

# Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2024 Overpayment Amount (\$M)*	\$776
Administration for Children and Families (ACF) - Child Care and Development ..	Q4 2025		

\*Estimate based a sampling time frame starting 10/2022 and ending 9/2023



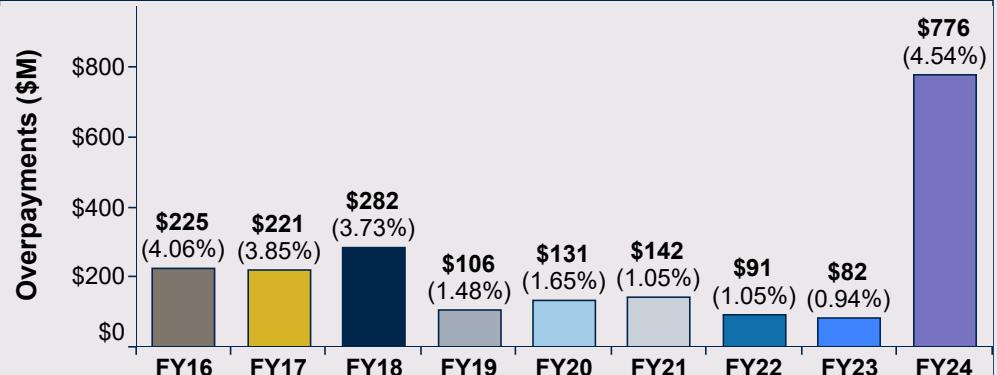
**HHS**

Administration for Children and Families (ACF) - Child Care and Development Fund

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

The Child Care and Development Fund program is a federally funded, state-administered block grant program with each state having maximum flexibility in developing the Child Care and Development Fund programs and policies that best suit the needs of children and families within that state. States tailor their review of errors to reflect the policies and procedures unique to their state and therefore, states have varying requirements for establishing and verifying a client's 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

Provided targeted technical assistance to states and territories on program integrity and accountability, which included supporting states with an improper payment rate above the established threshold to implement corrective action plans, conducting virtual site visits with states on corrective action plans, and providing Cohort trainings and Office Hours on required error rate reporting.

Accomplishments in Reducing Overpayment		Date
<b>1</b>	Conducted Child Care and Development Fund program integrity and error rate training for states.	Sep-25
<b>2</b>	Conducted virtual site visits with states with an improper payment rate above the established threshold to address root causes of errors, discuss corrective action plan implementation, and identify training and technical assistance needs.	Sep-25
<b>3</b>	Delivered technical assistance to states to help them implement the error rate review methodology and address root causes of errors.	Sep-25

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**Program or Activity**  
Administration for Children and Families (ACF) - Child Care and Development ..

**Reporting Period**  
Q4 2025

Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Establish a baseline and set a reduction target that is less than the estimated future Improper Payment and Unknown Payment rate.	Completed	Sep-25	1 Recovery Activity	For overpayments identified through the error rate statistical sampling process, states will work to recover payments resulting from fraud and to the extent recoverable, those that were not the result of fraud.	States are working to recover overpayments resulting from fraud and to the extent recoverable, those that were not the result of fraud. HHS will follow up with states on the status of recovery efforts.
2	Provide targeted technical assistance to states, informed by the specific root causes of errors and corrective actions identified by each state, to address issues and reduce improper payments.	Completed	Sep-25	2 Recovery Activity	Review Single Audit and Office of Inspector General Audit reports to identify expenditures not made in accordance with Child Care and Development Fund regulations.	For overpayments identified in audit reports for which disallowances for expenditures not made in accordance with Child Care and Development Fund regulation were sustained, the disallowances will be recovered via offset or repayment.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$776M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	Specific eligibility criteria varies by state. States have maximum flexibility within federal guidelines over key policy levers in developing programs and policies that best suit the needs of their children and families. Therefore, root causes vary by state.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Improve prevention of Improper Payments by providing technical assistance that targets the root causes of Improper Payments reported by the individual states.

The Child Care and Development Fund program is a federally funded, state-administered block grant program with each state having maximum flexibility in developing the Child Care and Development Fund programs and policies that best suit the needs of children and families within that state. States tailor their review of errors to reflect the policies and procedures unique to their state and therefore, states have varying requirements for establishing and verifying a client's eligibility. For this reason, there is not a common lexicon for root cause data/eligibility themes across states and current Child Care and Development Fund program regulations do not require states to collect and report the root cause of errors in pre-determined categories. The data used to calculate and report improper and unknown payments data is collected by the states and aggregated at the federal level, and states are not required to report dollar amounts associated with individual root causes. Therefore, while the specific root causes of errors and associated corrective actions are identified by each reporting state under the policies unique to the state, the errors are consolidated into one control cause category for this aggregate reporting at the federal level.