ANNOUNCEMENT: S-05 #06
CHILD DEVELOPMENT OFFICE
BUREAU OF SUBSIDIZED CHILD CARE SERVICES

ISSUE DATE: June 28, 2005
EFFECTIVE DATE: July 1, 2005

SUBJECT:	**Relative/Neighbor Providers – Policy Changes for CareCheck, Payment Rates, and Payment for Closed Days**
TO:	**Child Care Information Services Agencies**
FROM:	**Harriet Dichter** **Deputy Secretary, Office of Child Development**

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PURPOSE:

To advise the Child Care Information Services (CCIS) of the following relative/neighbor (r/n) policy revisions, which will become effective July 1, 2005:

a) The CCIS agencies will no longer accept Affirmation Statements for grandparents, aunts or uncles of children in care. All r/n providers, including in-home providers, will be required to complete CareCheck.
b) The Department of Public Welfare (DPW) has established one payment rate for all r/n providers regardless of certification and CareCheck status. This rate is the lower r/n rate previously known as the "uncertified" r/n rate.
c) The CCIS agencies will no longer pay r/n providers for closed days.

BACKGROUND:

CareCheck

Prior to 1999, all child care providers were required to provide criminal history and child abuse background checks in order to participate in the subsidized child care program. This requirement was removed from the subsidized child care r/n provider requirements in 1999. In July 2001, criminal history and child abuse background checks for in-home and r/n providers were reinstated through CareCheck; however, grandparents, aunts and uncles were exempt from the CareCheck requirement providing the child's parent signed an Affirmation Statement.

DPW implemented CareCheck as a requirement for participation in the child care subsidy program to ensure the safety of children in unregulated care. Waiver of the CareCheck requirement on the basis of familial affirmation compromises our ability to ensure the safety of children in unregulated care and does not align with policies for other caregiver programs subsidized by DPW.

Payment Rates and Payment for Closed Days

DPW established two rates for payment to r/n providers. One rate has been used for uncertified r/n providers who were not yet cleared by CareCheck or who had signed Affirmation Statements. The second rate is 10% higher and has been paid to certified r/n providers who passed CareCheck. The intent of the higher rate was to serve as a bonus to provide incentive for grandparents, aunts and uncles to participate in CareCheck rather than sign an Affimation Statement.

R/n providers participating in the subsidized child care program have been given the opportunity to declare up to fifteen (15) paid closed days per year. The CCIS agency collected the r/n provider's closed days at the beginning of each fiscal year and paid the provider for those days even though care was not given. This has been and will continue to be the practice for regulated providers because they continue to incur expenses and pay staff when the facility declares a closed day. In addition, regulated providers may only be paid for a closed day if private-pay parents also pay for the closed day. R/n providers are not operating a business and generally are not providing private-pay child care. They are not incurring business expenses on days they do not provide child care. Review of information received from the CCIS and from other sources indicates that paying r/n providers for closed days does not demonstrate the most effective use of subsidy dollars.

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DISCUSSION:

CareCheck

Effective July 1, 2005, DPW is returning to the previous policy of requiring criminal history and child abuse background checks for all child care providers, including grandparents, aunts and uncles. All new r/n and in-home providers will be required to complete the criminal history and child abuse background checks through CareCheck. R/n and in-home providers who do not agree to complete CareCheck are not eligible to participate in the CCIS subsidy program.

Existing r/n and in-home providers currently doing business with the CCIS through an Affirmation Statement must complete the CareCheck process by December 31, 2005. Existing r/n and in-home providers who do not complete the CareCheck process by December 31, 2005 will be ineligible to participate in the subsidized child care program.

In order to complete a CareCheck segment for an existing r/n or in-home provider, the provider must complete and sign a CareCheck Application form. Attached is a letter to the provider that explains the CareCheck policy. The CCIS should send the letter along with a CareCheck Application form to each provider who has an Affirmation Statement and current enrollments. In addition, a copy of the provider letter should be sent to each parent who signed an Affimation Statement. The provider is not required to attend a face-to-face interview if the provider was previously seen by the CCIS.

Payment Rates and Payment for Closed Days

Effective July 1, 2005, DPW is requiring all r/n providers to participate in CareCheck; therefore, we no longer need the higher rate as incentive to participate in CareCheck. All r/n providers will be paid at the lower "uncertified" rate.

CCMIS has been modified to reflect the adjusted rates for r/n providers effective July 1, 2005. The CCIS should notify r/n and in-home providers as soon as possible of the change in payment rates. The procedure for notifying providers is as follows:

- R/n providers who are immediately signing a Relative/Neighbor Provider Agreement will be notified of the new rates when they receive the new agreement. Appendix B of the 2005-2006 Relative/Neighbor Provider Agreement has been revised to reflect the adjusted rates.
- R/n providers who are not immediately signing an r/n agreement and in-home providers should be notified of the change through the attached letter which informs the provider of the adjusted rates.

Effective July 1, 2005, the CCIS will no longer pay r/n providers for closed days.

We have requested a list, by county, of r/n and in-home providers who have Affirmation Statements and current enrollments to help CCISs identify providers who must complete CareCheck by December 31, 2005. The report can also be used to identify r/n providers who need new Relative/Neighbor Provider Agreements and who must be notified of the change in payment rates. The report will be made available to the CCIS upon receipt by OCD.

These policies apply only to r/n and in-home providers doing business with the CCIS. R/n and in-home providers doing business with the County Assistance Office are not subject to these policies.

<u>NEXT STEPS</u>:

Review and distribute this announcement to all staff.

Starting July 1, 2005, the CCIS must require all new r/n and in-home providers, including grandparents, aunts and uncles, to participate in CareCheck.

Each CCIS must develop a plan to complete CareCheck by December 31, 2005, for all CCIS r/n and in-home providers who have an Affirmation Statement and enrollments. The CCIS should provide notification of the policy revision and CareCheck Applications to providers with Affirmation Statements and enrollments. In addition, the CCIS should notify parents who submitted signed Affirmation Statements of the requirement for their provider to complete CareCheck.

On January 1, 2006 the CCIS must terminate the CCIS Provider Agreement for all r/n and in-home providers who have not returned the CareCheck application.

The CCIS should not enter paid closed days in CCMIS for r/n providers starting July 1, 2005 forward.

Effective July 1, 2005, the CCIS should begin paying the revised r/n rate to all providers. The CCIS should provide notification to r/n providers through the Relative/Neighbor Provider Agreement. Parents, in-home providers and r/n providers who are not immediately signing a Relative/Neighbor Provider Agreement should be notified of the rate adjustment through the attached letter.

The CCIS should submit any questions regarding these policy revisions to the subsidy coordinator.

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