

Payment Integrity Scorecard

Program or Activity

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

Reporting Period

Q2 2025

FY 2024 Overpayment Amount (\$M)*

\$156

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



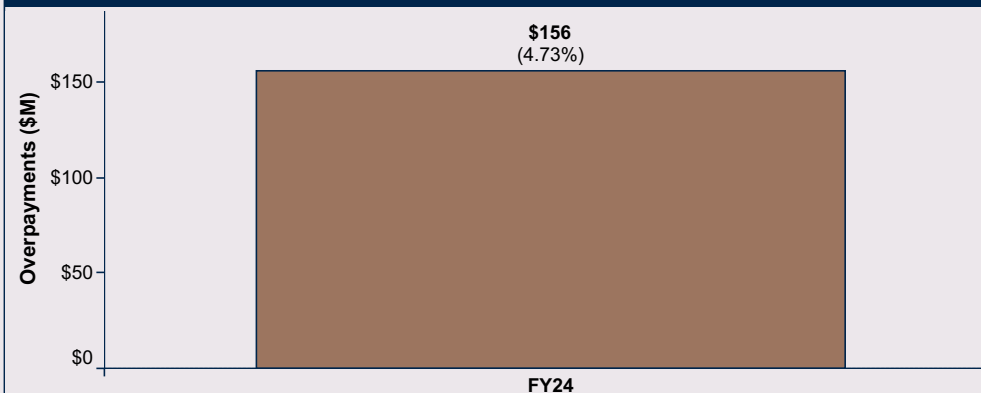
U.S. Department of Agriculture

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.

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

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 outliers in the most current month of submissions through modelling techniques incorporating comparison to historic trends, other related variables, and other states. USDA began running the model monthly in the second 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 second 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 hosted a Non-Competitive Technology Innovation Grant (nTIG) summit for State Agencies that included an overview of the nTIG application process and an opportunity for breakout discussion sessions for states.	Dec-24
2	FNS finalized the report for Study of Nutrition and Activity in Childcare Settings II, a nationally representative, comprehensive assessment of CACFP. Results will help better characterize the meal counting and reimbursement process, informing future IP methodology.	Mar-25
3	Office of Inspector General shared preliminary results of a FY23 childcare center audit. The objectives were to assess the CACFP meal reimbursement claims process, FNS' approval of waivers over monitoring controls, and to validate meal claims from a sample of centers.	Mar-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 staff analyze monthly runs of a statistical model designed to monitor state-submitted data for outliers that might indicate error in data entry or program administration. The team generates reports identifying outliers. As more months of output are collected, the team will refine a review process for distinguishing which anomalies merit follow-up with the states. In the future, the report will highlight fields that require state review and document the review process.	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.