Overview

This bill clarifies and funds fraud prevention and program integrity activities for child care programs administered by the commissioner of children, families and learning. Investigation is done under the existing fraud prevention investigation through the commissioner of human services and counties participating in the fraud prevention investigation project. The commissioner of children, families and learning and the commissioner of human services must cooperate in the investigation of fraud and the enforcement of program integrity. The bill also defines and provides penalties for wrongfully obtaining assistance through the child care programs.

Section

1 **Application.** Defines application for the child care assistance programs as a universal application form submitted to the county indicating a family's desire to receive assistance.

2 **Universal application form.** Directs the commissioner of children, families and learning to develop and distribute an application form for child care assistance that includes notice of eligibility requirements and penalties for wrongfully obtaining assistance.

3 **Supervision of counties.** Authorizes the commissioner of children, families and learning to supervise counties in the administration of child care assistance programs. The commissioner must provide training, support, set standards and adopt rules.

4 **Program integrity.** Requires the commissioner of children, families and learning to enforce program integrity and fraud prevention for the child care assistance programs in cooperation with the commissioner of human services.

5 **Recovery of overpayments.** Makes clarifying and technical changes to the requirements under current law for recovery of excessive payments through the child care assistance program.

6 **Duties as state agency.** Adds a duty for the commissioner of human services to cooperate with the commissioner of children, families and learning in the enforcement of program integrity and
fraud prevention investigation for child care assistance programs.

7 **Final order in hearing under section 119B.16.** Directs the state human services referee to recommend an order to the commissioner of children, families and learning in an appeal by applicants or recipients of child care assistance. The commissioner may affirm, reverse or modify the order by the referee. The order is binding unless appealed to district court.

8 **Additional powers of the commissioner; subpoenas.** Includes the commissioner of children, families and learning with the commissioners of human services and health in the existing authority to review county actions and direct matters to the state referee for a hearing on programs under each commissioner’s jurisdiction. Gives local agencies authority to request a subpoena to compel the release of information prior to an administrative fraud disqualification hearing.

9 **Judicial review.** Includes the commissioner of children, families and learning with the commissioners of human services and health for the purpose of the existing rights of a party to appeal decisions for matters under the jurisdiction of each commissioner to district court.

10 **Hearing authority.** Clarifies that the child care assistance program is included in the requirement for local agencies to initiate fraud disqualification hearings for individuals accused of wrongfully obtaining assistance.

11 **Wrongfully obtaining assistance.** Adds child care assistance programs to other programs that, under current law, define wrongfully obtaining assistance as theft. For child care assistance, theft includes wrongful receipt of payments by a provider or furnishing a false claim for assistance.

12 **Division of recovered amounts.** Provides that the recovery of any wrongfully obtained child care assistance must be distributed according to current law. A county may keep 25 percent of any recovery using a method other than recoupment. Recoupment is defined in rule as a method to recapture an overpayment occurring up to 12 months prior to the discovery.

13 **Disqualification from program.** Provides penalties for families found guilty of wrongfully obtaining child care assistance. The penalties are immediate disqualification from all child care programs for periods of three months (first offense), six months (second offense), and nine months (third offense).

14 **Department responsibilities.** Adds child care programs and medical care programs to other public assistance programs for the purpose of providing forms that authorize the release of information necessary for a fraud investigation.

15 **Funding.** Adds child care programs to the list of county-administered programs for the purpose of reimbursement for fraud investigation and program compliance.

16 **Appropriations.** Appropriates $350,000 each year from the general fund to the commissioner of children, families and learning for fraud prevention and program integrity activities related to child care programs.