

Introduction to the Child Care and Development Fund (CCDF) Error Rate Review

Introduction

Welcome to our module! Let's meet our hosts for today's course, who join us from the imaginary state of Washegon. Throughout the module, we'll check in with them to help guide us through some of the concepts and scenarios.

At the end of this transcript, you will find a glossary with definitions for common error rate terms.

Sonee: Hi y'all! I'm Sonee. I've been a state administrator in Washegon for years but am new to the concept of error rate.

Jet: Hi, everybody! My name is Jet. I'm new to the subsidy office in Washegon. I'm in need of some training to get my head around the concept of error rate. We're excited to learn with you. Let's get started.

We'll check back with Sonee and Jet in a moment. First, let's look at the learning objectives for today's module.

Learning Objectives

At the end of this module, you will be able to identify:

- 1) The purpose of the error rate review.
- 2) The background (law, regulations) of the error rate review.
- 3) Your state's cohort and timeline.
- 4) The steps to completing the review, including required submissions.
- 5) Ways to access more training and technical assistance resources.

Our first learning objective suggests that we should explore the purpose of the error rate and error rate review. Let's turn to some definitions.

Definitions

What is the error rate review? The error rate review is a process through which Child Care and Development Fund (CCDF) Lead Agency staff measure eligibility errors and improper payments in their programs by reviewing 276 case records, and reporting error measures, causes, and plans to reduce errors.

What is the error rate? The term error rate is used to refer to the process as a whole, but it is also one of the reported error measures. An error rate is the percentage of payments that are improper payments.

Jet: That helped a bit, but I'm going to need some additional information to really grasp the concept.

Good idea, Sonee and Jet! Let's consider some background information that will help us better understand the error rate review.

Error Rate Background

The Office of Child Care (OCC), which is part of the Department of Health and Human Services' (HHS) Administration for Children and Families (ACF), has instituted a program integrity plan to support states in increasing program accountability and reducing improper payments.

- **2002:** The Improper Payments Information Act (IPIA) was passed in 2002, requiring federal agencies to report estimates of, and information about, improper payments in their programs.
- **2007:** A final rule was passed to implement the provisions of IPIA for the CCDF program. The final rule includes requirements for the fifty states, the District of Columbia, and Puerto Rico to conduct standardized reviews of a sample of child care cases and to report error measures.
- **2010:** The Improper Payments Elimination and Recovery Act (IPERA) was passed in 2010, further requiring federal agencies to report estimates of, and information about, improper payments in their programs.
- **2016:** The final rule was revised in 2016. This retained all error rate reporting requirements and further described what constitutes an error or improper payment, and what is included in the content of the error rate reports.

Sonee: Got it. So the error rate review has been around for a few years, but what's all this mean for Washegon?

Jet: Ya. I'm curious to hear what this means for our state?

That's a good question, Sonee and Jet. Let's take a look at how this works within each state.

What Does This Mean for My State?

- 1) Once every three years, the state's team will review a sample of case records from a specific review period. The sample will be drawn from cases consisting of children that have had a CCDF payment made for services received during the months of the review period.
- 2) The error rate team will review the case records to determine whether eligibility was properly determined, and if not, whether the eligibility error resulted in an improper payment.
- 3) After the cases have been reviewed, the findings will be included in a report and submitted to OCC.

Sonee: So, here in Washegon we pull a sample of case records once every three years from cases of children that have had a CCDF payment made within the period. Then the error rate team reviews them.

Jet: That's it. And after that, the findings of the review go into a report that Washegon submits to OCC.

Sonee: I think I understand the basic steps of the process and I could see how this regular review of our error rate could be useful to us as a state.

Jet: That's an interesting thought, Sonee. After hearing the steps, I'd only thought of it as something we're required to do, but I think you're onto something.

Sonee: Well, Jet, let me show you some of the benefits I'm thinking about.

How is the Error Rate Review Helpful for the State?

- The error rate review can help identify areas for eligibility worker trainings.
- Error rate findings can help the state create new policies and procedures.
- The error rate review can help improve and streamline eligibility processes.

Jet: Thanks for that, Sonee. I can see how the error rate review can help us improve in Washegon. Our error rate review occurs every three years. I wonder what that timeline looks like.

