



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Martin D. Brown
COMMISSIONER

October 15, 2012

MEMORANDUM

TO: Honorable Robert F. McDonnell
Governor of Virginia

General Assembly of Virginia

FROM: Martin D. Brown

A handwritten signature in blue ink, appearing to read "Martin D. Brown", written over the printed name.

SUBJECT: Child Care Automation Annual Report

I am pleased to submit the Department of Social Services' report on the progress toward a comprehensive automated system to support the Child Care Program prepared pursuant to Item 337 L of the 2012 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

MB/sg

A report of the
Department of Social Services
Commonwealth of Virginia

Child Care Assistance Automation

to the Governor and the
General Assembly of Virginia

October 2012

Preface

This report is submitted pursuant to Item 337 L of the 2012 Appropriation Act, (Appendix A) which states:

It is the intent of the General Assembly that the Department of Social Services automate child care assistance programs. The Department shall report to the Governor and the General Assembly by October 15 of each year regarding the status of the automation, system adequacy, and needed action.

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Child Care Assistance Automation

Executive Summary

The Department of Social Services (DSS) developed a comprehensive automated system for the Child Care Subsidy Program (Program) that allows Virginia to meet federal mandates more efficiently, provide greater accuracy in payments to vendors, and improve overall program management. The new system assists local departments of social services (LDSS) with determining eligibility and management of caseloads; timely provision of services to families; accurate data regarding children and families served; timely and more accurate payments to vendors, direct costs associated with child care, analysis of encumbrances and expenditures; and the assessment of unmet child care needs.

Progress towards an automated child care system was made, as evidenced by the following:

- Selection of a vendor in February 2010 to implement a comprehensive automated child care case management system, based on transfer systems from other states;
- Signing of a Statement of Work with a vendor to provide a time and attendance tracking system;
- Creation of a users' group of state and local staff to articulate business processes, validate requirements, assist in design, and testing of the system functionality,
- Development of the Virginia Case Management System (VaCMS), the Electronic Child Care system (ECC), the Third Party Reconciliation (TPR) system, and an interface with the Division of Licensing Programs tracking system;
- Pilot implementation of six local departments on August 10, 2012
- Statewide implementation of VaCMS and ECC completed August, 2012.

The time-limited funding made available through the American Recovery and Reinvestment Act (ARRA) was used to develop and implement the VaCMS project which provides case management, vendor management, and financial management components.

The Child Care Subsidy Program became fully automated when Fairfax County converted to VaCMS in June 2012, and implemented ECC in August, 2012. The Program is currently working with the vendors on future enhancements for VaCMS and ECC.

Child Care Assistance Automation

Background

The Child Care Subsidy Program (Program) is one of the larger assistance programs administered by the Department of Social Services (DSS). More than 55,000 children received child care assistance in State Fiscal Year (SFY) 2012. The Program has grown significantly over the past decade. Expenditures have increased from approximately \$9 million in SFY89 to approximately \$123 million in SFY 12. Over the past two years, the DSS developed and implemented a comprehensive automated system for the Program. The Virginia Case Management System (VaCMS) and the Electronic Child Care (ECC) system together provide a comprehensive system to support the Program and to provide timely program data in an efficient manner. The ECC provides accurate time and attendance data upon which payments to child care vendors are calculated.

Prior to implementation of the new VaCMS, client information and expenditure data for the Program was accessed through various systems, including the Virginia Client Information System (VACIS) and the Interim Child Care System (ICCS). Implemented in 1982, VACIS maintained current case and client information without retaining case history. Expenditure data and counts of children and families served were stored in the ICCS, which is MAPPER-based and has been in production for many years. The VaCMS replaces the VACIS and ICCS.

The DSS executed a contract with Deloitte Consulting, LLP in February 2010, to develop a comprehensive automated child care system. The system, based on transfer eligibility systems from other states, has been customized for Virginia's needs. The VaCMS provides the following essential functionality:

- Eligibility determination
- On-going case management
- Allocation/fiscal management, including payment calculations
- Reports and forms
- Wait list management
- Vendor management

In June 2010, a Statement of Work was signed with Affiliated Computer Service, Inc. (ACS), now a Xerox Corporation, to provide electronic child care (ECC) services to track time and attendance information for child care subsidy recipients. ACS is also the DSS service vendor for Supplemental Nutrition Assistance Program and Temporary Assistance to Needy Families. The ECC component interfaces with the case management system to create a payment and financial system for authorized services. This automated payment system allows for more accurate and timely payments to child care providers.

Information systems staff from DSS developed the Third Party Reconciliation (TPR) program to assure that payments calculated by the VaCMS reconcile with the time and attendance recorded in ECC.

