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1.1.0 Process Flow

Below is a flow chart showing the process flow at local agencies for reimbursing child care providers.

Licensed	Certified
Based on the annual rate survey of licensed day care providers, set weekly ceilings and hourly rates for licensed group and licensed family day care providers. Use these rates for all licensed providers.	Based on the annual rate survey of licensed providers, set the reimbursement rate for certified providers. The Regularly Certified rate is 75% of the licensed family day care rate. The Provisionally Certified rate is 50% of the licensed family day care rate.
CARES multiplies the hourly rate by the number of hours of care authorized per week and compares this amount to both the provider's reported weekly full time price and the agency's weekly ceiling. CARES uses the lesser of these amounts for the maximum weekly payment.	CARES multiplies the agency hourly rate by the number of hours authorized and compares this amount to the agency weekly ceiling for licensed family day care. CARES uses the lesser of the two amounts for the maximum weekly payment.
CARES prorates the co-payment across all children authorized for care and all providers used.	CARES prorates the co-payment across all children authorized for care and all providers used.
CARES generates an authorization, including the name of the client, provider and children in care. The authorization includes the final reimbursement rate paid to the provider. Authorize a weekly reimbursement amount, if payment is based on enrollment or an hourly reimbursement amount, if payment is based on attendance. Include a maximum number of hours for which payment will be made on the authorization. For attendance based authorizations to licensed providers, the maximum number of hours authorized should not exceed the county divisor. If more than 50 hours of care are needed for a week, two authorizations will have to be entered. One authorization for 50 hours (or the divisor) and one authorization for the hours above 50. Enter the authorization into CARES. Special needs authorizations, paid above the agency maximum reimbursement rate and in-home provider authorizations must continue to be manually entered into CARES.	
Base licensed child care payments on enrollment. When payment is based on enrollment, authorize a weekly amount of reimbursement along with a maximum number of hours of child care. If the work and/or child care schedule of the client becomes widely varying, base the payment on attendance. If the licensed provider repeatedly reports incorrect hours on the attendance report forms, the agency may base all authorizations to that provider on attendance.	Base certified child care payments on attendance. Also, pay by attendance for clients with widely varying schedules using licensed providers. Set an hourly payment rate when basing payment on attendance. The authorization includes the hourly payment amount along with the maximum number of hours of care the client is eligible for each week. The providers can then calculate the amount the child care agency pays and the amount the client must pay.

1.1.0 Process Flow (cont.)

<table>
<tr><th>Licensed</th><th>Certified</th></tr>
<tr><td colspan="2">CARES sends copies of the authorization to the client and the child care provider. CARES sends attendance reports to the child care provider for all current attendance periods. Attendance reports must be completed by the provider and returned to the local agency to receive reimbursement. Attendance reports span 2-week pay periods.</td></tr>
<tr><td>Require attendance reports from providers whose payment is based upon enrollment. Enter the hours of actual attendance into CARES to generate the weekly payment.

Recording “0” hours for an enrollment based authorization will cause a payment to be made, if actual attendance has been recorded for previous weeks during the current authorization.</td><td>Require attendance reports from providers whose payment is based upon attendance. Record actual hours of attendance into CARES to generate a payment based upon the actual hours of attendance up to the authorized amount of hours.

Recording “0” hours will cause no payment to occur for the week.</td></tr>
<tr><td>With reimbursement based on enrollment, payment is based on the authorized weekly amount, until a new authorization is completed.</td><td>With reimbursement based on attendance, payment is calculated using the actual number of hours attended. The reimbursement hourly rate times the number of hours of attendance is the reimbursement rate for the pay period. The payment reimbursement amount changes according to the number of hours of usage.</td></tr>
<tr><td colspan="2">With child care automation and a centralized payment system in place, payments are made on a biweekly basis for previous payment periods. Attendance report forms are generated from CARES for the most recently completed payment period.</td></tr>
<tr><td colspan="2">Check attendance reports to monitor high levels of absence. Verify the hours of care authorized are actually being used. Consistent 100% or unusually high attendance may indicate inaccurate or fraudulent reporting by the provider. Very low levels of absences reported may also require investigation. Low levels of usage may indicate a need for a new authorization as well. EOS reports are available to use to monitor attendance.</td></tr>
<tr><td colspan="2">The W-2 agency is responsible for the completion of child care eligibility reviews. Parents must report financial and non-financial information which may affect eligibility for child care in a timely manner within ten days to the eligibility worker. Changes in the child care provider or number of hours of child care needed must be reported to the authorizing worker immediately. Families must give a ten day notice to the current child care provider, if planning to go to a new provider. Authorize no payments to a new provider, until the family has contacted the authorizing worker.</td></tr>
</table>

1.1.0 Process Flow (cont.)

For authorization and reimbursement purposes, all W-2 agencies, county agencies and tribal agencies are using CARES and the Child Care Payment System (CCPS). Child Care authorizations must be issued to the parent and provider within two days of the confirmation of eligibility or there must be a case comment indicating the reason for delay.

1.2.0 Hours Authorized

Determine the number of hours of child care needed during the week to cover both the approved activity and travel time based on the client's work schedule, school schedule or employability plan and child care need.

In a two-parent household, where one adult is in a W-2 employment position and the spouse or non-marital co-parent is in a work experience or job training position, the number of hours authorized for child care should cover only the overlapping hours when both parents are participating in work or work-related activities that are consistent with the employability plans of both adults. Use this number of hours to calculate the reimbursement to the child care provider.

Agency workers should discuss applicant/participant child care needs, including a plan for backup in the event of a sick child or other unusual circumstance. S/he must consider how to meet these child care needs.

1.2.1 Enrollment and Attendance Based Authorizations

All authorizations to certified providers must be made on attendance. The authorized amount is an hourly amount. The actual hours of attendance, up to the authorized number of hours, are paid at the authorized hourly rate.

Authorizations to licensed providers can be made on enrollment or attendance at the agency's discretion. Generally, authorizations to licensed providers should be made on enrollment when the number of hours the child needs for care will remain constant week to week. The authorized amount is a weekly amount paid regardless of the actual hours the child is in care.

Authorizations based on enrollment do not have to be for full-time hours. For example, a child needing ten hours of after school care every week to a licensed provider should have an authorization based on enrollment for ten hours.

1.2.1 (cont.)

Authorizations to licensed providers should be based on attendance when the need for care varies widely from week to week. For example, a child needing anywhere from 15 to 45 hours of care a week to a licensed provider should have an authorizations based on attendance up to the county divisor (30, 35 or 40), since the maximum number of hours needed for care are 45 (greater than the divisor).

Agencies also have the discretion of putting all authorizations to a licensed provider on attendance, if the agency has verified that on three separate occasions the provider has over-reported actual attendance. Verification if the provider has over-reported attendance is achieved when: 1) the provider record of attendance does not match the attendance reported for subsidy payment and 2) parents indicate their children were not in care the number of hours reported by the provider.

