November 30, 2005

TO:  Sponsors of Family Day Care Homes

RE:  Questions and Answers from September Sponsors Training

The enclosed document was created to answer Sponsor questions from the Oregon Department of Education (ODE) Annual Family Day Care Home Provider Sponsor training conducted September 14-15, 2005, and selected Questions & Answers on the second integrity rule received from USDA.

The majority of this information has previously been sent to sponsors in the form of policy memorandums.

The following topics are included:

- Parental Notification
- Civil Rights
- Claims
- Seriously Deficient Providers
- Provider Appeal Hearing
- Block Claiming
- Household Contacts
- Enrollment Forms
- Required Provider Training
- Review Averaging

If you have questions concerning this memo, please contact Joe Grosso, Child Nutrition Specialist, at (503) 378-3600, Ext. 2611 or Lynne Reinoso, Ext. 2616.

Sincerely,

Joyce Dougherty, Director
Child Nutrition Programs
Office of Finance & Administration

Enclosure:  Questions & Answers
Questions and Answers
Oregon Department of Education
Family Day Care Home Sponsor Training
September 14-15, 2005, and USDA Guidance

Parental Notification
Question: Is the “Building for the Future” poster required to be posted in a provider’s home?

Answer: No. The “Building for The Future” poster is not required to be posted in a provider’s home. However, the “Building for the Future” brochure as modified by ODE (available on the ODE website) must be distributed to all parents of children enrolled in care.

Civil Rights
Question: Is the “And Justice for All” poster required to be posted in a provider’s home?

Answer: No. The “And Justice for All” must be posted in FDCH sponsor offices in a prominent place where it is visible to all CACFP participants and potential participants.

Claims
Question: Can meals claimed for reimbursement by a provider be disallowed by a sponsor if they cannot be validated by the sponsor?

Answer: Yes. Meals claimed by a provider that can not be supported by documentation cannot be reimbursed by the sponsor. Documentation could include household contact or a provider not home during a scheduled meal time. Sponsors must document all reasons for disallowing reimbursement for any meals.

Question: Can a sponsor adjust a claim from a prior month for invalid meals claimed to recoup payments made for children claimed who were not in care?

Answer: Yes. If a sponsor has documented information that a child was claimed while not in care the sponsor must go back and adjust all affected prior monthly claims for which the child was claimed. Sponsors are cautioned that this policy must be applied consistently to all providers.

Question: Are sponsors required to notify providers if a deduction is made from their reimbursement?

Answer: If a provider’s meal reimbursement is reduced for disallowed meals or other reasons the sponsor must identify the reason for the deduction and supply the provider with documentation of the deductions.
**Question:** Can ODE give sponsors guidance on un-cashed provider reimbursement checks and checks still in a sponsors’ possession?

**Answer:** Sponsors are required to return funds claimed by the sponsor but not received by the provider. Any provider reimbursement funds not received by the provider must be returned to ODE. Sponsors must make every effort to ensure that a provider has received reimbursement for all valid claims. If, after all efforts have been made to contact provider and a provider check remains un-cashed or has been returned to the sponsor, contact ODE for guidance on how to return the funds and downward adjust claims for the month(s) affected.

**Question:** Can a sponsor deduct the stop payment fee to a provider who has lost her check and requires the sponsor to re-issue a check?

**Answer:** No. The sponsoring organization can not withhold Program payments to any family day care home for any reason, except amounts that the sponsoring organization has reason to believe are invalid. With specific prior written approval stop payment fees are an allowable administrative expense.

**Seriously Deficient Providers**

**Question:** Can a sponsor suspend a provider if CCD is investigating the provider for an imminent health or safety violation?

**Answer:** Sponsors may only suspend a provider for an imminent health or safety violation after CCD (or DHS) has suspended the provider. If a sponsor observes a serious health or safety violation during a review of a provider, the sponsor must notify CCD or DHS of the violation observed. If the provider is suspended by either agency for a reason related to the health or safety of the children in care, the sponsor must initiate the suspension/termination process.

**Situation:** A provider has been declared SD and is in the process of addressing corrective actions. Another unrelated area of non-compliance occurs (in this case the provider’s substitute would not allow the monitor entry to the home to conduct a review). What action must the sponsor take?

