Child Care Payments

Approved: Signature on File Date: 12/07

(R04/2010)

Number: 307

PURPOSE

The CalWORKs Stage One Child Care Program provides subsidized child care assistance for Welfare-To-Work (WTW) participants, Cal-Learn teen parents and former CalWORKs (CW) recipients to assist them in participating in the program to which they are assigned or in accepting or retaining employment.

The following guidelines are provided to assist staff in applying the regulations using the regional market rate ceilings to determine reimbursement payments in Stage One Child Care.

STAFF RESPONSIBILITIES

The Ongoing Service Worker (OSW)/Initial Service Worker (ISW) has the responsibility for determining the number of days and hours of child care needed to participate in a WTW/Cal-Learn activity, and to authorize the reimbursement rate up to the regional market rate ceiling in the rate category fitting the family's need.

For Domestic Abuse clients the WTW Case Manager (CM), after consultation with the Domestic Abuse Senior Social Worker on the client's child care needs, will work in conjunction with the OSW to determine which rate category is sufficient to meet the family's need. The WTW CM will be the point person for resolution of any discrepancy or needed clarification for this client.

The ISW/OSW will assist the parents and providers in understanding the child care program, including their responsibilities in following the guidelines and submitting claim reports for reimbursable payments in a timely manner. The ISW/OSW will also explain what fraud is and the penalties for committing fraud.

DEFINITIONS

Certified need for care means the number of days and hours of care approved and documented to meet the family's need for child care, while

participating in a WTW/Cal-Learn activity.

Maximum subsidy amount means the regional market rate (RMR) ceiling plus any applicable adjustments.

Regional Market Rate ceilings (RMR) means the maximum amount that providers in different regions of the state may be reimbursed for the same type of child care for the same age child in accordance with statutory ceilings currently in effect.

REIMBURSABLE CHILD CARE HOURS

Reimbursements for child care can only be made when the <u>Child Care Plan (F063-41-18)</u> has been approved and the provider submits a <u>CCP2145 - CalWORKs Child Care Reimbursement Report</u> for payment for each month child care has been provided. The CCP2145 report must be fully completed and signed by the provider **and** the parent under penalty of perjury. The child care plan and subsequent CCP2145 reports are to be retained in the case file.

Retroactive payments are limited to no more than **30 days** prior to the applicant/recipient's verbal or written request for paid child care for each new provider. Refer to policy 302 (Child Care Services – Stage One).

Payments are to be made for the times the child is in care while the parent is working or attending WTW activities or meeting the requirements of the Cal-Learn program. Providers have the responsibility to notify the OSW when a CalWORKs child has been absent from care for 3 consecutive days or more than 4 days total in a two-week period.

The parent is responsible for notifying the worker and the provider when child care is no longer needed. Providers will only be paid until the end of their billing period not to exceed a two (2) week notice period if applicable, when a child is removed from care and when the same documented terms apply to unsubsidized families.

Child care provided in good faith when the parent

did not attend his/her CalWORKs activity will be reimbursed to the provider for the time child care was provided. The payment should be evaluated as an overpayment to the client.

Refer to the <u>Reimbursable Absences</u> section for allowable reimbursements for absences and for regular provider paid non-operation day(s).

Reimbursements can be made for a "home schooled" child during times *other than*:

- The times when the child, enrolled in an educational program, is receiving instruction or being supervised by a credentialed teacher.
- The regular hours of operation of a public school available to the child who is receiving instruction from the parent who is not a credential teacher.

OTHER REIMBURSABLE FEES

Other fees charged by the provider such as registration, materials and insurance can be reimbursed either in a single payment or prorated over a 12 month period, as long as the provider documents that the same contractual terms used for serving unsubsidized families applies to subsidized (child care) families as well.

There is no limit to how often fees can be paid, provided the fees, plus the provider's rate, does not exceed the regional market rate. The worker is to use the Registration Fee Worksheet F063-41-107 to determine if the fee is allowable within the RMR ceiling amount.