If the provider does not have a record of attendance and the attendance reported for subsidy is 100% for all children, it would count as a verified instance of over-reporting actual attendance. This policy allows over-payments to be collected from providers who routinely over-report attendance.

1.3.0 School Age Children

Consider a child to be school age if s/he is four or older, is enrolled and attending kindergarten or a higher grade in school.

1.3.1 School Age Authorization

Children who are identified as school age and who are authorized to a child care provider can have reimbursement paid to the child care provider for services provided for days school is closed.

A ‘Regular’ authorization is an authorization indicating a maximum number of hours authorized. A ‘0 Hour’ authorization is an authorization for a child to attend a provider for “off school days” only. A ‘0 Hour’ authorization can only occur if no other authorizations are in place for that child to that provider for that specific period of time.

When a family has multiple authorizations in place and one of the authorizations is not a ‘0 Hour’ authorization, a co-payment is not assessed for the ‘0 Hour’ authorization. However, when a ‘0 Hour’ authorization is the only authorization established for the family, a co-pay will be

assessed. Refer to the Child Care Payment System Training Packet for further details.

1.3.2 Head Start, Preschool and 4 & 5-year-old Kindergarten Programs Offered With Child Care Programs

When wrap around care is available on-site at a Head Start facility for four hours or less, authorize child care for the full amounts of child care hours needed, including Head Start hours.

Note: Only authorize for the full amount of child care that is needed when wrap around care is available.

Example: Kathy is at the Head Start facility from 8:00am to 3:00pm every day. Her Head Start activities occur from 8:00am to noon and then she receives wrap around child care at the same site from noon to 3:00pm. Kathy's authorization should be for seven hours, plus any transportation time needed each day.

Some day care centers provide Head Start, preschool or 4 and 5-year-old kindergarten activities as components during the day. The full number of hours needed for child care should be authorized to these centers, including the hours the child is attending Head Start, preschool or kindergarten activities at the center.

1.4.0 Differential Co-pay Calculation

Use the differential co-pay when calculating the provider reimbursement for all retro period authorizations. When calculating the reimbursement for the retro period authorizations, the full co-payment for one child is applied to the child with the longest retro period authorization and the differential co-pay (difference between co-pay for one child and co-pay for two children) is applied to the second child's authorization. The differential co-pay approach continues for each child in the AG with a retro authorization.

1.4.0 Differential Co-pay (cont.)

Example. AG size of four with income at 125% of FPL. The AG has three children authorized to a licensed provider. Co-pay at a licensed provider is $39 using 2001 FPL levels and co-pay amounts.

Co-pay for Child 1 = $27
Co-pay for Child 2 = $32-27 = $5
Co-pay for Child 3 = $39-32 = $7.

1.4.1 Special Needs and In-Home Provider Calculation

When doing a manual calculation on payment worksheets in combination with the Child Care Payment System (CCPS) calculated reimbursement, use the differential co-pay calculation. Do this whenever there is a combination of CCPS calculated authorizations and Special Needs or In-Home child care authorizations.

1.5.0 Providers Outside Area

When authorizing child care to a provider who is located outside the county/tribe, compare the county's/tribe's maximum prices where the parent lives to the local agency prices where the provider is located and use the higher maximums in the calculations to determine reimbursement. If a licensed provider is chosen, that reported weekly price would need to be used in the calculation as well.

A provider living out of state will have his/her reported price compared to the local agency maximum rates where the parent lives.

1.6.0 W-9 Requirement

Before a provider can be entered into CCPS, a completed W-9 form must be received. The information from the W-9 form should be used to enter the provider name, tax ID # (SSN or FEIN) and corporation status. All providers previously entered into CCPS should also have a W-9 form completed in order to ensure the tax information in CCPS is accurate.

2.1.0 Determination of Co-Payment Responsibility

A family requesting child care assistance will have a co-payment responsibility, unless participating in one of the following activities:

1. Minor Learnfare teen-parent attending high school or its equivalent. The co-pay type is LNF.

2. FSET participant in an approved job search or work experience activity. The co-pay type is FST.

These two activities have no co-payment established when calculating the reimbursement to the regulated child care provider.

2.1.1 Co-Pay for Foster/Kinship Care Children

A family requesting child care for a foster care or court-ordered kinship care child would have no co-pay assessed against the foster care or kinship care child as described below:

1. Foster care parent needs child care for a foster care child in order to remain in his/her approved activity. The co-pay type is FOS.

2. Kinship care relative needs child care for a kinship care relative in order to remain in his/her approved activity. There must be a court-ordered placement or a guardianship. There is no requirement to receive the kinship care grant. The co-pay type is KIN.

Kinship care parents who do not have court-ordered placement or a guardianship for the kinship care child will have a co-payment set at the lowest co-payment dollar amount level on the co-payment chart for the number of non-court-ordered kinship care children in care, according to the type of child care provider chosen. The kinship care parent does not need to receive a kinship care grant in order for the minimum co-pay to be applied for the kinship care child. The family must first meet all other financial and non-financial criteria in order to be determined eligible for care. The co-pay type is NCK.

2.1.2 Co-Pay for Teen Parents

Teen parents, both adult and minor, who are not Learnfare participants and who are eligible for child care assistance have the co-payment set at the lowest level on the co-payment chart for the number of children in care according to the type of provider chosen. Use the minimum co-pay for high school activities, until the Saturday after the teen's 20th birthday. The co-pay type is THS.

2.1.3 Co-Pay for Public School Providers

Families who reside in Milwaukee County and whose children attend a public school provider for before and/or after school programs have a co-payment that is half of the regular co-payment for the number of children in care and the family income. The co-pay type is PSP
NOTE: This co-payment applies only to families that reside in Milwaukee County and only attend Milwaukee Public School providers for before and/or after school care, where the authorized hours are greater than 20.

2.1.4 Co-Pay for 1st Month Unsubsidized Work

Parents that have left a W-2 employment position for unsubsidized employment should have the co-payment set at the minimum amount for the month after leaving a W-2 employment position. This WWE co-pay type should be used for all children in the family when the parent leaves a W-2 employment position for unsubsidized employment for one month up to a maximum of five weeks.

2.1.5 Regular Co-Pay Responsibility

When determining a family's co-payment responsibility, review the following factors:

1. Gross Monthly Income.
2. Family Size.
3. Type of Child Care Provider Chosen.
4. Number of Children Receiving Child Care Subsidy.

Family co-payment responsibility is determined on the current co-payment schedule. Find the family's gross monthly income and family size on the co-payment schedule. The dollar amount on the co-payment schedule is used as the level for which the family co-payment responsibility is determined.

2.1.5 Regular Co-Pay (cont.)

If the family gross monthly income falls between two tiers, use the lower dollar amount that is just less than the family income. On the schedule it is the dollar amount listed just one tier above. The corresponding co-payment responsibility is listed, for the chosen provider type and the number of children receiving the child care subsidy, on the right hand side of the schedule (one section for licensed care and one for certified care).

