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## OVERVIEW

In order to be eligible to bill and receive payments, child care providers are required to comply with the Child Development and Care (CDC) program requirements. Providers who are found to be in violation of the rules may serve a disqualification period.

## RULE VIOLATIONS

Rule violations include, but are not limited to:

- Failure to maintain time and attendance records.
- Inappropriate billing.
- Failure to respond to requests for time and attendance records and/or other requested documentation by the Michigan Department of Education.

## TIME AND ATTENDANCE REVIEW PROCESS

The Central Reconciliation Unit (CRU) at the Michigan Department of Education (MDE) will request time and attendance records from randomly selected child care providers.

The CRU will determine if the provider's records:

- Comply with program requirements.
- Indicate an error or errors.
- Indicate an intentional program violation may have occurred.

## Provider Errors

Provider errors are defined as unintentional errors made by the provider.

When it is determined that a provider error has occurred, a notice of violation will be sent to the provider informing he/she of the error, even if the error is found on a second or subsequent review. If the same error continues, the provider may be assessed for an Intentional Program Violation. The following are examples of provider errors:

- Math errors.
- Caring and billing for more than allowed at one time.

- Providing care in wrong location.
- Unlicensed provider failing to use required CDC Daily Time and Attendance Record.
- Time and attendance records missing:
  - Parent/provider certifications.
  - Day/date.
  - Total number of care hours.
  - Children's names.
  - In/out times.

### **Intentional Program Violations**

Intentional program violations (IPV) are defined as an intentional act which leads to a provider receiving more payments than they are entitled to and/or failing to respond to requests by the department for information.

If a review determines an IPV may exist, additional attendance records will be requested from the provider. Once the review is completed, a summary will be presented to a review team for recommendation. The recommendation will be forwarded to CDC Policy for final review and determination.

The following are examples of IPVs:

- Billing for children while they are in school.
- Two instances of failing to respond to requests for records.
- Billing for children no longer in care.
- Knowingly billing for children not in care or more hours than children were in care.
- Billing for children when time and attendance records have not been certified by the parent/substitute parent. Maintaining records that do not accurately reflect the time children were in care.

Egregious IPVs will be forwarded by the CRU to the Office of Inspector General for immediate review.

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## DISQUALIFICATIONS

Providers determined to have committed an IPV may serve: the following penalties:

- First occurrence - six month disqualification. The closure reason will be **CDC not eligible due to 6 month penalty period.**
- Second occurrence - twelve month disqualification. The closure reason will be **CDC not eligible due to 12 month penalty period.**
- Third occurrence - lifetime disqualification. The closure reason will be **CDC not eligible due to lifetime penalty.**

Bridges will send the DHS-4807, Notice of Child Development and Care Provider Ineligibility, and the DHS-4807-C, Client Notice of Child Development and Care Provider Ineligibility, when a disqualification is applied.

Local offices can view disqualification information in Bridges on the Search Enrolled Provider screen in Inquiry or on the Provider Service Details screen in Provider Management.

Disqualifications will apply to all CDC service types.

A client whose provider is disqualified may remain eligible for child care benefits, as long as an eligible provider is chosen to provide the care.

## RECONSIDERATIONS

Providers are notified on the Provider Disqualification Notice that a reconsideration of the disqualification may be requested. The notice informs providers the reconsideration information must be requested within 15 calendar days of the date on the notice and sent to CDC Policy. No reconsiderations will be accepted after the 15-day time period, unless there are extenuating circumstances.

## RECONSIDERATION PROCESS

When CDC Policy receives a request for reconsideration of the disqualification, any additional information provided will be reviewed. A

reconsideration decision notice will be sent informing the provider if the disqualification has been reversed or upheld.

The decision is final and no further requests for reconsideration will be granted.

#### **ENROLLMENT OF A PROVIDER AFTER THE PENALTY PERIOD HAS ENDED**

When the penalty period has ended, the closure reason will change to **CDC penalty period has ended. See BEM 704 for re-enrollment requirements.**

If the provider is licensed/registered he/she will need to contact CDC Policy. CDC Policy will email the MDHHS-Provider-Management@michigan.gov to reinstate the provider. The service begin date will be the first day that starts the pay period after the penalty period has ended, if the licensed/registered provider is eligible.

Unlicensed providers will need to follow the enrollment process. See BEM 704.