

Recent CDC Policy Changes based on CCDF Reauthorization

In 2014, for the first time in 19 years, reauthorization of the Child Care and Development Fund (CCDF), the funding source for Child Development and Care (CDC) in Michigan, was finalized. In 2016, the U.S. Department of Health and Human Services, Office of Child Care, provided states with new rules for CCDF. Since that time, many CDC policy changes have been enacted related to CCDF requirements. The following list is intended to provide you with a short summary of each change and give you a glimpse of those still to come.

12- Month Continuous Eligibility (12-MCE) [July 2015]

- Eligibility redetermination cannot be completed earlier than 12 months.
- The client's reporting requirements are reduced during the 12-MCE period.

- The DHS-5322, Notice of Potential Child Development and Care (CDC) Closure, is introduced to support maintaining 12-MCE. [January 2016]
- The DHS-5419, Request for Additional Assistance, is introduced to allow eligibility staff to request verifications, without using a Verification Check List (VCL), when a client is requesting additional need hours, need reason, or provider. Using a VCL would cause the case to pend closure during the 12-MCE period. [April 2016]
- When income eligibility is established in the first pay period, the client remains income eligible until redetermination. A change in income does not need to be reported or verified, unless it exceeds the program eligibility limit. [April 2016]
- Adoption is removed from allowable CDC closure reasons during 12-MCE to allow a child who has active CDC and is adopted into the home by the current foster parent(s) to finish 12-MCE. [October 2016]
- Eligibility for children may not be ended solely due to turning age 13 during 12-MCE. Eligibility will continue to the end of the 12-month period. [October 2017]
- The Head of Household/Applicant must self-certify at application/member add and redetermination that a child is up to date on immunizations (shots) or that there is a religious or medical objection to such requirements. Failure to certify at two consecutive eligibility determinations will result in the child's ineligibility for CDC. [October 2018]

Impact: Promote continuity of care for children and reduce the burden on parents and eligibility staff to maintain subsidy support.

Income Eligibility

- Graduated Exit [July 2015]
 - The income eligibility scale is enhanced to include increasing levels of income eligibility and Department Pay Percentage (DP%), allowing a graduated phase-out.

Impact: Removed "cliff effect" for families with opportunities to increase income and continue to receive support.

- Family Contribution (FC) flat rate co-payment amount replaces the DP%. [January 2016]

Impact: Simplify co-payments for parents and providers, allowing more accurate expectations of the family's payment portion.

- The income eligibility scale is updated. [January 2017]
 - Income eligibility program exit limit is changed from 250% Federal Poverty Level (FPL) to 85% State Median Income (SMI).
 - Income Eligibility program entry limit is increased from 121% FPL to 125% FPL.

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[April 2017]

- \$0 FC for families at or below 100% FPL.
- FC amounts are changed.
- Family (program group) sizes of one and two are separated.
- A FC limit per family is implemented.

[July 2017]

- Income eligibility entrance limit is increased from 125% FPL to 130% FPL.

Impact: Align more fully with CCDF requirements, and provide relief to the lowest income participating families.

Income Waived

- Migrant farmworker families and Homeless children are added to the income waived eligibility groups. [January 2016]

Impact: Simplification of eligibility process for families with the most unstable circumstances and the eligibility staff who assist them.

- Categorical Eligibility is renamed CDC Protective Services for all income waived categories. [October 2016]

Temporary Excess Income [July 2016]

- The DHS-5446, CDC Temporary Excess Income Notice, is introduced to determine if a reported income increase over the income eligibility program exit limit is “temporary excess income” (expected to last less than 6-months), allowing CDC to remain open. If excess income is not temporary, CDC should close.

Impact: Ensure temporary increases that result in monthly income exceeding 85 percent of SMI do not affect eligibility or family co-payments.

Asset Test [July 2016]

- \$1 million self-certified asset limit for the program group to be eligible for CDC.