State Timelines

There are three error rate cohorts, and each cohort has its own timeline for completing their next review. Let's find your cohort and timeline.

Find your state on the map to determine your cohort, or refer to the list below the map.

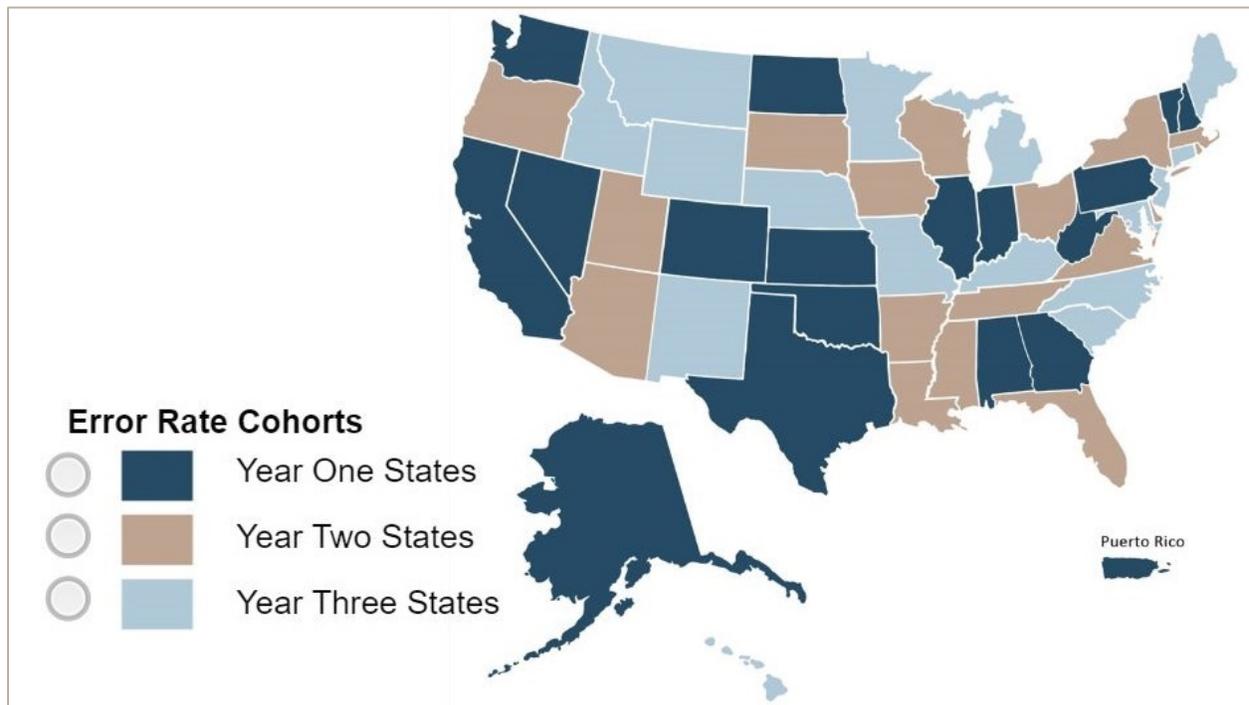


Figure 1: Error rate cohorts

Year One States: Alabama, Alaska, California, Colorado, Georgia, Illinois, Indiana, Kansas, Nevada, New Hampshire, North Dakota, Oklahoma, Pennsylvania, Puerto Rico, Texas, Vermont, Washington, West Virginia.

Year Two States: Arizona, Arkansas, Delaware, Florida, Iowa, Louisiana, Massachusetts, Mississippi, New York, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Utah, Virginia, Wisconsin.

Year Three States: Connecticut, District of Columbia, Hawaii, Idaho, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Carolina, South Carolina, Wyoming.

