

Payment Integrity Scorecard

Program or Activity
Food and Nutrition Service (FNS) School Breakfast Program (SBP)

Reporting Period
Q2 2024

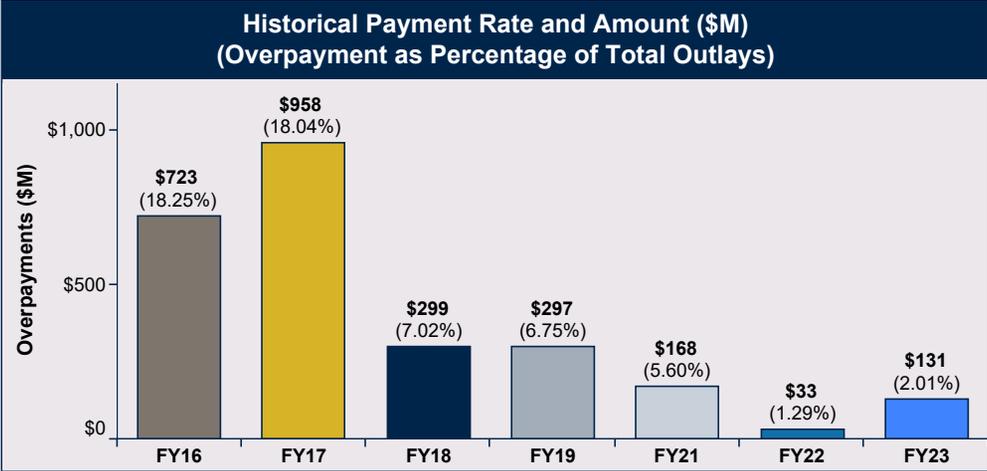
FY 2023 Overpayment Amount (\$M)* **\$131**

*Estimate based a sampling time frame starting 7/2017 and ending 6/2018

 **United States Department of Agriculture**
Food and Nutrition Service (FNS) School Breakfast Program (SBP)

Brief Program Description & summary of overpayment causes and barriers to prevention:

The School Breakfast Program (SBP) is a federally assisted meal program operating in public and nonprofit private schools and residential childcare institutions. It reimburses participating schools and institutions for the cost of providing meals to eligible children. SBP overpayments are primarily due to errors in determining children's eligibility for program benefits. Errors in counting and claiming meals for federal reimbursement is a secondary source of overpayment. The most significant barrier to prevention is the decentralized nature of the program. Certifying children for benefits and counting meals for reimbursement are handled independently by tens of thousands of schools and school districts.



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

In October 2023 USDA published regulations to expand eligibility for the school meal programs' Community Eligibility Provision (CEP) . USDA research shows that CEP schools have lower certification error than non-CEP schools. USDA expects that expanded CEP eligibility will increase CEP participation and reduce certification error. USDA modified its process of reviewing state agency management of the SBP to encourage adoption of a USDA-developed tool to reduce error in the reporting of SBP administrative data. The tool, the Data Validation Service (DVS) is an API that states can include in their platforms for collecting data from their school districts. The DVS provides real-time edit checks and error messages to school districts as they are submitting data to their states. USDA is conducting its fourth Access, Participation, Eligibility, and Certification Study (APEC IV). The study will provide updated measures of SBP improper payments. It will also provide new insight into root causes that will guide our work to target and reduce program error. USDA held a kick-off webinar in March 2024 for 5 states that have newly opted into USDA's Direct Certification with Medicaid (DC-M) demonstration project. DC-M allows state child nutrition agencies to partner with their Medicaid state agencies to certify children without application for free or reduced price school meal benefits - a process that reduces certification error and SBP improper payments.

| Accomplishments in Reducing Overpayment | | Date |
|---|--|--------|
| 1 | Began latest phase of data collection for the certification component of USDA's school meal improper payment study (Access, Participation, Eligibility and Certification Study) | Jan-24 |
| 2 | Released guidance on recent changes to the school meal programs' Community Eligibility Provision. The guidance explains how schools and school districts can use this integrity-enhancing alternative to the traditional household application process for school meal benefits. | Feb-24 |
| 3 | Held introductory meeting with states to encourage use of USDA's Child Nutrition Data Dashboards to make performance data more accessible to states and to encourage cross-state collaboration through a state user group. | Apr-24 |

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| Goals towards Reducing Overpayments | Status | ECD | Recovery Method | Brief Description of Plans to Recover Overpayments | Brief Description of Actions Taken to Recover Overpayments |
|--|----------|--------|----------------------------|--|--|
| 1 Increase school and school district awareness of the newly expanded Community Eligibility Provision for school year 2024-2025. With USDA's updated regulation (released October 2023) additional schools and school districts are now eligible for CEP adoption. USDA's goal is to ensure that eligible schools and school districts have the information necessary to opt into CEP if it makes sense for them. | On-Track | Aug-24 | 1 Recovery Audit | SBP has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process). | SBP has been granted a waiver for recovery of overpayments due to the nature of the program (i.e., State level administration, where States distribute reimbursements to program operators who submit claims and for monitoring and oversight of the claims submission process). |
| 2 Work with states that USDA has newly approved to begin participating in its Direct Certification with Medicaid demonstration (DC-M) for school year 2024-2025. USDA's goal is to ensure that these states are positioned for successful implementation. Five states expect to begin participating in the DC-M demonstration in the new school year. This would bring the total to 43 participating states. | On-Track | Aug-24 | | | |

| Amt(\$) | Root Cause of Overpayment | Root Cause Description | Mitigation Strategy | Brief Description of Mitigation Strategy and Anticipated Impact |
|---------------|---|---|--|--|
| \$131M | Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed. | USDA's Community Eligibility Provision (CEP) and Direct Certification with Medicaid option (DC-M) rely on cross-agency data sharing to certify children for SBP benefits without application error. Not all eligible states, schools, and districts participate in CEP or DC-M. | Automation - automatically controlled operation, process, or system. | USDA supports adoption of Direct Certification with Medicaid (DC-M) and the Community Eligibility Provision (CEP) by eligible states, schools, and districts. DC-M and CEP rely on data sharing to certify children for SBP benefits without error-prone household applications. |