

**CHILD CARE ASSISTANCE PROGRAM MANUAL
DESCRIPTION OF CHANGES ATTACHMENT
REVISED SECTIONS – ISSUED 07/2012**

6.15 (Annualizing Income) adds MEC² methods used to annualize income. If the individual income component information entered into MEC² is not supported by the verification information, the worker must include a detailed case note describing the relationship between the individual income components and the verification information.

6.18 (Income Deductions) updates income deduction information for use in MEC².

7.9 (Income Verification) updates verification standards for income and excluded income categories.

9.1 (Child Care Authorization) updates information based on legislative changes to licensed child care providers, and legal nonlicensed providers and their employees are NOT eligible to receive child care subsidies for their own children or children in their family during the hours that they are providing child care or being paid to provider child care.

9.3 (Payment to Providers) adds information about new First Aid and CPR requirements for providers and retroactive payments.

9.27 (Accreditation /Credential Rate Differential) updates information to include: referencing § 14.6 to review accreditation/credential rates in place in July 1, 2006 through November 27, 2011.

9.54 (Special Needs) rewrites entire section.

14.6 (Amount of Overpayment) provides clarification about overpayments and gives case examples.

4.3.6 (Transition Year- TY) adds information about fraud disqualified MFIP or DWP families and that TY childcare is not available for them and that education is not an authorized activity for TY.

6.15.3 (Annualizing MFIP and Earned Income) adds the financial worker determines MFIP eligibility and grant amount prospective for the first 2 months of participation and retrospectively thereafter. The cash portion of the MFIP grant carries over from MAXIS and is included in the MEC² calculation of the annualization of unearned income for the family.

6.15.9 (Annualizing Rental Property Income) adds when the CCAP family lives on the rental property, divide the above expenses by the number of units to determine the expense per unit, do not deduct expenses for units occupied by CCAP family members. MEC² will annualize the rental income based on the individual income components by the verification documents.

9.24.3 (Child Care Rates) adds “see §14.6 for rates effective July 1, 2006 –November 27, 2011 and copayment schedules prior to October 3, 2011”.

4.3.3.3 (MFIP Overview) adds information about a 2 parent household in which one parent receives an MFIP grant and the other parent is not included.

4.3.3.12 (MFIP Fraud Disqualifications and Convictions) adds “In a one parent household, do not approve MFIP child care if the parent has been disqualified for MFIP and there is a child only grant. Allow these families to apply for the BSF Basic sliding fee program”.

4.3.12.15 (BSF Portability Pool) clarifies the process of families moving to a new county.

MFIP OVERVIEW**4.3.3.3**

MFIP is the Minnesota Family Investment Program. Its purpose is to provide temporary assistance to support families **in the process of becoming** economically stable. MFIP emphasizes and rewards work. Eligibility is limited to 60 months in a lifetime, with some exceptions.

The MFIP grant includes both a cash and food portion by combining federal or state family cash assistance and **the Supplemental Nutrition Assistance Program (SNAP)**. It is the cash portion of the grant which is time-limited. See §4.3.3.6 (Opting out of MFIP Cash) for its effect on CCAP eligibility.

In a two parent household when one parent is on MFIP and continues to meet the eligibility requirements for MFIP and the other parent is not included in the MFIP grant, they can still receive MFIP child care if the other parent meets BSF eligibility requirements. Examples of this would be when one parent receives SSI or when one parent has been disqualified from MFIP for fraud.

LEGAL AUTHORITY:

Minnesota Statute 119B.05

Minnesota Rule 3400.0080

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Do not approve **MFIP** child care assistance under the MFIP sub-program for families **when both parents have been** disqualified from MFIP due to MFIP fraud. **In a one parent household, do not approve MFIP child care if the parent has been disqualified from MFIP and there is a child only MFIP grant.** Allow **these families** to apply for the Basic Sliding Fee (BSF) sub-program. Approve child care assistance for authorized activities if all BSF eligibility requirements are met.

If the family includes 2 parents and only 1 parent has been disqualified for MFIP fraud, you may still authorize child care assistance under the MFIP sub-program if:

- The MFIP parent continues to meet the eligibility requirements in §4.3.3.3 (MFIP Overview).
- AND
- The non-MFIP parent meets the eligibility requirements in §4.3.12 (Basic Sliding Fee (BSF)).

LEGAL AUTHORITY:

Minnesota Statutes 119B.011 to 119B.24

Minnesota Statutes 256J

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TRANSITION YEAR (TY)

4.3.6

Transition Year (TY) Child Care is available to families whose MFIP or DWP closes, and who meet other criteria provided below. **Transition Year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.**

Families must have received MFIP or DWP for at least 3 of the 6 months prior to the closing of their cash assistance. For example, a family whose MFIP was closed effective December 1st would have to have received MFIP or DWP (or a combination of both) for at least 3 months in the period from June through November.

NOTE: Families who choose to “opt out” of the MFIP cash portion are still considered MFIP participants.

In most TY cases, families were receiving MFIP child care assistance before their cash assistance closed and continue to need child care assistance after cash assistance closing. Move these families from MFIP child care assistance to TY child care assistance. When there is no break in receipt of child care assistance:

- Do not require a new application.
- Consider the family to have met the 47% or less of State Median Income (SMI) requirement in their 1st program of participation.

Former MFIP or DWP participants can apply for TY for up to 12 months after their cash assistance closes. In the example provided above, the family would be able to apply for TY through the following November, but their TY would end November 30th. **IF THERE IS A BREAK IN ELIGIBILITY BETWEEN MFIP AND TY CHILD CARE ASSISTANCE, THE FAMILY’S INCOME MUST BE AT OR BELOW 47% OF SMI TO BE ELIGIBLE FOR TY.** See §16.36 (Transition Year (TY) Eligibility Relative to 47% SMI).

