere to a repayment statement will be dismissed from the CAPS program and disqualified for a minimum of six months.</p> <p>Child care providers that fail to adhere to the terms of the repayment statement cannot receive CAPS funding until all past due payments have been paid.</p>
Provider submits false documents or failed to provide current, accurate, and complete documentation.	<p>If the documents resulted in incorrect payment issuance, a claim will be established. Additional sanctions may be imposed up to and including dismissal and disqualification from CAPS. Providers dismissed for submitting false documents may be reviewed for reinstatement one year from the date of the dismissal, provided the claim has been paid in full.</p> <p>Failure to provide current, accurate, and complete documentation may be construed as submitting a false statement. DECAL will refer for criminal prosecution any provider who knowingly submits false documentation.</p>
Provider is debarred by or removed from other federal or state program.	At DECAL’s sole discretion and not subject to review or appeal, responsible principals or individuals (as defined in 7 C.F.R. 226.2), providers, corporate partners, business entities, and officers may be dismissed and disqualified from CAPS until removed from the debarment or disqualification list.
Provider is convicted of fraud by a court of competent jurisdiction.	Individuals, providers, corporate partners, business entities, and officers are permanently disqualified from CAPS when there is substantiated fraud from a court of competent jurisdiction.
Provider failed to notify SPMA of any changes in contact or demographic information.	Failure to notify DECAL of any changes in contact or demographic information may result in dismissal from the CAPS program.
Provider billed CAPS for a period of time when another federal or state program, such as Head Start or Georgia’s Pre-K Program, has paid for a child’s care for the same service period, and provider did not have written authorization from DECAL for layered federal or state funding.	CAPS may recoup any payments for subsidies issued when another federal or state program has covered the cost of child care if the provider did not have written authorization from DECAL for layered federal funding.

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Child Care Provider – Program Integrity Noncompliance Finding	Allowable Sanctions
Provider billed for child care during a period of time when child care services are subsidized in full as part of the parent’s employment.	CAPS may recoup any payments for subsidies issued when it is discovered that an employer has covered the cost of child care.

16.5.4.3 Categories of child care provider noncompliance include **provider errors** and program violations.

- A. Provider errors are a result of unintentional submission or omission of documentation or information.
 - (1) Provider errors identified through provider self-reporting, compliance reviews, or investigations that resulted in incorrect payment issuance will be pursued for recoupment and a claim will be established.
 - (2) Provider errors less than \$600 may be processed by the SPMA. Provider errors \$600 or more will be referred to DECAL’s Audits and Compliance Division for investigation.
- B. Program violations are the result of intentional noncompliance with CAPS policy and may result in further investigation. At DECAL’s discretion, program violations may result in mandatory training, payment suspension, payment recoupment, dismissal, or disqualification.
 - (1) Disqualification from CAPS may jeopardize the provider’s ability to participate in other DECAL programs.
 - (2) Program violations may be considered **fraud** if established by a court of jurisdiction.

16.5.4.4 If DECAL actions result in a reclaim of funds, providers may request reconsideration or an administrative hearing. The provider must request reconsideration or an administrative hearing in writing within 14 calendar days from the date of the notice issued of the appealable action taken by DECAL.

- A. When a provider receives a notice for the establishment of an overpayment from DECAL or its representatives, they may submit additional documentation to support their request for payment.
 - (1) Any request for reconsideration must be accompanied by supporting documentation.
 - (2) Reconsideration shall only include requests for clarification or review of existing documents already submitted and shall only cover the time period and children previously reviewed. Any request for reconsideration must be accompanied by supporting documentation.
 - (3) Reconsideration shall not include the opportunity to submit new documentation that has been previously requested but not submitted unless authorized by DECAL in writing for unique circumstances.
 - (4) DECAL will review the reconsideration request and supporting documentation in a timely manner. After this review, the Audits and Compliance Division will send the child care provider a Reconsideration Notice notifying the provider of any change in the amount of overpayment resulting from reconsideration.
- B. As prescribed in [CAPS Administrative Hearings Policy \(CAPS/00-18\)](#), child care providers participating in CAPS have a right to request an appeal and receive a hearing regarding DECAL actions resulting in a reclaim of funds.

16.5.5 DECAL may pursue any and all legal or equitable remedies available to the CAPS program in accordance with applicable state and federal laws or regulations to collect claims in full. The SPMA is responsible for pursuing, collecting, tracking, and reporting overpayments identified by DECAL or its representative.

16.5.5.1 The provider shall refund any overpayments assessed by DECAL or its representatives.

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- 16.5.5.2 DECAL has the right to enter into repayment agreements with child care providers to ensure that all claims are collected in full and within 24 months.
- 16.5.5.3 Providers may complete the [Child Care Provider Repayment Statement](#) to determine the amount and frequency of claim payments. The provider must adhere to all terms of the repayment statement.
- 16.5.5.4 Claims may be repaid through offsetting reimbursements, a lump sum, or, in limited situations, monthly installments. Offsetting reduces the CAPS reimbursement until the claim has been repaid in full and is only available for providers currently receiving subsidy. Information regarding payment arrangements for a lump sum or monthly installments can be found in [CAPS Managing Program Integrity Procedure \(CAPS/01-08\)](#).

16.6 Automation Errors, Administrative Errors, and Underpayments

- 16.6.1 The provider shall refund any overpayments assessed by DECAL or its representatives related to automation errors.
- 16.6.2 Administrative errors are a result of agency discrepancy where eligibility was determined incorrectly. In cases where the claim is completely based on an administrative error, the agency will not seek recoupment.
- 16.6.3 An underpayment exists when an improper payment is discovered where the parent or child care provider receives fewer services or less payment than she or he is entitled to receive. If benefits are underpaid due to an administrative error, the amount owed shall be paid within 30 calendar days from the date the error was discovered, unless more information is needed to calculate the correct payment or the parent or the child care provider has an outstanding overpayment.
 - 16.6.3.1 Underpayments will first be used to offset any outstanding overpayment.

POLICY REVISION HISTORY

Date	Description of Change
07/02/2018	Revised policy to indicate that DECAL will not seek recoupment for any claims based completely on administrative error. Previously, policy stated that DECAL would seek recoupment if the claim based completely on administrative error exceeded \$600.
10/01/2018	Added Serious Injury to the list of disqualifying circumstances. <i>This is included in the CAPS Health and Safety Policy (CAPS/00-15).</i>
02/01/2019	Reorganized policy by replacing Improper Payments (CAPS/00-15) and Disqualifications and Sanctions (CAPS/00-16) policies with Health and Safety Standards (CAPS/00-15) and Program Integrity (CAPS/00-16) policies. This new Program Integrity Policy is composed primarily of relevant information that already existed in other sections of CAPS policy. In addition to centralizing existing policies, we added details regarding prevention, detection, and investigation processes that were already in practice within the CAPS program but were not outlined in CAPS policy.
07/01/2019	Revised language to clarify CAPS policy regarding dismissal and disqualifications from CAPS due to termination or disqualification by the Office of Inspector General (OIG) with the U.S. Department of Health and Human Services, by the Child and Adult Care Food Program (CACFP), or by the Summer Food Service Program (SFSP).
10/01/2019	Added language noting that DECAL may place providers in a probationary status. Clarified that a case may close when a parent fails to respond to the child care claim or repayment statement. Revised language to reflect the appeal period is the deadline listed on the notice or within 14 calendar days from the date of the notice on an appealable or adverse action taken by DECAL.