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State of Wisconsin
Governor Scott Walker



TO: **W-2 Agencies
Training Staff**

FROM: Margaret McMahon, Director
Bureau of Working Families
Division of Family and Economic Security
Department of Children and Families

BWF OPERATIONS MEMO

No: 15-11

DATE: 12/08/2015

W-2	<input checked="" type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	RAP	<input type="checkbox"/>	Other EP	<input type="checkbox"/> *

SUBJECT: Performance Outcome Payments Claim Denial Appeal Procedures

CROSS REFERENCE: [Administrator's Memo 15-10](#)
Ops Memo 15-08, Attachment: W-2 Contractor Payment Structure
for Contract Year 2015

EFFECTIVE DATE: December 8, 2015

PURPOSE

The purpose of this memo is to communicate the procedures that the Wisconsin Works (W-2) Contractors must follow to appeal the Department of Children and Families (DCF) decisions to deny Performance Outcome Payment (POP) claims and the related CARES changes.

BACKGROUND

Section XIII of the 2013-2016 Wisconsin Works (W-2) and Related Programs Contract provides the Dispute Resolution process for any disputes that arise between DCF and the W-2 Contractors. This section of the contract includes appealing any POP claim denial decisions made by the department. Included in this memo are detailed procedures that the W-2 Contractors must follow when appealing POP denial decisions, including the CARES changes made to support the denial process. An overview of the process was provided in [Administrator's Memo 15-10](#).

W-2 Contractors will be responsible for the daily monitoring of claim statuses using a new report. DCF designed the report to communicate all POP claim statuses, including denials, to the W-2 Contractors. Information on how to track the status of an appeal during the dispute process using the new Web1 POP Report 19 is included in this Operations Memo.

CARES CHANGES

In order to support the appeal process for claim denials, changes have been made to the functionality of CARES Screen WPOV, including what is viewable on that screen by W-2 Contractors as well as changes to claim status codes.

CURRENT SCREEN FUNCTIONALITY

WPOV has fields that are viewable only to Contractors and fields that are viewable only to DCF Reviewers. In addition, DCF Reviewers enter state review status codes in a separate claim status field that is not viewable to Contractors.

UPDATED SCREEN FUNCTIONALITY

All fields on WPOV will be viewable to both Contractors and DCF Reviewers. The new fields include a comments field used to record claim information by the DCF Reviewer and the DCF Reviewer's CARES logon id. Both DCF Reviewers and Contractors will now enter their status codes in the Claim Status field.

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WPOV          PERFORMANCE OUTCOME CLAIM APPROVAL/REVIEW      09/03/15 11:18
                                                    JX9166 D ROSS
PIN: 8007275916          OFFICE: 0721          LAST UPDATED: 09 03 2015
CASE MANAGER: XCT266    FEP: XCTA28
PARENT NAME: TEST      JR-CMF

CLAIM #: 7000000219    CLAIM TYPE: HW
CLAIM INIT DATE: 03 24 2013  CLAIM WORKER: XCTA28

CLAIM EFFECTIVE DT: 03 24 2013
CLAIM STATUS: AA APPROVED - BY AGENCY

STATUS DATE : 11 24 2013  AGENCY WORKER: JX9311  REVIEWER:

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COMMENT: _____


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PF13: WPOP  PF14: WPOS  PF15: WPOL  PF16: UNDO
NEXT TRAN:  _____  PARS: 7000000219  _____  MORE...

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CURRENT WPOV DCF REVIEWER CLAIM STATUS CODES

There are three WPOV claim status codes enterable by DCF Reviewers:

CV	Claim Validated
RP	Review in Progress
CD	Claim Denied

There are four claim denial status codes enterable by DCF Reviewers:

- D1 Missing Verification
- D2 Employment not lasted 31/93 Days
- D3 Income Doesn't Meet Requirements
- D4 Inadeq Doc Supporting SSI/SSDI Approval/PMT

UPDATED WPOV DCF REVIEWER CLAIM STATUS CODES

DCF has made the following changes to the WPOV claim status codes:

1. Eliminated WPOV denial codes D1 through D4.
2. Changed the descriptions of existing codes CV, RP, and CD.
3. Added 11 new codes.