Income less than 70% of FPL have the lowest level co-pay for the number of children subsidized and the type of provider chosen.

2.1.6 Part Time Co-pay

Effective by March 2000, children that are authorized for a total of 20 or fewer hours a week will be assessed one half of their share of the co-pay when determining the provider payment. All of the hours a child is authorized each week will be added together to determine if an authorization is considered part time or full time.

Example:
Dave has two children, Kathy and Laura, that are eligible and authorized for child care. Dave's next review is due in June 2000. Currently, both Kathy and Laura are authorized to Disney Day Care for 15 hours a week. Kathy is also authorized for an additional 10 hours of care to her Aunt Ellie, a certified child care provider.
Laura is authorized for a total of 15 hours a week, so a part time co-pay is used to determine her weekly provider payment amount. Kathy is authorized for a total of 25 hours a week (15 to Disney + 10 to her Aunt Ellie), so the full time co-pay amount is used to determine her weekly provider payment.

Part time authorizations will use a part-time co-pay that is one-half of the child's share of the appropriate co-pay amount. If all children authorized for child care have a co-pay type that uses the minimum co-pay (THS, KIN, FOS), then one half of the minimum co-pay amount will be used. If there is a mix of co-pay types that use the minimum co-pay and the regular co-pay, then one half of the regular co-pay will be used for a part time authorization.

2.1.6 Part Time Co-Pay (cont.)

MILWAUKEE ONLY
For Milwaukee County cases only, the Public School Provider (PSP) co-pay type used for children attending MPS before and after school care will no longer be able to be used for authorizations for 20 or fewer hours. Instead, use the appropriate co-pay type (i.e. REG, FOS, KIN, NCK,THS, FST, LNF, or WWE) and CCPS will calculate the co-pay using one half of either the standard or the minimum co-pay.

2.1.7 Co-Pay Responsibility Table

Copayment Amount	Activity	Copayment Type
$0	**Learnfare** **FSET:** 1. Job Search 2. Work Experience **Foster Care Parent** **Court-Ordered Kinship Care** 1. Court-ordered placement or guardianship	LNF FST FOS KIN
Lowest Level Co-pay	**Teen Parent** 1. School or high-school equivalency **W-2 Employment Ends** 1. Unsubsidized employment begins **Non-Court Ordered Kinship Care Parent**	THS WWE NCK
One-Half of the Regular Co-pay 1. Gross Monthly Income 2. Family Size 3. Public School provider (Milwaukee Co. only) 4. # of Children in Care 5. # of Hours Authorized	School age child attending a school age program at a public school setting – **applies to Milwaukee Co. authorizations for more than 20 hours to MPS only.**	PSP
Regular Co-payment 1. Gross Monthly Income 2. Family Size 3. Type of Care Chosen 4. # Of Children in Care	**Unsubsidized Employment** **W-2 Employ Position** **Up-front Job Search** 1. Orientation/Training 2. Activities Prior to Elig Determination **Participation in W-2 activities** **Other Employment Skills Training**	REG REG REG REG REG
Part Time Co-pay 1. Gross Monthly Income 2. Family Size 3. Type of Care Chosen 4. # of Children in Care 5. # of Hours Authorized	This co-payment amount applies to all activities where total numbers of authorized hours are 20 or less.	This co-payment amount applies to all co-pay types.

2.2.0 Licensed and Certified Providers

Co-payments are determined according to the number of children receiving subsidized child care. If families are using both licensed and certified child care, use the regulated care co-payment amount for the type of care associated with the greater number of hours of care utilized.

> **Example**. The Smith family has two children in subsidized child care. Andy (age 8) attends a certified provider before school for two hours each day for a total of ten hours a week. Mary (age 4) attends a licensed provider for seven hours a day and a total of 35 hours a week. The co-payment determination will be used according to the type of regulated care that the greater numbers of hours of care are utilized. In this example, licensed child care is utilized for more hours each week and the co-payment will be determined for two children in licensed care.

If an equal amount of hours of care are utilized in both licensed and certified care, the co-payment determination should reflect the licensed child care co-payment amount for the number of children subsidized for care.

2.3.0 Splitting Authorizations

When entering authorizations into CCPS, CCPS splits authorizations having an effective begin date prior to the most recent previous Sunday and an effective end date that extends past the current date, which is the date the authorization is being entered into CCPS. When CCPS splits the authorization, the retro portion of the authorization has an effective end date of the most recent previous Saturday. The effective begin date of the current authorization is the most recent previous Sunday.

> **Example**. An authorization was entered on 10-26-99 for the period of 09-26-99 and through 01-01-00. CARES will split the authorization into:
> 09-26-99 through 10-23-99 (retro)
> 10-24-99 through 01-01-00 (current)

2.3.0 Splitting Auth. (cont.)

CCPS automatically splits currently active authorizations when:

1. New authorizations are added.
2. Authorizations are ended early.
3. Current authorizations are deleted.

Other actions that may cause CCPS to split the authorization include:

1. Provider rate change.
2. Accredited status change.
3. Relative indicator status change.
4. FPL mass change - Annual.
5. Agency Maximum Rate mass change - Annual.
6. Change in provider category (provisional to regular certification or licensed family to licensed group)

2.4.0 Changing/Ending Authorizations

Authorizations must be changed and ended timely in order to ensure that the appropriate level of child care benefit is issued to providers on behalf of parents. Parents are required under statute to report changes in their household that might affect their child care benefits within 10 days.

There is no requirement under the statute or administrative rule regarding how an authorization must be ended or changed. The Office of Child Care has established the following policies in order to give parents and providers a fair amount of notice of change and create statewide consistency regarding the process of ending/changing authorizations.

2.4.1 Reasons for Changing Authorizations

Once an authorization has been established, the authorization should remain unchanged by the worker until:

1. A changed in the number of hours the child must be in care in order for the parent to remain in their approved activity. This could be the result of a change in either the parent’s approved activity schedule or a change in the child’s schedule due to school and other activities.

2. A change in gross monthly income, which results in an increase of $250 or more, or a decrease of $100 or more.

2.4.1.1 10-Day Notice When Changing Authorizations

Families must report any changes in their circumstance that would effect their eligibility and authorization for child care. When a family has reported a change that requires the authorization to be changed, local agencies must take action on the reported change within 10 working days of receiving either verbal or written notice as well as any required verification relating to the change from the family. If a change is reported by the provider regarding a family's circumstance, the local agency must confirm this information with this family and take the appropriate action within 10 working days.

When changes are reported after taking effect:

1. If the change in the authorization will result in an increased child care benefit, the current authorization must be ended back to the most previous Saturday and the new authorization must begin the Sunday just prior to the current date.

2. If the change in the authorization will result in a decreased child care benefit, the current authorization must be ended by counting 10 calendar days, beginning with the current date and ending on the Saturday following the tenth day.

