

NUMBER

17-68-16

DATE

July 24, 2017

OF INTEREST TO

County Directors
Social Services Supervisors and
Staff

Child Care Assistance Program
Administrative and Client
Access Contacts

ACTION/DUE DATE

Please read information and
prepare for implementation.

EXPIRATION DATE

July 24, 2019

Federal and State Changes to the Child Care Assistance Program – Overview

TOPIC

Child Care Assistance Program changes made as a result of the federal Child Care Development Block Grant (CCDBG) Act of 2014 and the 2017 state legislative session.

PURPOSE

Provide information and instructions on policy changes.

CONTACT

Contact your Child Care Assistance Program technical liaison or submit your question through PolicyQuest.

SIGNED

JAMES G. KOPPEL
Assistant Commissioner
Children and Family Services

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

The Child Care Assistance Program (CCAP) helps approximately 15,000 families and 30,000 children pay for child care throughout Minnesota. This is the first in a series of bulletins covering recent state and federal changes to CCAP. This bulletin provides an introduction to these changes.

During the 2017 legislative session, many changes were made to CCAP. Most of these changes were required under the federal Child Care and Development Block Grant (CCDBG) Act of 2014. Additionally, the Department of Human Services (DHS) plans to implement other CCAP changes required under the CCDBG Act of 2014 that did not require legislative action at the state level.

Most changes in this bulletin relate to family eligibility, child care authorization, and program integrity. The legislature also passed changes to child care provider requirements. Details about many of the child care provider requirement changes will be communicated at a later date.

DHS will provide more guidance in the CCAP Policy Manual and future bulletins, including policy details and information about MEC² changes. Training for agency staff is under development. More information about training will be provided this summer.

II. Family Eligibility and Child Care Authorization Changes

The family eligibility and child care authorization changes bring Minnesota into compliance with most federal requirements, including creating 12 month eligibility periods for families. During the 12 month eligibility period, the benefit amount that an individual family or child receives is not reduced, except in limited situations. This helps parents find and keep employment and improves school readiness by keeping children in child care with fewer disruptions and more consistent schedules.

A. Eligibility is re-determined every 12 months

New Policy

Effective October 23, 2017, agencies must re-determine family eligibility every 12 months. For some parents the redetermination can go beyond 12 months, to the end of the parent's school year. Providers will be notified that the family's redetermination is due at least 45 days before the end of the 12 month eligibility period.

Current Policy

Eligibility is re-determined every six months. For some students the redetermination can go beyond six months, to the end of the school year. Providers are not notified that the redetermination is due.

B. Copays do not increase during 12 month eligibility period

New Policy

Effective October 23, 2017, copays cannot increase during the 12 month eligibility period. Copays can decrease during the 12 month eligibility period if there is a verified decrease in income or a household change. Copays can increase or decrease when the family completes their 12-month redetermination.

Current Policy

Copays can increase or decrease at any time.

C. Eligibility continues when income increases during 12 month eligibility period

New Policy

Effective October 23, 2017, eligibility continues when income increases during the 12 month eligibility period, as long as income is at or below 85 percent of the State Median Income (SMI). If income goes above 85 percent SMI, eligibility will end. At redetermination, income must be at or below 67 percent SMI for eligibility to continue.

Current Policy

Eligibility ends when income goes above 67 percent SMI.

D. Education is an authorized activity for Transition Year and Transition Year Extension

New Policy

Effective October 23, 2017, education is an authorized activity for Transition Year (TY) child care and Transition Year Extension (TYE) child care.

Current Policy

Education is not an authorized activity for TY child care or TYE child care.

E. Child support cooperation required at application and redetermination

New Policy

Effective October 23, 2017, child support cooperation is required at application and redetermination. Eligibility continues when families temporarily stop cooperating with child support enforcement during the 12 month eligibility period. At redetermination, families must cooperate for eligibility to continue.

Current Policy

Child support cooperation is required continuously.

F. Families report fewer changes during 12 month eligibility period

New Policy

Effective December 18, 2017, families need to report fewer changes during their 12 month eligibility period. Families will not need to report changes in income, unless the change brings the family's income over 85 percent SMI. Most families will not need to report changes in their work or school schedule, unless they stop working or going to school permanently.

Families in these groups will need to continue reporting all changes in their work or school schedule:

- Family requests care with more than one provider per child
- Family requests care from a legal nonlicensed (LNL) provider
- A parent in the family is employed by:
 - A DHS licensed child care center; or
 - A high-risk Medicaid-enrolled provider.

All families need to continue reporting these changes within ten days:

- Custody schedule
- Address or residency
- Citizenship or immigration status
- Household composition
- Family status.

Families also need to report if they change providers or want fewer hours authorized.

Current Policy

Families must report most changes within ten days.

G. Eligibility continues when work hours decrease during 12 month eligibility period

New Policy

Effective December 18, 2017, minimum activity requirements for parents only apply at application and redetermination. Eligibility will continue during the 12 month period when a parent's work hours decrease below the required average of 20 hours per week at minimum wage (ten hours per week at minimum wage if a full time student). The parent must meet the minimum activity requirements when they complete the 12-month redetermination to have continued eligibility.

Current Policy

A family is not eligible for continued care if their average work hours do not meet the minimum requirements at any time.

H. Authorized hours decrease less often during 12 month eligibility period

New Policy

Effective December 18, 2017, the number of hours authorized will decrease less often during the 12 month eligibility period. For most families, the number of hours authorized will decrease only if the child starts school, the provider cannot provide the amount of care authorized, or the family requests fewer hours. The number of hours authorized can increase if there is a verified need for the increase. The number of hours authorized can increase or decrease when a family completes their 12-month redetermination.