Registration fees charged by a provider for both their regular session and summer session are allowable. Registration fees charged by a new provider when the family changes providers are also allowable.

If the registration fee *is allowable*, the OSW/ISW or Accounting Assistant II (AAII) will issue the

payment.

If the registration fee or other fees are *not allowable*, the parent and provider are to be contacted and informed that the fee is not allowable. Notate the same on the child care plan. If the provider insists on the fee, the parent will be responsible for paying the fee. The worksheet is to be filed in the case folder.

NON-REIMBURSABLE HOURS

Reimbursable hours do not include:

- Scheduled instruction time of a public education program available to school age children; or
- Private school hours in which the child is enrolled and attending, including kindergarten, with an extended day program; or
- Receiving any other child care services except under the provisions of reimbursable absences outlined in the <u>Reimbursable</u> <u>Absences</u> section; or
- Days on which the provider is not open to provide services except for paid day of nonoperation

Reimbursements are not allowed for child care services that are exempt from licensure if the child care case contains credible information that the provider has been convicted of a crime such as assault with intent to murder, sexual abuse, and child neglect/abandonment.

REIMBURSABLE ABSENCES

Providers who seek reimbursement, except for dropin hourly/daily rate, unscheduled hours, or hours that exceed 52.5 per week, for a child's absence due to illness or for a paid provider day of nonoperation, must establish this is the same agreement they have with unsubsidized families. This same rule applies to license exempt providers such as relatives or public schools.

Reimbursable hours for absences include:

Regular provider:

- Child's absence due to illness
- Time the provider has a paid day of nonoperation - limited up to ten (10) days per fiscal year per provider

Alternate provider

- Child is ill and unable to go to the regular provider - limited up to ten (10) days per fiscal year per child unless the parent provides a doctor's statement verifying need beyond 10 days
- Time child care is provided when the regular provider has a paid day of non-operation limited up to a maximum of ten (10) days per fiscal year

REGIONAL MARKET RATES

Reimbursements for Stage One Child Care are based on the Regional Market Rates (RMR) Ceilings issued by the California Department of Education. Providers are to be reimbursed the lesser of the RMR ceiling rate or the provider's requested rate.

- The RMR ceilings represent the maximum that can be paid.
- Limitations are placed on the uses of hourly and daily rates and define part-time and fulltime rates.
- Licensed providers who establish a rate will be reimbursed to their established rate for the appropriate category but not to exceed the RMR ceiling plus any applicable adjustments (maximum payment).
- Co-payments are established when the parent chooses a provider whose established rate exceeds the regional market rate.

APPLICATION OF RMR CEILINGS

The OSW/ISW will use the age of the child, the certified need for child care and the facility type to identify the applicable RMR ceiling. Refer to

Regional Market Rate Ceilings Worker Tool F063-41-WT17. The applicable facility type shall be determined for providers:

Center Rate:

- Licensed centers
- Public or private schools operating extended day programs
- Centers operated on tribal or federal lands
- Recreation programs exempt from licensure and meet all the following requirements:
- ▶ Use sign-in/sign-out sheets
- Provide adult supervision for children during all hours of operation
- Criminal history background checks have been completed on all employees who have contact with children

Family Child Care Home Rate:

- Licensed family home
- A child care business in a home setting operated on tribal or federal land

In-Home/Exempt Rate

This rate is to be used by all other providers.
If no ceiling is provided for the applicable rate
category, a rate is to be determined by
multiplying the RMR hourly rate by the hours
of certified need

For children who are less than 6 years of age and enrolled in kindergarten, apply the following categories:

For Centers only:

- Use the 2 -5 Yrs. category when the child is in a program/classroom that is licensed as a preschool program.
- b. Use the 6+ Yrs. category when the child is in a program/classroom that is licensed as a

RATE CATEGORIES Providers cannot be reimbursed at a rate higher than the rate charged to an unsubsidized family and in excess of the applicable RMR ceilings.