   Note: If the parent has not reported the change timely (within 10 days of the change) and there has been a decrease in child care benefit, an overpayment may have occurred. The overpayment period begins with the first complete week after the change has become effective and ends with date the authorization was ended due to the change, as described above. The overpayment amount is the difference between the amount that was authorized prior to the change in authorization and the amount authorized after the change was incorporated into the authorization.

When changes are reported prior to taking effect:

1. If the change in the authorization will result in an increased child care benefit, the current authorization must be ended the Saturday just prior to the change taking effect and the new authorization must begin the next day.

2. If the change is occurring within the next 10 days and will result in a decreased child care benefit, the authorization must be ended by counting 10 calendar days, beginning with the current date and ending on the Saturday following the tenth day.

3. If the change is occurring more than 10 days in future and will result in a decreased child care benefit, the authorization must be ended the Saturday just prior to the change taking effect and the new authorization must begin the next day.

2.4.2 Ending Authorizations

The authorization must be manually ended by the worker when:

1. The parent is no longer in an approved activity

2. The child is no longer cared by the authorized provider

Note: CARES will end the authorizations automatically at adverse action for closed child care cases.

2.4.2.1 Child No Longer In Care

The intent of the 10-day notice policy is to mirror the private market policy in which the parent provides a two-week notice to the provider when their child will no longer be attending the program. This allows the provider time to fill the slot with another child to avoid vacant slots.

Local agencies have discretion ending authorizations timely within these guidelines:

1. When the child is still in care and the worker is notified prior to the child leaving the program, the worker should end authorization with a 10-day notice. The authorization should be ended by counting ten calendar days, beginning with the first day the child is not going to be in care and ending the authorization on the Saturday following the tenth day.

2. When a child is no longer in care and the worker is notified after the child has left the program, the worker should end the authorization with a 10-day notice from the date the provider knew the child would no longer be

in care. Under this circumstance, the worker should end the authorization no further out than three Saturdays after the last date the child was in care.

3. When the provider has terminated the child from attending the program, the worker should end the authorization the Saturday after the last day the child was in attendance.

4. When the provider has indicated they do not want a 10-day notice, the worker can end the authorization the Saturday after the last day the child was in attendance.

The worker should not enter the authorization to the new provider until authorization to the first provider has ended within the guidelines described above.

The local agency has discretion to begin the authorization to the new provider before the authorization to the previous provider ends, if the provider can no longer provide the care needed or if the parent leaves the previous provider due to allegation of abuse or inadequate or unsafe care.

2.4.2.2 Eligibility Lost

If an authorization for child care reimbursement is in place and later child care eligibility is lost, follow these guidelines for ending the authorization:

1. If eligibility for child care is lost due to increased income, the authorization should end on the Saturday following the end of the last month of eligibility. A 10-day notice is required to both the family and provider indicating the authorization is ending. CCPS will end the authorization automatically at this time, if the case is closing at adverse action in the last month of eligibility.

2. It is agency discretion to re-determine the authorization to reflect the highest level co-payment for cases that will lose eligibility the following month, due to being over income. A 10 day notice must be given to the family and provider indicating the new reimbursement level.

3. If there is no longer a need for the child care authorization, due to the parent not continuing in an approved activity, end the authorization with appropriate

notice to the family and provider at any point during a month.

2.4.3 Attendance Entry During 10-Day Notice

When the authorization is attendance based, the provider can request payment for the 10-day notice period, even when there is no actual attendance for those ten days. This unique circumstance allows the agency to pay for the licensed or certified provider with an attendance based payment.

The worker responsible for recording attendance should determine the number of hours to record by reviewing past 6 week of attendance. (Hint: Use screen CCUC to view utilization.) If the actual number of hours of attendance remained constant, record this number of hours for the 10-day notice period. If the number of hours of attendance varied, calculate an average for the number of hours of actual attendance and enter those hours for the 10-day notice period. Clearly document the action you take.

When the authorization is enrollment based, CARES will make payment when zero hours of attendance are entered for the 10-day notice period.

2.4.4 Authorization Notices

CARES issues authorization notices to parents and providers. The authorization notices are issued at the time a worker enters, deletes or ends an authorization. Authorization notices are also sent in the event CCPS splits and recalculates an authorization (See section 2.3.0 for reasons of authorizations splitting). If the authorization begin date is more than 14 days in the future, CARES will wait to send the authorization notice until 14 days prior to the authorization begin date. CARES issues authorization notices during adverse action when a case is losing eligibility for child care.

2.5.0 Worksheet Calculations

Use the following worksheets to do payment calculations for all in-home child care providers and for authorizations for special needs children when payment is above the local agency maximum rates. Use the worksheets when CARES is not available.

2.5.1 Enrollment Based Pay for Licensed Care Providers

Follow these instructions to complete the Enrollment Based Payments to Licensed Care Providers Worksheet:

1. Multiply the number of hours authorized by the agency hourly rate for the category of the provider and age of the child. This is the Beginning Reimbursement Rate.

2. Compare the Beginning Reimbursement Rate to the Weekly Ceiling and the Provider's Reported Weekly Price. Choose the lowest of these three amounts to be the Lowest Weekly Amount. Do this for each child being authorized for care.

3. Add up each of the Lowest Weekly Amounts to determine the Full Weekly Amount.

4. Determine the amount of co-pay: The Standard Family Co-payment is the co-pay based on the family size, income, number of children in care, and type of care found using the Child Care Co-pay Schedule or table TCCP in CARES.

   The Adjusted Family Co-payment is the co-pay used based upon the co-pay type (zero dollar, minimum or differential).

   If payment is for one child and authorized to a single provider, the Adjusted Agency Payment (the full weekly amount, minus the standard or adjusted co-pay) is the amount to be authorized.

5. When more than one child is authorized and/or more than one provider is used, the co-payment is prorated over each child and/or each provider: Divide the Lowest Weekly Amount for each child by the Full Weekly Amount to find the percentage of the full cost.

6. Multiply this percentage by the Adjusted Agency Payment to determine the Weekly Enrollment Payment.

   The adjusted agency payment is the full weekly amount, minus the standard, adjusted or part-time family co-payment amount. (The part-time co-pay is calculated dividing the standard or adjusted family co-payment in half, if the child's total number of authorized hours is 20 or less for the authorization period.)

This Weekly Enrollment Payment is the weekly amount that will be authorized on enrollment up to the maximum amount of hours authorized.