Timeline for Year One States

Activity	Fifth Cycle Timeline	Sixth Cycle Timeline
Case review period	Oct. 1, 2018- Sept. 30, 2019	Oct. 1, 2021- Sept. 30, 2022
Last day to submit <i>Sampling Decisions, Assurances, and Fieldwork Preparation Plan</i>	Oct. 31, 2019	Oct. 31, 2022
Last day to submit customized <i>Record Review Worksheet</i>	Dec. 31, 2019	Dec. 31, 2022
Last day to submit <i>State Improper Payments Report</i>	June 30, 2020	June 30, 2023
Last day to submit <i>Corrective Action Plan</i> (if applicable)	60 days from date of ACF-404 submission deadline	60 days from date of ACF-404 submission deadline

Timeline for Year Two States

Activity	Fifth Cycle Timeline	Sixth Cycle Timeline
Case review period	Oct. 1, 2019- Sept. 30, 2020	Oct. 1, 2022- Sept. 30, 2023
Last day to submit <i>Sampling Decisions, Assurances, and Fieldwork Preparation Plan</i>	Oct. 31, 2020	Oct. 31, 2023
Last day to submit customized <i>Record Review Worksheet</i>	Dec. 31, 2020	Dec. 31, 2023
Last day to submit <i>State Improper Payments Report</i>	June 30, 2021	June 30, 2024
Last day to submit <i>Corrective Action Plan</i> (if applicable)	60 days from date of ACF-404 submission deadline	60 days from date of ACF-404 submission deadline

Timeline for Year Three States

Activity	Fifth Cycle Timeline	Sixth Cycle Timeline
Case review period	Oct. 1, 2020- Sept. 30, 2021	Oct. 1, 2023- Sept. 30, 2024
Last day to submit <i>Sampling Decisions, Assurances, and Fieldwork Preparation Plan</i>	Oct. 31, 2021	Oct. 31, 2024
Last day to submit customized <i>Record Review Worksheet</i>	Dec. 31, 2021	Dec. 31, 2024
Last day to submit <i>State Improper Payments Report</i>	June 30, 2022	June 30, 2025
Last day to submit <i>Corrective Action Plan</i> (if applicable)	60 days from date of ACF-404 submission deadline	60 days from date of ACF-404 submission deadline

Jet: That was helpful. Here is a [link to the timeline](#).

Now that you know the timeline for your state, let's talk about how to get started by reviewing the steps for completing the error rate review.

Sonee: Yes. Please help me understand what the timeline means and how we can prepare in Washegon.

Steps to the Review

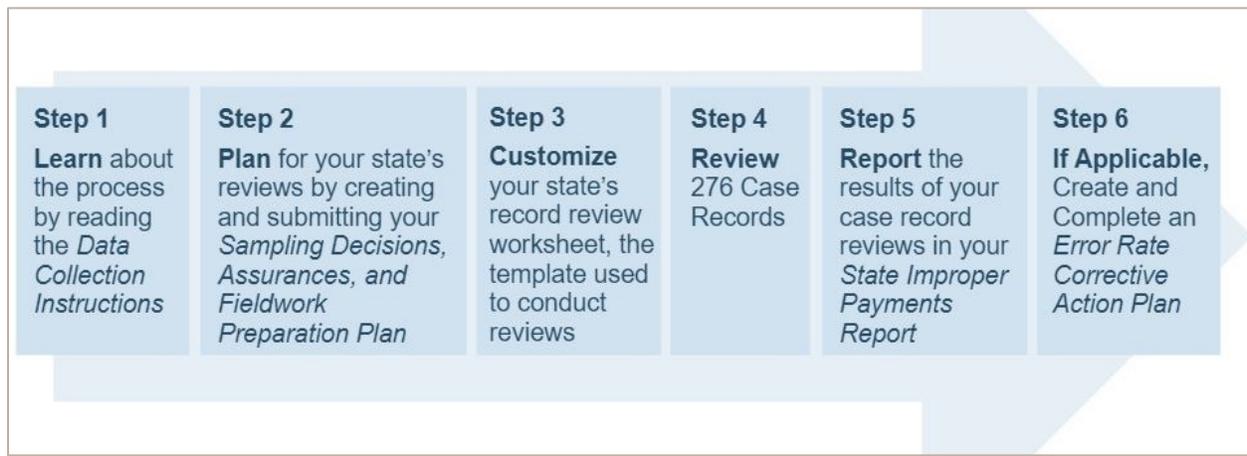


Figure 2: Steps to the Review

Step 1: Learn about the process by reading the *Data Collection Instructions*

Step 1 is to read the *Data Collection Instructions* (DCI), a document that includes detailed instructions for each step of the error rate review process, and provides templates for the required submissions. The DCI is revised or renewed approximately once every three years.

