**POLICY ALERT**

**Date:** October 28, 2005  
**Reference:** # CACFP DCH 2006-1  
**To:** Child and Adult Care Food Program-Day Care Homes (CACFP-DCH) Sponsors  
**Subject:** Frequency of Monitoring Reviews and the Option to Implement Review Averaging  
**Effective Date:** October 1, 2005

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**Purpose**

This Policy Alert revises the Monitor Review section 4340 of the CACFP – DCH Handbook.

**Background**

The Child and Adult Care Food Program: Improving Management and Program Integrity Rules changed the requirements for monitoring reviews of Providers conducted by Sponsoring Organizations (SO). The intent of this change is to allow Sponsors to better manage their monitor review responsibilities, and to make more effective use of their monitoring resources.

SOs have the option to average their monitoring reviews by reducing the number of required monitoring reviews for their best Providers and increasing the number of monitoring reviews for new or error-prone Providers most in need of help and oversight.

**Implementation**

October 1, 2005 and thereafter.

**Definitions**

- **Block Claim** – meal/snack counts submitted for reimbursement by a provider that the number submitted for one or more meal type (breakfast, lunch, snack, or supper) is identical for 15 consecutive days within a claiming period. In Texas, providers do not submit a “claim” to their sponsor. Instead, they send documentation of their meal counts. This documentation is considered a claim for the purpose of this Policy Alert.

- Example of a Block Claim - A provider operates Monday through Friday each week and claims six breakfasts each day for three consecutive weeks, or 15 consecutive operating days in a month.

- **Complete Monitoring Review** – a monitoring review that covers all the requirements on Form H1607, Monitor Review.

- **Frontloading** – conducting a majority of monitoring reviews early in the Program Year.

- **Legitimate Block Claim** – a block claim that is an accurate meal count.

- **Monitoring Review Averaging** – conducting the same total number of annual monitoring reviews (three times the number of sponsored Providers) by reviewing some Providers twice a year, and other Providers more than three times per year.

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This Policy Remains in Effect Until Further Notice
Definitions continued

Example: A Sponsor has 100 Providers, 100 Providers X 3 monitoring reviews = 300 total monitoring reviews. If the Sponsor averages the monitoring reviews, a total of 300 monitoring reviews must be conducted.

**Monitoring Review Cycle** – how often a Provider must be reviewed.

**New DCH** – a Provider that has no previous experience in the CACFP, has had a break in service, or has transferred from one Sponsor to another Sponsor.

**Participating DCH** – a Provider that is actively claiming.

**Program Year (PY)** – the CACFP Program Year, October 1 through September 30.

**Provider Profile** – the criteria established by the SO to determine which Provider receive 2, 3, or 4 monitoring reviews.

**Unsubstantiated Block Claim** – a block claim that does not have the documentation to verify the meal count.

### Part I Monitoring Review Frequency

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Number Per Program Year (PY)</th>
<th>Maximum Length of Time in Operation Before First Monitoring Review</th>
<th>Maximum Time Between Monitoring Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCHs</td>
<td>3</td>
<td>4 weeks</td>
<td>6 months</td>
</tr>
</tbody>
</table>

Monitoring Reviews must be scheduled using the following requirements:

- Two of the three monitoring reviews required for each provider must be unannounced, the third may be unannounced or announced at the Sponsor’s option.*

- All monitoring reviews must include observation of a meal service. Only one of the meal services may be a snack;

- At least one monitoring review must be conducted on a Saturday or Sunday if the Provider participates on the weekend.

*new requirement

If a Provider submits a block claim, the Providers must receive an unannounced monitoring review at the meal service for which the block claim was submitted. **Note: If more than one meal service type is block claimed, the sponsor may select the meal type to be reviewed.**

continued
Part I
Review Frequency continued

The monitoring review must be conducted within 60 calendar days of identifying the block claim*. If a complete monitoring review is conducted, the monitoring review can be counted toward the total reviews for that provider.

If you are unable to complete all of these monitoring reviews within the required time frame, contact your Area Program Office (APO) to request an extension. The decision for an extension is determined on a case-by-case basis. The APO will take into account your available resources, workload, and other relevant factors, such as geography and weather.

The following is a recommendation and not a requirement when monitoring meal service: The number of breakfast, lunch, or supper monitoring reviews should be roughly the same percentage as the percentage of breakfast, lunch, or suppers claimed.

Example: If 20% of the meals claimed by the Provider are suppers, then 20% of the Sponsor’s effort should be devoted to reviewing suppers.

* new requirement

Part II
Monitoring Review Averaging Option

You may choose to average your monitoring reviews as a means to better utilize your resources by conducting only two unannounced monitoring reviews at your best Providers, three monitoring reviews for the bulk of your Providers, and four monitoring reviews of those Providers that need closer oversight and technical assistance.

You are not required to obtain approval from Special Nutrition Programs (SNP) to implement monitoring review averaging. However, you are responsible for informing SNP of your intent to utilize the option and to provide a description of your implementation plan. There is a question on the new/renewal application to state your intention. If you decide to implement or stop averaging in a new/renewal or update year, you must submit Form H1548, Application and Management Plan Change to your APO.

Your plan must include the criteria you will use to implement and monitor review averaging for your organization. SNP will evaluate and approve your monitoring review averaging plan to ensure that all monitoring reviews will be conducted and performed according to program regulations. Regardless of your monitoring review schedule, SNP will review and monitor your operation for compliance to determine if you are conducting monitoring reviews as required.

