

# Payment Integrity Scorecard

## Program or Activity

Food and Nutrition Service (FNS) National School Lunch Program (NSLP)

## Reporting Period

Q3 2024

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

**\$330**

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



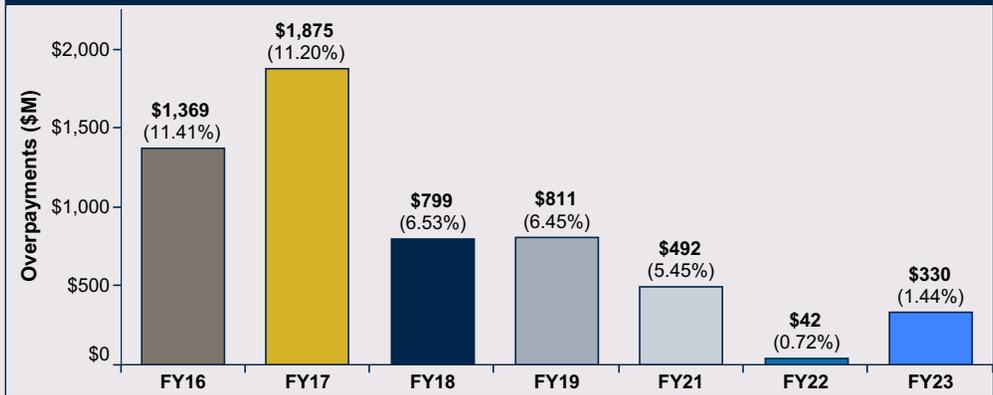
## United States Department of Agriculture

Food and Nutrition Service (FNS) National School Lunch Program (NSLP)

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

1. The National School Lunch Program (NSLP) is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It reimburses participating schools and institutions for the cost of providing meals to eligible children. NSLP 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 over payment. 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.

### Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



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

2. In September 2023, USDA Food and Nutrition Service (FNS) issued the "Child Nutrition Programs: Community Eligibility Provision [CEP]" Increasing Options for Schools" final rule and expects that the expanded CEP eligibility will increase CEP participation and reduce certification error. FNS has developed a series of resources for states, school districts, and schools on CEP, including an introductory webinars, written materials, and trainings. In June 2024, FNS continued its outreach efforts by providing training at the Food Research and Action Center (FRAC), National Anti-Hunger Policy Conference. FNS is also working with states to broadly improve program data and literacy by making performance data more accessible through the Child Nutrition Data Dashboards, including facilitating a state dashboard user group, promoting its Data Validation Service (an API that states can include in their data collection platforms for school meal verification reporting), and through its participation in the national conferences and training opportunities. FNS will continue its efforts on improving program integrity throughout the fiscal year.

### Accomplishments in Reducing Overpayment

		Date
1	Completed most of the data collection for the certification component of USDA's school meal improper payment study (Access, Participation, Eligibility and Certification Study).	Jun-24
2	FNS presented information on the Community Eligibility Provision (CEP) at the Food Research and Action Center, National Anti-Hunger Policy Conference, emphasizing the benefits and impact of CEP.	Jun-24
3	Hosted a webinar on the Data Validation Service (DVS), an optional resource for State agencies to improve the quality of school meal verification data in June 2024.	Jun-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 USDA will meet with state agencies at an upcoming USDA-hosted conference in late summer to discuss how technology can be applied, and is being applied, by states to the program's integrity problems. This will include promotion of USDA's data dashboards and other tools and initiatives to facilitate data analysis and promote data quality.	On-Track	Aug-24	1 Recovery Audit	6. NSLP 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)	6. NSLP 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.	On-Track	Aug-24			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$330M	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 NSLP 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.