> Providers shall be reimbursed in accordance with the following permissible rate categories up to the RMR ceiling for each category. Staff is to use 52.5 hours as the provider's normal full-time hours of service when the provider does not have standard hours of business such as a day care center open 6:00 am to 6:00 pm.

Staff is to identify and establish a rate category that best corresponds to the certified need of the family.

Hourly Rate:

- Hours of care are less than 30 hours per week and less than 6 hours on any day; or
- An unscheduled but documented need of less than 6 hours per occurrence that exceeds the certified need for care (overtime, work related training, other irregular events) or,
- That portion of the certified need for child care that exceeds 52.5 hours per week and is not included in the provider's full-time weekly or full-time monthly rate. This provision applies only if the family utilizes no more than one provider to meet the entire need for child care

Daily Rate

- A certified need for child care of 6 hours or more per day; or
- An unscheduled but documented need of 6 hours or more per occurrence such as the parent's need to work on a regularly scheduled day off, that exceeds the certified need for care

Note: Unscheduled need for additional hours must

be documented with verification such as paystubs, timesheet, etc.

Part-time Weekly Rate:

 A certified need for care is less than 30 hours per week

Full-time Weekly Rate:

 A certified need for care is 30 hours or more per week

Part-time Monthly Rate:

- A certified need for care of less than 30 hours per week and that need occurs in every week of the month; or
- A certified need for care averages less than 30 hours per week when calculated by dividing the total number of hours of need in the month by 4.33 and the need occurs in every week of the month

Full-time Monthly Rate:

- A certified need for care of 30 hours or more per week and the need occurs in every week of the month
- A certified need for care averages 30 hours or more per week when calculated by dividing the total number of hours of need in the month by 4.33 and the need occurs in every week of the month

Example #1

An hourly rate would be used but a part-time weekly or part-time monthly rate is permissible for a child in school age care from 7:30 to 8:30 am and 2:30 to 5:00 pm (3.5 hours daily) five days a week for a total of 17.5 hours of care per week.

Example # 2

A full-time monthly rate is permissible for a family

who has a variable work schedule (divide total number of hours of need in the month by 4.33) averaging 34 hours per week and the need for care occurs in every week of the month.

EVENING AND WEEKEND ADJUSTMENT RATES

Evening and/or weekend rate adjustments apply only to **licensed** providers and do not apply to hourly/daily rates. It is to be used when the licensed provider is meeting the certified need for child care that includes hours from 6:00 pm to 6:00 am on any day of the week or from 6:00 am Saturday to 6:00 am Monday. The adjustment factor is the RMR ceiling rate for the applicable category multiplied by:

- 1.125 when at least 10% but less than 50% of the certified need for child care occurs during this period
- 1.25 when 50% or more of the certified need for child care services occurs during this period

The rate adjustment is applied to the total hours of care, not just the evening and weekend hours of care.

Note: If the evening care is less than 10%, there is no premium time, even if after 6:00 pm or before 6:00 am.

Reimbursement to the provider is the maximum amount calculated above or the amount charged to unsubsidized families for the same hours, whichever is less.

ADJUSTMENT RATE FOR CHILDREN WITH EXCEPTIONAL NEEDS

When child care services are provided to a child with exceptional needs, the lesser of the provider's established rate or the RMR ceiling, whichever is lower, is to be multiplied by one of the following:

- 1.2 for children with exceptional needs who have an active individualized education program (I.E.P.) or individualized family service plan (I.F.S.P.)
- 1.5 for children who are severely disabled who require intensive training in programs

serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances and severe mental disability. It also includes those individuals who have been eligible for enrollment in a development center for handicapped pupils.

Note: While a child with a severe illness, such as cancer, may need additional services from the provider, this child would only be eligible if (s) he had an IEP or IFSP.

This rate adjustment is to be applied only when there is documentation that additional services and/or accommodations for that particular child are being provided and they result in an on-going financial impact on the provider such as a special diet, hiring of a special aide, or reduced capacity due to increased need for care.

