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STATE OF WISCONSIN

Date: June 11, 2020

DMS, DECE, and DFES Operations Memo 20-J2

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff  
Workforce Development Boards  
W-2 Agencies  
Training Staff  
Child Care Eligibility and  
Authorization Supervisors and Workers

From: Rebecca McAtee, Bureau Director  
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**Affected Programs:**

- BadgerCare Plus
- Caretaker Supplement
- Children First
- Emergency Assistance
- FoodShare
- FoodShare Employment and Training
- Job Access Loan
- Job Center Programs
- Medicaid
- Other Employment Programs
- Refugee Assistance Program
- SeniorCare
- Wisconsin Shares Child Care
- Wisconsin Works
- Workforce Innovation and Opportunity Act

**Enhancements to State Wage Information Collection Agency Discrepancy Policies**

**CROSS REFERENCE**

- FoodShare Wisconsin Handbook, [Section 1.2.2.4 Discrepancies in Verification](#)
- Process Help, [Section 44.4 Discrepancy Processing and Match Access](#)
- Wisconsin Shares Child Care Policy and Process Handbook, [Section 1.5.12.3 Verifying Employment Income for a SWICA Discrepancy](#) and [Section 4.3.2 Data Exchanges](#)

- Wisconsin Works Policy Manual, [Section 4.1.5.1.2 State Wage Income Collection Agency Process](#) and [Section 4.1.5.2 Discrepancies and Alerts](#)

## **EFFECTIVE DATE**

June 27, 2020

## **PURPOSE**

This operations memo clarifies policy for all programs related to State Wage Information Collection Agency (SWICA) discrepancy matches. The information used to identify SWICA discrepancy matches is being updated to ensure that interpretation of the policy is aligned across all programs. It also announces changes to Wisconsin Shares Child Care Subsidy Program policy.

## **BACKGROUND**

After an income maintenance (IM) worker or Financial and Employment Planner (FEP) determines an individual is eligible for FoodShare, Medicaid, Wisconsin Shares Child Care, or Wisconsin Works (W-2), the IM worker or FEP compares wage information submitted by the individual to wage information reported by employers. Employers report wages quarterly to the Department of Workforce Development (DWD), and this information is shared with CARES. CARES Worker Web (CWW) automatically matches member-submitted wage information with employer-reported wage information provided by DWD to identify wage discrepancies.

For FoodShare, health care, Wisconsin Shares Child Care, and W-2 cases, a worker is assigned a discrepancy work item when the difference between member-reported job income and employer-reported income exceeds a calculated amount. SWICA discrepancy work items must be processed by an IM worker or FEP within 45 days of the creation of the discrepancy. The method of calculation used to identify when a discrepancy has occurred is being updated and will improve the rate of timely discrepancy processing.

## **POLICY**

### ***POLICY FOR ALL PROGRAMS***

FoodShare, Wisconsin Shares Child Care, W-2, and health care policy requires workers to resolve SWICA discrepancies within 45 days for ongoing eligibility by doing the following:

- Reviewing and comparing the match to the case record information to determine if there is an error
- Contacting the household to verify wage information if needed to update the case for ongoing benefits
- If reducing or terminating benefits as a result of the match, sending a notice of adverse action notifying the household of changes

In deciding if income reported for a case is correct, the IM worker or FEP should determine whether more recent information was reported that would make additional follow up unnecessary. For example, if a SWICA discrepancy was generated based on second quarter wage information (April 1–June 30) but a Six-Month Report form (SMRF) or change report and verification was received and processed in August after the match months, the more recent information should be considered correct and the

SWICA discrepancy should be resolved. Ongoing eligibility would not be affected by the SWICA match because the most current information in the case was received after the match months.

Any potential overpayments resulting from a failure to report required changes in income should be evaluated separately from the SWICA discrepancy and are not tied to the 45-day discrepancy resolution requirement. The intent of SWICA matches is to ensure the ongoing eligibility and financial budget for the household are correct.

### ***WISCONSIN SHARES CHILD CARE***

Wisconsin Shares Child Care SWICA discrepancy policy will be modified as detailed below, effective with this memo. The Wisconsin Shares Child Care Policy and Process Handbook, [Section 1.5.12.3 Verifying Employment Income for a SWICA Discrepancy](#) (see [attachment 1](#) of this memo) and [Section 4.3.2 Data Exchanges](#) (see [attachment 2](#)) will be updated accordingly.

### ***INCOME REPORTING THRESHOLD***

Per [Wisconsin Shares Child Care Policy and Process Handbook, Section 1.8.1 Reporting Requirements](#), the income reporting requirements depend on whether the assistance group (AG) is at or below 185% Federal Poverty Level (FPL) or above 185% FPL. If the AG's income is between two FPL 5% increments, CWW will use the lesser of the two FPL percentages to determine the AG's reporting requirements.

