

Payment Integrity Scorecard

Program or Activity

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

Reporting Period

Q4 2024

FY 2023 Overpayment Amount (\$M)*

\$330

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



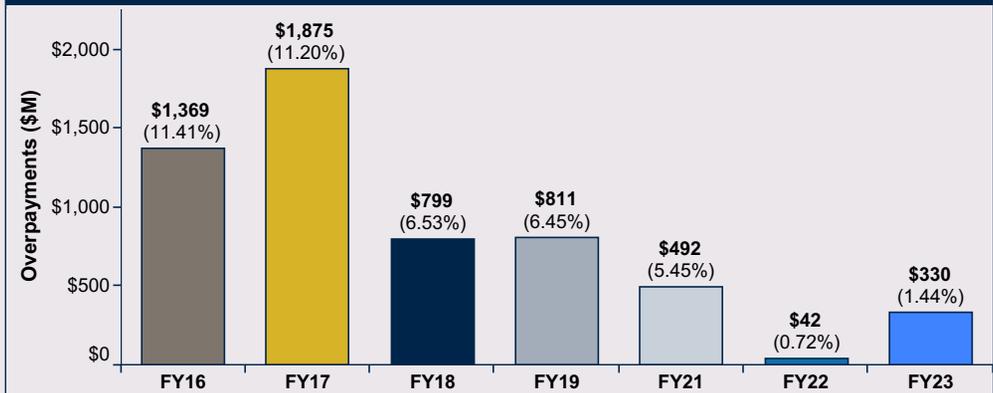
U.S. Department of Agriculture

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

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

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

In August 2024, FNS continued its outreach efforts by providing training to state agency staff at the Child Nutrition Access and Accountability through Technology (CNAAT) 2024 National Training Conference. The conference was a forum for the exchange of information across states on topics including but not limited to enhancing program integrity. 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 data collection for the certification component of USDA's school meal improper payment study (Access, Participation, Eligibility and Certification Study) and began preliminary data analysis.	Jul-24
2	USDA met with state agencies at a USDA-hosted conference in August 2024 to discuss how technology can be and is being applied by states to the program's integrity problems. This included promoting USDA's data dashboards and other tools that promote data quality and analysis.	Aug-24
3	In FY 24, USDA released \$50M in non-competitive Technology Innovation Grant (nTIG) funds for child nutrition State agencies to improve IT systems. USDA continues its work with grant recipients who are using funds to develop, improve, maintain Child Nutrition IT systems.	Sep-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
<p>1</p> <p>Effective July 1, 2024, USDA's recent Child Nutrition Integrity rule allows states to adopt a 5-year administrative review cycle for School Food Authorities (SFAs); previously states reviewed SFAs at least once every 3 years. States adopting review cycles longer than 3 years must establish and apply risk-based criteria to select SFAs for targeted follow-up reviews. Over the next year, states will submit review plans to USDA that outline their risk selection process.</p>	On-Track	Sep-25	<p>1</p> <p>Recovery Activity</p>	<p>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)</p>	<p>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)</p>
<p>2</p> <p>USDA modified its process of reviewing state agency management of the NSLP to encourage adoption of a USDA-developed tool to reduce error in the reporting of NSLP 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 checks and error messages to school districts as they submit data to their states. USDA offers support to states choosing to use the service.</p>	On-Track	Sep-25			

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 pilot projects (DC-M) use 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 provides resources to help states improve integrity. CNAAT facilitated discussion across states on topics including data automation and maximizing the effectiveness of CEP. States have been awarded grants for projects that include strengthening systems that support CEP.