

Program Integrity Fact Sheet

The Office of Child Care (OCC) has implemented a comprehensive approach to strengthen program integrity and 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

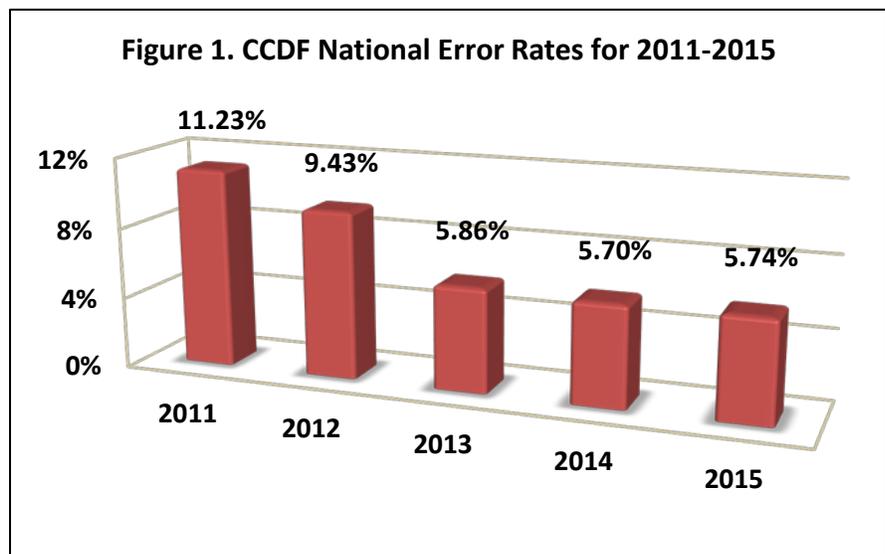
All 50 States, the District of Columbia, and Puerto Rico complete the Error Rate Review once every three years on a rotational cycle, with one-third of the States reporting each year. Results from States reporting in June 2015 were combined with the results from States reporting in 2013 and 2014 to generate the CCDF national error rate for FY 2015. The error rate review process is currently in its third three-year cycle.

CCDF Error Measures

As can be seen in **Figure 1**, the CCDF error rate increased slightly from 5.70 percent in 2014 to 5.74 percent in 2015. However, since 2012, the national error rate has remained below the 10 percent required threshold.

Causes of Improper Payment Errors

The 17 States reporting in 2015 found that about 44 percent of improper payment errors were due to missing or insufficient documentation.



The most frequent causes of missing or insufficient documentation errors involved:

- Income verification
- Work or activity schedules to determine need for care
- Birth certificates or other documentation to establish citizenship or qualified alien status
- Application or redetermination forms

States also cited employment verifications, copayment waivers, payment records, and entire case records that were missing or insufficient. Six states had no missing or insufficient documentation errors.

Fifty-six percent of improper errors were due to causes other than missing or insufficient documentation. The most frequent causes of other improper errors involved:

- Income calculations
- Parent fee calculations
- Units of care
- Change reports

States also cited errors related to family size, activity requirements, and provider rates.

States' Strategies to Reduce Errors

Year 2 States identified the following implementation actions to correct improper payment error causes:

- **Conducting ongoing case reviews or audits:** Including ongoing reviews to identify issues and provide immediate feedback to staff.
- **Holding trainings for eligibility staff:** Including trainings on policies, new review tools and procedures, and in areas where errors have been identified.
- **Upgrading or enhancing IT systems:** For example, automated calculation of income or case action alerts.
- **Changing or updating eligibility policies or procedures:** For example, new income calculation procedures or using checklists to ensure all documents are collected.