For payment purposes, the retroactive eligibility cannot go back further than 6 months prior to the application signature date. Refer to the MEC² User Manual for instructions.

The family needs to cooperate with child support enforcement in order to approve eligibility for TY.

If a family begins receiving MFIP again, move the family to MFIP child care assistance and consider the following when the MFIP case closes again:

- Look at the previous 6 months. If the family received MFIP or MFIP and DWP for 3 of those previous 6 months, the family qualifies for a new 12 months

TRANSITION YEAR (TY)**4.3.6**

Transition Year Period.

- Look at the previous 6 months. If the family received MFIP or DWP for only 1 or 2 of those previous 6 months, the family is eligible for the remaining months of the original Transition Year period. Treat the month or months on MFIP as a suspension of the TY child care benefit but not the Transition Year period. The family may be eligible for MFIP child care during the time they receive MFIP or DWP.

Once families complete their 12 months of TY eligibility, move them to Basic Sliding Fee (BSF) child care if:

- They remain eligible.
- Your county has BSF funds available.
- Your county does not have any higher priority families on the waiting list.

TRANSITION YEAR AND WAITING LIST REQUIREMENTS

If your county does not have BSF funds available at the end of a family's transition year, move the family to Transition Year Extension (TYE) and add them to your BSF waiting list as 2nd priority.

Transition Year families are placed on the waiting list the date their Transition Year period ends, their effective date for the waiting list is the date they 1st became eligible to apply for TY.

- If a TY family moves to a new county, the date that the family was placed on the waiting list in the original county shall transfer with the family.
- If a TY family is eligible for TY child care but does not need child care at the time of TY eligibility, they retain their priority status on the waiting list.

TRANSITION YEAR STUDENTS

If a parent has an educational activity that meets the county requirements for an approved BSF education plan when their MFIP closes, and the county has no BSF waiting list, that family could be served in the BSF program as soon as possible. This family could go directly to BSF with an approved education plan when the MFIP case is closed. **Education is not an authorized activity for TY.**

A full-time student retains full-time status during school breaks, including summers, if the student is expected to return to school full time after the break.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Statutes 119B.05

Minnesota Rules 3400.0060

Minnesota Rules 3400.0090

BSF PORTABILITY POOL

4.3.12.15

The Basic Sliding Fee (BSF) portability pool assists families who move from one county in which they were receiving BSF services to another county which has a waiting list.

Families who move are required **to notify their new county. If the family was receiving BSF in the previous county, the family must notify the new county of the move within 60 days of the move in order to receive portability pool funding.** The original county remains financially responsible for the family's BSF child care for 2 full calendar months. A family who moves on or after the 1st day of a month is considered a participant in the original county for that month. The 2 calendar month period would start on the 1st day of the next month. See §8.12 (Moving Between Counties) for information regarding a second move after the initial move has been reported. **If a family does not notify their new county within 60 days of the move, they are not eligible for portability pool funding.**

When a family notifies the new county of a move:

1. Determine if the family continues to meet income and eligibility criteria for BSF. As long as there has not been an interruption in eligibility, apply the 67% State Median Income (SMI) income exit criteria. (If there has been an interruption in eligibility, for example, the family does not report the move for several months, the family is not eligible for portability pool. The agency should treat the family as a new applicant.)
2. **If the family is eligible for portability pool funding,** add the family to the waiting list at the highest priority that applies, but no lower than the 3rd priority, effective the date of the move. **If the family is not eligible for portability pool funding, but the family would be eligible for BSF if funding were available, the family should be listed in the highest priority that applies, effective the date of contact to the new county. The family is not eligible to be listed in the 3rd priority.**
3. **If the family is eligible for portability pool funding** continue BSF child care assistance for the lesser of:
 - 6 months funded through the portability pool (beginning at the end of the 2 full calendar months after the move).OR
 - Until the date your county has the funding necessary to provide regular BSF to the family.

Allow students with post-secondary education plans to follow the original education plan during the portability pool time period. When the family is able to use your county's BSF, apply your county's criteria for education plans, **as identified in the approved county Child**

Care Plan.

If the new county does not have funds available to continue BSF assistance at the end of the 6-month portability pool period, end child care assistance. If funds become available after the family's child care assistance has been terminated due to the end of the portability pool period, the family must be treated as a new applicant and must have a household income that meets the income requirements in Chapter 6 (Income Eligibility). When funds become available to serve priority three families, serve the families who have been **on the priority three waiting list**, the longest first.

If after an initial reported move, the family moves again to a new county while they are receiving portability pool funding and the new county has a BSF waiting list, the family continues to be eligible for portability pool funding through the original end date of their portability pool period or until the date the new county has the funding necessary to provide regular BSF to the family. The family is not eligible for a new 6 month portability pool period.

LEGAL AUTHORITY:

Minnesota Statutes 119B.03

Minnesota Statutes 119B.03

Minnesota Statutes 119B.09

Minnesota Rules 3400.0060

DATE OF ELIGIBILITY**4.12**

The date eligibility begins depends on the sub-program the family is eligible for.

MFIP/DWP

- Approve eligibility for employed persons beginning the later date of:

The date of employment or approved job search.

OR

1. The date of MFIP or DWP eligibility.

- Retroactive eligibility cannot go back further than 6 months prior to the application date.