Below is a complete list of WPOV DCF Reviewer claim status codes and the updated descriptions:

- CV Claim validated by state; pay claim
- RP Review in progress; state decision pending
- CD Claim denied by state; do not pay claim
- CS Claim substantiated after questioned by state; pay claim
- DR Denial recommended; state decision pending
- IP Agency 1st level denial appeal pending; decision pending
- IO Agency 1st level appeal; denial overturned; pay claim
- IU Agency 1st level appeal; denial upheld; do not pay claim
- SP Agency 2nd level denial appeal pending; decision pending
- SO Agency 2nd level appeal; denial overturned; pay claim
- SU Agency 2nd level appeal; denial upheld; do not pay claim
- DJ Original denial recommendation upheld; do not pay claim
- NT Agency appeal not made timely; do not pay claim
- NC Agency appeal not complete; do not pay claim

CARES Reference Table TPOR has been updated to reflect these changes.

POP CLAIM REVIEW AND APPEAL PROCESS

CLAIM REVIEW PROCESS

Initial Review

The DCF Reviewer completes an initial review of a POP claim. Once the initial review is complete, if the claim is approvable, the DCF Reviewer enters the CV code on WPOV to indicate that the claim is approved. If the reviewer cannot validate the claim, the reviewer will complete a Questionable Claim Form and enter the RP code to indicate that the claim is still under review by the department.

Questionable Claim

The Questionable Claim Form provides an explanation of the questionable information contained in the claim. The Performance Outcome Claims Coordinator (POCC) sends the Questionable Claim Form to the W-2 Contractor via e-mail and provides 10 business days from the date of the e-mail for the W-2 Contractor to respond. The first business day after the date of the e-mail is day 1 of the 10 business day time-period.

W-2 Contractor Response

The W-2 Contractor must submit its response(s) to the questionable information by the 10th business day from the date of the e-mail sent by the POCC with the Questionable Claim Form attached. Information may include references to existing documentation located in the Electronic Case File (ECF), references to newly submitted documentation located in ECF, etc.

Once DCF receives the form from the Contractor, the DCF Reviewer will review the responses to the questionable claim. If the reviewer can substantiate the claim, the reviewer enters the CS code on WPOV. If the reviewer cannot substantiate the claim, the reviewer recommends denying the claim and enters the DR code.

Claim Denied

If the DCF reviewer recommends denying a claim, the POCC will review the claim to make a final determination. If the POCC disagrees with the denial recommendation, the POCC will substantiate the claim and enter the CS code. If the POCC agrees with the denial recommendation, the POCC will deny the claim and enter the DJ code on WPOV. If a claim was not initially questioned due to the inability for a W-2 Contractor to correct the claim (e.g. participant was never placed in a CMC), DCF will deny the claim and enter the CD code.

CLAIM APPEAL PROCESS

First Level Appeal

If the W-2 Contractor disagrees with the POCC's decision to deny the claim, the W-2 Contractor has 10 business days after the DJ or CD denial codes appear on WebI report POP 19 to appeal the denial decision. The first day of the 10-day time-period is the day after the code appears on the report. A "counter" has been included in the report to assist Contractors in managing deadlines. (See **REPORTS**)

To file the appeal, the W-2 Contractor must complete the [Performance Outcome Payments Claim Denial Decision Appeal Form](#) and attach any documentation that supports having the denial overturned. Examples of documentation that Contractors may submit to support a claim include written guidance issued by the department, e.g. Operations Memos, emails, training documents, etc. Unlike under the initial review, the appeal is not an opportunity to submit new claim verification documentation. The only verification that Contractors can submit during the appeal process is information that they had scanned into ECF in response to questionable claim information identified during the initial review.

The W-2 Contractor must e-mail the form and attachments to the DCF W-2 Contract Manager Linda Richardson: dcfw2popappeal@wisconsin.gov. The W-2 Contractor must state the W-2 Contractor name and that it is the first level appeal in the subject line.

Incomplete Denial Decision Appeal Forms

If the DCF W-2 Contract Manager determines that the appeal form or documentation were not sent timely, were incomplete, or were insufficient, the decision to deny the claim will stand. If this occurs, the W-2 Contractor does not have the option to appeal the denial decision any further.