Example: David and Jason need to be authorized to a licensed child care provider. David needs 20 hours of care and Jason needs 40 hours. The calculation is as follows:

Name	Auth hrs		Agency hrly Rt		Beg reimb	Wkly ceiling	Prov price	Lowest
David	20	X	5.47	=	109.40	164	158	109.40
Jason	40	x	5.47	=	218.80	164	158	158.00
Total								267.40

Full Weekly Amount	Standard Co-pay	Adj Family Co-pay
267.40	32	David (32/2)=16 – part-time
		Jason (32) standard

Name	Lowest Wkly		Full Wkly Amt		% of full cost care		*Adj Agency Pment		Auth Amt
David	109.40	/	267.40	=	.4091	x	251.40	=	102.85
Jason	158.11	/	267.40	=	.5909	x	235.40	=	139.10

*Adjusted Agency Payment is calculated by subtracting the adjusted family co-pay from the full weekly amount:

David: 267.40 – 16 = $251.40
Jason: 267.40 – 32 = $235.40

2.5.1 Enrollment Based Pay for Licensed Care Providers (cont.)

CHILD CARE PAYMENT WORKSHEET
FOR ENROLLMENT BASED PAYMENTS TO LICENSED CHILD CARE PROVIDERS

Parent's Name	CARES Number	Date

Child's Name	Provider Type	Hours Auth.	X	Agency Hourly Rate	Beginning Reimburse. Rate	Weekly Ceiling	Provider's Reported Weekly Price	Lowest Weekly Amount*
	G or F		**X**					
	G or F		**X**					
	G or F		**X**					
	G or F		**X**					
	G or F		**X**					
	G or F		**X**					
							FULL WEEKLY AMOUNT	

*Compare the Beginning Reimbursement Rate to the Local Agency Weekly Ceiling and the Provider's Reported Weekly Rate. Enter the lowest of these three amounts in the lowest weekly amount space. Add each of the Lowest Weekly Amounts to determine the Full Weekly Amount.

Determine the Standard Family Co-payment from the Child Care Co-pay Schedule and the Adjusted Family Co-payment due to the co-pay type ($0, minimum or differential).

Full Weekly Amount	Standard Family Co-payment	Adjusted Family Co-payment

Divide the Lowest Weekly Amount for each child by the full weekly amount. This percentage for each child is then multiplied by the adjusted agency payment. This result is the weekly payment that can be authorized on enrollment for each child.

Child's Name	Lowest Weekly Amount		Full Weekly Amount	=	Percentage of Full Cost	X	Adjusted Agency Payment**	=	Weekly Enrollment Payment

		/		=		X		=	
		/		=		X		=	
		/		=		X		=	
		/		=		X		=	
		/		=		X		=	
		/		=		X		=	

**Adjusted Agency Payment is the Full Weekly Amount, minus the standard, adjusted or part time family co-payment amount. The part time co-pay is calculated by dividing the standard or adjusted co-payment in half for each child whose total number of authorized hours is 20 hours or less for an authorization period.

DES-11562 (R. 01/2000) **RETAIN COMPLETED FORM IN CLIENT FILE**

2.5.2 Attendance Based Pay for Licensed Care Providers

Follow these instructions to complete the Attendance Based Payments to Licensed Care Providers Worksheet:

1. Multiply the number of hours authorized up to the county divisor by the agency hourly rate increased by 10% (to reflect Administrative Rule DWD 56.04 (4)(d)(3)) for the category of the provider and age of the child. This is the Beginning Reimbursement Rate.

2. Compare the Beginning Reimbursement Rate to the Agency Weekly Ceiling increased by 10% (same reason as #1) and the Provider's Reported Weekly Price. Choose the lowest of these three amounts to be the Lowest Weekly Amount.

   Do this for each child being authorized for care.

3. Add up each of the Lowest Weekly Amounts to determine the Full Weekly Amount.

4. Determine the amount of co-pay: The standard family co-payment is the co-pay based on the family size, income, number of children in care, and type of care found using the Child Care Co-pay Schedule or table TCCP in CARES.

   The Adjusted Family Co-payment is the co-pay used based upon the co-pay type (zero dollar, minimum or differential).

5. Divide the Lowest Weekly Amount for each child by the Full Weekly Amount to find the percentage of the full cost.

6. Multiply this percentage by the Adjusted Agency Payment to determine the Weekly Payment.

   The Adjusted Agency Payment is the Full Weekly Amount, minus the Standard, Adjusted or Part-Time Amount. (The part-time co-payment is calculated by dividing the Standard or Adjusted Co-payment in half for each child whose total number of authorized hours is 20 hours or less for an authorization period).

2.5.2 Attendance Based Pay for Licensed Care Providers (cont.)

7. Divide the Weekly Payment by the number of authorized hours. This is the final authorized hourly amount.

Authorizations to licensed providers can be based on attendance, if the agency has had three separate instances in which the provider has over-reported attendance.

Because payment is authorized on attendance to a licensed provider, it is expected the number of hours of actual attendance will vary from very low usage to the maximum number of hours authorized up to the county divisor. The county divisor multiplied by the hourly rate equals the county weekly maximum rate. The maximum weekly rate is the maximum payment a licensed provider can be paid for care of up to 50 hours a week. So, the maximum number of hours a licensed provider can be authorized for an attendance-based authorization is the county divisor. **If a family needs more than 50 hours of care, additional hours can be authorized for that week.**

By choosing a county divisor of 30, 35 or 40, the hourly rate of payment is determined. This hourly rate will be used to calculate part-time authorizations. The county divisor is the number of hours that equal a full-time authorization. (County divisor equals 50 hours of care per week).

The intention of this policy is to allow greater payment to licensed providers for minimal periods of time, without exceeding the maximum weekly county rate when less than 50 hours of care is needed.

2.5.2 Attendance-based pay for licensed providers (cont.)

Example: Laura is eligible for child care and has a 30 hour authorization for her daughter Linda. Laura's work schedule is widely varying, so her daughter's authorization is based on attendance. The county divisor is 30 hours.

For the month of December, Laura's employer has asked her to work up to 55 hours a week. Since Laura needs an additional five hours a week for transportation, she may need up to 60 hours of care for her daughter each week in December. Since the county divisor is 30, one authorization is made for 30 hours and another authorization for ten hours is created for the additional care in excess of 50 hours or full time care for her daughter Linda.

2.5.2 Attendance Based Pay for Licensed Care Providers (cont.)

CHILD CARE PAYMENT WORKSHEET
FOR ATTENDANCE BASED PAYMENTS TO LICENSED CHILD CARE PROVIDERS

Parent Name	CARES Number	Date

Child Name	Provider Type	Hours Auth.	X	Agency Hourly Rate (+10%)	Beginning Reimburse. Rate	Weekly Ceiling (+10%)	Providers Reported Weekly Price	Lowest Weekly Amount*
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					
							FULL WEEKLY AMOUNT	

*Compare the Beginning Reimbursement Rate to the Local Agency Weekly Ceiling (increased by 10%) and the Provider's Reported Weekly Rate. Enter the lowest of these three amounts in the lowest weekly amount space. Add each of the Lowest Weekly Amounts to determine the Full Weekly Amount.

Determine the Standard Family Co-payment from the Child Care Co-pay Schedule and the Adjusted Family Co-payment due to the co-pay type ($0, minimum or differential).

