

PROGRAM INTEGRITY FACT SHEET

The Office of Child Care (OCC) has implemented a comprehensive approach to strengthen program integrity to ensure that Child Care and Development Fund (CCDF) funds are utilized appropriately and efficiently to best serve low-income eligible families. One important strategy is the Error Rate Review process which assists States in reducing improper payments.

CCDF ERROR RATE REVIEW PROCESS

All 50 States, the District of Columbia, and Puerto Rico complete the Error Rate Review once every three years on a rotational cycle with one-third of the States reporting each year during the three-year cycle. The 17 Year-3 States completed their second cycle of reviews and reported in June 2013. The results from the Year-3 States' second-cycle reviews were combined with the results of Year-1 (FY 2011) and Year-2 (FY 2012) States' second-cycle submissions to generate the CCDF national error rate for FY 2013.

CCDF ERROR MEASURES

In **Figure 1**, the CCDF error rate declined from 9.4 percent in 2012 to 5.9 percent in 2013, and has declined every year since 2010. More than half of the States (35) have error rates less than 10 percent.

CAUSES OF IMPROPER AUTHORIZATION ERRORS

The 17 Year-3 States found that about half of the cases (51.3 percent) with improper authorization for payment errors were due to missing or insufficient documentation.

Figure 1. CCDF National Error Rates for 2010-2013

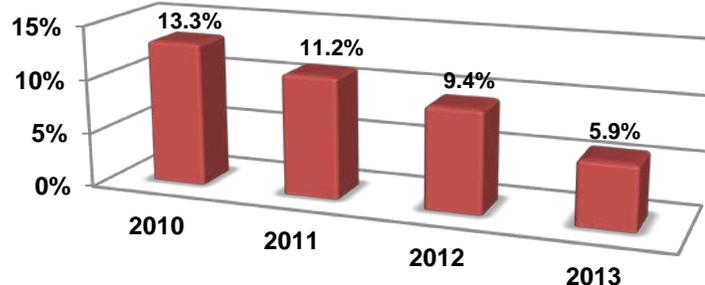
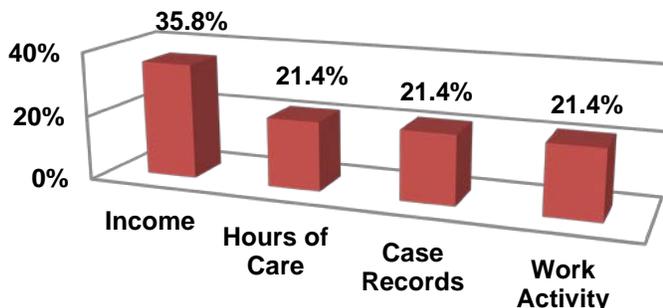


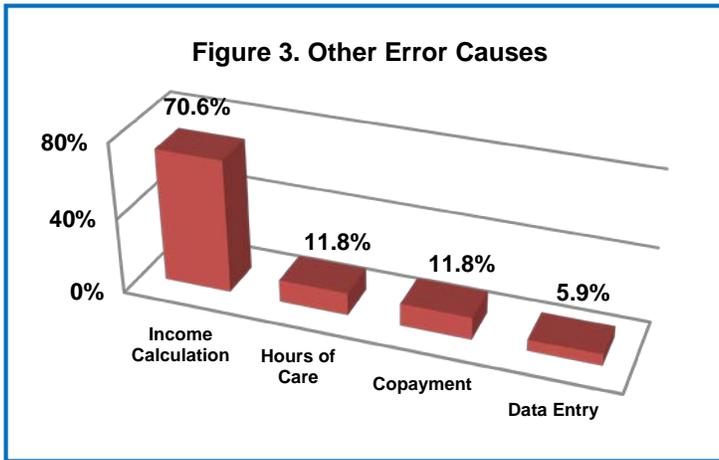
Figure 2. Documentation Error Causes



In **Figure 2**, the 17 Year-3 States' most frequent causes of documentation errors were related to:

- Income, earned and unearned (35.8%)
- Hours of care needed (21.4%)
- Case records (21.4%)
- Work/education/training activity of head of household (21.4%)

States also cited missing documentation for child's citizenship status, qualifying provider, and payment rate exclusions.



In **Figure 3**, the 17-Year 3 States' most frequently cited other causes of improper authorizations for payment errors included:

- Incorrect income calculation (70.6%)
- Incorrect authorization for hours of care/units (11.8%)
- Misapplied parental fee/co-pay (11.8%)
- Data entry errors (5.9%)

STATES' STRATEGIES TO REDUCE ERRORS

- Most States conduct **ongoing case-record reviews** or re-reviews. These reviews monitor error-prone policy areas and supporting documentation to ensure correct policy application.
- Some States perform **ongoing program monitoring**. This may include developing performance improvement plans, establishing performance expectations, and identifying targeted corrective actions for managers to include in their monitoring procedures.
- **Revising eligibility policies and forms** results in clarification, simplification and increased alignment with other income assistance programs (e.g., Temporary Assistance for Needy Families [TANF], Supplemental Nutrition Assistance Program [SNAP], and Medicaid).
- Several States implemented or enhanced **automated systems** to complete eligibility computations, incorporate mandatory verification edits, issue caseworker alerts for action items, and produce monitoring reports targeting error-prone areas.
- To address issues in eligibility processing and other errors, many States have developed **comprehensive training plans** that include policy clarifications, calculation tools, and checklists for supervisors and workers.