Serious Deficiency Process - Update

Child and Adult Care Food Program
Illinois State Board of Education
August 20, 2010
Topics to be discussed

- Serious Deficiency Process
- Corrective Action
- Household Contact
- Sponsoring Organization Proposal
- New Administrative Review (Appeal) Process
- National Disqualified List
Update on status of SD

<table>
<thead>
<tr>
<th>Year</th>
<th>SD</th>
<th>Rescission</th>
<th>Proposed</th>
<th>Terminated</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>200</td>
<td>150</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>FY09</td>
<td>250</td>
<td>200</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>FY10</td>
<td>300</td>
<td>250</td>
<td>150</td>
<td>200</td>
</tr>
</tbody>
</table>
Five Main Areas in the Serious Deficiency Process - 7CFR226.16(I)(3)

- Finding of the non-compliance
- Notification of the serious deficiency
- Corrective action
- Proposed Termination & Disqualification
- Termination
Opportunity for CA

- Yes ...
Corrective action for false or fraudulent claims

- A provider’s promise not to submit a false or fraudulent claim again does not constitute adequate corrective action
What to do when a provider submits a false or fraudulent claim

- If a provider submitted a false or fraudulent claim:
  - Begin the SD process
  - Offer corrective action
  - Deny the invalid claim/recover or deduct payment
Timeframes for Corrective Action

- Equal or less than 30 days – 7CFR226.16(l)(3)(i)(C)
- 30 days start at the day of the request
- If not received within the timeline, proceed to the next step of the SD process
Do you have to conduct an onsite review to verify implementation of corrective action?

- Follow-up reviews required
Status of Program payments

- General rule:

  Program payments **continue** to be reimbursed during the SD process to the time SD is resolved

  - Exception: suspension due to imminent threat

* Always deny invalid claims
Household Contacts

- To verify enrollment and attendance
- By mail or by phone, or both
Sponsoring Organization Proposal on the SD Process

You forwarded this message on 3/31/2010 1:18 PM.

From: Browning, Tom [browningt@actforchildren.org]
To: ABACA TESSIE; SHELTON KRISTINA; STONEBURNER DEBORAH
Cc: 
Subject: CACFP Serious Deficiency Proposal
Attachments: Proposal for updated SD process.doc (36 KB)

Tessie Abaca  Kris Shelton  Deborah Stoneburner
Illinois State Board of Education
100 North First Street
Springfield, IL 62777-0001

A number of the Illinois sponsors are submitting to the Illinois State Board of Education the enclosed proposed Serious Deficiency process for your review.

We have found the current “Actions that Lead to Serious Deficiency” to be inadequate at times and too severe at other times. We request an approach that focuses more on technical assistance and less on punitive measures. We appreciate your time in this matter and please contact any signed sponsor with questions.

Sincerely,

Thomas B. Browning, Illinois Action for Children
Carol Payne, Better Child Care*
Anthony McCaskill, Human Development Center
Catherine Harper, Nutrition for Children
Alice Fingers, Association for Child Development
Sue Worley, A-C
Lisa Smith, Illinois Child Day Care Association**
Myrtle Thomas, YWCA Metropolitan Chicago
Stacey Caragher, YWCA Aurora
Actions That May Lead to Serious Deficiency – (Additional Tool)

<table>
<thead>
<tr>
<th>List of Serious Deficiencies per Cause (7 CFR 226.16)(l)(2)</th>
<th>Examples of Findings or Scenarios</th>
<th>Con Action</th>
<th>Deduct Meals</th>
<th>Conduct House Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider did not provide accurate information in the Household Income Eligibility Application or in the site sheets</td>
<td>(x) 1st occurrence</td>
<td>1st occurrence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meal not served at time of review, but claimed all other days (includes meals served at supper, evening snacks, etc.). If provider can justify, return to regular review; otherwise, provide tech assist.</td>
<td>(x) 1st occurrence</td>
<td>1st occurrence</td>
<td></td>
<td></td>
</tr>
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</table>
Flowchart: New Administrative Review (Appeal) Process

- Start
- SO issues Proposed Termination & Disqualification Notice to Provider
- SO receives request within 7 calendar days that Provider receives Notice
- Provider receives Notice of Proposed Termination & Disqualification
  - Did Provider request for an appeal?
  - Yes: Provider sends request no later than 7 calendar days from receipt of Notice
  - No: SO issues Termination & Disqualification Notice
- Serious deficiencies determined
New Administrative Review (Appeal) Process

Procedures:

- SO receives the request within 7 days of receipt
- SO sends Acknowledgement Letter within 3 days of receipt
  - To provider
  - Copy to ISBE
    - Copy of provider request
  - Hearing Officer copy
    - Copy of provider request
    - All supporting documentation electronically scanned into MW, PDF, TIF or JPEG files
- Decision is rendered in 35 days
National Disqualified List

- Send Termination Letter to ISBE at the same time letter is issued to provider -
Re-instating Providers

Prior to July 2002

- No debt incurred to the program
- Provider owing the program
Re-instating Terminated Providers

After July 2002

* Include formal procedures in the permanent file and in the site sheet
* Do not sign up a provider without prior approval from ISBE
Questions?

Contact:

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Nutrition Programs
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Fax 217-524-6124
tabaca@isbe.net