Full Weekly Amount	Standard Family Co-payment	Adjusted Family Co-payment

Divide the Lowest Weekly Amount for each child by the full weekly amount. This percentage for each child is then multiplied by the adjusted agency payment. This is the weekly payment used for the calculation to determine the hourly amount. This amount must be divided by either the number of hours of care that have been authorized for the child or the number of hours used to divide the Weekly Ceiling for that type of provider into an hourly rate. *Use whichever number is less.* <u>This hourly amount is the amount that will be paid for the actual hours of attendance up to the local agency weekly ceiling which has been increased by 10%.</u>

Child Name	Lowest Weekly Amount	/	Full Weekly Amount	=	% of Full Cost	X	Adjusted Agency Payment **	=	Weekly Pay	/	Hours Auth. or Divisor Used	=	Final Hourly Rate
		/						=		/		=	
		/						=		/		=	
		/						=		/		=	
		/						=		/		=	
		/						=		/		=	
		/						=		/		=	

**The Adjusted Agency Payment is the Full Weekly Amount, minus the standard, adjusted or part time co-payment amount. The part time co-payment is calculated by dividing the standard or adjusted co-payment in half for each child whose total number of authorized hours is 20 hours or less for an authorization period.

DES-11561 (R. 09/2001) **RETAIN COMPLETED FORM IN CLIENT FILE**

2.5.3 Payments to Accredited Licensed Providers

For Payments to Accredited Licensed Child Care Providers, complete the following steps:

1. Multiply the hours authorized by the agency hourly rate for the category of the provider and age of the child. If this is an attendance-based authorization, the maximum number of hours that can be authorized is the county divisor. The agency hourly rate is increased ten percent to reflect the Administrative Rule DWD 56.06 (3) (b). This is the Beginning Reimbursement Rate.

2. Compare the Beginning Reimbursement Rate to the agency's weekly maximum rate, plus 10% and to the Providers' Reported Weekly Price. The lowest of these three amounts is the Lowest Weekly Amount. Do this for each child being authorized for care.

3. Add up each of the Lowest Weekly Amounts to determine the Full Weekly Amount.

4. Determine the amount of co-pay: The Standard Family Co-payment is the co-pay based on the family size, income, number of children in care, and type of care found using the Child Care Co-pay Schedule or table TCCP in CARES.

   The Adjusted Family Co-payment is the co-pay used based upon the co-pay type (zero dollar, minimum or differential).

   If the payment is for one child based on enrollment to a single provider, the Adjusted Agency Payment is the amount to be authorized (the full weekly amount, minus the standard or adjusted co-pay).

5. If payment is for more than one child and/or more than one provider or if payment is based on attendance, divide the Lowest Weekly Amount for each child by the Full Weekly Amount to find the percentage of the full cost.

6. Multiply this percentage by the Adjusted Agency Payment to determine the Weekly Payment.

2.5.3 (cont.)

The Adjusted Agency Payment is the Full Weekly Amount, minus the Standard, Adjusted or Part-Time Amount. (The part-time co-payment is calculated by dividing the Standard or Adjusted Co-payment in half for each child whose total number of authorized hours is 20 hours or less for an authorization period. If payment is based on enrollment, this weekly payment is the amount to be authorized up to a maximum of the number of hours authorized.

7. If payment is based on attendance, divide the weekly payment by number of authorized hours. This is the final authorized hourly amount.

Because payment is authorized on attendance to a licensed provider, it is expected the number of hours of actual attendance will vary from very low usage to the maximum number of hours authorized. Authorizations to licensed providers can be based on attendance, if the agency has had three separate verified instances in which the provider has over-reported attendance. By choosing the lesser of the number of hours authorized or the divisor used to determine the licensed day care hourly price, the authorized hourly amount is increased to the greatest amount possible to cover the costs of part time care.

The authorized hourly rate of payment has been increased to cover lesser periods of attendance. A maximum number of hours must be established in order to assure an overpayment is not made to the provider. Remember, the maximum number of hours for attendance based authorizations is the county divisor, because the county divisor multiplied by the county's hourly rate is equal to the weekly maximum rate for that county.

The intention of this policy is to allow greater payment to licensed providers for minimal periods of time without exceeding appropriate levels of payment for full expected usage. In addition, this policy allows over-payments to be collected from providers who over-report.

2.5.3 Payments to Accredited Licensed Care Providers (cont.)

CHILD CARE PAYMENT WORKSHEET
FOR ACCREDITED LICENSED CHILD CARE PROVIDERS

Parent Name	CARES Number	Date

Child Name	Provider Type	Hours Auth.	X	Agency Hourly Rate (+ 10%)	Beginning Reimburse. Rate	Weekly Ceiling (+10%)	Providers Reported Weekly Price	Lowest Weekly Amount*
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					
	G or F		X					

***Compare the Beginning Reimbursement Rate to the Local Agency Weekly Ceiling (increased by 10%) and the Providers Reported Weekly Rate. Enter the lowest of these three amounts in the lowest weekly amount space. Add each of the Lowest Weekly Amounts to determine the Full Weekly Amount.**

Determine the Standard Family Co-payment from the Child Care Co-pay Schedule and the Adjusted Family Co-payment due to the co-pay type ($0, minimum or differential).

Full Weekly Amount	Standard Family Co-payment	Adjusted Family Co-payment

Divide the Lowest Weekly Amount for each child by the full weekly amount. This percentage for each child is then multiplied by the adjusted agency payment. This result is <u>the weekly payment that can be authorized on enrollment for each child.</u>

If payment is based upon attendance, this amount must be divided by either the number of hours of care authorized for the child or the number of hours used to divide the Weekly Ceiling for that type of provider into an hourly rate. *Use whichever number is less.* <u>This hourly amount is the amount paid for the actual hours of attendance up to the local agency weekly ceiling which has been increased by 10%.</u>

Child Name	Lowest Weekly Amount	/	Full Weekly Amount	=	% of Full Cost	X	Adjusted Agency Payment **	=	Weekly Pay	/	Hours Auth. or Divisor Used	=	Final Hourly Rate
		/		=		X		=		/		=	
		/		=		X		=		/		=	
		/		=		X		=		/		=	
		/		=		X		=		/		=	

		/		=		X		=		/		=	
		/		=		X		=		/		=	

****The Adjusted Agency Payment is the Full Weekly Amount, minus the standard, adjusted or part time co-payment amount. The part time co-payment is calculated by dividing the standard or adjusted co-payment amount in half for each child whose total number of authorized hours is 20 hours or less for an authorization period.**

DES-11559 (R. 09/2001) **RETAIN COMPLETED FORM IN CLIENT FILE**

2.5.4 Payments to Certified Providers

For payments reimbursed to certified providers, complete the following steps:

1. Multiply the number of authorized hours by the agency hourly rate for the category of provider and age of the child.

2. Compare the beginning reimbursement rate to the agency's weekly maximum rate for licensed family providers for the age of the child. The lesser of these two amounts is the lowest weekly amount. Do this for each child being authorized for care

3. Add up each of the lowest weekly amounts to determine the full weekly amount.

4. Determine the amount of co-pay: The standard family co-payment is the co-pay based on the family size, income, number of children in care, and type of care found using the child care co-pay schedule or table TCCP in CARES.

