

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 400-28, Child Care Assistance Program (CCAP). This manual letter also incorporates changes made with:

- IM 5329 Intentional Program Violation Updates

Par. 2. **Effective Date** – October 1, 2018. Graduated Eligibility 400-28-25-15 is effective with reviews due in October and forward. Registration Fee 400-28-130-15-15 is effective with fees incurred in October or later. Policy related to the removal of hourly level of care is effective with eligibility determinations made for October forward.

Items that include a change in policy are indicated. All other items are corrections or clarifications.

Definitions 400-28-05

1. 400-28-05 – Definitions. A new definition of 'Registration Fee' was added as provider registration fees can now be paid by CCAP. Refer to section Registration Fee 400-28-130-15-15 for policy on paying registration fees. **This is a new policy.** The definition of Level of Care was updated to removed hourly as hourly is no longer an allowable level of care. **This is a new policy.**

Registration Fee – A one time or annual mandatory fee that is charged by providers to cover administrative, operational or enrollment costs but does not include fees charged for transportation, meals, field trips and other costs.

Level of Care – Full-time, or part-time or ~~hourly~~ child care that is needed.

Application 400-28-20

2. 400-28-20-10 – Date of Application and Benefit Start Date. Updated policy to reflect the correct name of the SFN 616.

Date of Application and Benefit Start Date 400-28-20-10

An SFN 616 Child Care Billing Report Request for Payment form is not required at time of application.

Review 400-28-25

3. 400-28-25-15 – Graduated Eligibility. A new section has been added to include policy on graduated eligibility. Graduated eligibility allows households an additional 12 months of assistance at the time of their first review period when the household's income is above the initial application income limit of 60% SMI, but is below 85% SMI. **This is a new policy.**

Graduated Eligibility 400-28-25-15

At the time of review, households will continue to be eligible for another 12 month period if the household's income is over the initial application income limit of 60% SMI but is under 85% SMI as indicated on the DN 241 Sliding Fee Schedule.

Households are allowed one 12 month graduated eligibility period during the review cycle. At the time of second review, after being approved for a 12 month graduated eligibility period, if the household continues to be over 60% SMI, but below 85% SMI, the review is denied.

If the household is allowed a 12 month graduated eligibility period and is under 60% SMI at the time of second review, the household remains eligible for another 12 month period. This is not considered a graduated eligibility period as the household is now at or below the initial eligibility income limits. If the household would submit another review (third review) and the income is above 60% SMI, but below 85% SMI, the household is eligible for another 12 months graduated eligibility period.

At any point that CCAP closes and a household reapplies and is eligible at initial application, the household may be eligible for another 12 month graduated eligiblty period at review.

Households are not limited in the number of graduated eligiblty periods they may receive, as long as the periods are not consecutive.

If the household's income is above 85% SMI the review is denied.

All other eligiblty criteria must be met in order to continue assistance.

Example 1:

A household submitted an application October 15th and was approved for a 12 month period effective October 1st – September 30th. At the time of application, the household's income was below 60% SMI. The household submits a review in September and provides verification that the household's income is now over 60% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 12 month period from October 1st – September 30th.

The household submits a second review the following September and provides verification that the household's income remains above 60% SMI but below 85% SMI. The household's review is denied as they had already received an additional 12 month period.

Example 2:

A household submitted an application October 15th and was approved for a 12 month period effective October 1st – September 30th. At the time of application, the household's income was below 60% SMI. The household submits a review in September and provides verification that the household's income is now over 60% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 12 month period from October 1st – September 30th.

The household submits a second review the following September and provides verification that the household's income is now at or below 60% SMI. The household's review is approved for another 12 month

period.