PROVIDER RATE DOCUMENTATION

Staff may use the provider's published rates and terms available to the general public as acceptable documentation of the providers established rates and terms for Stage One families.

LIMITATIONS ON REIMBURSEMENT RATES

Providers will only be reimbursed using a single rate. However, a provider can be reimbursed using both a daily and hourly rate when all of the following conditions are met:

- No single rate established by the provider corresponds to the family's need; and
- The provider has established a rate in both daily and hourly categories; and
- Using both rates is consistent with what the provider charges unsubsidized families needing similar hours of care

Generally, the rate at which a provider is paid can not exceed the RMR ceiling. The only exception is where there are only two providers or less in a region that meet the needs of the family for care and the provider has established a rate that exceeds the

ceilings.

Multiple providers can be reimbursed for child care when the first provider's hours of operation cannot accommodate all the family's need for care or if the first provider is not licensed **and** the parent chooses a licensed center for the specific purpose of providing the child with school readiness experience. However, more than one provider cannot be paid for the same portion of the child's certified need, unless a situation exists with the conditions and limitations shown below.

CHANGES IN PROVIDER WITHOUT PRIOR NOTIFICATION

When the parent changes providers without prior notification to the worker, reimbursements are subject to the following conditions and limitations:

- The change must be due to an emergency or exceptional situation such as suspected child abuse, provider's arrest or damage to the provider's facility
- The new provider must meet regulatory criteria
- The 30-day retroactive rules apply with a signed CalWORKs Stage One Child care Informing Notice and Request Form CCP7

In the above situations, the new provider will be approved effective the date the child care services began but not prior to the 30-day retroactive period, if applicable, even if the prior authorized provider will also be paid for the transitional time period, if conditions and limitations stated above apply.

If the change was **not** due to an emergency or exceptional situation, the new provider is approved effective the end of the prior authorized provider's billing cycle not to exceed a 30-day retroactive period, if applicable, to avoid duplicate payments. The parent is responsible for amounts due during the transition period, if any.

If the prior authorized provider's contractual terms do not require full payment, or a notice period as would be required of an unsubsidized family, the worker does not need to wait until the end of the billing cycle to approve the new provider.

FAMILY CO-PAYMENTS

A parent may choose a provider who charges a higher fee than the applicable RMR ceiling. The difference between a provider's rate and the applicable RMR ceiling when the provider's rate exceeds the RMR ceiling is the parent's copayment. The parent is responsible to the provider for the co-payment. The co-payment cannot be offset against a family fee.

FAMILY FEE

The family fee is the amount the parent is required to pay towards his/her own child care costs based on the fees established by the state. All families, including categorically eligible, must be assessed for a family fee responsibility.

Pursuant to the California Department of Education's Education Code, the family fee will be calculated using income and family size per the Family Fee Schedule. Refer to Family Fee Schedule Worker Tool F063-41-WT30.

Whenever a family fee is assessed or changed, a notice of action must be sent. The worker will need to re-assess the family fee and send a notice of action as appropriate when the parent reports a change in family size and/or income. A new child care plan will be completed when additional children are in need of child care.

INCOME DETERMINATION FOR FAMILY FEE

The family's income will be used to calculate the family fee. This income figure may be different than that used for the cash assistance grant.

Total countable income includes all income *except*:

- Earnings of a child under 18 years
- Loans, grants and scholarships that preclude their use for living expenses
- Grants or loans for education purposes made or insured by a state or federal agency
- Allowances for uniforms or other work required clothing, food and shelter
- Business expenses for self-employed family

members

 Social Security Income/State Supplemental Program (SSI/SSP)

Adjusted monthly income is the total countable income *minus* child support payments made by the parent of the child receiving child care services. Income shall not be adjusted for any other voluntary or involuntary deductions.

Income fluctuations are changes in income due to bonuses, commissions, overtime, and lottery winnings or migrant and seasonal employment. When regular fluctuations occur, the income will be averaged over a 12-month period.

