

Payment Integrity Scorecard

Program or Activity
Food and Nutrition Service (FNS) Child and Adult Care Food Program (CACFP) Centers

Reporting Period
Q1 2025

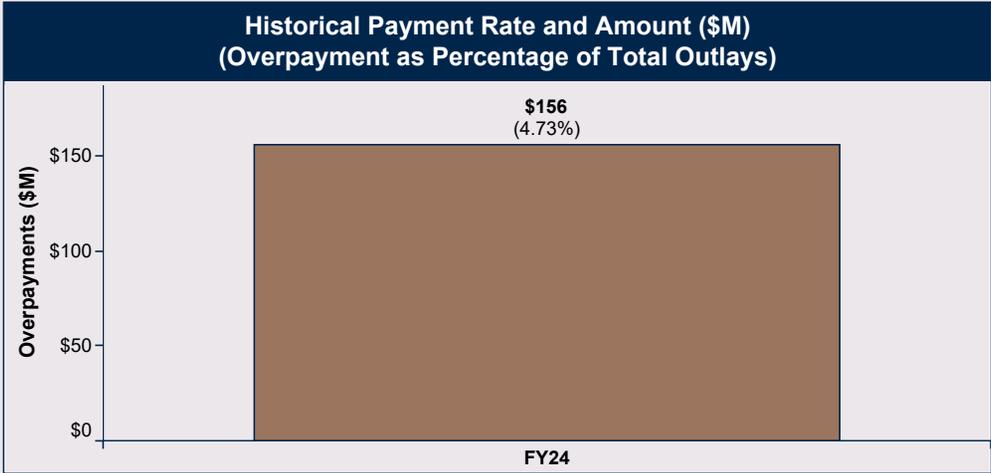
FY 2024 Overpayment Amount (\$M)* **\$156**

*Estimate based a sampling time frame starting 2/2017 and ending 1/2018

 **U.S. Department of Agriculture**
Food and Nutrition Service (FNS) Child and Adult Care Food Program (CACFP) Centers

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

USDA's Child and Adult Care Food Program (CACFP) provides federal reimbursement through the states to child care centers and family day care homes (FDCH). Sponsoring organizations are responsible for immediate oversight of providers. The states are responsible for overseeing CACFP sponsors. Centers certify children for program benefits through household applications. FDCHs primarily rely on community measures of poverty to identify eligibility at the facility level. For both programs, sponsor error in eligibility determination ("certification error") is a leading cause of IPs. A significant barrier is the decentralized nature of the program; USDA does not directly confirm individual children or day care home facilities for eligibility.



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

USDA's Food and Nutrition Service developed a statistical model in cooperation with USDA's National Agricultural Statistics Service during FY 2024. The model uses state-submitted administrative data as input. The model is designed to detect inconsistencies between data elements in the states' current month submissions as well as outliers in current month submissions compared to the historic trend. USDA began running the model in the first quarter of the year. Going forward, the agency will analyze results and communicate back to the states, where appropriate, for follow-up research. Separately, USDA finalized two contractor-led CACFP IP studies in the first quarter of FY 2025. The first provides an estimate of certification error and a measure of meal counting of "aggregation" error in CAFD centers. The second explored a new method to measure meal counting error in day care homes. USDA will use these studies in the near term to help identify mitigation strategies that are responsive to the root causes of error in the program.

Accomplishments in Reducing Overpayment		Date
1	FNS updated its Area Eligibility map with new data and user experience features. Sponsors and states use the map in making tiering determinations for FDCHs. Keeping the map up to date and improving UX advances data integrity by reducing error in these determinations.	Oct-24
2	FNS published research studies on characteristics of adult daycare centers and emergency shelters in CACFP. These studies help to characterize how CACFP fits into their operations and their challenges with the program.	Dec-24
3	FNS released summaries of two IP studies. The first reported on child care center error and highlighted areas for improvement. The second provided results from an effort to estimate IP rates in family day care homes by using existing data from state monitoring reviews.	Jan-25

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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 recently finalized a statistical model to monitor state-submitted CACFP administrative data for outliers that might indicate data entry error or error in program administration. USDA staff began running this model in quarter 1 and will refine a process for reviewing results and distinguishing non-significant anomalies from those that merit follow-up with the states.	On-Track	Sep-25	1	FNS 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)	FNS 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)

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$156M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	Certification in centers relies on accurate reporting by household applicants. In homes, certification relies on use of community poverty data, primarily Census and school enrollment data. Both processes are manual and dependent on thousands of program operators.	Training teaching a particular skill or type of behavior; refreshing on the proper processing methods.	States monitor the operations of CACFP providers & sponsors in routine records-based and on-site reviews. States provide technical assistance on program operation including certification. USDA reviews state oversight of sponsors and their responsibility in the cert process.