- Approve eligibility for participants in employment services beginning the later date of:

1. The date of commencement of the services.

OR

2. The date of MFIP or DWP eligibility.

TRANSITION YEAR (TY)

- Approve eligibility the 1st day of the month after the family loses eligibility for MFIP or DWP if the family is eligible. Make child care payments retroactive to this date if the family has maintained eligibility during the entire time period. Payments of child care assistance may only be made retroactive for a maximum of 6 months from the CCAP application date.
- A family with verifiable continued CCAP eligibility does not need to meet the income entry requirement.

TRANSITION YEAR EXTENSION (TYE)

- Approve eligibility the date the family completes their Transition Year child care and is eligible for but are on a waiting list for Basic Sliding Fee.

BASIC SLIDING FEE (BSF)

Approve child care assistance beginning the later date of:

- The date the application was signed.
OR
- The beginning date of employment, approved education or training, or approved job search.

For information on provisional payments, see §2 (Glossary), §9.3 (Payments to Providers).

LEGAL AUTHORITY:

Minnesota Rules 3400.0040

Minnesota Statutes 119B.09

ANNUALIZING INCOME

6.15

Annualize income to determine eligibility for child care assistance. There are several methods used by MEC² to annualize income. The worker should enter in the individual income components supported by the verification documents and MEC² will calculate the annualized income amounts. The individual components needed within MEC² will vary depending upon the type of income. The income components used in MEC² include: Payment Frequency, Income Projection Amount, Income Projection Payment Frequency and Income Projection Hours per Week.

MEC² uses the following multipliers to annualize income:

- Multiply a weekly income projection payment frequency by 52.
- Multiply a biweekly income projection payment frequency by 26.
- Multiply a semimonthly income projection payment frequency by 24.
- Multiply a monthly income projection payment frequency by 12.

If the individual income component information entered into MEC² is not supported by the verification information, the worker must include a detailed case note describing the relationship between the individual income components and the verification information.

If there is a change in income (for example, starting work or an increase in the average number of hours worked), begin a new 12-month annualization period. Enter the income components into MEC² and the system will calculate the new annualized income.

LEGAL AUTHORITY

Minnesota Statutes 119B.09

Minnesota Rule 3400.0170

Minnesota Statutes 119B.011

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The financial worker determines MFIP eligibility and grant amount prospective for the **first 2** months of participation and retrospectively thereafter. This means that when an MFIP participant begins working, the earned income is not budgeted against the MFIP grant until 2 months later. For example, an MFIP participant who begins working in September sees a grant reduction in November based on September earnings.

The cash portion of the MFIP grant carries over from MAXIS and is included in the MEC² calculation of the annualization of unearned income for the family.

LEGAL AUTHORITY:

Minnesota Statutes 119B.09
Minnesota Rules 3400.0170
Minnesota Statutes 119B.011

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ANNUALIZING RENTAL PROPERTY INCOME**6.15.9**

For information on annualization of income, see §6.15 (Annualizing Income).

Treat income from the rental property as earned income when the owner spends an average of at least 20 hours or more a week on maintaining or managing the rental property. Treat the income as unearned when the owner spends an average of less than 20 hours a week on maintaining the rental property.

Deduct the following expenses from gross rental receipts:

- Real estate taxes.
- Insurance.
- Utilities.
- Interest on principal payments.
- Annual expenses greater than 2% of the estimated market value on the county tax assessment form for upkeep and repairs.

When the CCAP family lives on the rental property, divide the above expenses by the number of units to determine the expense per unit, do not deduct expenses for units occupied by CCAP family members.

MEC² will annualize the rental income based on the individual income components supported by the verification documents.

LEGAL AUTHORITY:

Minnesota Statutes
Minnesota Rules 3400.0170
Minnesota Statutes 119B.011

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MEC² will calculate the annualized net income by reducing the gross income by allowable deductions.

Allow the following verified deductions from annual gross income:

- Child support paid to or on behalf of someone living outside of the household.
- Spousal support paid to or on behalf of someone living outside of the household.
- Medical, dental and vision insurance premiums for family members, paid by family members.
- If the participant is on Medical Assistance, any portion of the insurance premium that the participant is not reimbursed for.
- Expenditures necessary to secure payment of unearned income (for example, lawyer's fees for an insurance settlement can be deducted from the unearned income).

Do NOT allow the following deductions:

- Pre-tax **withholding** accounts for anticipated **expenses, such as medical/dental, child care and transportation expenses.**
- Insurance premiums for other than medical, dental or vision insurance.
- Flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash.

If medical support payments are received from the non-custodial parent (NCP), these amounts are considered income and are added to gross annual income. Client must then provide verification of medical insurance premiums **paid** to have any amount deducted.

Require verification of the amount and type of expense. The following are examples of acceptable verification:

- Payroll deductions as indicated on the **pay** stubs. Request consecutive check stubs to verify that the deduction is ongoing.
- Copy of invoice and receipt of payment from an insurance company. You may also use a cancelled check and receipt, or cancelled check and invoice. The documentation provided must verify the amount and type of expense covered.
- Copy of check for premiums paid to MinnesotaCare.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Rules 3400.0170

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INCOME VERIFICATION

7.9

Verify all sources of income, including excluded income, prior to approving or denying eligibility, or continuing to authorize child care assistance. Request documentary evidence from the applicant that proves when, what type and the amount of income a family member receives. An MFIP/DWP Employment Plan is not documentary evidence and cannot be used as verification of income.

All income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. If the worker does not follow these standards, they must case note why they deviated from the standard and what and how verification is used to support the income components required in the calculation of annualized income.

