

2017 CCDF Error Rate Review Results

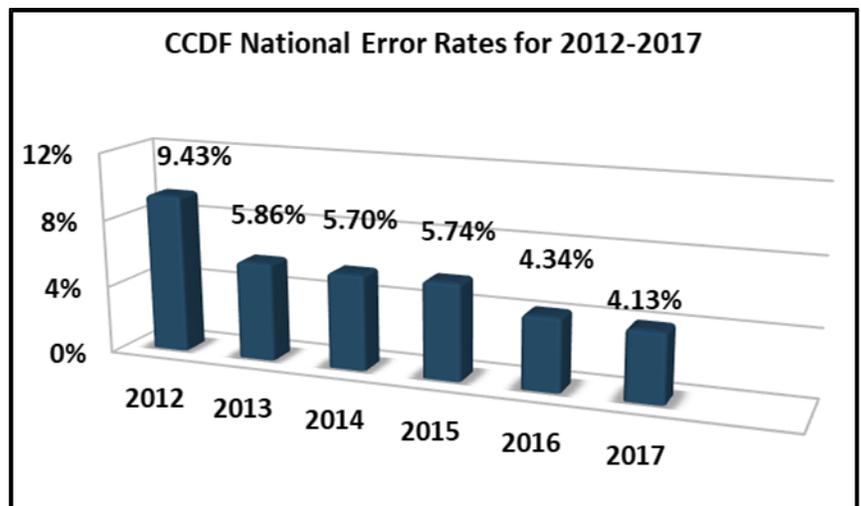
The Office of Child Care (OCC) has implemented a comprehensive approach to strengthen program integrity, to ensure that Child Care and Development Fund (CCDF) grants are administered appropriately and efficiently. An important component of this is the error rate review process. States measure errors, 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. Results from the states reporting in June 2017 were combined with the results from states reporting in 2014 and 2015 to generate the 2017 CCDF national error measures.

CCDF National Error Measures

The figure on the right displays the CCDF national error rates from the past six years. The national error rate decreased from 9.43 percent in 2012 to 4.13 percent in 2017. The national error rate remains well below the 10 percent required threshold for compliance. All 18 states reporting in 2017 had error rates below 10 percent.



Lessons Learned and Improvements

Ten of the 18 states reporting in 2017 had declines in their error rates from the prior cycle. These states reported several lessons learned and improvements made in this cycle, including:

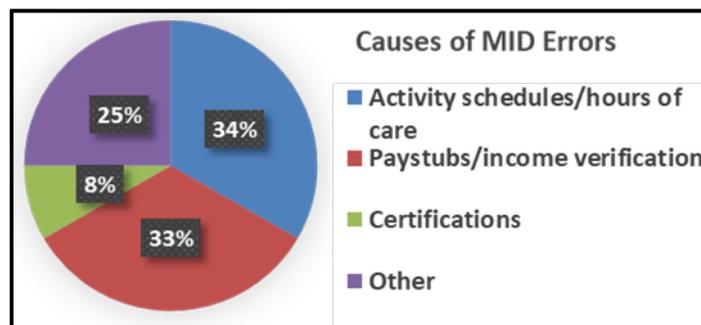
- *Providing training and technical assistance for review staff* – including trainings on state policies conducted prior to the reviews, and ongoing assistance to provide clarification and ensure consistency.
- *Changing or updating review tools* – for example, revising or implementing an automated tool.
- *Participating in federal joint case reviews and receiving follow-up technical assistance* – several states reported making changes to their review procedures because of the feedback received from OCC.

Causes of Improper Payment Errors

The 18 states reporting in 2017 found that about 26 percent of improper payment errors were due to missing or insufficient documentation (MID). Five states reported no MID errors.

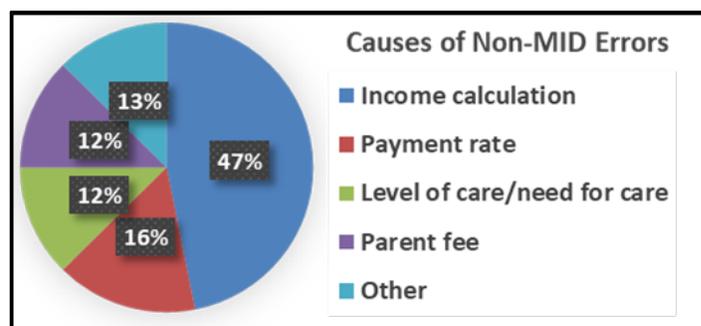
The most frequently cited types of MID errors were related to:

- Activity schedules or hours of care needed
- Paystubs or income verifications
- Certifications



The 18 states reporting in 2017 found that about 74 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
- Applying an incorrect payment rate
- Establishing an incorrect level of care or need for care
- Applying an incorrect parent fee



Strategies to Reduce Errors

The 18 states reporting in 2017 identified implementation actions 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
- Conducting ongoing case reviews or audits for monitoring eligibility agency and staff accuracy
- Changing or updating state eligibility policies and/or procedures to reduce potential errors
- Updating eligibility forms to reduce the risk of errors
- Updating or enhancing information technology systems to assist in error reduction