   The adjusted family co-payment is the co-pay used based upon the co-pay type (zero dollar, minimum or differential).

5. Divide the lowest weekly rate for each child by the full weekly amount to find the percentage of the full cost.

6. Multiply the percentage by the Adjusted Agency Payment for each child to find the weekly payment.

   The Adjusted Agency Payment is the full weekly amount, minus the standard, adjusted or part-time

family co-payment amount. (The part-time co-pay is calculated by dividing the standard or adjusted family co-payment in half, if the child's total number of authorized hours is 20 or less for the authorization period)

7. Divide the weekly payment by the number of hours of care authorized to determine an hourly rate of payment.

This hourly payment rate is what is authorized on attendance based payment up to a maximum of the number of hours authorized.

2.5.4 Payments to Certified Providers (cont.)

CHILD CARE PAYMENT WORKSHEET
FOR CERTIFIED AND ACCREDITED CERTIFIED CHILD CARE PROVIDERS

Parent Name	CARES Number	Date

Child Name	Provider Type	Hours Auth.	X	Agency Hourly Rate*	Beginning Reimburse. Rate	LFAM Weekly Ceiling*	Lower Weekly Amount**
	R or P						
	R or P						
	R or P						
	R or P						
	R or P						
	R or P						
						FULL WEEKLY AMOUNT	

***If the certified provider is <u>accredited,</u> increase the agency hourly rate and the LFAM Weekly Ceiling by 10%. Follow all other instructions.**

****Compare the Beginning Reimbursement Rate to the LFAM Weekly Ceiling. Enter the lower of these two amounts in the Lower Weekly Amount space. Add each of the Lower Weekly Amounts to determine the Full Weekly Amount.**

Determine the Standard Family Co-payment from the Child Care Co-pay Schedule and the Adjusted Family Co-payment due to the co-pay type ($0, minimum or differential).

Full Weekly Amount	Standard Family Co-payment	Adjusted Family Co-payment

Divide the Lower Weekly Amount for each child by the full weekly amount. This percentage for each child is then multiplied by the adjusted agency payment. This is the weekly payment used for the calculation to determine the hourly amount. This amount must be divided by the number of hours of care authorized for the child. <u>This hourly amount is the amount that will be paid for the actual hours of attendance up to the maximum number of hours authorized.</u>

Child Name	Lower Weekly Amount	/	Full Weekly Amount	=	% of Full Cost	X	Adjusted Agency Payment ***	=	Weekly Pay	/	Hours Auth.	=	Hourly Rate of Pay
		/		=				=		/		=	
		/		=				=		/		=	
		/		=				=		/		=	
		/		=				=		/		=	
		/		=				=		/		=	
		/		=				=		/		=	

*****The Adjusted Agency Payment is the Full Weekly Amount, minus the standard, adjusted or part time co-payment amount. The part time co-payment is calculated by dividing the standard or adjusted co-payment amount in half for each child whose total number of authorized hours is 20 hours or less for an authorization period.**

DES-11560 (R. 09/2001)**RETAIN COMPLETED FORM IN CLIENT FILE**

2.6.0 Other Reimbursement Policies

Following are other reimbursement policies you need to consider for other circumstances.

In shared custody cases, where both parents have their own cases, the authorizations should be based on attendance. If the child lives with mom for one week, then dad for the next week and the same provider is used, each authorization must be based on attendance. The authorizing worker should communicate to the provider attendance should only be recorded for those weeks (days) when the child is living with the parent for whom the care is authorized. If both parents are using the same provider, the provider will have to use the authorization numbers in order to distinguish which parent's authorization should have attendance recorded against.

In shared custody cases, where only one parent receives child care subsidy, the authorization should be based on attendance. The provider should be instructed to enter attendance only for the hours when the child was in day care and in the custody of the parent eligible for subsidy.

2.6.1 Private Rates Above Maximums

A parent may receive services from a provider whose private rate is higher than the county/tribal maximum rate. The payment of the difference is a matter between the parent and the provider. The family co-payment responsibility is determined according to the standard approach and this is in addition to any costs above the maximum rate. The collection of parent payments is the responsibility of the child care provider.

2.6.2 Accredited Care

Effective March 1, 1997, rates higher than the regular maximum rates apply to child care providers who meet higher quality of care standards. For purposes of paying higher rates, the higher quality of care standard is accreditation.

For the higher maximum to apply, the licensed child care facility must document:

1. For a group day care center, it is accredited by the National Academy of Early Childhood Programs, a division of the National Association for the Education of young Children (NAEYC).

2.6.2 Accredited Care (cont.)

2. For a family day care center or home, it is accredited by the National Association of Family Child Care (NAFCC) or the Wisconsin Early Childhood Association (WECA), or holds a Child Development Associate (CDA) credential for Family Day Care from the National Council for Early Childhood Professional Recognition.

3. For Dane County only, the child care provider has Madison City Certification.

2.6.3 Special Needs Care by Someone in the Home

Care provided in the child's own home, by a person living in that home, can be reimbursed only when the local agency determines the care is necessary, because of a special health condition of the child. This provider must be certified to receive payment.

This type of care arrangement does not need to be reimbursed at minimum wage. Under other conditions, persons living in the child's household are not eligible to be reimbursed for child care provided.

2.6.4 Caring for Children in the Home

In-home care, provided in the child's own home, might be purchased by the county/tribe as necessary for one of the following circumstances:

1. Three or more children are being cared for.

2. Other licensed or certified care is not available, within a reasonable geographic area.

3. Child care is needed during hours when no other care is available, such as second and third shift hours and weekend care.

4. A child's special needs could only be met in his/her home.

In-home child care must be certified, if it is purchased using public funds. When providing in-home child care, a certified provider is able to care for more than three children living in a home under the age of seven, because a license is not required for caring for children in their own home.

2.6.4.1 In-Home Child Care

When in-home child care is authorized for 15 or more hours a week minimum wage must be paid, regardless of the level of training completed. In-home child care providers must be paid at a level equal to minimum wage. If payment is above minimum wage, it should be negotiated at a price acceptable to both the local agency and the child care provider for the services provided. When multiple children are in care, the local agency hourly rate may be used per child, if the combined amount exceeds minimum wage.

When authorizing for less than 15 hours per week, the local agency hourly rates for the category of the provider and ages of the children should be used.

Example 1. One child in care for an in-home regularly certified provider (reason for care is that no other care is available within a reasonable geographic area). Care is for 25 hours a week. Payment begin rate must be at least minimum wage (currently $5.15 per hour). Subtract the family co-payment from the lowest weekly rate, then calculate the hourly amount of reimbursement which will be authorized to the provider for the attendance based authorization.