Even if you have been involved in the error rate review in the past, it is good to read the DCI at the beginning of the process, since there may have been changes to the methodology. The introduction of the DCI includes a list of things that have changed from the previous version.

[Download and read the DCI by clicking here.](#)

Step 2: Plan for your state's reviews by creating and submitting your *Sampling Decisions, Assurances, and Fieldwork Preparation Plan*

Step 2 involves completing the *Sampling Decisions, Assurances, and Fieldwork Preparation Plan* (SDAP). On the SDAP, you will share your plans for sampling cases and conducting reviews. The SDAP also includes a section where you assure that you will abide by the instructions in the DCI.

You cannot begin sampling cases until your SDAP has been approved by your Regional Office. The SDAP is submitted using the OnLine Data Collection (OLDC) system website.

[Download and read the SDAP by clicking here.](#)

Step 3: Customize your state's *Record Review Worksheet*, the template used to conduct reviews.

Step 3 involves customizing the *Record Review Worksheet* (RRW). The document provides a standardized worksheet format to assess the case record to determine whether eligibility was correctly determined, and, if not, whether the eligibility error resulted in an improper payment. Sometimes the RRW is referred to as the ACF-403.

Parts of the RRW are customized to conform to your state's own policies and procedures. The state's error rate team determines the format of the worksheet that is used for reviews; for example, Word, Excel, Access, or an online tool. Many states choose to automate their worksheet to help reviewers and to make it easier to collect data.

Regardless of the format that you use, the printed version of your customized RRW should conform to the template. This printed version must be emailed to the Regional Office, and case reviews cannot begin until it is approved.

[Download and read the RRW template by clicking here.](#)

Step 4: Review 276 case records

Step 4 is to review 276 case records. Your Regional Office Program Specialist or Regional Program Manager, as well as your Error Rate Specialist at the National Center on Subsidy Innovation and Accountability (NCSIA), will check in with your state occasionally to make sure the reviews are going smoothly. You can also reach out to us if you have any questions or concerns.

When you have reviewed about three months' worth of case records, the state's review team will partake in a joint case review with OCC Central and Regional Offices and NCSIA. This is a meeting where the state's review team will walk through a sample of completed *Record Review Worksheets*. The group will discuss the findings and how the worksheets are being completed.

Step 5: Report the results of your case record reviews in your *State Improper Payments Report*

Step 5 involves completing and submitting the *State Improper Payments Report*, which is usually referred to as the ACF-404. This report captures the results of the case record reviews. The first section of the report consists of assurances and certifications. The second section includes quantitative error measures. The third section consists of a number of narrative items, including information about the error causes and action steps to reduce errors.

Like the SDAP, the ACF-404 is submitted using the OnLine Data Collection (OLDC) system website.

[Download and read the ACF-404 *State Improper Payments Report* by clicking here.](#)

Step 6: If applicable, create and complete an *Error Rate Review Corrective Action Plan*

If the state's error rate exceeds 10 percent, then you will need to complete Step 6 and complete a corrective action plan. The *Error Rate Corrective Action Plan* (CAP) is sometimes referred to as the ACF-405. In it, the state outlines the steps that will be taken to reduce improper payments, a timeline for reducing the error rate to below 10 percent, and future targets.

The CAP is submitted using the OnLine Data Collection (OLDC) system website. Once the CAP has been approved, the state is expected to implement the actions, and will be required to submit updates to OCC.

[Download and read the CAP template by clicking here.](#)

Jet: Got it. Now I understand what I need to do in Washegon to get started.

Sonee: Me too. How about you? Let's get to that quiz

Quiz

It's time for a checkpoint! Let's see what you have learned.

1) How often does a state complete the error rate review?

- Every year
- Every two years
- Every three years
- Every five years

Answer

- Every year
That is incorrect. Please try again.
- Every two years
That is incorrect. Please try again.
- Every three years
Correct. That's right! Each state completes the error rate review once every three year. The specific timeline depends on the cohort that the state is in.
- Every five years
That is incorrect. Please try again.

