

Serious Deficiencies for Providers



What is Seriously Deficient?

“The status of an institution or day care home that has been determined to be non-compliant in one or more aspects of its operation of the Program.”



What is a Serious Deficiency?

- Submission of false information on the application
- Submission of false claims for reimbursement
- Simultaneous participation under more than one sponsoring organization
- Non-compliance with the Program meal pattern
- Failure to keep required records (i.e. meal counts, menus, etc.)

What is a Serious Deficiency?

- Conduct or conditions that threaten the health or safety of a child(ren) in care or the public health or safety
- A determination that the day care home has been convicted of any activity in the past seven years that indicated a lack of business integrity
- Failure to participate in training

What Happens if a Provider is “SD”?

The Sponsor must...

- Notify the FDCH and the State Agency of the serious deficiencies
- Inform FDCH of the required actions to correct deficiencies and the time frame allotted to do so (30 days max)
- Inform FDCH that the seriously deficient determination is not subject to administrative review
- Inform FDCH that failure to fully and permanently correct the deficiencies will result in termination from the Program

Acceptable CAP....Provider

- Each party must submit CAP within the allotted time frame
 - **Remember:** provider has only 30-calendar days to correct deficiencies.
- CAP must include supporting documentation and describe the:
 - What
 - Who
 - When
 - Where
 - How

Acceptable CAP... Provider

- CAP addresses each deficiency ensuring full and permanent correction
- Sponsor send letter that:
 - CAP has been submitted timely
 - CAP fully and permanently detailed how compliances will be met
 - Provider is in a “temporarily deferred” status
 - Anytime in future, Sponsor can visit to ensure actions are being taken to correct deficiencies
 - HOWEVER, if same deficiencies are identified during follow-up, Sponsor can move to immediately Propose to Terminate and Disqualify—this action is appealable

Unacceptable CAP.... Provider

- Not submitting a CAP
- Not submitting a timely CAP
- Not responding to each deficiency identifying actions to fully and permanently correct

Sponsor must move to send Notice to Propose to Terminate and Disqualify— this action can be appealed

What Happens if a Provider is “SD”?

Deficiencies are fully and permanently corrected

- S.D. status is *temporarily deferred* and resume normally with the Program

Deficiencies are not fully and permanently corrected

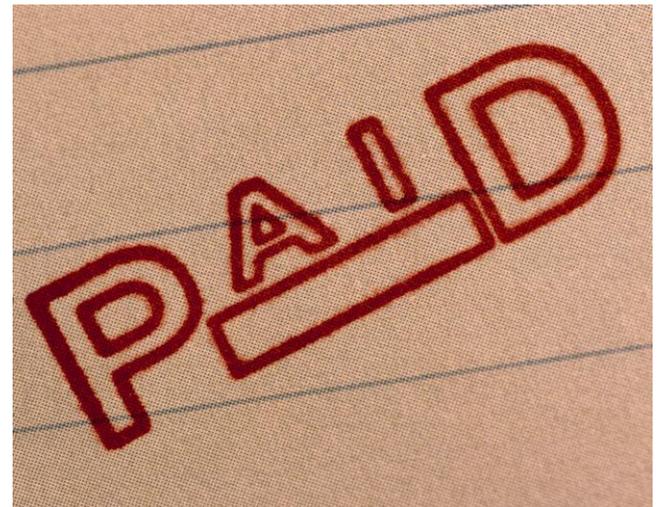
- The Sponsor will initiate action to terminate Institution from the Program
- The Sponsor will initiate action to add the Institution and its Responsible Principals to the National Disqualified List (NDL)

Notice of Proposed Termination and Disqualification

- Sponsor will send detailed letter informing respective parties that:
 - CAP was submitted timely but inadequate/unacceptable
 - Failed to ensure full and permanent correction of each deficiencies
 - Right to appeal this action—sponsor attach hearing procedures
 - Written notification must be received within 15-calendar days of receipt of proposed actions--- not later than close of business on the deadline date
 - Sponsor sends copy to SA

Additional Information

- Continue to pay any claims for reimbursement for eligible meals served until the serious deficiency is corrected, or the day the FDCH's agreement is terminated, including the period of any administrative review.



Suspension of Home Providers



Suspension of Home Providers

- A Sponsor must immediately suspend the provider's CACFP participation if:
 - Home has been cited for health or safety violations by a State licensing official
 - Sponsor determines there is an imminent threat to health and safety of any participants
 - Home has/is engaged in activities that threaten public health or safety and licensing officials cannot conduct an immediate visit
- Sponsor must issue a notice of suspension, serious deficiency and propose to terminate the day care home's agreement

Suspension Notice to Provider

- The notice must:
 - Specify the serious deficiencies found and home's opportunity to appeal proposed termination
 - State that participation (including all Program payments) will remain suspended until the administrative review is conducted
 - Inform home if administrative review official overturns suspension, home may claim for eligible meals during the suspension
 - Termination will result in placement on NDL
 - Voluntarily termination after receipt of notice will be terminated for cause and disqualified

What if the Sponsor/Provider's Appeal is Upheld?

- Hearing Official renders decision upholding the sponsor/provider
- Sponsor must immediately notify the respective parties---the proposed termination and disqualification is “rescinded”
- No further action is necessary---provider is in good standings again
- Suspension is overturned
 - Sponsor must notify provider and SA and disburse all suspended administrative payments.

Notice of “Final” Termination and Disqualification

- Provider didn't appeal Notice of Proposed Termination and Disqualification OR Suspension
- Provider appealed Notice of Proposed Termination and Disqualification OR Suspension
 - Hearing Official upheld sponsor decision
- Sponsor must immediately notify respective parties of decision
- Include effective date of termination and disqualification
- If provider owes debt, must be repaid
- Provider/responsible parties are placed on (NDL) National Disqualifying List

National Disqualified List

Question: How long does the provider and the responsible individual remain on this list?

- 3 years
- 5 years
- 7 years

Answer: 7 years

If provider/RPI owes a debt, remain on list until debt is paid in full (interest in accrued); Less than 7 years, if provider request re-application, only after acceptable CAP is submitted; USDA and SA must both concur; home must submit request to SA