

Bulletin

March 5, 2006

Minnesota Department of Human Services □ 444 Lafayette Rd. □ St. Paul, MN 55155

OF INTEREST TO

- County Directors
- County Supervisors and Staff
 - Child Care
 - Child Support
 - Fiscal
 - Fraud
 - Income Maintenance
 - Social Services
- County Child Care Administrative Contacts and Client Access Contacts
- Child Care Resource and Referral Agencies
- Employment Service Providers
- Tribal Representatives

ACTION

Please read and implement.

DUE DATE

March 20, 2006

DHS Announces Policy Directives for the Child Care Assistance Program

TOPIC

Child Care Assistance Program (CCAP)

- Copayment assistance for families
- Partial hour payments

PURPOSE

To clarify CCAP policy.

CONTACT

Contact your CCAP Technical liaison (see Page 2) or submit your question through Policy Quest.

CCAP Technical Liaisons (see Page 2)
Minnesota Department of Human Services
444 Lafayette Road North
St. Paul, N 55155-3834

SIGNED

CHARLES E. JOHNSON
Assistant Commissioner
Children and Family Services

Introduction and background

During the legislative session of 2003 and subsequently, there have been significant changes in Child Care Assistance Program policy. These changes have raised questions regarding a variety of implementation and interpretation issues. This bulletin provides clarification to address agency administrative responsibility related to these issues.

Technical Liaisons contact information

Region	Technical Liaison	Phone Number	Email Address
2, 3, 5, 7E	Tia Chang	(651) 284-4109	tia.chang@state.mn.us
4	Brenda Clark	(651) 297-7085	brenda.clark@state.mn.us
6E, 6W	Laurie Possin	(651) 296-1451	laurie.j.possin@state.mn.us
7W, 10, 11	Merianne Peterson	(651) 284-3899	merianne.peterson@state.mn.us
1, 8, 9	Joan Anderson	(651) 284-4110	joan.k.anderson@state.mn.us

CONTENTS

Section 1 – Payment of family copayments

Section 2 – Payment of partial hour child care costs

Section 3 – Special Needs

Section 4 – Legal References

SECTION 1. Payment of family copayments by child care providers or other third party entities.

Background

DHS has been notified that some parent copayments are being paid by third parties, or are being waived or reduced by child care providers. This section provides information needed for counties to inform both families and providers of the program requirement that families are responsible to pay their copayment fee.

Family responsibility to pay copayment fees

Federal law (federal Child Care and Development Block Grant, Title 42, section 9858) and Minnesota Statutes, chapters 119B.09 and 119B.12, subdivision 2 outline cost sharing measures that must be in place for families determined to be eligible for the CCAP. Families earning 75 percent of the federal poverty level and above must be assessed a parent fee for each service period. For families earning between 75 percent and 100 percent of the federal poverty level, the minimum fee is \$ 5 per month. For families earning above 100 percent of poverty, the parent fee must be a fixed percentage of the family's annual gross income. Parent fees must provide graduated movement to full payment.

Parents who do not pay their required share of child care expenses are violating the sliding fee payment requirements in Minnesota Statutes, section 119B.12. Families who fail to pay the family copayment fee are ineligible for child care assistance until the fees are paid or until the family reaches an agreement for payment with the provider and the county and continues to comply with the payment agreement. Minn. R. part 3400.0040, subpart 6a.

Required county action:

Beginning March 20, 2006 and through September 30, 2006 counties must notify all families, providers and when possible community agencies that are known to assist with copayments that families are responsible for full payment of their copayments, that 100% of the copayment must be made by the family, and can not be waived by the provider or paid by a third party.

There are occasional circumstances where families may not be able to pay 100% of the biweekly or monthly copayment in a timely manner. The 100 % payment requirement does not preclude current language which allows payment arrangements. The notice should include language regarding nonpayment of copayments as follows: "When a family is unable to pay their copayment, a payment arrangement can be established between the provider and the parent according to Minnesota Rules, part 3400.0040, subpart 6a".

Effective 10/1/2006, if the county is made aware of third party payments of copayments, the amount of the copayment that was not paid by the family would be considered an overpayment to the family, in accordance with Minn. R. part 3400.0110, subpart 4a.

Options for notification:

Clients – Notices to families could be provided upon redetermination or in separate mailings. The requirement to pay 100% of the copayment should be added to cover letters, handbooks and any other materials that outline client responsibilities.

Providers - Notices to providers could be included in other mailings. Provider registration packets and provider billing forms should be updated to reflect these requirements as follows:

"Child care providers are responsible to collect the copayment and inform the county if the copayment was or was not received. Providers who falsely declare receipt of the family's copayment on the billing statement may have their payment stopped by the county, or the county may refuse to pay a bill submitted by the provider, according to Minnesota Statutes, section 119B.13 subdivision 6 (d). When a family is unable to pay their copayment, a payment arrangement can be established between the provider and the parent according to Minnesota Rules, part 3400.0040, subpart 6a. "

SECTION 2. Payments made to child care providers using partial hours of payment

Background:

MN Statutes, section 119B.13, Subdivision 1 (d) states that the county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and handicapped care.

Required county action:

Beginning March 20, 2006, if a licensed child care provider charges on a full hour, full day, or full week basis, the county must pay the provider in the increments billed. Legal nonlicensed providers can be paid only on an hourly basis.

A county may pay for less than a full hour of child care **only** when the provider bills in increments that are less than an hour in length. The provider may charge for, and **must** be paid for, the full authorized hour (up to the amount of authorized care) even if the child was not in care for the full hour.

For counties on MEC², please contact the Help Desk at (651) 297-1848 or 1-(800) 657-3610 if you have questions about issuing partial hour payments.

Note: Counties should review billing forms to ensure that there is a differentiation between actual hours attended (eg. 3:15 p.m. – 4:45 p.m. = 1.5 hours, and the provider charge (eg. provider may charge 1.5 hours if that is their practice, or 2 hours if that is their practice).

SECTION 3. Special Needs

This information is available in other formats to people with disabilities by contacting Aaron Coonce at 651-296-1835 or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).

SECTION 4. Legal References

Federal law, Child Care and Development Block Grant, Title 42, section 98.58

Minnesota Statutes, chapters 119B.09-119B.13

Minnesota Rules, parts 3400.0040 and 3400.0110