

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]

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.
 - [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.

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- 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

- \$1 million self-certified asset limit for the program group to be eligible for CDC. [July 2016]

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

- 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. [July 2016]

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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CDC Standard of Promptness for eligibility determinations

- Eligibility determination standard of promptness (SOP) is reduced from 45 days to 30 days. [October 2016]
- 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 receive eligibility decisions in a more timely manner. 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.

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]

Child Care Provider Payments

[July 2017]

- Child care provider rate increases for all provider types and ratings/levels.

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.

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

Still to come by September 2018*

- Increase to Child Absence Hour payment allowances.
- Criminal History/Background Checks for all adult child care providers with unsupervised access to children.
- Health and Safety Visits for license exempt - unrelated child care providers.
- Immunization requirements for all children in child care.
- Change Unlicensed providers to License Exempt – Related and License Exempt – Unrelated.
- Disaster/Emergency Preparedness to allow continuation and simplified eligibility in the event of a federal or state declared disaster/emergency.
- Foster Care and Homeless expedited eligibility.
- Paying reasonable registration fees.
- Consumer education information.

*Subject to change.