If the applicant or recipient cannot provide an actual document, ask him or her to provide a release of information signed by the family member receiving the income allowing you to contact the source of the income directly. A client statement cannot be used to verify income except in two circumstances:

1. Self-employment income: If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the parent of possible overpayments if the estimated income used does not reflect the actual income earned. The worker must request verification and a redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verifications with the original self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment. Workers should also act on underpayments if the county has identified in the County Child Care Plan that they make corrective payments.
2. Child support income: In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.

EARNED INCOME

Ask first if the applicant or recipient has paycheck stubs for the most current 30 days that specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name. If the person with earned income has some but

INCOME VERIFICATION

7.9

not all of the paycheck stubs for the most current 30 days, use the paycheck stubs provided and look at year to date totals to determine if you can use year to date totals to gather the necessary information for the missing paycheck stubs. If something other than the most current 30 days is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

If paycheck stubs are not available, or do not contain all the necessary information, ask the applicant or recipient to provide a letter from the employer on company letterhead with the necessary information. If an employer statement is used as verification, the worker must request paycheck stubs for the most current 30 days as soon as they become available and reconcile the information on the employer statement to the information on the paycheck stubs. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment (if the county reimburses underpayments).

SELF-EMPLOYMENT INCOME

Documentation of self-employment income must meet the following criteria:

- Ask for books and tax statements, if available, providing gross receipts and expenses from self-employment income.
- Self-employment business income records must be kept separate from the family's personal income records.
- At application, if business records and personal records are not separate, ask the parent to separate income records and resubmit according to CCAP requirements.
- If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the participant of possible overpayment if the estimated income used does not reflect the actual income earned.
- If self-employment income is estimated at application, the worker must request verification and redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verification with the self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment if the county reimburses underpayments.

INCOME VERIFICATION

7.9

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- When the federal income tax return has been filed, which reflects the current self-employment activity, review the tax records and compare with the income amount used for calculating child care eligibility in the corresponding tax year. If the current self-employment activity is not reflective of the previous year's tax statement, adjustments must be made in the amount used for future authorizations.
 - If a self-employed person believes that they should not be subject to the federal minimum wage, the county should work with the applicant or client to identify the correct applicable amount. If a self-employed person believes that they should not be subject to the federal minimum wage but verification is not available, accept a statement from the person that states that they are not subject to that amount and the reason why.

UNEARNED INCOME

All unearned income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. For child support that is not tracked through PRISM require the most current 30 days of verification. If something other than the most current 30 days of verification (or six months for child support tracked through PRISM) is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

Examples of acceptable documentation of unearned income include but are not limited to:

- Court documents providing child support and/or spousal maintenance amounts.
- Documentation from the Child Support and Collections office. In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.
- Award letters from the Social Security Administration, the Veterans' Administration, etc.
- Documentation from the MAXIS system or the financial worker
- Bank Statements indicating periodic payments of interest or similar income.

- Copies of checks for pensions, trust funds, annuities, unemployment compensation, etc.
- Cash settlements/awards/winnings may be verified through copies of the “letters of award” or court order or other applicable items.
- Financial aid award letter.

LEGAL AUTHORITY:

Minnesota Statutes 119B.025

Minnesota Rules 3400.0170 Subp. 1

CHILD CARE AUTHORIZATION

9.1

The amount of child care authorized must reflect the needs of the family and minimize out of pocket child care costs to the family. **Include information in the case notes describing how care is authorized.**

GUIDELINES FOR AUTHORIZING CHILD CARE:

There are different rules for how to authorize child care depending on the family's activities:

- For clients with approved Employment Plans see §16.1 (CCAP Authorizations for Client With an EP)
- For students see §9.12 (Authorized Hours – Students)
- For employed clients see §9.15 (Authorized Hours – Employment)
- For self-employment clients see §9.15.1 (Authorized Hours – Self Employment)
- For clients who are job searching see §9.18 (Authorized Hours – Job Search)
- For clients who are participating in a combination of activities see §9.21 (Authorized Hours – Combinations of Activities)

DETERMINING THE NUMBER OF HOURS TO AUTHORIZE:

Do NOT authorize more than the 120 hours maximum in a bi-weekly period unless the child is switching to a new provider during the 2 week period. Do NOT pay for more than 120 hours of child care assistance per child every 2 weeks.

Care must be authorized in full hour increments. The number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care. The child may not need child care due to the child being in school or the parent having another care arrangement.

In a two parent family where both parents are in an authorized activity and are able to care for the child, care should only be authorized during time periods when both parents are participating in authorized activities, including travel time and breaks/meals. During times when only one parent is participating in authorized activities, care is not needed because the other parent is available to care for the child. There are limited circumstances when care can be authorized in support of employment. See §9.15 for information on Child Care in support of employment.

In many cases, care is needed for partial hour increments during a day or session. If the amount of care needed is in increments of less than a full hour, the care should be rounded up to obtain a daily total of hours to be authorized. For example, if care is needed for 5.5 hours per day, 5 days per week, the number of hours authorized per day should be rounded up to 6 hours. 6 hours per day times 5 days per week is 30 hours of care per week. 60 hours of care biweekly should be authorized.

CHILD CARE AUTHORIZATION

9.1

When authorizing care for school age children, if the amount of care needed is in increments of less than a full hours, care and transportation should be rounded up during each separate session and added together to obtain a daily total of hours to be authorized. In many cases, school age children need care authorized for before and after school sessions. Often the care needed is in such a small amount that it will be difficult for families to find provider that are willing to care for their children.