**Answer:** The sponsor must initiate another SD procedure (citing the new SD and CA) for the new area of non-compliance while continuing the initial SD procedure for the first deficiency.

**Provider Appeal Hearing**

**Question:** Will ODE hear a provider appeal if requested by the FDCH sponsor?

**Answer:** No. ODE has assigned that responsibility to the FDCH Sponsors.

**Question:** May an employee of a sponsoring organization be a hearing official for a provider appeal of a proposed termination?
**Answer:** Employees may hear provider appeals if they are impartial, had no part in the decision to terminate the provider and have no real or perceived financial interest in the outcome of the appeal. *No employee who is supervised by the CACFP Director may be a hearing official.*

Examples of an acceptable hearing official:

- Executive Director of multi-program organization with no part in the decision to terminate provider.
- A Director of a sponsor’s non-CACFP program (e.g. Headstart or Low Income Energy Assistance Program).

Examples of an unacceptable hearing official:

- The fiscal person for the CACFP who is supervised by the CACFP Director.
- A staff person such as a receptionist or clerical support person who reports to the CACFP Director.

**Block Claiming**

**Question:** What should the sponsoring organization do when it finds a block claim?

**Answer:** The sponsor must conduct an unannounced review, within 60 days (or within 90 days if granted an extension by ODE), to examine the provider’s meal counts and to validate the provider’s claims for reimbursement. As part of this review, the sponsor should examine several months of claims to see if there are any suspicious patterns, prior to conducting the review, and should reconcile enrollment, attendance, and meal counts for five or more days during the review.

ODE requires sponsors to conduct a household contact when a block claim is identified (refer to ODE memo dated March 28, 2005, *Household Contact Requirements*).

**Question:** What is acceptable documentation of a legitimate reason for a block claim?

**Answer:** A note placed in the sponsor’s monitoring file will be adequate. The sponsor must put enough information in the review file to explain why a provider might regularly submit block claims for a specific meal service, or why there might be block claims submitted for all of its meals services.

**Question:** If the unannounced review or other follow-up activity conducted by the sponsor indicates that the provider’s meal count was not valid, must the provider be declared seriously deficient?
Answer: Not necessarily. The sponsor will need to evaluate the severity and frequency of the problem, and attempt to determine why the inaccurate claim was submitted. If the provider is new, or if the sponsor believes that there are other reasons that the provider did not understand how to properly record meal counts, the sponsor may decide that additional training and oversight will correct the problem, without a declaration of serious deficiency.

Question: What are legitimate reasons for block claims?

Answer: During an administrative review, ODE will look for an explanation of why a block claim might occur for a particular provider. For example, statements that “the provider provides drop-in care so that it is always filled to licensed capacity on each day it is opened;" or that “it is the provider’s policy to accept children even when they are ill” would reasonably explain the occurrence of a block claim.

However, statements that “children are never sick” or “provider has legitimate reasons” would not provide enough information to justify the occurrence of a block claim.

Question: What is the purpose of requiring an unannounced review within 60 days of discovering a block claim (or 90 days if an extension is granted by the State agency)?

Answer: The purpose of this requirement is to ensure that sponsors identify and address potentially serious claiming problems as early as possible, and to speed up the conducting of unannounced reviews for those providers that have submitted block claims. It is intended to provide the sponsor with additional information about the integrity of the provider’s claim and can be used in conjunction with the ODE required household contact.

Question: Does investigating a block claim mean that the sponsor will have to conduct more than three reviews of the same facility?

Answer: No. In most cases, it is expected that the unannounced review resulting from a block claim can be one of the three regular reviews that the sponsor must conduct. The point of the edit check is not to add an additional review burden. Rather, its purpose is to target resources to, and to address and resolve, potential claiming problems sooner, rather than later. However, to count as one of the three required reviews, the unannounced review triggered by the block claim must be complete. That means it must be comprehensive and cover all of the required review elements.

Question: If, during a single review year, the sponsor has examined the reason for a block claim; must the sponsor conduct an additional unannounced review following the detection of yet another block claim?

Answer: No, if the documented explanation of the first occurrence of a block claim is sufficient to explain subsequent block claims, an additional unannounced review is not required.
Question: Does the unannounced review have to include observation of the meal service that triggered the block claim edit check?

