

## Results from the 2018 CCDF Error Rate Review

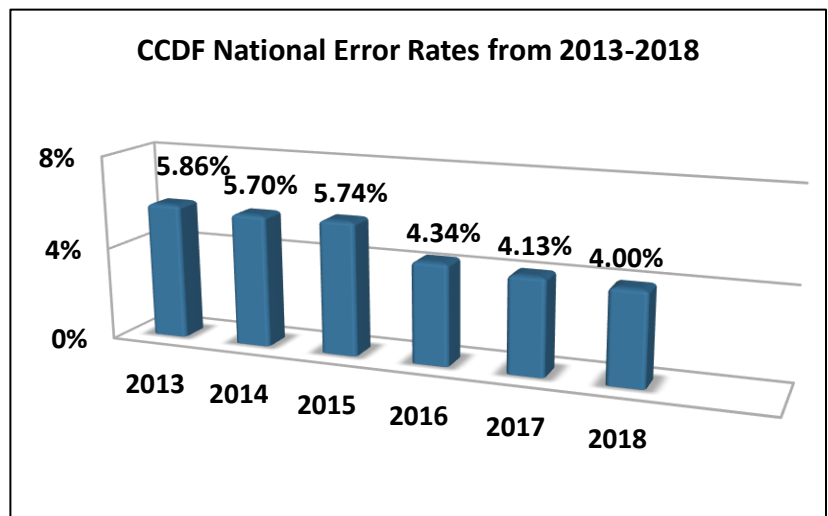
The Office of Child Care (OCC) has implemented a comprehensive approach to strengthen program integrity and ensure that Child Care and Development (CCDF) funds are administered appropriately and efficiently. An important component of this approach is the error rate review process. States measure and report eligibility errors, including those causing improper payments, and identify strategies for reducing future errors.

### CCDF Error Rate Review Process

The 50 states, the District of Columbia, and Puerto Rico complete the error rate review once every three years on a rotational cycle. One-third of states report each year. To generate the 2018 CCDF national error measures, the results from the states reporting in 2018 were combined with the results from states reporting in 2016 and 2017.

### CCDF National Error Measures

The CCDF national error rate for 2018 is 4.00 percent. The national error rate decreased from 4.13 percent in 2017, and remains well below the 10 percent required threshold for compliance. The figure on the right displays the national error rates from the past six years.



### Lessons Learned and Improvements

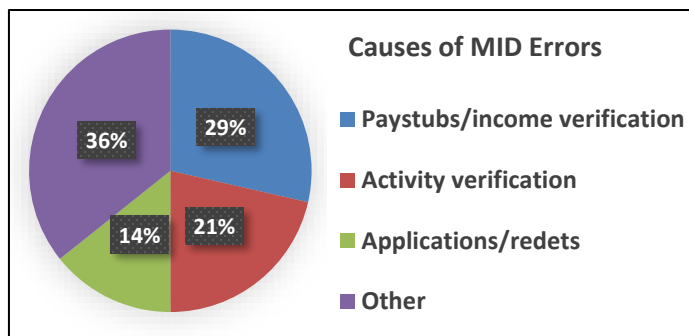
Nine of the 17 states reporting in 2018 had declines in their error rates from the previous cycle. These states reported several lessons learned and improvements made this cycle, including:

- *Changing or updating review tools* – for example, implementing an automated *Record Review Worksheet*.
- *Providing training and technical assistance for review staff* – including trainings on state policies to prepare for the review, and ongoing assistance to discuss findings and ensure consistency.
- *Participation in the federal joint case review and receiving follow-up technical assistance* – several states reported making changes to their review procedures because of the feedback received from OCC.
- *Performing ongoing case reviews* – performing reviews outside of the federal review period tracked errors and allowed staff to receive continuous feedback.
- *Holding meetings for review staff* – for example, holding meetings to discuss case findings and address issues about the review process.

## Causes of Improper Payment Errors

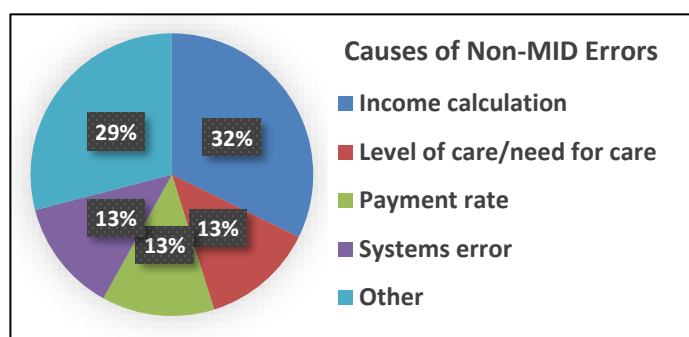
The 17 states reporting in 2018 found that about 38 percent of their improper payment errors were due to missing or insufficient documentation (MID). Two states reported no MID errors. The most frequently cited types of MID errors were related to:

- Paystubs or other income verification
- Employment or activity verification
- Applications or redeterminations (redets)



The 17 states reporting in 2018 found that about 62 percent of improper payment errors were due to causes other than MID. The most frequently cited types of other errors were related to:

- Incorrect income calculation
- Establishing an incorrect level of care or need for care
- Applying an incorrect payment rate
- Systems errors, such as failure to generate alerts notifying eligibility workers of actions needed



## Strategies to Reduce Errors

The 17 states reporting in 2018 identified action steps to correct causes of improper payment errors. The most commonly cited strategies included the following:

- Conducting trainings with eligibility staff on CCDF policies and procedures
- Upgrading or enhancing information technology systems to assist in error reduction
- Conducting ongoing case reviews or audits for monitoring eligibility agency and staff accuracy
- Providing technical assistance to eligibility agencies on error-prone areas
- Changing or updating state eligibility policies and/or procedures to reduce potential errors