When an appeal is not sent timely, DCF will enter the claim status *NT* code on WPOV. For an appeal that is timely, but incomplete, DCF will enter *NC* code.

Complete Denial Decision Appeal Form

If the DCF W-2 Contract Manager determines that the appeal form is both timely and complete, the DCF W-2 Contract Manager pends the appeal by entering *IP* code on WPOV. The DCF W-2 Contract Manager has 10 business days after the *IP* code appears on WebI report POP 19 to make a determination on the appeal. The first day of the 10-day time-period is the day after the code appears on the report. A “counter” has been included in the report to assist Contractors in managing deadlines. (See **REPORTS**)

Upon review, if the DCF W-2 Contract Manager does not agree with the denial decision made by the POCC, the W-2 Contract Manager will overturn the denial by entering *IO* code. If the W-2 Contract Manager agrees with the denial decision, the W-2 Contract Manager will uphold the denial by entering *IU* code.

SECOND LEVEL APPEAL

If the DCF W-2 Contract Manager upholds the denial, the W-2 Contractor has 10 business days after the *IU* code appears on WebI report POP 19 to file a second level appeal. The first day of the 10-day time-period is the day after the code appears on the report. A “counter” has been included in the report to assist Contractors in managing deadlines. (See **REPORTS**)

To file the second level appeal, the W-2 Contractor must e-mail the following information to the Division Administrator Kris Randal: dcfw2popappeal@wisconsin.gov. The W-2 Contractor must state the W-2 Contractor name and that it is the second level appeal in the subject line.

1. Claim Number
2. Claim Type
3. PIN
4. Narrative explaining why the W-2 Contractor believes the decision to deny the claim is incorrect; and
5. Any documentation that the W-2 Contractor feels was missed in the review of the denied claim and would have an impact on the decision that was made on the claim. Again, this is not an opportunity to submit any new documentation.

Incomplete Second Level Appeal Information

If the Division Administrator or designee determines that the second level appeal information was untimely or was incomplete, the decision to deny the claim will stand. If this occurs, the W-2 Contractor does not have the option to appeal the denial decision any further.

Complete Second Level Appeal Information

If the Division Administrator or designee determines that the second level appeal information is complete, the Division Administrator or designee will pend the appeal by entering the *SP* code on WPOV. The Division Administrator or designee has 10 business days after the *SP* code appears on Webl report POP 19 to make a determination on the appeal. The first day of the 10-day time-period is the day after the code appears on the report. A “counter” has been included in the report to assist in managing deadlines. (See **REPORTS**)

Upon review, if the Division Administrator or designee does not agree with the denial decision upheld by the DCF W-2 Contractor Manager, the Division Administrator will overturn the denial by entering the *SO* code. If the Division Administrator or designee agrees with the denial decision, the Division Administrator will uphold the denial by entering the *SU* code.

At this point, all of a W-2 Contractor’s appeal rights are exhausted.

REPORTS

The Bureau of Working Families (BWF) has created Webl POP Report 19. The report contains four tabs:

1. The first tab lists all claims that may require a W-2 Contractor to take action.
2. The second tab lists all claims that require DCF to take action.
3. The third tab contains a bar chart and table summarizing the number of claims for the budget year by Claim Type and Claim Status.
4. The fourth tab provides data on all claims that have been submitted for the budget year.

This report can be used in conjunction with CARES and CWW to resolve questions on POP claims’ statuses. Additionally, the summary charts will allow Contractors or State staff to quickly determine the number of outstanding claim adjudications, and quickly estimate the number of claims denied or validated.

One of the primary purposes of this report, however, is to assist W-2 Contractors in identifying claims that have been recommended for denial or denied by DCF and require timely action. Contractors must use Tab 1 of this report to monitor claim denials and ensure that they initiate appeal steps within the required timelines. This will be the only communication that the W-2 Contractor will have from DCF regarding the status of their POP claims. Below is an example of the first tab.

