States' Strategies to Reduce Improper Payment Errors in CCDF

Over the past eight years, States have made considerable progress in lowering error rates and reducing improper payments in their child care programs. In their *State Improper Payments Reports* (ACF-404), States share practices that have helped reduce errors, particularly those that lead to improper payments. This brief summarizes many of the practices that States have cited as being most successful.

Trainings for Eligibility Staff

A primary method States use to reduce errors is to offer trainings to ensure that eligibility staff understand the required policies and procedures. In providing strategies that focus on key error prone areas, States can target trainings. States' training strategies included:

- statewide or regional trainings based on findings from the error rate review.
- targeted corrective action trainings for individual staff.
- staff meetings to clarify conflicting or unclear information prior to approving a case.
- monthly quality review meetings targeting error prone policies and procedures.
- policy briefs or updated policy manuals describing best practice procedures with examples.
- on line training modules that mirror real cases.

For **income calculation** errors, States offered trainings:
- focusing on challenging areas, such as documenting pay stubs and averaging earned and unearned income.
- with modules or worksheets on calculating income.

For **need for care** errors, States offered trainings on:
- acceptable verification.
- determining eligibility for full-time or part-time care.

Ongoing Reviews

Conducting regular case reviews allows States to track the types of errors and the impact of trainings and other error reduction strategies. Ongoing reviews provide a continuous improvement approach rather than waiting until the next review cycle. States' strategies for using ongoing reviews to reduce errors included:

- implementing a standardized procedure targeting error prone agencies, including validation of cases and identification of corrective actions.
- conducting a sample of quality assurance reviews following intake.
- creating supervisory review tools mirroring the *Record Review Worksheet*.
- conducting real-time reviews so staff could fix errors before benefits are issued.
- reviewing a sample of cases monthly, with supervisors identifying corrective actions based on the results.
- reviewing all errors each week to guide staff trainings.

For **income calculation and provider payment** errors, States:
- trained supervisors to review cases and initiate corrective action for income calculation errors.
- required a review of all new applications and redeterminations for errors prior to issuing benefits.
- required audits of provider payment to ensure correct subsidy amounts were being issued.

Policy Revisions or Clarifications

Errors often occur when the policy or procedure is either unclear or overly complex. States' strategies for policy revisions or clarifications to reduce errors included:

For **income calculation** errors, States clarified policy on:
- the budgeting process for earned income.
- averaging income over specific timeframes.
- calculating irregular income; for example, seasonal employment, overtime, tips, and bonuses.
- income exclusions and deductions.

For **need for care** errors, States:
- revised policies related to how units of care are authorized.
- clarified documentation required to support authorization of part-time versus full-time care.
- updated policies to allow for self-declaration of work schedules.
- updated requirements regarding certain referral forms in the casefile, such as TANF referrals.

For **self-employment** errors, States:
- revised policies to require that self-employed parents show earnings equivalent to the minimum wage.

New or Revised Eligibility Procedures

States' strategies for new or revised eligibility procedures to reduce errors included:

For **income calculation** errors, States:
- developed income calculation spreadsheets, or forms, so that caseworkers had standardized ways of calculating income.
- created a resource showing paystub formats, which highlighted the appropriate elements needed from each.

For **need for care** errors, States:
- developed a form to provide a standardized way of calculating child care need.
- revised application forms to assist parents in recording work or school schedules, especially when hours and days vary.

For preventing **missing documentation** errors, States:
- developed a checklist to ensure all required documentation is in the file prior to completing a case.
- allowed flexibility in verification, providing examples of commonly accepted documentation and other documents that reasonably established each requirement.

IT Systems

Automating routine eligibility decision making can reduce unnecessary errors that stem from manual mistakes. States' strategies involving changing IT systems to reduce errors included:

For preventing **income and client** errors, States upgraded their IT systems to:
- automatically calculate budget, income, and copayments.
- alert workers when a case had questionable income.
- calculate gross income from wages.
- prompt the user to address client activity requirements.

For preventing **missing documentation** errors, States:
- incorporated document imaging capabilities.
- allowed workers to access electronic case files from other assistance programs to verify missing documents that may be in process with another worker.
- enhanced system functionality to include interfacing with other agencies, for example:
  - Department of Motor Vehicles
  - Unemployment Compensation
  - Social Security Administration
  - Child Support Enforcement

Conclusion

The practices above were cited by some States as being successful in reducing errors in their child care programs. However, what is done in one State may not be feasible or appropriate for another. States must implement practices that work best for them. Still, these examples should be a helpful starting point to States as they look to improve their practices and reduce errors and improper payments.