For families in these groups, the number of hours authorized will continue to be based on the parents' verified activity schedule. Authorized hours can increase or decrease during the 12 month eligibility period when:

- Family requests care with more than one provider per child
- Family requests care from a legal nonlicensed (LNL) provider
- A parent in the family is employed by:
 - A DHS licensed child care center; or
 - A high-risk Medicaid-enrolled provider.

Current Policy

The number of hours authorized can increase or decrease at any time.

I. Authorization continues when there is a temporary break in activity

New Policy

Effective December 18, 2017, the same amount of care authorized will continue during the 12 month eligibility period when a parent has a temporary break in their work or school activity. The amount of care authorized will not decrease. Examples of a temporary break include medical leave, maternity leave, school break, and seasonal employment fluctuations. The parent must meet activity requirements when they complete the 12-month redetermination.

For families in these groups, their authorized care may be suspended following a 15 day notice when a parent has a temporary break in their work or school activity:

- Family requests care with more than one provider per child
- Family requests care from a legal nonlicensed (LNL) provider
- A parent in the family is employed by:
 - A DHS licensed child care center; or
 - A high-risk Medicaid-enrolled provider.

Current Policy

When a parent has a temporary break in their activity care is limited or not authorized.

J. Authorization continues for a three month period after activity permanently stops

New Policy

Effective December 18, 2017, when a parent's activity ends permanently, the same amount of care will continue to be authorized for three months or until the family's next redetermination, whichever occurs first. The amount of care authorized will not decrease.

This policy applies in all of these situations:

- A parent's employment or education activity ends permanently
- Another parent moves into the household and is not in an authorized activity
- A parent's MFIP assistance ends and the parent is not in an authorized activity
- A parent stops attending school and they had been receiving assistance under MFIP/DWP child care for student parents
- A parent receiving Basic Sliding Fee child care or Transition Year child care applies for MFIP and is not in an authorized activity

At the end of the three month period, the parent must be working, have an approved education plan, or have an MFIP Employment Plan for care to continue. At the 12-month redetermination, the parent must meet activity requirements for care to continue.

Current Policy

When a parent has a permanent end to their activity care is limited or not authorized.

K. Income of new spouses not counted for MFIP child care

New Policy

Effective December 1, 2018, income of a new spouse, in a family receiving MFIP child care, does not count towards the family's income for 26 consecutive biweekly periods if the family's income prior to the exemption does not exceed 67 percent SMI. This exemption begins the second biweekly period after the marriage date. This is based on changes made to the MFIP program effective December 1, 2018.

Current Policy

Income of new spouses is usually counted.

III. Program Integrity Changes

The program integrity changes in this section ensure public funds are spent responsibly and address program integrity concerns, including potential recipient fraud and misuse, provider fraud, and administrative errors.

A. Payment is limited when a child has multiple providers

New Policy

Effective April 23, 2018, payment is limited when a child has multiple providers. Each child can use up to two providers that can be paid by CCAP, one primary provider and one secondary provider. The amount of care authorized with a secondary provider is limited to 20 hours in a biweekly period. The amount paid to a secondary provider cannot be more than two daily rates in a biweekly period.

This policy does not apply to children using legal nonlicensed providers (sometimes referred to as family, friend and neighbor providers).

Current Policy

There are not specific limits on payment or authorization when children use multiple providers. There is a 120 hour payment limit per child, per two-week period; this policy is not changing.

B. Payment for center employees limited to 25 children

New Policy

Effective April 23, 2018, payments to providers for children of center employees are limited to 25 or fewer children of employees per center.

Current Policy

Payments to providers for children of center employees are limited to no more than 50 percent of children per center.

IV. Other Provider Changes

A. Bills must be paid within 21 days

New Policy

Effective September 25, 2017, agencies must pay bills within 21 days of receiving a complete bill from the provider.

Current Policy

Bills must be paid within 30 days.

B. Providers must take training

New Policy

Effective September 30, 2017, to continue receiving CCAP payments and remain registered with CCAP, providers must complete new required training. A bulletin ([#17-68-05 Provider Training Requirements for the Child Care Assistance Program](#)) was released March 6, 2017 describing the new requirements. The department is monitoring compliance with training requirements. More information regarding compliance and on-going monitoring of training requirements will be included in a future bulletin.

Current Policy

There are no CCAP training requirements for licensed providers or license-exempt centers. Legal nonlicensed providers must have current certification in first aid and cardiopulmonary resuscitation (CPR) prior to receiving payments from CCAP and must take 8 additional hours of approved training prior to renewing a registration. These requirements have not changed. Information regarding layering new and current training requirements will be included in a future bulletin.

C. License-exempt centers must be certified to receive child care assistance

New Policy

Effective September 30, 2017, the commissioner has authority to certify license-exempt centers to receive CCAP payments. Certification shall be on a phased-in schedule as determined by the commissioner. Information regarding certification will be included in a future bulletin. Uncertified license-exempt centers should continue to receive service authorizations and payments from CCAP until further notice from the department.

Current Policy

License-exempt centers are not required to be certified prior to receiving payments from CCAP.

D. Maximum rates changes for providers in St. Cloud area

New Policy

Effective July 1, 2018, the policy for applying maximum rates for some providers in the St. Cloud area is changed. Specifically, for child care providers located in the boundaries of a city in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. DHS expects this change to only apply to providers located in the cities of Sartell and St. Cloud.

Current Policy

The maximum rates that apply for each provider are those of the county where the provider is located.

V. Legal References

Laws of Minnesota 2017, Chapter 6, Articles 7, 9 and 16

Minnesota Statutes, Chapter 119B

Minnesota Statutes, Chapter 256P

The Child Care Development Block Grant Act of 2014, Public Law Number 113-186.

Federal Child Care and Development Fund, 45 C.F.R.

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-3809 (voice) or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.