ANNOUNCEMENT: S-06 #05
CHILD DEVELOPMENT OFFICE
BUREAU OF SUBSIDY SERVICES

ISSUE DATE: June 6, 2006
EFFECTIVE DATE: July 1, 2006

SUBJECT:	**Revisions to Relative/Neighbor Maximum Child Care Allowance and Payment Policy**
TO:	**Child Care Information Services Agencies**
FROM:	**Harriet Dichter** **Deputy Secretary, Office of Child Development**

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PURPOSE:

The purpose of this announcement is to advise Child Care Information Services (CCIS) agencies of the following revisions to the relative/neighbor (R/N) provider payment policy:

- Effective July 1, 2006, payment for nontraditional hours of care will require a minimum number of hours of care to occur during the nontraditional time period.
- Effective July 1, care level roll-over will occur the month following the child's birthday.
- Effective July 1, 2006, the Maximum Child Care Allowance (MCCA) for R/N care will change.

The following attachments are included with this announcement:

- 2006 MCCA/Provider Rate Guide
- Letter to R/N providers describing the change to R/N payment rates and policy
- Revised Appendix A for the Relative/Neighbor Provider Agreement

BACKGROUND:

Payment for Nontraditional Hours of Care

The Department of Public Welfare (DPW) pays an additional 25 percent daily add-on for care provided during nontraditional hours. Effective July 1, 2006, DPW will return to the previous policy of paying the 25 percent add-on only when more than five hours of full-time care or more than three hours of part-time care is provided between the hours of 6:00 PM and 6:00 AM, or when care is provided anytime on a Saturday or a Sunday. We have provided replacement pages for Appendix A of the Relative/Neighbor Provider Agreement reflecting this change.

Care Level Roll-Over

Currently, a child's care level changes the first of the month two months after the month in which the child was born. For example, a child turns one year old on July 10; DPW continues to pay the infant rate until September 1 when the child's care level becomes young toddler. Effective July 1, 2006, CCMIS will be modified to begin paying the new care level rate on the first of the month following the child's birthday. In the example above we will pay the young toddler rate beginning August 1, 2006. Please note that providers who give care to a child experiencing a care level roll-over between June 1, 2006 and August 1, 2006, will not see a change in their payment

until the Fiscal Year 2005-06 books are closed. Payment adjustments for July provider invoices will appear starting September 1, 2006.

Payment Rate

The subsidized child care program offers parents the choice of a variety of child care provider options ranging from centers, group homes and family homes which are regulated by the DPW to relative/neighbor and in-home care which is not regulated by DPW. Provider rates are determined by provider type, care level, unit of care and county in which the provider resides.

DISCUSSION:

DPW is committed to providing all children with the opportunity to access early care and education programs. DPW is returning to previous payment policies regarding nontraditional rates and care level roll-over. In addition, these revised policies reflect our continued efforts to align our policies with the Office of Income Maintenance.

DPW will be lowering by $1.25 the daily MCCA paid to R/N child care providers. CCIS agencies must notify R/N providers and parents/caretakers who receive payment for in-home care of the changes to the MCCA by June 15, 2006. The revised MCCA Provider Rate Guide is attached to this announcement. Click on Appendix C-3, choose the appropriate county and print the rate sheet. The CCIS should send the rate sheet, the attached provider letter and the two revised pages of the Relative/Neighbor Provider Agreement to all active in-home and R/N providers by June 15, 2006. Note that the rate sheet does not have to be signed and returned to the CCIS by the provider.

CCIS agencies will receive further instructions next week regarding the procedure for implementation of changes to nontraditional payments and care level roll-over.

NEXT STEPS:

1. Review this information with appropriate staff.
2. Print the appropriate CCIS R/N rate guide.
3. Send the R/N Provider Letter, appropriate page of the R/N Rate Guide and revised two pages of the Relative/Neighbor Provider Agreement, Appendix A to all active R/N providers by June 15, 2006.
4. Send the R/N Provider Letter and appropriate page of the R/N Rate Guide to parent/caretakers who receive payment for in-home care by June 15, 2006.
5. Look for a communiqué with further instructions regarding implementation processes for nontraditional rate changes and care level roll-over.
6. Please direct questions to your Subsidy Coordinator.

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