

# EFS Mod Overpayment Recovery Plan

For Discussion and Feedback



# EFS Mod Overpayments: Briefly Summarized

- ▶ System offline for 15 months from July 2018 to September 2019.
- ▶ System fixes not completed until September 2020
- ▶ Overpayments were generated over 2 Fiscal Years, not just while Mod was off-line.
- ▶ \$1,500 per provider site held harmless
- ▶ Overpayments above \$1,500 must be recovered
- ▶ ELC must make good faith effort to recover and refer to OEL delinquent account procedures if unsuccessful

# Net Amount to be Recovered

Total NET Overpayments over 2 Fiscal Years:	\$3,617,166
Less Total Amount Held Harmless:	(521,603)
<u>Less Likely Uncollectable Accounts (Closed Centers):</u>	<u>(385,797)</u>
Net Amount to be Recovered:	\$2,709,766

446/672 (66%) Providers Overpaid

316/672 (47%) Likely repayment plans; average amount: \$8,575

# Where we are in the process

- Jul 2018- Sep 2019 ✓ EFS offline. Estimates paid for 15 months
- Sep 2019-Dec 2019 ✓ EFS Online. Attendance entered, system errors persist
- Jan 2020-Mar 2020 ✓ OEL system fixes generate credits and additional overpayments
- Apr 2020-Sep 2020 ✓ ELC staff entered adjustments for remaining known issues
- Oct 2020-Nov 2020 ✓ OEL released functionality to make fund coding corrections in EFS
  
- Nov 2020-Dec 2020 ➤ **ELC staff entering necessary coding corrections to overpayments**
  
- Jan 2021-Mar 2021  **ELC staff work with providers to verify overpayment balances**
  
- April 2021-Onward  **Provider repayment plans in place**

# Goals of Provider Verification Process

1. Share overpayment balance amounts with all providers (including those with zero balances)
2. Provide flexible payment options for those ready to pay
3. Provide patient, individualized, hands-on support to providers that request it.
4. Identify non-responsive providers to initiate OEL follow-up procedures.

# Considerations Throughout this Process

- ▶ Overpayments were OEL's fault, not the Provider's
- ▶ Verification will take time
- ▶ Pandemic is creating financial stress. Repayment plans must take that into account
- ▶ Child care centers operate on thin margins. Repayment plans must take that into account
- ▶ Provider circumstances are fluid. ELC is committed to finding flexible solutions wherever possible

## Coming in 2021: Notices Sent to All Providers

- ▶ Amount of balance owed for all providers, even if zero
- ▶ NO EARLIER than January 4, 2021, depending on pandemic
- ▶ Providers *MUST* confirm receipt of the letter in writing within 30 days
- ▶ DOES NOT require providers to agree with the balance amount or commit to repayment.

# Notices, Continued

- ▶ DOES Require providers to select one of the following:
  - ❑ Request for more time to verify (automatic 90 days)
  - ❑ Select payment options if the provider is ready

All providers will have at least 90 days to review.

All they have to do is ask.



# The Verification Process

## Step One:

- Providers (with ELC staff assistance) will verify that monthly rosters in EFS Mod are correct.
- If children are missing from EFS, staff will use provider sign in/out sheets and eligibility records to make corrections in EFS.
- Other errors identified by providers will also be corrected
- All providers who request it will get at least 90 days to complete process

## Step Two:

- Compare total Verified EFS amount to total amount actually paid.
- The difference is the amount owed.

# Repayment Plans for Verified Balances

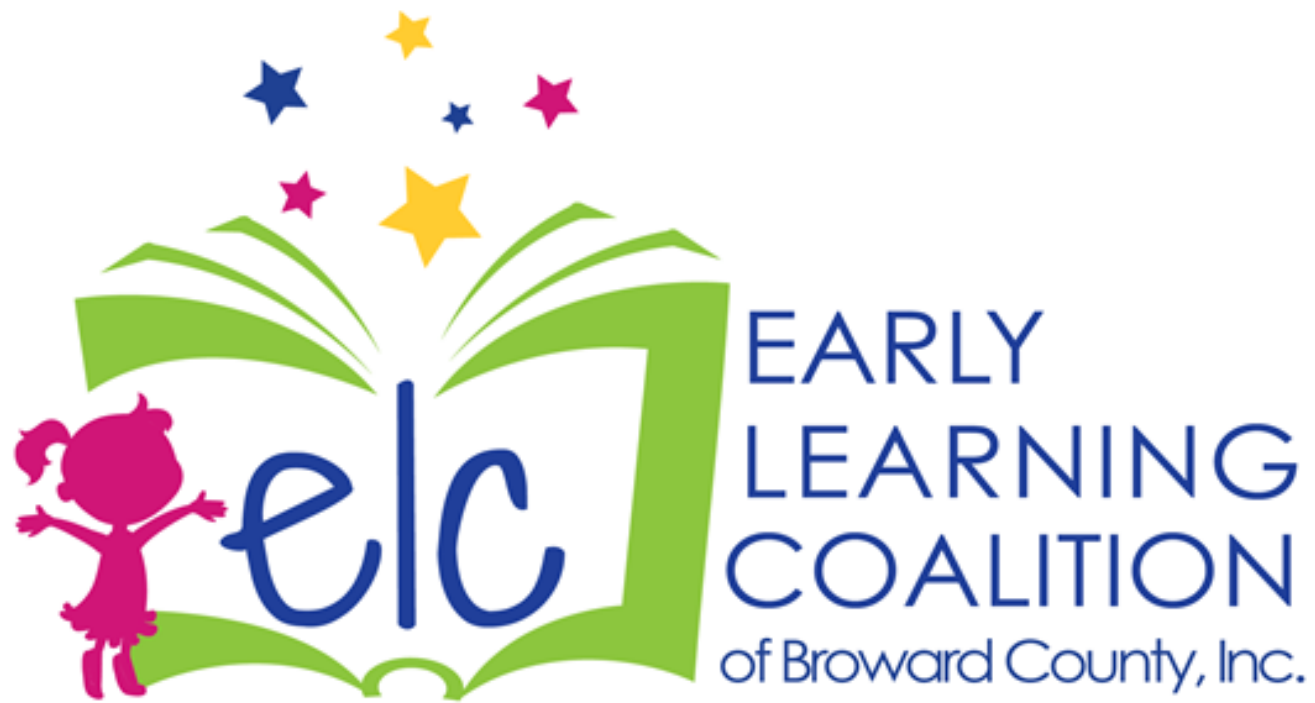
- ▶ Up to 12 months at ELC discretion
- ▶ Longer than 12 months with OEL approval
- ▶ Monthly amount can be deducted from monthly reimbursements
- ▶ Monthly amount can be paid separately
- ▶ Plan can be re-negotiated if provider circumstances change

## Providers that don't respond

- ▶ Most are not in business anymore
- ▶ OEL guidance 240.03 requires two documented attempts to collect
- ▶ Still contracted? ELC must deduct
- ▶ Not contracted anymore? ELC must refer to OEL for collections

## ELC Staff are Committed to...

- ▶ Helping providers verify and confirm balances
- ▶ Finding flexible solutions for repayment
- ▶ Escalating problems for guidance as appropriate



Early Learning. Early Success.