Budgeting for the Child Care Assistance Program

4. 400-28-75-10 – Prospecting Income for the Certificate Period. At the time of application, total countable household income must be at or below 60% SMI, based on the DN 241 Sliding Fee Schedule. This clarification is being added to policy as households are now subject to Graduated Eligibility per new policy section Graduated Eligibility 400-28-25-15. **This is a change in policy.**

Prospecting Income for the Certificate Period 400-28-75-10

Gross income, **either earned or unearned**, must be determined prospectively as eligibility is determined for a specific certificate period.

Income from the following timeframes must be verified and documented at application or review:

- Income from the month prior to the application or review, and
- Income from the month of application or review through the date the application or review is received by the county social service office.

If income from the specified timeframes is NOT reflective of anticipated income for the certificate period, the household must verify their anticipated monthly income.

Total countable household income at the time of application must be at or below 60% SMI, based on the DN 241 Sliding Fee Schedule.

Total countable household income at the time of review must be evaluated for graduated eligibility based on policy at Graduated Eligibility 400-28-23-15.

Prospected income amounts are rounded down to the nearest dollar.

Note: If an employer verifies a range of work hours, the higher number of work hours verified will be used to determine the prospected income.

Example 1:

A household applies for CCAP on November 18th. The household reports that they had a job end in October and received their last check from that job on November 5th. The household also reports that they started a new job November 10th. Income from the terminated job from October is not considered when prospecting income. Anticipated income from their new job that started in November would be used.

Example 2:

A household applies for CCAP on June 4th. Paystubs from May indicate that the household worked an additional 10 hours of overtime each week in May. The household verifies that they will no longer receive overtime in June or July. The income from overtime hours in May is not used when prospecting income for the certificate period.

If the household requests assistance for the month prior to the application month, actual income, including terminated sources, received in that month must be verified and used. Income is NOT prospected for the prior month.

Example:

A household applies for CCAP on June 4th and requests assistance with May child care costs from May. In May the household worked an additional 10 hours of overtime each week. All regular and overtime income would be considered and used for the month of May.

Adding or Removing a Household Member

When adding a household member during the eligibility period, all gross income and deductions of that individual is considered and must be evaluated for an increase or decrease in benefits. If it results in a decrease, the income and deductions are not added and no further action is needed. If it results in an increase, the income and deductions are added based on timely reporting. In order to allow an increase in benefits, the new household member must verify income from the following timeframes:

- Income from the month prior to joining the household, and
- Income from the month of joining the household.
- If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify the anticipated monthly income.

If the household fails to provide verification, the previously verified amount is used and the benefit remains the same. If there is no previously verified amount (i.e. household reports paying child support and previously had not), no change is made and the benefit remains the same.

When removing a household member during the certificate period, all gross income and deductions of that individual are removed effective the month the household member is removed from the household if it results in an increase in benefits.

Waived Co-Pay

Ongoing CCAP cases that were in receipt of Crossroads, Diversion, TANF or Transition, but are no longer participating in one of those programs, must have their income prospected for the remainder of the certificate period. Income from the following timeframes must be verified and documented:

- Income from the month prior to the case closure, and
- Income from the month of case closure.

If income from the specified timeframes is NOT reflective of anticipated income for the certificate period, the household must verify their anticipated monthly income.

Ongoing CCAP cases that become eligible for Crossroads, Diversion, TANF or Transition must have their income removed from the CCAP case effective the month of eligibility of one of those programs.

~~Prospected income amounts are rounded down to the nearest dollar.~~

5. 400-28-75-50 – When Income and Allowable Income Deductions are Verified and Changed. Clarification was added on how to react to income when households voluntarily reduces income. In ongoing cases, households are now subject to income limits at or below 85% SMI. Households must qualify at application with total countable income at or below 60% SMI but are subject to 85% SMI in ongoing cases. **This is a change in policy.**

When Income and Allowable Income Deductions are Verified and Changed 400-28-75-50

Verification of gross income and allowable income deductions for all household members is required at application, review, or when a case changes from Waived Co-pay (Crossroads, Diversion, TANF or Transition) to Co-pay.

