Early Childhood National Centers
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Subsidy Innovation and Accountability

2019 CCDF Error Rate Review Results

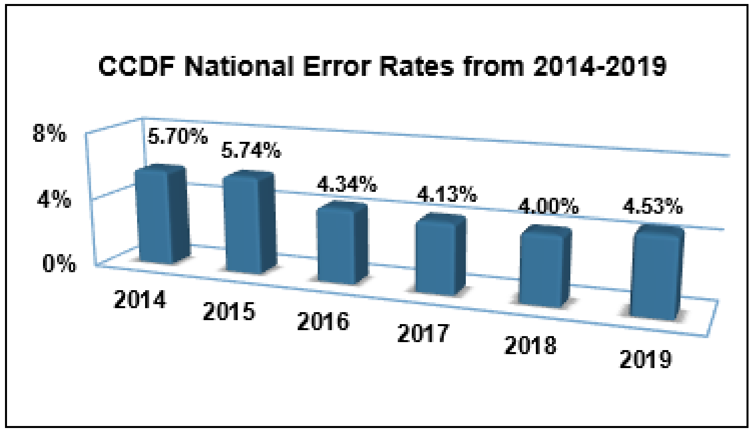
The Child Care and Development Fund (CCDF) error rate review process is an important part of the Office of Child Care's efforts to strengthen program integrity. States review case records and report eligibility errors, including those causing improper payments, and identify strategies for reducing future errors. This brief includes an overview of the results from the 2019 CCDF error rate review, including the national error rate, causes of improper payment errors, strategies to reduce errors, and lessons learned and improvements.

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 their error rate results each year. To generate the 2019 CCDF national error rate, the results from the states reporting in 2019 were combined with the results from the states reporting in 2017 and 2018.

CCDF National Error Rate

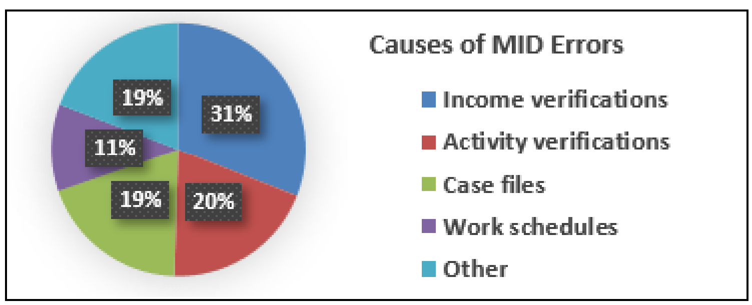
The CCDF national error rate for 2019, which represents the percentage of payments that were improper payments, is 4.53%. The national error rate increased from 4% in 2018 but remains well below the 10% government-wide required threshold. The figure on the right displays the national error rates from the past six years.



Causes of Improper Payment Errors

The 17 states reporting in 2019 found that about 46% of their improper payment errors were due to missing or insufficient documentation (MID). The most frequently cited types of MID errors were related to:

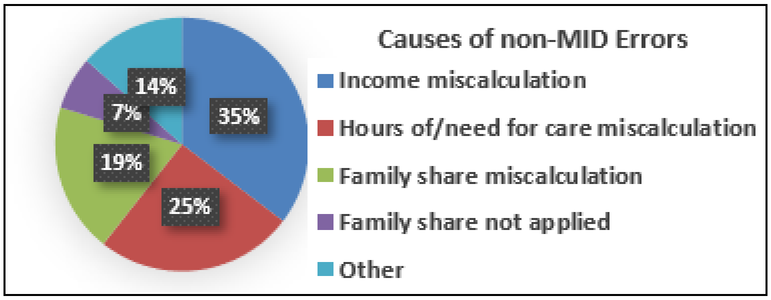
- Income verifications.
- Verifications of participation in work or other qualifying activity.
- Entire case files.
- Work schedules to support hours of care authorized.



Reviewers were permitted to conduct a limited additional inquiry (AI) to potentially mitigate errors caused by MID. The AI allows reviewers to verify eligibility using resources not typically included in their review process. The states reporting in 2019 conducted an AI for 22% of their potential improper payment errors caused by MID and were able to mitigate 18% of those.

The states reporting in 2019 found that about 54% of improper payment errors were due to causes other than MID. The most frequently cited types of non-MID errors were related to:

- Income miscalculations.
- Hours of care or need for care miscalculations.
- Family share miscalculations.
- Family share not applied.



Strategies to Reduce Errors

The states reporting in 2019 identified action steps to reduce errors and improper payments. The most commonly cited strategies included the following:

- Conducting trainings with eligibility staff on CCDF policies and procedures.
- Conducting ongoing case reviews or audits of eligibility agencies and staff.
- Reviewing and updating eligibility policies.
- Updating, enhancing, or implementing new systems or automation.
- Making changes to eligibility determination processes.

Lessons Learned and Improvements

The states reporting in 2019 shared lessons learned and improvements made this year, including:

- *Staff trainings* — trainings on eligibility policies and the error rate review process.
- *Staff discussions on procedures to ensure consistency* — discussing challenging cases and establishing consistency in how errors are determined.
- *Changes to staffing or roles* — bringing in additional review staff or assigning new roles to certain personnel.
- *Use of the Missing and Insufficient Documentation (MID) Table/Additional Inquiry (AI)* — states reported lessons learned around using the MID table and conducting the AI, which in some cases, led to mitigation of errors.
- *Participation in the joint case review* — states received feedback to ensure accuracy and consistency with CCDF requirements.