- An AG at or below 185% FPL must report if their gross monthly household income, whether earned or unearned, increases by \$250 or more.
- An AG above 185% FPL must report if their gross monthly household income, whether earned or unearned, exceeds a dollar amount that will bring the AG's income above the next 5% FPL increment.

The reporting requirements have not changed. However, policy will be revised (see attachments for new policy effective with this memo) to clarify that a change in income that occurs during a 12-month eligibility period when the family was below 190% FPL in a SWICA quarter would not have changed eligibility or child care subsidy benefits as long as the AG remained below 85% State Median Income (SMI).

If household income was below 190% FPL during the SWICA quarter and the employer-reported income added to other household income did not place the household income above 85% SMI, the case did not exceed the SWICA threshold. Even if there was a difference in income, the change would not have impacted eligibility or benefits because the case would have been in the Copayment Stabilization period (see [Wisconsin Shares Child Care Policy and Process Handbook, Section 2.5.3.1 Copayment Stabilization](#)).

Further clarification will indicate that if there are only foster children or children in a court-ordered kinship placement and receiving the Kinship Care payment in the AG, the foster or kinship parent's income is not being used to determine financial eligibility and does not need to be verified for financial eligibility (see [Wisconsin Shares Child Care Policy and Process Handbook, Section 1.7.1 Financial Eligibility](#)). This policy applies even if the household income was above 85% SMI for any length of time. Parents with any biological or adopted children or other out-of-home placement children for whom

they need child care subsidy will still need to meet the income reporting requirements and have income below 85% SMI to maintain ongoing eligibility.

### ***FPL THRESHOLD***

If the monthly employer-reported income added to other income budgeted for the AG exceeds 85% SMI for two consecutive months, eligibility must end unless a parent verifies that household income is now less than 85% SMI. This policy is not changing, although further process clarification will be added to the [Wisconsin Shares Child Care Policy and Process Handbook, Section 1.5.12.3 Verifying Employment Income for a SWICA Discrepancy](#) (see [attachment 1](#)).

The policy for [Wisconsin Shares Child Care Policy and Process Handbook, Section 4.3.2 Data Exchanges](#) is not changing (see [attachment 2](#)).

An overpayment may be assessed if the parent received an incorrect subsidy amount, which was paid to the provider and any of the following occurred:

- The parent failed to report a change in income that would have put the family over 85% of the State Median Income (SMI), for two consecutive months;
- The local agency failed to enter reported information timely;
- The AG was in Gradual Phase Out or Exit period (190% FPL or above), and the parent failed to report an increase in income that would have put the AG's income above the next 5% FPL increment for two consecutive months; or
- The parent had an initial application or annual renewal in the quarter and the household income was \$250 or more above reported income for two consecutive months.

**Note:** An overpayment will **not** be assessed if the parent failed to report an increase in income that would not have affected eligibility, subsidy amount, or copayment amount.

### ***WISCONSIN WORKS***

There are no policy changes associated with this memo.

### **ATTACHMENTS**

- [Wisconsin Shares Child Care Policy and Process Handbook, Section 1.5.12.3 Verifying Employment Income for a SWICA Discrepancy](#)
- [Wisconsin Shares Child Care Policy and Process Handbook, Section 4.3.2 Data Exchanges](#)

### **CONTACTS**

BEPS CARES Information and Problem Resolution Center

For Wisconsin Shares Child Care policy questions outside of Milwaukee County: Bureau of Regional Operations (BRO), Child Care Coordinators at [broccpolicyhelpdesk@wisconsin.gov](mailto:broccpolicyhelpdesk@wisconsin.gov)

For Child Care CARES/CWW and CSAW processing questions statewide and policy questions in Milwaukee County: Child Care Subsidy and Technical Assistance line at [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or 608-422-7200

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For Child Care investigation, overpayment, and program integrity internal procedure development questions; written resource and subject matter expert requests; and VPAs and Retractions, please contact the Bureau of Program Integrity (BPI) at: [DCFBPITArequest@wisconsin.gov](mailto:DCFBPITArequest@wisconsin.gov) or the [Technical Assistance Request Page](#) on the DCF website.

For referrals regarding alleged client or provider child care fraud or other program integrity concerns, please submit a referral to the Child Care Fraud Mailbox at [DCFMBCHILDCAREFRAUD@wisconsin.gov](mailto:DCFMBCHILDCAREFRAUD@wisconsin.gov).

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 CARES or WWP Functionality Questions: [BWF Work Programs Help Desk](#)

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DCF/DECE/BELP/ERR and PZ

DCF/DFES/BWF/MP