In an ongoing case, changes in gross income or allowable income deductions for existing household members are not acted upon, except in the following situations:

- There is a change in income or allowable deductions that results in a decreased co-payment. Decreases in income are only acted on when the household verifies that the reduced income will continue. Reduced income will not be allowed when the household voluntarily reduces their activity hours for an allowable activity. In these situations, the previously verified income will continue to be used for the remainder of

the eligibility period. If the household reports and verifies income from a new source that results in a reduced co-payment, the old income may be removed and the new income may be used.

- Decreased income can be acted on when the household loses a job and then has a new job, when the employer reduces work hours without consent of the household, or when a household was working and then ends employment to attend an education activity.
- The household's monthly gross income, minus allowable deductions, exceeds 85% SMI ~~the highest income level for the household size~~. In these situations, the case must be closed due to excess income. Households remain eligible for CCAP during the eligibility period as long as total countable income is at or below 85% SMI, per DN 241 Sliding Fee Schedule, for the determined household size.

Note: If the household does not anticipate that the income will continue to exceed the income limit for the household size, the household must provide verification of anticipated income and deductions.

When adding a household member, only the new household member ~~must~~ may verify their gross income and allowable deductions. No changes in income or deductions are made for existing household members, unless one of the situations listed above applies.

Allowable Child Care Hours and Level of Care 400-28-80

6. 400-28-80-25 – Absent Days. Policy now allows for up 40 hours per calendar month to be paid for a child who is absent from their child care setting. **This is a change in policy.**

Absent Days 400-28-80-25

Up to ~~16~~ 40 hours per calendar month can be allowed for a child who is absent from their child care setting for any reason when the provider requires payment of the absence.

The total number of hours that the child was absent must be listed on the Child Care ~~Billing Report~~ Request for Payment form.

More than ~~16~~ 40 hours per month can be allowed in situations that result in closures or absences due to inclement weather. These situations must be reviewed on a case by case basis, using prudent person judgment. The reason for allowing payment for additional absent days must be documented in the case file.

7. 400-28-80-50 – Determining the Level of Care. Policy on determining an hourly level of care has been removed as hourly is no longer an allowable level of care. Households will be determined to have a part time or full time level of care. **This is a change in policy.**

Determining the Level of Care 400-28-80-50.

The level of care is used to determine if a child needs full-time, or part-time ~~or hourly~~ child care and is based on the calculation of allowable child care hours of the caretaker and the child.

The Level of Care must be determined in the following situations:

- application
- review
- increasing monthly child care hours
- adding a child to the certificate
- changing or adding a provider

A child may have more than one provider. The level of Care must be determined for each provider based on the number of hours the child needs care while the caretaker(s) is participating in an allowable activity.

To determine the Level of Care:

- Determine the allowable child care hours of each caretaker based on policy at 400-28-80-10, Calculation of Allowable Child Care Hours.
- Determine the child's allowable child care hours based on the policy at 400-28-80-10-05.
- Compare the caretaker's allowable hours to the child's allowable hours, the lesser of the hours when all schedules are compared will determine the level of care.

Example 1:

Household consists of one caretaker and one child. It is determined that the caretaker has 35 allowable activity hours per week. The child is determined to have a need of only 16 hours of care a week. 16 hours will be used to determine the level of care.

Example 2:

Household consists of two-caretakers and one school age child. Total allowable hours of the first caretaker are 22 per week. Total allowable hours of the second caretaker are 35 per week. The child attends school Monday through Friday and will be in child care after school for 3 hours per day (15 hours per week). An additional 9 hours per week are allowed for all school age children. The child's need is determined to be 24 hours per week. After comparing all schedules, it is determined that 22 hours per week will be allowed. This is because CCAP allows for the least amount of hours needed when determining the level of care.