STATE OF WISCONSIN
DEPARTMENT OF CHILDREN AND FAMILIES
BUREAU OF WORKING FAMILIES
POP Report 19: Claim Status Report for Budget Year 2014 as of 12/7/15
Claims Requiring Immediate Agency Action

Agency Office:

Claim Number	PIN	Agency Approved Date	FEP Worker ID	Claim Approved Worker ID	Claim Type	Claim Status Code	Claim Status	Claim Status Date	Next Possible Agency Action	Date Action Required By	Calendar Days Left to Complete Action	WPOV Comments
		2014-06-24	XFS343	XFS409	PARTIAL JOB ATTAINMENT	RP	Claim Denied by State; Do Not Pay Claim	2015-10-26	Appeal Denial of Claim	2015-12-15	8	CLAIM PENDED FOR HOURS. MUST MEET HOURS, WAGES AND DURATION. MUST MEET WAGES, HOURS AND DURATION
		2014-07-14	XFS289	XFS409	PARTIAL JOB ATTAINMENT	RP	Claim Denied by State; Do Not Pay Claim	2015-10-28	Appeal Denial of Claim	2015-12-15	8	PENDING CLAIM FOR HOURS.
		2014-07-21	XFS347	XFS409	PARTIAL JOB ATTAINMENT	RP	Claim Denied by State; Do Not Pay Claim	2015-10-06	Appeal Denial of Claim	2015-12-15	8	NO PJ VERIFICATION SCANNED FOR THE DATE OF CHANGE PERIOD 05/21/14-6/20/14. MR10/07/15: 10/30/15: RE: DENIAL. THE AGENCY VERIFIED THAT A DOCCURRED BUT STILL FAILED TO VERIFY WAGES/ HOURS DURING THAT TIMEFRAME(5/21/14-6/20/14). MR
		2014-07-22	XFS378	XFS409	PARTIAL JOB ATTAINMENT	RP	Claim Denied by State; Do Not Pay Claim	2015-10-09	Appeal Denial of Claim	2015-12-15	8	QUESTIONABLE: PER RESCARE PAY STUBS 8/1-15/14 AND 8/16-30/14 (8/31/14 WAS A SAT.); \$563.38 AND 57.5 HRS OR 14.375 HRS/WK. IT APPEARS THE AGENCY CALCULATED WAGES/HOURS FROM A 2ND JOB, HOWEVER, THAT JOB IS NOT RECORDED FOR THE PJ CLAIM. PJ HOURS REQUIREMENT NOT MET. MR10/30/15: DENIAL; HOURS REQUIREMENT

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Below is information regarding the columns of importance on the first tab of the report for appealing a denial decision:

1. **Claim Status:** The current claim status from WPOV. Claims with the following status will be listed on this tab of the report:
 - a. RP Review in Progress; State Decision Pending
 - b. DR Denial Recommended; State Decision Pending
 - c. DJ Original Denial Recommendation Upheld; Do Not Pay Claim
 - d. CD Claim Denied by State; Do Not Pay Claim
 - e. IU Agency 1st Level Appeal; Denial Upheld; Do Not Pay Claim

2. **Claim Status Date:** The date the current claim status was decided.

3. **Next Possible Agency Action:** The actions the Contractor may take based on the claim status. The actions are as follows:
 - a. Withdraw Claim or provide additional information
 - b. Withdraw claim or wait for Final Adjudication
 - c. Appeal denial of claim

4. **Date Action Required By:** The date by which the agency is required to take action to avoid a denial of the claim or begin the appeal process. This is 10 business days from the Claim Status Date. If a claim has a status of RP or DR, this date will be blank.

5. **Calendar Days Left to Complete Action:** The number of calendar days that the Contractor has to take action to appeal a denial decision at the first and second levels. If a claim has a status of RP or DR, this calculation will be blank.

6. **Comments:** Reflects the same comments that the DCF Reviewer has entered on WPOV.

This report has been published to the DCF/WISDOM/Employment Programs/Wisconsin Works/W-2 Performance Outcome folder.

AGENCY ACTION

W-2 Contractors will be able to view denial data on POP Report 19 starting on December 8, 2015. If a Contractor wishes to appeal any denials, they must follow the procedures stated in this memo. Because there is a backlog of denials, Contractors will want to prioritize review of the report as soon as it is available in order to meet the required appeal timelines. BWF will enter the denials throughout the month of December so that Contractors are given ample time to appeal claims.

CONTACTS

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DCF/DFES/BWF/JB