Example #1

Parent is paid weekly and regularly receives overtime pay. Received two checks for \$280 and \$385. Average the income to obtain a monthly income amount as follows:

Computation

 $$280 + $385 = $665 \div 2 = $332.50 \text{ (weekly income)}$ $$332.50 \times 52 \text{ weeks} = \text{ (yearly income)}$ $$17290 \div 12 \text{ months} = $1440.83 \text{ (monthly income)}.$

The monthly amount is used to compute the family fee.

Example #2:

Parent is paid weekly but has received periodic commissions during the last four months totaling \$700.

Computation

Average the commissions over a 12-month period and add to the weekly income amount.

FAMILY SIZE

The family size is determined by the number of adults and children related by blood, marriage or adoption that comprise the household in which the child receiving child care services is living.

Adults in the household, excluding needy caretakers, who are not the parent of the child receiving child care services (i.e., unrelated adult, aunt, uncle) or are not the spouse of the parent of the child receiving child care shall be excluded from the family size calculation.

CALWIN
RESOURCE GUIDE
(RG):
CHILD CARE
PLANS

The OSW/ISW/AAII is to follow the <u>CalWIN Child</u> <u>Care Plans RG</u> to establish the Family Fee.

CALWIN
RESOURCE GUIDE
(RG): SUPPORTIVE
SERVICES
PAYMENT
AUTHORIZATION

The OSW/ISW/AAII is to follow the <u>CalWIN</u> <u>Supportive Services Payment Authorization RG</u> to have the Family Fee authorized.

REIMBURSEMENT CLAIMS

The <u>CCP2145 -CalWORKs Child Care</u>
<u>Reimbursement Report</u> is to be used to claim reimbursable child care payments and to report changes affecting family income or family size.

Parents and providers are to complete and sign the CCP2145 report and submit to the OSW/ISW by the 5th working day of the month following the month care was given.

The OSW/ISW is to:

- Control for receipt of the CCP2145 on a monthly basis.
- Send CalWIN Notice 779 Notice of Incomplete CCP2145 to the client and provider if the CCP2145 is incomplete.
- Process child care payments timely and accurately within 20 calendar days after receipt of the completed CCP2145 report.

Reimbursements are to be made on a monthly basis. Partial weeks in a calendar month can be

calculated using this formula to issue payment monthly in CalWIN:

- 1 day = .2 weeks
- 2 days = .4 weeks
- 3 days = .6 weeks
- 4 days = .8 weeks

Communicate any reported drop in hours to the WTW Case Manager on the CalWORKs Communication Document F063-41-70.

ADVANCE PAYMENTS

Reimbursements are normally made in arrears and on a monthly basis. Payments can be made in advance if the provider insists on prepayment. However, the worker should explain the disadvantages of advance payment such as increasing the potential for overpayments to the parent and attempt to persuade the provider to accept payment in arrears.

In the event that an agreement cannot be made with the provider to accept payment in arrears, the following steps are to be taken:

- The Child Care Plan must be completely filled out, signed by the parent, provider, OSW/ISW and Social Services Supervisor I (SSSI). Advance Payment Required is to be written in the section of the plan entitled "Any other policies affecting payments."
- 2. The OSW/ISW must inform the parent and the provider that subsequent advance payments are contingent upon receipt of the completed CCP2145 no later than the 10th day of the month following the month for which the advance was made.

Example

An advance payment was made for August, the CCP2145 must be returned by September 10^{th.}

 The SSSI will review and approve the F063-41-18 Child Care Plan. The SSSI will search CalWIN records for the corresponding child care provider and notate Provider ID number in the 41-18 County Use Section before returning to the worker. If no record exists, the SSSI will complete the CalWIN Provider Request Document/Template and forward to the Provider Table Coordinator at Calwinprovidersupport@ssa.ocgov.com

4. The OSW/ISW/AAII authorizes the payment.

Advance payments must be issued within seven (7) calendar days after approval of the advance has been made.