2) What is the name of the document that includes detailed instructions for each step of the error rate review process?

- The *Child Care Error Book*
- The *Error Rate Guide*
- The *Data Collection Instructions*
- The *Improper Payments Methodology Handbook*

Answer

- The *Child Care Error Book*
That is incorrect. Please try again.
- The *Error Rate Guide*
That is incorrect. Please try again.
- The *Data Collection Instructions*
Correct. That's right! The *Data Collection Instructions*, or DCI, includes instructions for the error rate review process, and templates for the required submissions.
- The *Improper Payments Methodology Handbook*
That is incorrect. Please try again.

3) True or False? You can begin reviews before the *Record Review Worksheet* has been approved by the Regional Office.

- True
- False

Answer

- True
That is incorrect. Please try again.
- False
Correct. That's right! The answer is false. The Regional Office must approve the *Record Review Worksheet* before case record reviews begin.

4) How many case records are reviewed for the error rate review?

- 100
- 276
- 1,000
- 1,276

Answer

- 100
That is incorrect. Please try again.
- 276
Correct. That's right! 276 case records are reviewed to determine whether eligibility was properly determined, and if not, whether an improper payment was made.
- 1,000
That is incorrect. Please try again.
- 1,276
That is incorrect. Please try again.

5) True or False? The *State Improper Payments Report*, or ACF-404, is submitted using the OnLine Data Collection System (OLDC) website.

- True
- False

Answer

- True
Correct. That's right! This is true. The OLDC is used to submit the ACF-404. The OLDC is also used to submit the *Sampling Decisions, Assurances, and Fieldwork Preparation Plan* and the *Corrective Action Plan*.
- False
That is incorrect. Please try again.

6) If a state's error rate exceeds ____ percent, then the state will have to complete a corrective action plan.

- Three
- Five
- Ten
- Twenty

Answer

- Three
That is incorrect. Please try again.
- Five
That is incorrect. Please try again.

- Ten
Correct. That's right! The *Error Rate Corrective Action Plan*, or CAP, includes steps the state will take to reduce improper payments, a timeline for reducing the error rate to below ten percent, and future targets.
- Twenty
That is incorrect. Please try again.

Additional Error Rate Resources

Jet: It looks like we're about to wrap up.

Sonee: What should we do if we get stuck or have further questions?

[NCSIA's error rate website includes general information on the process, webinar recordings, and annual fact sheets.](#)

For assistance with the error rate reviews, contact your Regional Office Program Specialist or Regional Program Manager. You can also contact your NCSIA Error Rate Specialist:

- Jenna Broadway (Region VII): jbroadway@wrma.com
- Leigh Ann Bryan (Region I and Puerto Rico in Region II): lbryan@wrma.com
- Katie Watts (Region III, IV, V, VI, VIII, IX, X, and New York and New Jersey in Region II): kwatts@wrma.com

Jet: It was nice to meet you!

Sonee: Bye! Talk to you in future modules!

Thank you!

Glossary

Action Steps: Detailed descriptions of specific activities planned in order to reach a specific goal such as a targeted reduction in errors. Often, action steps should be tied to a timeline.

Case Record: The physical or electronic record or case file. The documentation may be permanent portions of the case record (e.g., birth certificates) or information specific to the eligibility period (e.g., copies of paystubs, school schedules) that covers the sample month.

Cohort: A group of states with the same reporting year.

Error: Any violation or misapplication of law, regulation, or policy governing the administration of CCDF grant funds.

Error Rate: The percentage of payments that are improper payments.

Improper Payment: A discrepancy between the subsidy amount as determined by the reviewer and the sample month payment amount, resulting from error.

OnLine Data Collection (OLDC): A website used by states to complete and submit some of the error rate submissions to OCC.

Review Period: The Federal Fiscal Year prior to June 30 of the calendar year in which a State Improper Payments Report must be submitted. For example, for a June 30, 2021, submission date, the review period would be October 1, 2019 through September 30, 2020.

Sample: The 276 cases selected for the case record review.

State: “State” or “the state” referenced in this module includes the 50 states, the District of Columbia, and Puerto Rico.