

2020 CCDF Error Rate Review Results

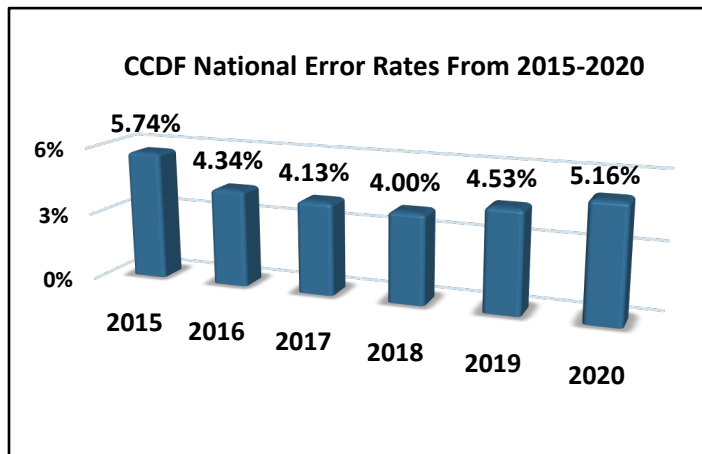
The Child Care and Development Fund (CCDF) error rate review process is an important part of the Office of Child Care’s efforts to strengthen grantee program integrity. Grantees review case records and report eligibility errors, including those causing improper payments, and identify strategies for reducing future errors. This brief includes an overview of the results from the 2020 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 the grantees report their error rate results each year. To generate the 2020 CCDF national error rate, the results from the grantees reporting in 2020 were combined with the results from those reporting in 2018 and 2019.

CCDF National Error Rate

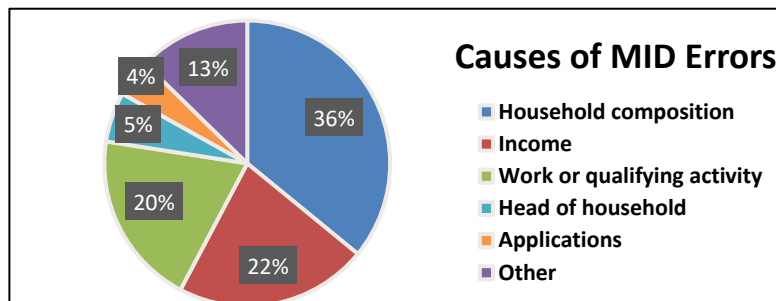
The national error rate for 2020, which represents the percentage of payments that were improper payments, is 5.16%. The national error rate increased from 4.53% in 2019 but remains below the 10% government-wide required threshold. The figure on the right displays the national error rates from the past six years.



Causes of Improper Payment Errors

The 17 states¹ reporting in 2020 found that about 27% of their improper payment errors were due to missing or insufficient documentation (MID). The most frequently cited types of MID errors were related to:

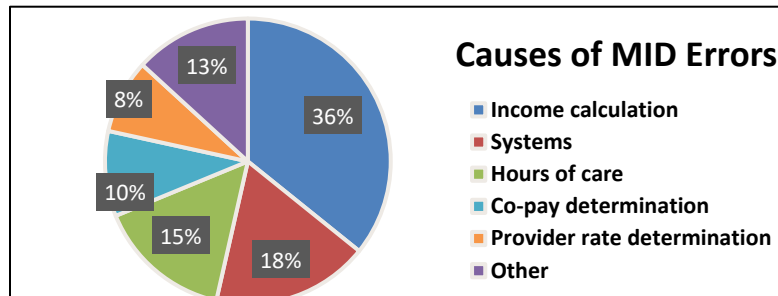
- Household composition
- Income
- Work or qualifying activity
- Head of household
- Applications or redeterminations



Reviewers were permitted to conduct a limited additional inquiry (AI) to potentially mitigate errors caused by MID. The AI allowed reviewers to verify eligibility using resources not typically included in their eligibility processes. The states reporting in 2020 conducted an AI for about 53% of their potential improper payment errors caused by MID, and were able to mitigate about 36% of those.

The states reporting in 2020 found that about 73% of their improper payment errors were due to causes other than MID. The most frequently cited types of non-MID errors were related to:

- Income calculation
- Systems
- Hours of care or need for care
- Co-pay determination
- Provider rate determination



Strategies to Reduce Errors

The states reporting in 2020 identified action steps to reduce errors and improper payments. The most commonly cited strategies included:

- Conducting trainings with eligibility staff on CCDF policies and procedures.
- Updating, enhancing, or implementing new systems or automation.
- Reviewing and updating eligibility policies.
- Providing technical assistance to eligibility staff.

Lessons Learned and Improvements

The states reporting in 2020 shared lessons learned and improvements made during implementation of the error rate review, including:

- *Review tools and procedures:* for example, changing or updating the *Record Review Worksheet*.
- *Timing of reviews:* for example, starting the process earlier or completing reviews in a timelier manner.
- *Review staff trainings:* for example, trainings on eligibility policies and the error rate review process.
- *Changes to eligibility policies and procedures:* some states reported that policy changes resulted in fewer errors.

ⁱ The cohort reporting in 2020 normally consists of 18 grantees (17 states plus Puerto Rico). However, Puerto Rico requested and was granted a Waiver for Extraordinary Circumstances, temporarily relieving them from the reporting requirements. Thus, the responses given reflect the 17 states in the cohort only.