An unused portion of an advance payment is that amount of an advance payment received and not subsequently supported by proof of costs. When an advance payment is not supported by proof of costs, refer to <u>CalWORKs Policy 319 Unused Advance Payments.</u>

CALWIN
RESOURCE GUIDE
(RG):
SUPPORTIVE
SERVICES
PAYMENT
AUTHORIZATION

The OSW/ISW/AAII is to follow the <u>CalWIN</u> <u>Supportive Services Payment Authorization RG</u> for any child care payments.

REQUIRED NOTIFICATIONS

CalWORKs parents are to be notified with a CalWIN notice NA 833 or NA 835 when reimbursements are reduced, changed or discontinued.

Providers are to be informed with written notice 717/327(Cal-Learn) correspondence letter when a parent's reimbursement rate has been discontinued.

Note: Provider notifications must **not** contain the state hearing information on the back of the notice.

If this action occurs during a billing cycle and the terms of the child care plan require full payment, the provider will be eligible for payment until the end of the billing cycle. An example would be a licensed

center's eligibility for the full monthly payment amount, when contractual charges are monthly.

AID PAID PENDING HEARING

When a parent requests a hearing within the period of timely notification (within 90 days after the date of the adverse action) to appeal a suspension, reduction or termination of child care, the parent shall be entitled to a continuation of child care in the same amount or form pending the hearing decision and as authorized by the Appeals Representative.

This rule does not apply when the basis of the action appealed involves the health and safety of the child.

INFORMATION SHARING WITH OTHER ASSISTANCE PROGRAMS

The OSW/ISW is to use the <u>CalWORKs</u> <u>Communication Document F063-41-70</u> to communicate decreased employment hours or an obligated monthly child care co-payment fee or family fee to the other assistance workers of record (Case Manager (CM), Non Assistance Food Stamp Worker (NAFS) and/or the Medi-Cal Worker).

PROBATIONARY STATUS OF CHILD CARE LICENSE

FSS Program will notify Regional staff when a licensed child care provider's license has been placed on probation.

The OSW/ISW will notify the client within two business days in writing, using the Notification of Child Care Provider Placed on Probation, F063-41-231, that their child care provider has been placed on probation and that they have the option to locate alternate child care or remain with the current provider without payments being terminated.

TEMPORARY SUSPENSION ORDER (TSO) OR REVOCATION OF CHILD CARE LICENSE FSS Program will notify Regional staff when a licensed child care provider's license has been temporarily suspended or revoked.

The OSW/ISW will notify the client within two business days in writing, using the Notification of Suspended or Revoked Child Care License, F063-41-230, that their child care provider's license has

been temporarily suspended or revoked.

The OSW/ISW will terminate payments to the child care provider as of the effective date of the TSO or license revocation.

If the child care provider has any question they can contact Community Care Licensing at (714) 703-2800.

NOTE: The client should be referred to the Children's Home Society (CHS) Hotline at (714) 543-2273 or (949) 364-6605 for assistance in locating an alternate child care provider.

REFERENCES

EAS Manual Sections 47-120, 47-301, 47-401, 47-420, 47-430, 47-750, ACL 03-41, ACL 04-54, ACL 06-28, ACL 06-29, ACL 09-03

ATTACHMENTS

- 1. <u>F063-41-18 Child Care Plan</u>
- 2. <u>CalWORKs Communication Document F063-41-70</u>
- 3. F063-41-107 Registration Fee Worksheet
- 4. F063-41-WT30 Family Fee Schedule
- 5. F063-41-WT15 RMR Rate Category Chart
- 6. <u>F063-41-WT17 Regional Market Rates</u> (RMR) Ceilings
- 7. CCP 2145 CalWORKs Child Care Reimbursement Report
- 8. <u>F063-41-230 Notification of Suspended or</u> <u>Revoked Child Care License</u>
- 9. <u>F063-41-231 Notification of Child Care</u> Provider Placed on Probation