Once this information is determined:

- If the weekly hours calculated for a child average 25 or more per week, the child falls into the full time Level of Care.
- If the weekly hours calculated for a child average from 1 14 to less than 25 hours per week, the child falls into part-time Level of Care.
- ~~If the weekly hours calculated for a child average less than 14 hours per week, the child falls into hourly Level of Care.~~

Once a level of care is established for a child:

- The level of care is not decreased for the remaining certificate period regardless if the caretaker has a decrease in hours which would result in the child needing a lower Level of Care.
- The level of care can be increased during the certificate period when the caretaker has an increase in allowable activity hours.

Child Care Sliding Fee Schedule 400-28-95

8. 400-28-95 Child Care Sliding Fee Schedule. Policy was updated to remove reference to three Levels of Care to two levels of care as hourly level of care is no longer allowable.

Child Care Sliding Fee Schedule 400-28-95

The DN 241 Child Care Sliding Fee Schedule was developed to determine cost sharing by a family and Child Care Assistance Program based on income, size of the family, the age of the child, type of provider and Level of Care.

The Child Care Sliding Fee Schedule includes the Level of Care (categories) based on the number of hours needed for care of the child. Child care hours used will fall into one of three two Levels of Care (categories) for each child. Each Level of Care (category) has a maximum allowable weekly and monthly cap by provider type and age of child.

Verification of Child Care Costs 400-28-130

9. 400-28-130-15-15 – Deposits/Activity Fee/Registration Fee. The name of this policy section has been changed to Registration Fee. CCAP can now pay for registration fees that are required by a provider in order to enroll a child in the child care setting. **This is a change in policy.**

Deposits/Activity Fee/Registration Fee 400-28-130-15-15

~~The Child Care Assistance Program will not reimburse any costs related to Deposits or Activity / Registration fees.~~

CCAP may pay for registration fees charged by Center (C,E,K,M) or Group/Family (F, G, H) type providers.

Registration fees may only be paid when the fee is required by a provider to enroll or continue enrollment of a child in the child care setting. Fees that are charged separately from the registration fee (transportation, meals, etc.) will not be paid.

Before a registration fee can be paid, the household or provider must submit verification of the registration fee. The SFN 616 does not serve as verification of a registration fee. Registration fees can be paid in the month that they are incurred and verified.

Registration fees must be submitted within 2 months following the month the fee was incurred. All verifications must be submitted by the close of the last business day of the month in which the form is due.

Exception:

Registration fees incurred for the month prior to application, when assistance is requested for the prior month, must be submitted within 3 months from the month the fee was incurred.

Registration fees will be paid directly to the provider. Payment for the registration fee will be received by the provider in the form identified in 'Payment to the Provider 400-28-135-15.

Registration fees can be paid once per child in a household, per calendar year. The registration fee will be paid up to the maximum amount set by the state based on the DN 241 Child Care Sliding Fee Schedule. The fee will only be applied to one provider, even if the provider's fee does not meet or exceed the maximum amount set by the state.

Example 1:

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of June. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for September. The second fee cannot be paid as a registration fee was paid in June for the child.

Example 2:

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of November. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for February. The second fee can be paid as the previous registration fee was paid in the prior calendar year.

Payment Issuance 400-28-135

10. 400-28-135-10 – Computing the Bill. Policy has been updated to reflect that 40 additional hours may be paid for absences. **This is a change in policy.**

Computing the Bill 400-28-135-10

Child Care costs must be submitted on the SFN 616, Child Care Request for Payment for the actual calendar month the child care costs were incurred. When a form is received, the form must be reviewed to make sure it is complete (signed, dated and completely filled out). If the form is not complete, it must be returned to the caretaker or provider for completion.

Allowable hours are based on the determined level of care. Refer to 'Allowable Child Care Hours and Level of Care 400-28-80' to determine allowable hours.

Computing the Bill from SFN 616 Child Care Request for Payment:

1. Use the amount reported in column 2. Total hours provided when the child was present.
2. Add up to ~~16~~ 40 additional hours from column 3. Hours billed when child was absent from care.