Answer: ODE strongly recommends that, whenever possible, the unannounced review triggered by the block claim include an observation of the meal service that was “block-claimed.”

Question: Why is USDA allowing an August-September window to check block claims when we just received this information at the annual training?

Answer: ODE sent a memo to FDCH Sponsors: Block Claim Requirements and Documenting Reasons for Block Claims by Day Care Homes on July 19, 2005. The memo addressed block claiming and USDA implementation allowances for August and September 2005.

Household Contacts
Question: What are acceptable methods of conducting household contacts?

Answer: Households may be contacted in writing, by telephone, or any other means, as long as the contact and the information received from the contact are fully documented.

Enrollment Forms
Question: How do sponsors document enrollment information changes?

Answer: Enrollment forms must be updated annually (12 months), signed by a parent or legal guardian, and includes information on each child’s normal days and hours of care and the meals normally received while in care. Enrollments may not be updated by the sponsor or provider. If required information changes between updates the parent must submit a new enrollment form.

Question: If a sponsor receives an enrollment form a month or two late can the sponsor pay reimbursement for the child back to the date of the parent or guardian signature?

Answer: ODE will allow reimbursement back to the date of the parent signature. If a sponsor wants to reimburse from the date of receipt of the enrollment form the sponsor must have a written policy that the provider has been trained on and apply it consistently to all providers.

Question: Must enrollment forms be collected from all families at one time, or can sponsors stagger the collection of forms over a number of months, during the same fiscal year?

Answer: Sponsors may stagger the collection of enrollment forms or collect them all at once. Whichever system the sponsor implements it must ensure that no enrollment form is more than 12 months old.
**Required Provider Training**

**Question:** Can a sponsor fulfill the provider training requirements by giving out a training video cassette to providers, and requiring them to certify that they have watched it?

**Answer:** No, requiring providers to certify that they have watched the training is not an adequate test that they have actually watched the training. Training on video cassettes and CD-ROMS, web-based training, and other independent learning approaches may only be used by sponsors, if they include a means to test and verify that each provider has actually received the training.

**Question:** Can sponsors distribute provider reimbursement checks at provider trainings to encourage attendance?

**Answer:** Meal reimbursement checks **must** be received by providers within 5 days of receipt of funds from ODE. Checks may be hand delivered either in the sponsors’ office or at training as long as the procedure does not result in a provider receiving their check more than 5 days from receipt of funds from ODE. Reimbursement cannot be withheld or delayed if a provider does not attend training.

**Note:** Providers are required to attend trainings. Not attending annual training is a serious deficiency and the sponsor must initiate the SD process.

**Question:** Is extra training for Hispanic providers considered “preferential treatment”?

**Answer:** Sponsors are required to train providers on CACFP requirements and to provide additional training to providers who require help to be successful in the CACFP. Sponsors are required to provide technical assistance to all providers.

Specific groups of providers should not be required to attend additional trainings if they do not require help. Additional training may be **offered** to limited-English proficient providers but it cannot be mandatory unless the provider is SD and the training is required as a Corrective Action. Sponsors may not add an additional training requirement to providers based solely on their language proficiency.

**Question:** Can providers get credit from CCD for CACFP trainings conducted in the home?

**Answer:** CCD makes the final determination on crediting training to fulfill CCD requirements.

**Note:** CCD has approved credit for select FDCH Sponsor group trainings, which have included information in addition to the CACFP requirements. If a Sponsor wants to get CCD credit for their training they must contact CCD directly.
Question: Can sponsors accept faxed documents from providers?

Answer: With the exception of the Sponsor-Provider agreement which requires an original signature all other documents may be transmitted to sponsors by fax.

Note: Faxed copies must be clean with all information legible.

Review Averaging
Question: If a sponsor chooses to review average, what documentation will ODE require?

Answer: ODE will request a complete and detailed written procedure consistent with all CACFP requirements. ODE will check to see if the sponsor’s criteria used for determining the number of visits a provider will receive is valid and is being applied correctly and consistently.

The written procedure must include:

- The criteria used to determine the number of visits a provider will receive.
- The number of visits each provider will receive and when.
- How visits will be adjusted for unexpected changes during the year.
- How the sponsor will ensure an average of three visits have been completed for the fiscal year.