An interface was created with DOLPHIN, the Division of Licensing Programs system that records approvals of licensed and registered child care providers. This interface provides timely information on the legal operating status of many providers who participate as vendors for the Child Care Program.

One additional benefit of the automated system is the implementation of online applications for DSS customers. Families are able to file applications electronically, reducing the need for paper applications and providing families with the opportunity to submit applications from home, work, a public library, or wherever internet is accessible.

Finally, with the automation of the program, local departments of social services (LDSS) are relieved of the responsibility of issuing payments to child care vendors, as payments are made via direct deposit to vendors' bank accounts through the state system twice a month. Vendors who cannot obtain bank accounts are issued debit cards on which payments are loaded according to the same payment schedule as direct deposits.

Developments in 2012

In March 2011, Program and Deloitte staff conducted a Business Process Change workshop with representatives from pilot LDSS to review procedural changes that would result in the eventual automation of the Program. The workshop provided the pilot LDSS with an in depth review of the system processes and requirements. Changes identified during the workshop were then incorporated into program guidance for statewide distribution and training.

A users' group to test automated system requirements was formed in April, 2011. The group, comprised of local and state staff, created over 800 test scripts that were used to test all functionality of the VaCMS. An additional 200 test scripts were prepared to test the ECC system. The user acceptance testing process occurred between June 6 and August 4, 2011. All recorded defects were corrected according to the agreed upon level of severity and timeframes for corrections.

The VaCMS pilot ran from August 10, 2011 through October 2, 2011. The ECC pilot began September 1, 2011. Weekly preparation conference calls were held with the pilot LDSS.

The statewide roll-out of the VaCMS was accomplished through three "waves" of implementation, with Fairfax County implementing independent of the waves:

- Wave One – October 3, 2011- LDSS in the Western and Piedmont sections of Virginia
- Wave Two – November 7, 2011 – LDSS in the Eastern and a portion of Central Virginia
- Wave Three – December 5, 2011 – LDSS in Northern Virginia and the remainder of Central Virginia
- Fairfax County – June 1, 2012 – the LDSS has an automated child care system

Activation of ECC followed each wave within two months of VaCMS conversion. This staggered approach allowed LDSS enough time to perform case management functions within their caseloads in the new environment, vendors time to set-up Point of Service (POS) and Interactive Voice Response (IVR) equipment at vendor facilities, and parents time to receive their swipe cards prior to activation of the new ECC technology. As of August 2012, 3,387 POS devices were being utilized by vendors for recording time and attendance. There were 435 vendors using IVR equipment as an alternative to POS devices.

A successful kick-off of the VaCMS pilot was launched on August 10, 2011, with only minor technical issues. On the first couple of days, representatives from DSS and its automated systems vendor were stationed at the pilot LDSS to provide on-site technical assistance to local workers. The pilot provided valuable feedback that was used to modify the roll-out of the system statewide. Statewide implementation of all systems was completed August 1, 2012.

The Future

The Program maintains a list of enhancements for system functionality outside the original scope of the VaCMS and ECC. In August 2012, state and local Program users met with the automated systems vendor to discuss several of the enhancements identified for VaCMS. A general design document (GDD) has been requested based on the needs identified by the Program. The GDD will be reviewed by the user group for final approval. Similar discussions have been conducted with ACS on enhancements to ECC. Change requests have been submitted by ACS and reviewed and approved by the Program.

Funding

The project was funded using a combination of American Recovery and Reinvestment Act funds and Child Care and Development Fund (CCDF) Discretionary Funds. The VaCMS was implemented at a cost of \$15.3 million. This automation initiative has already begun to provide better case management, vendor management, and financial management components. Funds from the CCDF block grant were used to implement the ECC components and necessary system enhancements.

Conclusion

As one of the larger assistance programs in DSS, the Child Care Subsidy Program has implemented a comprehensive system that provides case management, time and attendance tracking and vendor payments. Additionally, statistical information regarding the number of children and families receiving subsidy payments and expenditure data is more readily accessible to DSS and LDSS to assist with funds management, vendor oversight, and reporting. It will also allow the state to provide full program statistical reporting beginning Federal Fiscal Year 2014 and will eliminate the need to sample local department case records each month to meet federal reporting requirements.

Appendix A

Study Mandate

Item 337L of the 2012 Appropriation Act states:

It is the intent of the General Assembly that the Department of Social Services automate child care assistance programs. The Department shall report to the Governor and the General Assembly by October 15 of each year regarding the status of the automation, system adequacy, and needed action.