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Office of the Auditor General

Report Summary

Performance Audit

Communication With Child Development and Care Program Providers Regarding Client Eligibility and the Associated Payments

Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP)

Report Number:
313-0298-24

Released:
November 2025

MiLEAP administers Michigan's Child Development and Care Program (CDC), which provides childcare payment assistance (scholarships) to eligible low-income families. MiLEAP is responsible for notifying CDC childcare providers of CDC benefit information for children in their care, including notification of any changes to benefits that may impact payment. MiLEAP operates a CDC call center and instructs CDC providers to call for assistance on a number of matters, such as billing and payments. From October 1, 2022 through March 31, 2024, approximately 8,200 childcare providers received CDC scholarship payments totaling \$692.5 million related to 66,500 children and MiLEAP received over 120,000 calls to its CDC call center.

Audit Objective			Conclusion
Objective: To assess the effectiveness of MiLEAP's efforts to provide information to CDC providers regarding client eligibility and the associated payments.			Not effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MiLEAP directs providers to call the CDC call center for a multitude of reasons; however, the call center did not answer 60% of incoming calls due to insufficient staffing levels, operating hours, and telephone system configurations (Finding 1).	X		Agrees
MiLEAP should continue to develop and implement processes to evaluate its call center's effectiveness, including establishing baseline goals and metrics which can help to identify areas for improvement (Finding 2).		X	Agrees
MiLEAP did not send any notification letters to an estimated 2,900 (75%) license exempt providers and did not send 8% of sampled required notification letters to licensed providers. These letters are critical to the providers' understanding of client benefit information, including benefit changes (Finding 3).	X		Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
MiLEAP's provider notification letters did not always provide clear and complete client benefit and billing information, including a likely misleading presentation of approved benefits and missing benefit end dates 24% of the time (Finding 4).		X	Partially agrees
MiLEAP does not notify providers of pending client eligibility redeterminations, thereby missing an opportunity to leverage providers' assistance to help ensure continuity of childcare services and the related provider reimbursements from the State (Finding 5).	X		Disagrees
MiLEAP's Internet billing system did not always provide clear and complete eligibility and billing information to CDC providers, including displaying conflicting information and missing benefit period end dates (Finding 6).		X	Agrees
MiLEAP, in conjunction with the Michigan Department of Health and Human Services and the Department of Technology, Management, and Budget, has not fully developed interface controls between systems integral for communicating with CDC providers (Finding 7).		X	Agrees

Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MiLEAP utilizes a considerably informal approach to meet federal requirements for a CDC provider payment appeals process. We encourage MiLEAP to consider establishing a more formal appeals and resolution process, which is especially important considering MiLEAP's significant communication issues noted in this audit report (Observation 1).	Not applicable for observations.		
MiLEAP could consider modernizing methods for communication with CDC providers to offer greater convenience and accessibility, instead of primarily placing reliance on United States Postal Service mail and the telephone (Observation 2).			

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Office of the Auditor General
201 N. Washington Square, Sixth Floor
Lansing, Michigan 48913

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General