

Policy Communiqué #06-06 - Care Level Change

Title: Care Level Change

Date: July 7, 2006

Priority: High

Category: Informational

Action required: Read

Response Required: None

Purpose:

The purpose of this Communiqué is to provide CCIS agencies with additional information regarding the implementation of the Care Level Change that became effective July 1, 2006.

Background:

On April 11, 2006, we sent CCIS agencies OCD Announcement S #06-03 Market Rate Survey and Provider Profile. In the Announcement we included a letter for CCISs to send to regulated subsidized child care providers advising them of a change to the care level payment policy. On June 6, 2006 we sent CCIS agencies OCD Announcement S #06-05 Revisions to R/N MCCA and Payment Policy, which included a letter advising R/N providers and parents receiving in-home care of the change to the care level payment. Prior to July 1, 2006 new care level rates began to be paid on the first of the month two months after the month in which the child was born. For example, an infant who turned one year old on July 15 advanced to the young toddler care level on September 1. The revised care level payment policy begins paying the new care level on the first of the month following the month of the child's birthday.

Implementation of the care level change is effective July 1, 2006. In the example above, we will begin to pay the young toddler rate on August 1, not September 1. This policy affects both regulated and nonregulated providers.

CCMIS Constraints Delay Care Level Payment Policy Change:

Although the policy went into effect on July 1, 2006, CCIS agencies and providers will not see a change on the care level charts or attendance invoices until September 2006 – after books have closed for FY 2005-06.

CCMIS does not currently have effective dates for care levels. The system uses a reference table and a calculation based on each individual's date of birth to determine care level. There is currently no way to tell CCMIS to start using the new care level policy as of a specific date. If we were to make the necessary reference table change today, CCISs would receive retroactive pending invoice adjustments back to July 2005. Therefore, the only way we are able to implement the care level reference table change is to wait until the books close

for FY 2005-06 – so there are only retroactive invoice adjustments going back to July 2006.

We attempted to make a system change to enable CCMIS to match the new policy. However, given Release 3.2 and Release 4.0, it could not be done. This is our only option at this point.

CCMIS Impacts on Care Level Payment Policy Change:

Because of the system constraints, we will be unable to implement the policy change in CCMIS until after the books closing date for FY 2005-06. This will affect CCIS agencies and providers in several ways:

1) There is potential for provider invoice adjustments to occur for July 2006 invoices after the care level reference table change is entered into CCMIS in September. The care level/rate adjustment will occur only when a provider is paid for an enrollment whose care level changed to the next higher care level effective August 1. After the change is made in CCMIS, the care levels for these enrollments will change to the next higher care level effective July 1. CCISs will process these pending adjustments just as they would normally process provider invoice adjustments.

A list of providers for which pending adjustments may be created will be sent to CCISs sometime in mid-August 2006. This will at least give CCISs an idea of how many provider payments may be impacted by the care level reference table change.

2) Cross Fiscal Year Enrollments will also use the new care level policy – despite the fact that the enrollments will be effective in the prior fiscal year. Again, system limitations prevent us from controlling the implementation of this change by fiscal year/effective date. Therefore, all new enrollments created after August 31, 2006, regardless of the enrollment effective date, will use the care level policy in effect as of July 1, 2006.

Next Steps:

- 1) Review this communiqué with appropriate staff
- 2) Please direct questions to your Subsidy Coordinator
- 3) OCD will send the potential list of providers with enrollments whose care level is currently scheduled to change August 1, 2006 sometime in mid-August 2006.