Note: More than ~~16~~ 40 hours of absent care can be paid in certain situations. Refer to 'Absent Days 400-28-80-25'.

3. Use the amount reported in column 4. Total weeks of child care provided. The number of allowable hours determined in 1 and 2 above are then divided by the number of weeks to arrive at the average weekly hours for the month. This total is used to determine payment based on DN 241 Sliding Fee Schedule.

Note: A week is defined as Sunday through Saturday, and the maximum number of weeks that can be used to determine the average weekly hours is 4. If a child needs care for 1 day in a week, the week counts as 1 towards the 4 week maximum provided the day of care is in the calendar month that is being billed. If the child does not need care for at least 1 day in a week, the week is not counted.

4. Use the amount reported in column 5. Amount Billed. The actual amount reported on the billing form must be entered into the system.

Case Closings 400-28-145

11. 400-28-145 – Case Closings. Policy in this section has been updated to be consist with previous policy changes and to address other times a case may be closed.

Case Closings 400-28-145

Cases must be closed when one or more of the following happens:

1. The caretaker(s) is no longer participating in an allowable activity and has received three months of continued assistance for activity search.
2. There is no child in the child care unit who meets the eligibility criteria. ~~to be included on the certificate or payment~~
3. The caretaker does not return a completed SFN 841, Child Care Assistance Program Review, form by the end of the month in which the review is due.
4. If the review form is received but:
 - a. Is not submitted timely
 - b. Is incomplete and further eligibility cannot be determined
 - c. Indicates the family's household's income exceeds the ~~upper income limit~~ 85% SMI for the family size or the household had received a 12 month graduated eligibility period with the last submitted review.
 - d. The child(ren) for whom child care is being requested is determined not to have a need.

~~5. If the Co-pay exceeds the lower of the State Rate or the amount billed for all children whom assistance is being requested at the time:~~

- ~~• When a review is completed~~
- ~~• An individual is added to the case~~
- ~~• An individual is removed from the case~~
- ~~• A case is changed from Waived Co-pay to Co-pay~~

Exception: ~~In an ongoing case, if the Co-pay exceeds the lower of the State Rate or amount billed for all child(ren) whom assistance is requested, the case remains open unless it is determined/anticipated that through the remainder of the certificate period, the Co-pay will exceed the amount billed~~

~~6. 5. The caretaker moves out of state.~~

~~7. 6. The caretaker requests that the case be closed (request to close a case may be made verbally or in writing).~~

~~8. The mail is returned and there is no forwarding address or has a forwarding address of out of state~~

~~9. Mail is returned due to insufficient address.~~

~~10. A valid certificate no longer exists but the case remains open. In this situation, the case must be closed the end of the month the certificate ended (this applies in cases that were not closed and should have been closed at the end of the month the certificate period ended). In these situations, the case must be closed backwards.~~

~~11. The caretaker fails to provide information that has been requested~~

- ~~12. There is no qualified provider for any child(ren) on the current certificate~~
- ~~13. 7. Following the imposition of an Intentional Program Violation against an individual in the household caretaker of the case causes the case to be income ineligible.~~
- ~~14. 8. Caretaker whose name the case is in enters a public institution.~~
- ~~15. 9. Factual information exists confirming the caretaker whose name the case is in is deceased.~~
- ~~16. 10. Loss of contact.~~
- ~~17. Household countable income reaches the highest income level for its household size~~

A closing notice can be sent to close a case at the end of the current month up to the last business day of the month with the exception of:

- If a closing notice includes a time frame to allow a caretaker to provide information, the caretaker must be allowed the time frame given to provide the information. In these cases, the Child Care Assistance Program case closes on the last day of the month the time frame to provide information falls into.

The Eligibility Worker must inform the caretaker on the closing notice the date the case is closing.

If a notice is generated on a business day, the print date on the notice is the same day that the notice was generated. If the notice is generated on a non-business day (holiday or weekend), the print date is the following business day.