Example: Child needs the following care 5 days per week.

AM	PM	
1.5 hours = 2 hours	1.5 hours = 2 hours	4 hours=40 hours/biweekly Rather than 30 hours biweekly.
15 minutes =1 hour	1.5 hours = 2 hours	3 hours=30 hours/biweekly Rather than 20 hours/biweekly

SCHOOL RELEASE DAYS:

Child care may be authorized for families who only need child care on school release days and for families who need more care on school release days. Do NOT authorize or pay for more than 120 hours of child care assistance per child every 2 weeks.

Each county is encouraged to develop standards for how care should be authorized for school release days.

Describe how child care is authorized in case notes.

There are 3 acceptable methods to authorize child care for school release days

1. Authorize the actual number of hours care is needed, increasing or decreasing the hours authorized based on school release days. **Case note the method used.**
OR
2. Authorize the number of hours care is needed when there are not school release days. If care is not needed when there are not school release days, authorize 1 hour of care. Authorizing 1 hour of care results in the provider receiving billing forms. When the provider provides additional care for a school release day, payment can be made by increasing the number of hours listed in the “total hours of care authorized” field on

the billing window or creating a new Service Authorization with additional hours. There must be communication between families, providers, case workers and billing workers regarding when additional care can be paid. **Case note the method used.**

OR

3. Authorize the highest number of hours care is needed with the provider. The provider is expected to bill only for the time that care is needed. There must be communication between families, providers, case workers and billing workers regarding when care with the provider can be paid for. **Case note the method used.**

Counties may develop standards for use of more than one of the above methods. For example a county may determine that for all children who ONLY need care on school release days, 1 hour of care will be authorized, but for children who regularly need care and need additional care, the highest number of hours of care needed will be authorized. Or, a county may determine that for school based providers the highest number of hours care is needed will be authorized, but for all other providers the minimum number of hours care is needed will be authorized and the authorized hours will only be increased for the weeks when there is a school release day.

FLEXIBLE SCHEDULES:

Child care may be authorized for families who have flexible schedules. Do NOT authorize or pay for more than 120 hours of child care assistance per child every 2 weeks.

Describe how child care is authorized in case notes.

When authorizing child care for families with flexible schedules, it is important that there be communication between families, providers, case workers and billing workers. Depending on the method used to authorize child care, providers may be able to be paid for more or less child care than has been authorized in the service authorization.

There are 3 acceptable methods to authorize child care for families with flexible schedules:

1. Authorize the typical number of hours needed. When the family's schedule requires additional care, the provider bills for the additional care. Payment can be made by increasing the number of hours allowed for payments. This method is recommended for families with a set schedule that occasionally requires them to work additional hours. **Case note the method used.**
OR
2. Authorize the minimum number of hours care is needed. When the family's schedule

requires additional care, the provider bills for the additional care. Payment can be made by increasing the number of hours listed in the “total hours of care authorized” field on the billing window or by creating a new Service Authorization with additional hours. This method may be used for families whose schedules require them to work a varying number of hours each week. Providers must be informed that they may bill for additional hours when the family works additional hours. Counties should develop communication strategies to ensure that appropriate payments are made when additional hours are billed. **Case note the method used.**

OR

3. Authorize the highest number of hours care is needed with the provider. The provider is expected to bill only for the time that care is needed. This method may be used for families whose schedules require them to work a varying number of hours each week. Providers must be informed that they should bill for fewer hours when the family works fewer hours. Counties should develop strategies to ensure that appropriate payments are made. Case workers are encouraged to periodically review provider billing to reduce the likelihood of overpayments in these situations. **Case note the method used.**

MULTIPLE PROVIDERS:

Child care may be authorized for more than 1 provider per child. Families may choose to have more than one provider on a regular basis or choose to have a back-up provider who is used only when the primary provider(s) is unavailable.

- When authorizing care for multiple providers, workers should be aware of how full-day and weekly payment policies interact with the 120 hour payment limitation. A full-day payment counts as 10 hours. A weekly payment counts as 50 hours, see chapter § 9 for more information. Do NOT pay more than 1 provider for the same time period.

To authorize care for multiple providers:

- If the number of hours of care needed with a provider is known, authorize the number of hours care is needed with the provider. Do NOT authorize or pay for more than a total of 120 hours of child care assistance per child every 2 weeks.
- If the number of hours of care needed with a provider is not known, authorize the minimum or typical number of hours care is needed with the provider. When the family’s schedule requires additional care, the provider bills for the additional care. The case or billing worker can increase the authorized hours for the biweekly period

CHILD CARE AUTHORIZATION

9.1

when more of the care can be paid. Do NOT authorize or pay for more than a total of 120 hours of child care assistance per child every 2 weeks.

IN ORDER TO AUTHORIZE CARE FOR A BACK-UP PROVIDER:

Authorize the minimum number of hours care is needed with the provider. If the minimum number of hours care is needed is 0 hours, authorize 1 hour of care with the back-up provider. Authorizing 1 hour of care results in the back-up provider receiving billing forms. When the back-up provider provides care, payment can be made by increasing the number of hours allowed for payment. There must be communication between families, providers, case workers and billing workers regarding when care with the back-up provider can be paid. If a family specifically designates a provider as a back-up provider, document this information in Case Notes.