Impact: Comply with CCDF eligibility requirements while keeping the determination of assets simple, including all families allowed under CCDF. Eligibility staff do not have more verifications to collect.

Telephone Interview [July 2016]

- Eligibility staff are required to conduct a telephone interview before denying CDC, even if it seems clear from the application that the group is ineligible.

Impact: Provide opportunity for discussion and explanation of program requirements to ensure denials are appropriate.

Need Reason

- The requirement of online classes is expanded to include all online classes, without a specific “seat time” requirement. [October 2017]

Impact: Provide increased support for parents to achieve independence.

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- State/Federal Disaster eligibility category is created to allow continuation and simplified eligibility in the event of a federal or state declared disaster/emergency. This will be activated by the CDC office when a qualifying event takes place and further guidance will be provided to local office staff at that time. [October 2018]

CDC Standard of Promptness for eligibility determinations

- Eligibility determination standard of promptness (SOP) is reduced from 45 days to 30 days. [October 2016]

Impact: Parents receive eligibility decisions in a more timely manner.

- Provider assignment is no longer a factor for parent eligibility. Cases will not be denied/closed when no child care provider is assigned. [October 2016]

Impact: Parents have more time to find a child care provider after initial eligibility or when they lose their provider. Eligibility staff have fewer verifications to collect before the SOP.

- Children in foster care or who are experiencing homelessness are eligible to receive an expedited eligibility determination within seven days, requiring applicant identity verification only. Eligibility is presumed based on the applicant's statements for up to 45 days. Once verifications are received, the 12-MCE period will begin. [October 2018]

Child Care Provider Requirements

- Child care providers must allow parents unlimited access to their own children while in care. [July 2016]
- *Registered* Family Child Care Homes must become *Licensed*. [April 2018]

[July 2018]

- *Unlicensed* providers are changed to *License Exempt – Related* and *License Exempt – Unrelated*.
- Background Checks with fingerprints are now required for all child care providers with unsupervised access to children, except *license exempt-relatives*.
- Health and Safety Visits are required for *license exempt - unrelated* and *license exempt – parent on site* child care providers.

Child Care Provider Payments

- Child care provider rate increases for all provider types and ratings/levels. [July 2017]

Impact: Achieve payment rates closer to the 75th percentile of the market rate.

Intent: Expand access to child care providers for subsidy families.

[October 2017]

- Unlicensed providers are eligible to receive department payment when the enrollment and training process is complete and the provider has billed for care that was provided both after enrollment and up to 30 calendar days prior to Great Start to Quality Orientation training completion.
- Unlicensed provider enrollments will remain open until 12 months of inactivity (increased from four months).
- Unlicensed providers may not share the same residence as any sibling-related children they provide care for.

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Intent: Mitigate upcoming monitoring and background check changes. Maintain an unlicensed provider population to assist with filling gaps in care.

- Consumer education information is added to the DHS-198-C to provide detailed information to parents about provider choices. [July 2018]
- The child care absence hour billing limit is increased to 360 hours per child per fiscal year. In an attempt to mitigate inappropriate billing, a limit was added of 10 absence days billed when there is no billing for care provided. [October 2018]
- Child care centers, group homes and family homes may bill the CDC program for child care fees, such as registration fees or field trip fees, that they charge the general public. Child care fee amount limits vary by provider type and are provided in the CDC Handbook. [October 2018]
- In each two-week pay period, the reimbursement amount for Child Care Centers, Group Child Care Homes and Family Child Care Homes is the block reimbursement as follows (minus the Family Contribution):
 - Billing 1 to 30 hours, the hourly rate is multiplied by the hours billed.
 - Billing 31 to 60 hours, the hourly rate is multiplied by 60 hours.
 - Billing 61 to 80 hours, the hourly rate is multiplied by 80 hours.
 - Billing 81 or more hours, the hourly rate is multiplied by 90 hours.[March 2019]