Example 2. Two children in care for an in-home provisionally certified provider (reason for care is that no care is available for third shift). Care is for 25 hours a week. Combined payment begin rate (for each of the children) can be no less than minimum wage, but can exceed minimum wage, if the agency determines this to be appropriate on a case-by-case basis. Child A (age 1) may have an agency begin hourly rate of $3.00 and child B (age 3) may have an agency begin hourly rate of $2.50 as determined by the children's age. From the beginning reimbursement rate, the family co-payment responsibility is subtracted and the final hourly amount of reimbursement is calculated. Payment is based on attendance and is authorized to the certified provider.

2.6.4.1 In-Home Child Care

Example 3. When in-home child care is utilized for a special needs child, the beginning agency hourly payment rate should be negotiated on a case-by-case basis. If care is for 15 or more hours, the price determined should equal at least minimum wage, but may exceed this amount, if necessary. From the beginning reimbursement rate, the family co-payment responsibility is subtracted and the final hourly amount of reimbursement is calculated. Payment is based on attendance and is authorized to the certified provider.

It is recommended local agencies be responsible for informing parents choosing in-home child care of the parent's responsibility as an employer of the child care provider, including their responsibility to complete the appropriate tax withholdings.

The Social Security Administration advises:

1. The parent contacts the IRS to determine the correct amount of tax withholdings.

2. The provider contacts the IRS to ensure the parent (his/her employer) is withholding the correct amount.

2.6.5 Authorizations to Parent of the Child

Authorizations cannot be made for a parent when the parent is also a child care provider. Parent is defined as the custodial parent, guardian, foster parent, treatment foster parent, legal custodian, or a person acting in place of a parent.

Note: If child care eligibility exists, the parent, who is also a child care provider, could receive an authorization for his/her children to attend a child care provider who is not a parent of that child. This would free up slots for the child care provider parent in her/his day care.

Examples of situations where care cannot be authorized for a child to a child care provider who is the parent of that child may include:

1. The parent is a certified or licensed family day care provider and is eligible to receive child care subsidy.

2. The parent owns the licensed group day care and the day care is considered a non-corporation for tax purposes. (The day care is either an individual, sole proprietor or partnership).

If the licensed group day care is a corporation for tax purposes (the day care is a corporation, non-profit or government), the owner must answer to a board. If the owner is a parent under these circumstances, the parent can receive an authorization for their child to be cared for in their licensed group center.

2.7.0 Authorization Form

For all authorizations entered into CARES on CCAC, CARES will send the authorization notice to the parent and provider. CARES Authorizations include the number of hours for which the client is authorized, the type of payment (attendance or enrollment based), the effective dates of the authorization, and the provider payment rate.

When manually calculating the provider reimbursement rate, keep a copy of the work sheets, which include the calculation for the reimbursement amount in the case file.

2.7.1 Authorization Backdating

Once found eligible for child care assistance, a family can request a backdated authorization and back payment can be made to their regulated child care provider. Backdating of an authorization can be made for the first of the month of the current eligibility period. The authorization itself will always begin on a Sunday, up to six days prior to the first of the eligibility month. In order for a backdated authorization to be created, the family needs to verify the provider had been used and is a regulated, licensed or certified child care provider.

Backdating may also occur when a family is found eligible for child care assistance, but whose current child care provider is unregulated. The unregulated child care provider can complete an application for certification. At the time the certification is completed, the authorization can be back-dated to the certification begin date, which should coincide with the certification application date, if the certification was completed within a 60 day time frame and payment can go back to that date. See Chapter 4 for more information.

If a family is determined eligible for child care assistance, but does not request an authorization for child care reimbursement until several months later, backdate the authorization to only the first of the month of the request for authorization.

CARES allows the authorization to go back to the Sunday prior to the first of the month to a maximum of six days before the first. Do this, if you determine the agency delayed the authorization process.

Example. Kate Smith is found eligible for child care on 11-19-99. Kate contacts the authorizing child care worker on 02-18-00 and requests an authorization for child care reimbursement. The authorization can be backdated to Sunday, January 30, 2000. (The Saturday prior to the 1st of the month.)

Example. Kelly Smiley is found eligible for child care on 11-18-99. Kelly contacts the authorizing agency on 11-22-99 and requests child care reimbursement. Due to scheduling conflicts within the agency, the actual authorization appointment cannot be completed until 01-03-00. The authorizing worker familiar with the case has the authority to backdate the authorization to the first of the month of the request date in 11/99. So, the authorization begin date can go back to 10-31-99, if needed.

2.8.0 Payment Process

Require the completion and return of all Attendance Report Forms to the local child care agency for children authorized for child care funding. Once attendance is recorded in CARES, a payment is issued to the child care provider or an electronic fund transfer (EFT) is directed to the provider's financial institution.

It is recommended local agencies develop and communicate to providers a policy of the last day/time in which the agency can receive the Attendance Report Form and guarantee entry of the attendance data into CCPS, so the issuance will be made the following week.

2.8.1 Registration Fees

When requested by the parent or child care provider, a registration fee can be paid to the authorized provider, once the child has actual attendance at the center or home. The fee amount is $50 per child, per year, per provider. The

provider must document this is the price charged for private pay children as well. No payment for a registration fee will be made until actual attendance at the provider occurs.

The local agency has the discretion when determining if a registration fee will be paid to more than one provider during the year for a child. It is recommended when a family requires more than one provider on a regular basis, the registration be made to both providers, if the payment has been requested and actual attendance has occurred. If the child never attends the authorized provider center or home, the regularly authorized payment or registration fee will not be made to the provider.

2.9.0 Breaks in Employment or Activity

Child care assistance can be continued for up to four weeks during a break in employment or approved activity, if employment is expected/scheduled to be resumed in that period. If documented by a physician, child care assistance can be extended to six weeks during a maternity or medical leave. Do this if it is necessary to keep the slot open, whether or not the child is in care.

Eligible breaks, which qualify for this continuation of authorization, include lay off, an injury requiring time off from work and maternity leave. The local agency is responsible to make this determination on a case by case basis, according to the family circumstance.

The local agency should attempt to negotiate a price for holding the day care slot. The family is still responsible for a family co-payment based on a prospective gross income test. New authorizations should be created specifically for the breaks in employment to ensure the required 10-day notice is mailed and the authorization does not continue beyond the break in employment. Once the caretaker resumes employment or the approved activity, the payment can be made to the child care provider. A new authorization will probably need to be established when the caretaker resumes his/her employment or approved activity.

2.10.0 Loss of Eligibility

If a family loses eligibility for child care, but remains in the approved activity, the AG keeps eligibility through the Saturday following the end of the month of eligibility. If the end of the month is a Saturday, end eligibility on that date if you can issue a closing notice within the 10-day time frame. CCPS will end authorizations automatically, if the child care

case is closing at adverse action in the last month of eligibility.

If the AG is no longer engaged in the approved activity, end the authorization with a 10-day notice. The end date of the authorization, due to no longer being in the approved activity, does not have to end at the end of the month.