SWITCHING PROVIDERS:

When a child switches to a new provider, the worker must give the original provider a 15 day notice of adverse action to end the service authorization:

- If the end of the 15 day notice of adverse action falls in the middle of a biweekly period, the worker may authorize more than a total of 120 hours to allow for care with the original provider for the first part of the biweekly period and care with the new provider for the last part of the biweekly period. Do not pay for more than a total of 120 hours of child care assistance per child during the 2 week time period.
- If the original provider informs the county that they will not bill for the full 15 day notice of adverse action period, the county may authorize care with the new provider during that time period. The worker may authorize more than a total of 120 hours to allow for care to begin with the new provider. The county should inform the new provider that they will not be paid for the time period if the original provider bills for the time period since 2 providers cannot be paid for the same time period. Do not pay for more than a total of 120 hours of child care assistance per child during the 2 week time period.

LICENSED FAMILY CHILD CARE PROVIDERS AND LEGAL NONLICENSED PROVIDERS:

Licensed family child care providers and their employees and legal nonlicensed child care providers and their employees are NOT eligible to receive child care subsidies for their own children or children in their family during the hours they are providing child care or being paid to provide child care. They are eligible to receive child care assistance subsidies for their children when they are engaged in other authorized activities, as long as the hours do not overlap with the hours they provide or are being paid for providing child care services. This

includes the full 10 hours counted when **care is provided by a licensed family child care provider** for more than 5 hours. This does not apply to child care centers and their employees.

MEDICAL LEAVE:

In some cases child care can continue to be authorized and paid while a client is on a medical leave of absence from employment or education. See §9.36 (Care during Medical Leaves of Absence) to determine whether a client is eligible for continued child care assistance while on medical leave.

ONE PARENT UNABLE TO CARE:

In a two parent family child care may sometimes be authorized and paid if one parent is not in an authorized activity AND that parent is unable to care for the applicant's child. See §4.6 (Employment and Training Requirement) for specific requirements.

LEGAL AUTHORITY:

Minnesota Statutes 119B.13 and 119B.09

Minnesota Rules 3400.0110

CCAP MAXIMUM RATES effective November, 28, 2011

[DHS-6441A-ENG](#) **Minnesota CCAP Standard Maximum Rates - Non-accredited (Effective November 28, 2011)** - English - 10-11

Minnesota Child Care Assistance Program table listing the maximum rates that non-accredited providers can charge for Family Child Care/LNL and for Child Care centers.

[DHS-6442A-ENG](#) **Minnesota CCAP Standard Maximum Rates - Accreditation/Credential Differential (Effective November 28, 2011)** - English - 10-11

Minnesota Child Care Assistance Program table listing the maximum rates that accredited/credentialed providers can charge for Family Child Care/LNL and for Child Care centers.

REGISTRATION FEES effective November 28, 2011

[DHS-6443-ENG](#) **Minnesota CCAP Maximum Child Care Registration Fees (Effective November 28, 2011)** - English - 10-11

Minnesota Child Care Assistance Program table listing the maximum fees that a provider can charge for CCAP.

For links to rates effective July1, 2006 –November 27, 2011 and for copayment schedules effective prior to October 3, 2011 see §14.6 (Amount of Overpayment)

COPAYMENT SCHEDULES effective October 3, 2011

[DHS-6413-ENG](#) **Minnesota CCAP Copayment Schedules** - English - 10-11

Minnesota Child Care Assistance Program table listing the family copayment fee based on family size and income after allowable deductions.

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ACCREDITATION/CREDENTIAL RATE DIFFERENTIAL**9.27**

Child Care Assistance can pay 15% above the maximum rate, up to the actual provider charge, if a provider requests the differential and submits verification showing that they hold a certain current early childhood development credential or is accredited by certain organizations.

A licensed family child care provider or legal non licensed provider is ONLY eligible for the rate differential for accreditation if they hold one of the following early childhood development credentials or accreditations:

- A Child Development Associate credential (CDA), or degree.
- A diploma in child development from a Minnesota state technical college.
- A bachelor's degree or post-baccalaureate degree in early childhood education from an accredited college or university.
- Accreditation by the National Association for Family Child Care
- Competency Based Training and Assessment Program Certificate.

Each adult on a licensed family child care license must have one of the credentials listed above to get the rate differential for accreditation. Licensed family child care providers and legal non licensed providers that do not hold one of the above credentials are NOT eligible for the rate differential for accreditation. Licensed family child care providers and legal non licensed providers that hold a credential other than the ones listed above are NOT eligible for the rate differential for accreditation.

A child care center is ONLY eligible for the rate differential for accreditation if it is accredited by one of the following accrediting agencies:

- National Association for the Education of Young Children (NAEYC)
- Council on Accreditation (COA)
- National Early Childhood Program Accreditation (NECPA)
- National After School Association (NAA)
- National Head Start Association Program of Excellence.

Montessori programs accredited by one of the following accrediting agencies are also eligible for the rate differential for accreditation:

- American Montessori Society (AMS)
- Association of Montessori International – USA (AMI/USA).
- National Center for Montessori Education.

Centers that are not accredited by one of the above organizations are NOT eligible for the rate

ACCREDITATION/CREDENTIAL RATE DIFFERENTIAL

9.27

differential for accreditation. Centers that are accredited by an organization other than the ones listed above are NOT eligible for the rate differential for accreditation.

The rate differential can be paid to both licensed and legal non licensed providers.

The accreditation/credential rate becomes the maximum rate that can be paid to an accredited or credentialed provider. Pay the maximum accreditation/credential rate or the provider rate whichever is less. See [DHS-6442A-ENG](#). Accreditation/Credential maximum rate schedule.

