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State of Wisconsin
Governor Tony Evers



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: 20-10
DATE: 05/04/2020

W-2 ☒ EA ☐ CF ☐ JAL ☐

RAP ☐ TMJ ☐ TJ ☐ Other EP

SUBJECT: *Wisconsin Works Contractor Payment Structure for 2020 Wisconsin Works and Related Programs Contracts*

CROSS REFERENCE: [Operations Memo 18-19, "W-2 Contractor Payment Structure for 2019 W-2 and Related Programs Contracts"](#)

EFFECTIVE DATE: January 1, 2020

PURPOSE

The purpose of this memo is to provide a summary of the changes the Department of Children and Families (DCF) has made to the Wisconsin Works (W-2) Contractor Payment Structure for contract year 2020, including CARES changes.

BACKGROUND

Since 2013, DCF has been providing payments to W-2 Contractors for specific types of performance outcomes and incentives in the W-2 program. The three types of payments have been monthly capitated payments, payments based on performance, and incentive payments.

SUMMARY OF CHANGES TO THE 2020 PAYMENT STRUCTURE

A. CHANGES TO EXISTING PERFORMANCE PAYMENTS

1. Monthly Capitated Payment

Now referred to as “cost reimbursement.” W-2 Contractors will receive cost reimbursement of 70% of the agency’s total maximum budget.

2. Job Attainment

The claim effective date will determine which contract year claims are paid from. W-2 Contractors will have 90 days to initiate and agency-approve claims.

3. Vocational Training Completion Job Attainment

The claim effective date will determine which contract year claims are paid from. W-2 Contractors will have 90 days to initiate and agency-approve claims.

4. Long Term Participant Job Attainment

DCF has eliminated the 6 months of time limits used in the prior year requirement. The new requirement will be that 24 months of time limits were used as of the Primary Employment Begin Date. The claim effective date will determine which contract year claims are paid from. W-2 Contractors will have 90 days to initiate and agency-approve claims.

5. Job Retention

The claim effective date will determine which contract year claims are paid from. W-2 Contractors will have 90 days to initiate and agency-approve claims.

6. SSI/SSDI Attainment

DCF is eliminating the 60 days of advocacy services prior to SSI/SSDI attainment requirement. The claim effective date will determine which contract year claims are paid from. W-2 Contractors will have 90 days to initiate and agency-approve claims.

B. CHANGES TO EXISTING PROCESS OUTCOME PAYMENTS

1. Noncustodial Parent Served

DCF eliminated this Performance Outcome Payment (POP).

2. All Families Work Participation Rate Numerator

DCF eliminated this POP.

3. *Work Participation Rate W-2 Transition Numerator*

DCF eliminated this POP.

4. *Work Participation Rate Two-Parent Numerator*

DCF eliminated this POP.

C. *CHANGES TO EXISTING INCENTIVE PAYMENTS*

1. *Vocational Training and Educational Attainment*

DCF is eliminating the incentive payment for assignment of job skills or technical college activities when the participant is in the All Families Work Participation Rate numerator. The other three incentive payments for Vocational Training and Educational Attainment remain unchanged.

2. *50% All Families Work Participation Rate*

DCF is changing this incentive from a quarterly payment to a monthly payment, revising the threshold from 50% to 40% and eliminating participants who are in the Case Management Follow Up CMF+ placement from the calculation.

3. *W-2 Transition (W-2 T) Participant Engagement*

DCF is eliminating this incentive payment.

4. *Excess Claims Bonus*

DCF is eliminating this incentive payment.

5. *Child Support Liaison Noncustodial Parent Enrollment*

DCF is removing the 30 or greater days of enrollment in the government-funded employment program requirement.

6. *Customer Satisfaction*

DCF is changing the survey question used to award the customer satisfaction incentive payment. Instead of using only the results of a single survey question of overall satisfaction, for 2020 the survey questions will be grouped into three functional areas that describe the customer experience with the W-2 Contractor. These three areas include: 1) communication between contractor and customer; 2) helpfulness/responsiveness of the services provided; and 3) respect experienced by the customer. The average score from these three survey areas must total more than 75% for the contractor to earn an incentive payment.

D. NEW PERFORMANCE OUTCOME PAYMENTS

1. *High Wage Job Attainment (included in the bucket of claims paid under SPARC code 2370)*

Upon W-2 agency obtaining a Job Attainment, DCF will pay the High Wage claim if the W-2 agency meets a starting wage threshold of:

Milwaukee Agency	Wage	BOS Agency	Wage
ROSS	\$16.40	FSC	\$16.70
MAXIMUS	\$16.40	ResCare	\$16.70
AWWI	\$16.40	WCI	\$16.85
UMOS	\$16.40	WRI	\$16.85

AGENCY ACTION

W-2 agencies must use the attached document to familiarize staff with the changes to the payment structure and the related CARES changes.

ATTACHMENTS

[W-2 Contractor Payment Structure for Contract Year 2020](#)

CONTACTS

For W-2 Policy Questions: DCFW2PolicyQuestions@wisconsin.gov

For W-2 CARES Processing Questions: BWF Work Programs Help Desk at BWFworkprogramsHD@wisconsin.gov

For Performance Outcome Payment Questions: Richardson, Linda - DCF at Linda1.Richardson@wisconsin.gov

DCF/DFES/BWF/MM