Monitoring Review Averaging Exceptions

SOs that average their monitoring reviews must include the above review requirements with the following exceptions:

1. A Provider that submits a block claim must receive a minimum of three monitoring reviews.
Part II
Monitoring Review
Averaging Option
continued

2. There can be no more than 9 months between monitoring reviews if a Provider is receiving 2 monitoring reviews.

3. The minimum number of monitoring reviews a Provider may receive is two.

4. A Provider declared seriously deficient during the PY must receive four monitoring reviews, and must have the next monitoring review unannounced.

Procedure

How to Establish Your Averaging Cycle

Step 1. Calculate the number of total monitoring reviews that must be conducted.

In order to implement the review averaging option successfully, your review cycle must correspond with the CACFP Program Year October 1 – September 30. If you have been conducting monitoring reviews on a schedule other than the CACFP PY (Providers approved participation anniversary date, calendar year, etc.), your new monitoring review averaging cycle beginning date for all participating Providers is October 1.

Number of participating Providers as of Oct. 1 X 3 = Total of required monitoring reviews

Note: If you choose not to implement the monitoring review averaging option, you may continue with your current monitoring review schedule.

Step 2. Construct a profile to determine which Providers need more or fewer monitoring reviews.

The following is a recommendation only. You may find this guidance helpful when you begin to establish your profiles. (See Attachment A).

Providers that need only two monitoring reviews:

- Providers that have no findings on their last 2-3 monitoring reviews, and
- Providers that have participated for several years that have only minor findings on their last monitoring review.

Providers that need three monitoring reviews:

- New Providers that have previously participated with another Sponsor,
- Providers that have submitted a legitimate block claim,
- Providers that had findings on their last 2 monitoring reviews,
- Providers that are doing well, but need additional technical assistance in a particular area, and
- Providers that had serious deficiencies identified on their last monitoring review.

continued
Providers that need four monitoring reviews:

- New Providers,
- Providers that submitted an unsubstantiated block claim,
- Providers that are having difficulties,
- Providers that have a combination of the above, and
- Providers in the serious deficiency process.

**New or Deleted Providers**

Fluctuations due to adding and deleting Providers with your organization will affect your monitoring review averaging plan. To help manage the total number of required monitoring reviews you must perform, a separate averaging plan may be beneficial for new participating Providers added to your organization during the PY. New participating Providers added during a PY will then be added to the total monitoring reviews for the following PY.

Example:

<table>
<thead>
<tr>
<th>FOR NEW PROVIDERS BEGINNING WITHIN A PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Facility</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>DCH</td>
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<td>DCH</td>
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</tbody>
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**Note:** If a new Provider begins participation on December 3, three monitoring visits must be conducted for the PY. If a new Provider begins participation on May 2, two monitoring visits are required.

**Step 3. Determine exactly how many Providers will get two, three, or four monitoring reviews.**

In order to get to the total number of monitoring reviews required, you will need to have the same number of Providers receiving two monitoring reviews as you have receiving four monitoring reviews.

Example: If 300 monitoring reviews are required, your schedule might have:

10 Providers receiving 2 monitoring reviews
80 Providers receiving 3 monitoring reviews
10 Providers receiving 4 monitoring reviews

continued
**Step 4. Develop a plan to track monitoring reviews**

Tracking monitoring reviews shows the timing of monitoring reviews for each Provider throughout the year, and identifies which monitoring reviews will be announced and unannounced. (See Attachment B.)

By following the example in Attachment B, tracking monitoring reviews will allow you to keep a running tally by month and year-to-date of:

- The number of monitoring reviews conducted,
- The number of unannounced monitoring reviews conducted, and
- The number of announced monitoring reviews conducted.

**Step 5. Frontload Reviews**

Conducting a majority of your monitoring reviews, or “frontloading” early in the PY allows for more flexibility if circumstances occur later in the year that force you to revise your monitoring review plan.

**Step 6. Revise Your Schedule**

SO using review averaging will need to reassess their monitoring review plan periodically. The more Providers you have the more times your schedule will need to be assessed. Anticipate changes such as:

- Providers scheduled for two monitoring reviews submit block claims;
- the number of your participating Providers change due to new or dropped or temporarily inactive providers;
- monitor leaves position;
- bad weather prohibits the monitoring review; or
- the monitor has car problems and all monitoring reviews for the day cannot be conducted.

See Attachment C as an example of how circumstances can affect a Sponsor’s monitoring review schedule.

Averaging will work differently for each SO, depending on how the Provider profile is developed, the SO is structured, and other factors. If you decide to implement the monitoring review averaging option, remember it is a tool to use to focus more technical assistance and oversight on problematic and new Providers.
Adverse Action

At the end of the PY, every participating Provider must have received their appropriate number of monitoring reviews. As part of your administrative review, SNP will review your averaging plan, how it is implemented, monitored, and if it is working. If averaging is abused, SNP can prohibit a SO’s use of monitoring review averaging, require pre-approval of any new monitoring review averaging plan, and/or declare the SO seriously deficient.

Example of misuse of the monitoring review averaging option:

A SO has 300 Providers, 200 are located nearby, and the remaining 100 are scattered throughout Texas. Monitors work from the Sponsor’s office; the farthest Providers are monitored twice, while the nearby Providers are monitored four times. SNP’s administrative review of the Sponsor determines that the Sponsor used convenience and cost, rather than longevity or performance to determine which Providers needed the most or fewest monitoring reviews.

Authority

Child and Adult Care Food Program: Improving Management and Program Integrity Rules.

Contact

If you have any questions, please contact your Area Program Office.