If a county discovers that a provider was incorrectly entered into MEC² as being eligible for the rate differential for accreditation, the information must be corrected in MEC² and the county who discovered the error should contact all other counties where the provider is registered. If the provider received payment at a higher rate than allowable, over payments must be assessed according to CCAP overpayment policies See §14 (Overpayments). For accreditation/credential maximum rates in place July 1, 2006 through November 27, 2011 see §14.6 (Amount of Overpayments)

The Department of Human Services (DHS) has developed an Accreditation Rate Request Form ([DHS-4795](#)) that providers may use when requesting a rate differential for accreditation.

Reimburse the differential for providers who submit valid credentials as of the first **Monday** following the date you received the **verification**.

LEGAL AUTHORITY:

Minnesota Statutes 119B.13

CHILDREN OVER AGE 12

Children who are ages 13 through age 14 who are disabled may receive child care assistance. Documentation of the disability such as an IEP or medical/psychological evaluation must be submitted and kept in the county CCAP case file in order for CCAP to be approved. Department of Human Services (DHS) approval is not required if the family and provider do not request a payment rate that exceeds the county maximum school age rate. Refer to the MEC² User Manual for instructions on approving CCAP eligibility for children over the age of 12. If a payment rate that exceeds the county maximum school age rate is requested by the parent or provider, follow instructions in this section to request special needs rates.

SPECIAL NEEDS RATES

Pay a special needs rate to a provider for the care of a child who has special needs due to a disability requiring specialized training, services or environmental adaptations. The parent and the provider must request a special needs rate and the rate must be approved by DHS. The county may pay special needs rates for a child with a documented disability through the child's 14th year of age.

A disability is a functional limitation or health condition that interferes with a child's ability to walk, talk, see, hear, breathe or learn. A special need may be any special medical, developmental and/or atypical behavior or condition that requires additional support to help the child successfully grow and develop to his or her full potential.

Special needs payments may exceed your county's maximum rate, but must never be greater than what the provider charges the private sector for the same services. It is the provider's responsibility to assure compliance with the Americans with Disabilities Act (ADA).

A special needs rate may be requested/approved when:

- The provider charges more for a child with special needs.
- OR
- The provider spreads the cost of caring for a child with special needs across all children in care. You may only pay the higher rate for the child with special needs. Do not exceed your agency's maximum rate for all other CCAP children in care.

Explore other funding sources within your region for specialized services or environmental adaptations to assure parents are linked to important community services, and that child care funds do not supplant other resources. CCAP eligibility for a child with special needs is not contingent upon parental participation or eligibility in other support programs (for example, SSI).

FOR AN INDIVIDUAL CHILD WITH SPECIAL NEEDS

Reimburse providers for the care of individual children with disabilities or special needs at a special rate, if approved by DHS. Counties may choose to develop a county specific process for approving special needs rates requested for the care of individual children. The county specific process must be approved by DHS in the county's child care plan. Take the following steps to establish or request renewal of a special needs rate (unless your county has a different county specific process that has been approved by DHS):

1. Ask the parent and provider to complete the CCAP Special Needs Rate Variance Request – Parent and Provider Request DHS-4194-ENG together and to ensure that documentation of the child's special needs is included.
2. Complete the CCAP Special Needs Rate Variance Request – County Recommendation Form DHS-4195-ENG recommending approval or denial of the request. If approved, DHS will determine the rate(s) to approve, based on a process used by DHS. The rate(s) approved may be lower than the rate(s) requested. When determining whether to recommend approval or denial of the request, the county should review the Parent and Provider Request to determine if the provider is providing additional services to meet the needs of the child. Remember each child's special needs may have variations of what may be defined in a diagnosis, and various degrees of severity in a diagnosis. The adaptations and services provided must reflect the personalized needs of the child.
3. Submit the Parent and Provider Request form, documentation of the child's special needs, and County Recommendation form to DHS, Child Care Assistance Program, PO Box 64962, St. Paul, MN 55164-0962, or by fax to: 651-431-7483.

The county will receive a letter indicating whether the request was approved or denied. If a special needs rate(s) is approved by DHS, pay the approved special needs rate retroactive to the effective date of approval on the official letter from DHS.

The county must notify the provider and the parent of the decision in writing and keep a copy of the official letter from DHS and the letter(s) sent to the provider and parent in the CCAP file. If approved, include the reasons for approval and any requirement or suggestions listed on the official letter sent by DHS in the county letter sent to the provider and parent. If denied, include the reasons for denial listed on the official letter from DHS and notify the parent of the right to appeal.

When the county has received the approval or denial letter from DHS, a resource and referral document may also be included. Based on the information submitted, DHS is suggesting that the child could benefit from one or more of the services or resources checked on the document. When notifying the parent and provider of the approval or denial, counties should also send a copy of the resource and referral document.

FOR CHILDREN IN THE AT-RISK POPULATION

Your county may also choose to pay special needs rates to certain populations defined as at-risk in your County Child Care Plan. The county must have DHS approval for these rates to be paid. At-risk means environmental or familial factors exist that create barriers to a child's optimal achievement. This could include, but is not limited to:

- A federal or state disaster.
- Limited English proficiency in a family.
- History of abuse or neglect.
- A determination that the children are to risk of abuse or neglect.
- Family Violence.
- Homelessness.
- Age of the mother
- Level of maternal education
- Mental illness.
- Development disability.
- Parental chemical dependency or history of other substance use.

If your county has chosen to pay special needs rates to certain populations defined as at-risk in your County Child Care Plan:

- If there are 4 or more providers offering child care for children in a specific at-risk category, pay the lesser of the 75% rate, the rate negotiated with the provider by the

county, or the provider's rate.

