Feasibility Study: Calculating Meal Claiming Error in Family Day Care Homes That Participate in CACFP Using State Monitoring Review Data

We explored the feasibility of using existing data from state monitoring reviews (SMRs) – a process designed to assess operations and provide real-time technical assistance to family day care homes (FDCHs) operating the Child and Adult Care Food Program (CACFP) – to estimate the rate of improper payments in those operations.

Key Findings

- Flexibility in these reviews and the information they report across states, while beneficial for their main purpose, made the resulting data unusable for estimating a national improper payment rate.
- State agencies have flexibility under current CACFP guidelines regarding how they conduct SMRs and document findings. These allowable state-level variations result in differences in the available data and documentation across states.

Why did FNA do this study?

The Payment Integrity Information Act of 2019 (PL 166-117) requires FNA to estimate improper payments in the CACFP. One potential source of improper payments that has proven difficult to assess are errors in claiming meals for reimbursement (“meal claims”) in family daycare homes. We conducted several previous studies to test methods to assess improper payments in FDCHs. All these methods were considered non-viable.

This study tested the feasibility of using data collected through CACFP SMRs and asked:

1. Can data collected through SMRs be used to produce accurate measures of the rate of improper payments in each state?
2. If so, can the state estimates be combined to produce an accurate national estimate of improper payments in FDCHs enrolled in CACFP?

Why did we test this method?

1. Using SMR data to estimate improper payments would allow us to use existing data instead of collecting new data.
2. FNA regulations provide a framework for conducting SMRs, which means the SMR process in every state has the same key elements.

How did FNA do this study?

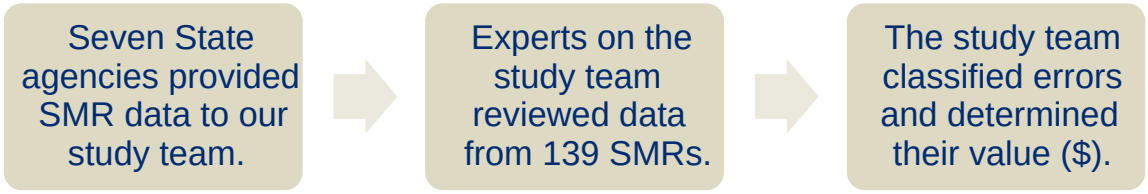


Figure 1. Methods used for this study.

State agencies provided data from SMRs conducted between July 1, 2019 and Sept. 30, 2022.

Subject matter experts on the study team reviewed each SMR for descriptions of errors, including states' official findings and additional documentation associated with the SMR process. The classification system used in this study is unique to the study. The value of meal claim errors was assessed based on FNA reimbursement rates. The final report for this study is available upon request.

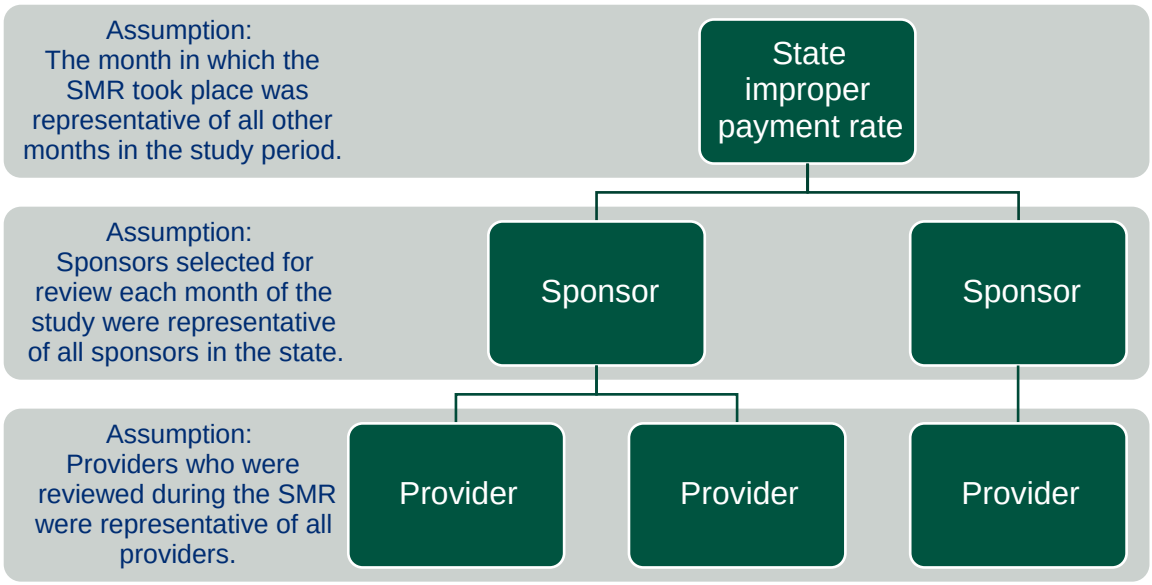


Figure 2. Shows how the value of meal claim errors in each study state were combined and weighted to produce improper payment reates for providers, sponsors, and states during the entire 36-month study period.

Additional Information

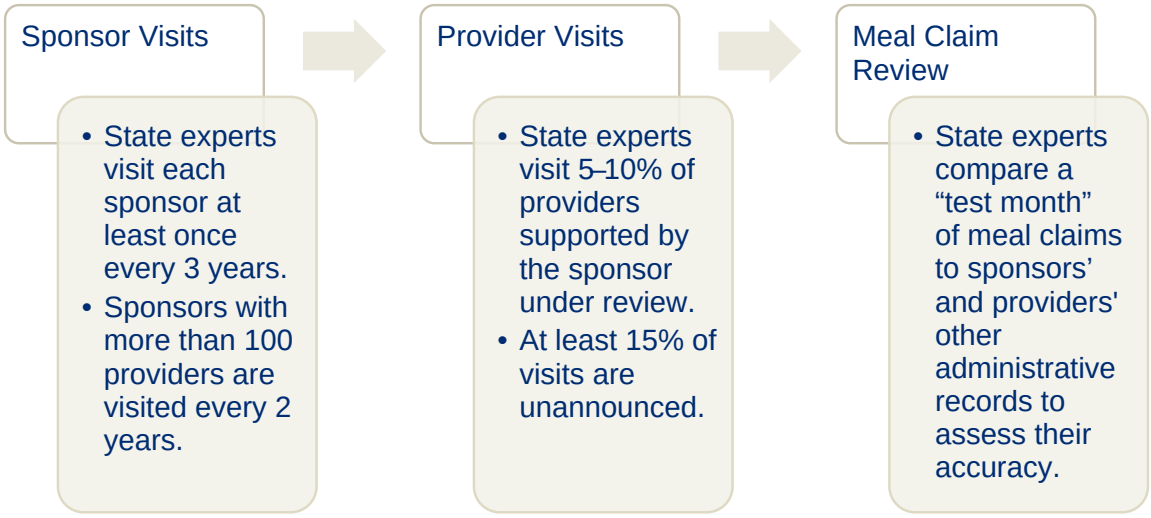


Figure 3. Overview of the state monitoring review (SMR) process, which is described in detail in the CACFP requirements.

SMRs are critical opportunities for state agencies to provide real-time technical assistance to sponsors and providers. Throughout the process, state monitoring personnel identify mistakes and help providers to address them. Those interactions are documented on paper or electronic forms. State agencies use this documentation to support the serious deficiency process, which ensures that CACFP is implemented properly.

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