- If there are fewer than 4 such providers, pay the lesser of the rate negotiated with the provider or the provider's rate.

FOR SICK CHILDREN

Special needs rates may be paid for sick children cared for by a provider when, as a result of illness, the child cannot attend the family's regular provider and the rate of the provider caring for the sick child exceeds the county maximum rate. The county must have DHS approval for this rate to be paid.

If your county pays the family's regular provider for an absent day when the provider caring for the sick child is also being paid, this county optional policy must be identified and approved in your county child care plan.

For additional information and resources, see §16.30 (Special Needs Resource Contacts).

LEGAL AUTHORITY:

Minnesota Statutes 119B.13

Minnesota Rules 3400.0130

Minnesota Rules 3400.0020

AMOUNT OF OVERPAYMENT**14.6**

To determine the amount of child care assistance the family and/or provider were actually eligible to receive, examine: whether the family was eligible, the copayment amount, the authorized hours, the payment amount, and any other factor that would have impacted the amount paid.

If care took place prior to the effective date of the current standard maximum rates [DHS-6441A-ENG](#) or the accredited maximum rates effective November 28, 2011 [DHS-6442-ENG](#) you will need to consult the standard [DHS-6441-ENG](#) and/or accredited [DHS-6442-ENG](#) maximum rates in place from July 1, 2006 –November 27, 2011. A county's standard maximum rates are also available in the MEC² provider rates window.

The amount of the overpayment is the difference between **the child care assistance payments that the family and/or provider received** and **the child care assistance payments that the family and/or provider were actually eligible to receive**.

When a family reports changes in their circumstance timely there will be no overpayment. An exception would be when the county **does not** to respond to a change in a timely manner. **If this happens** there may be an overpayment due to agency error. The overpayment would be calculated allowing for a notice period.

If an employment plan is modified, the Employment Services (ES) worker should notify the CCAP worker of the change within 10 days of the date of the modified plan. If the CCAP worker is NOT notified of the modified plan timely, an agency error overpayment would be calculated allowing for a notice period.

When the family does not report changes in their circumstance timely there may be an overpayment. The overpayment would be calculated beginning on the date the change occurred. If the change is due to increased income the overpayment would be calculated **starting with the first biweekly period after** the date the increased income was first received.

The county agency may not charge interest on overpayments of child care assistance benefits.

INELIGIBILITY

When a family received child care assistance for a period of time when the family was not eligible for child care assistance, the amount of the overpayment is the total amount of child care assistance paid during the time period of ineligibility, excluding the allowable notice period, if the family reported the change in their circumstance timely.

AMOUNT OF OVERPAYMENT

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If it is discovered that a family continuously receiving child care assistance was ineligible for a period of time when CCAP payments were made but met the eligibility requirements for a subsequent period of time, assess an overpayment for the period of ineligibility and determine if an overpayment exists for the subsequent period of time:

- If the family was receiving MFIP child care:
 - An overpayment would only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements.

- If the family was receiving Basic Sliding Fee (BSF), Transition Year (TY), Transition Year Extension (TYE) or Portability Pool (PP) child care:
 - If the period of ineligibility was shorter than the time period allowed for temporary ineligibility, an overpayment should only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements. See §8.6 (Temporary Ineligibility)
 - If the period of ineligibility was longer than the time period allowed for temporary ineligibility, determine whether the family's income was below the entrance income limit for the family size at the beginning of the subsequent period of time when the family met the eligibility requirements.
 1. If the family's income was at or below the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements, an overpayment should only be assessed for the period of ineligibility. An overpayment should not be assessed for the subsequent period of time when the family met eligibility requirements.
 2. If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements an overpayment should be assessed for the period of ineligibility.
 - If the family's income was above the entrance income limit for their family size during the entire subsequent period of time, an overpayment should be assessed for the entire period, in addition to the period of ineligibility. OR

AMOUNT OF OVERPAYMENT

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- If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time, but at a later date was at or below the entrance income limit for their family size, an overpayment should be assessed for the beginning of the subsequent period of time when their entrance income limit for their family size, in addition to the period of ineligibility. An overpayment would not be assessed for the later period of time beginning when the family's income was at or below the income limit for their family size.

Example:

Family was on child care assistance from January 1 to November 30. Family met eligibility requirements from January 1 to May 31. Family did not meet eligibility requirements from June 1 to September 30 (for example the parent was not in an authorized activity). Family met eligibility requirements from October 1 to November 30.

For all cases an overpayment would be assessed for the time period of June 1 through September 30 (if the family reported the change timely, an overpayment would not be assessed for the allowable notice period). In this scenario the period of ineligibility is greater than the time period allowed for temporary ineligibility. To determine whether an overpayment should be assessed for the time period of October 1 through November 30:

- For MFIP cases: an overpayment should not be assessed for October 1 to November 30.
- For BSF, TY, TYE and Portability Pool cases:
 1. If the family's income was at or below the entrance income limit for their family size on October 1, an overpayment should not be assessed for the time period of October 1 to November 30.
 2. If the family's income was above the entrance income limit for their family size on October 1 and continued to be above the entrance income limit, an overpayment should be assessed for the time period of October 1 through November 30.
 3. If the family's income was above the entrance income limit for their family size on October 1, but was below the entrance income limit for their family size at a later time, for example November 1, an overpayment should be assessed for the time period of October 1 to October 31. An overpayment

AMOUNT OF OVERPAYMENT

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should not be assessed for the time period of November 1 through November 30.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Statutes 119B.11

Minnesota Rules 3400.0140

Minnesota Rules 3400.0187