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TO: Income Maintenance Supervisors
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Income Maintenance Staff
W-2 Agencies
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Jim Bates, Director
Bureau of Child Care Administration
Division of Early Care and Education

DECE/BCCA OPERATIONS MEMO					
No:	11-47				
DATE:	8/11/2011				
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	CC	<input checked="" type="checkbox"/>
W-2	<input checked="" type="checkbox"/>	FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/> *
				EP	
PRIORITY: HIGH					

SUBJECT: Authorizations to Licensed Family Providers to be Attendance Based Only

CROSS REFERENCE: Child Care Manual Chapter 3, Sections 3.4.6, 3.6.8, 3.6.9 and 3.6.11

EFFECTIVE DATE: August 28, 2011

The new authorization and reimbursement policy will apply to all newly created authorizations as of the effective date including retroactive (backdated) authorizations that cover periods prior to the effective date.

PURPOSE

This Operations Memo describes the policy and procedures for local agencies to follow to implement a change in the reimbursement methodology for licensed family child care providers (LFAMs) to only allow Attendance based authorizations.

BACKGROUND

The 2011-13 Biennial Budget (Act 32, Section 1383), included statutory language that permits the department to implement a series of cost saving measures for the Wisconsin Shares child care subsidy program. One provision allows the department to, "adjust the amount of reimbursement paid to child care providers providing child care services under this section." A way of "adjusting the amount of reimbursement paid" is to restrict the type of payment authorization under DCF 201.04(2g), for licensed family providers to only be attendance based and no longer allow enrollment based authorizations.

Shifting LFAMs to Attendance based authorizations will reduce costs in the Wisconsin Shares child care subsidy program by reducing the amount that the department unnecessarily pays for care not actually provided.

POLICY CHANGE – ATTENDANCE BASED ONLY AUTHORIZATIONS FOR LICENSED FAMILY PROVIDERS (LFAMS)

These policy changes do not apply to licensed group centers (LGRPs).

All new authorizations issued to LFAMs as of August 28, 2011 or later, must be established on an Attendance only basis. See Special Needs Authorizations section below for exceptions.

Authorizations that need to be backdated to time periods prior to August 28, 2011, must be established on an *Attendance* basis only unless the special needs exception applies.

Existing *Enrollment* based authorizations that were issued prior to August 28, 2011 will remain *Enrollment* based until their end date, including special needs authorizations.

Special Needs Authorizations Processing

The policy Special Needs Children specified in Chapter 3, Section 3.4.6 continues to apply.

New authorizations as of August 28, 2011 or later, for special needs children who have had a higher rate approved by the authorizing agency, may be *Enrollment* based authorizations. Higher rates/enrollment authorizations for special needs cases are determined on a case-by-case basis and must reflect verified increased costs to the child care provider for care for the child.

All existing *Enrollment* based authorizations for special needs children issued prior to August 28, 2011, will remain *Enrollment* based until their end date. Subsequent authorizations for special needs children must be *Attendance* based unless the provider has verified to the local agency their need for a higher rate due to additional costs to care for the child.

Unless the provider verifies and documents additional costs for caring for the child, rates for special needs children ages thirteen and older must be paid at the county maximum rate plus 10% for twelve year olds or the provider's rate, whichever is less. The worker must deduct the parent's co-payment from the rate entered into the manual authorization.

Policies not changing regarding Attendance based authorization reimbursement:

- Regular reimbursement will continue at the private pay rate or the county weekly maximum rate plus 10%, whichever is less, minus the parental co-payment.
- Manually calculated rates will continue to be paid at the worker's calculated manual rate which must include a deduction amount for the parent's co-payment.
- County maximum rates will not be increased by more than 10% for licensed providers who are both accredited and providing care on an Attendance basis.
- Slots may not be held for Attendance-based authorized children for any reason.

- Attendance based authorizations are not eligible for vacation payments.

SYSTEMS CHANGES

The Child Care Statewide Administration on the Web (CSAW) system has been programmed to only allow Attendance based authorizations for LFAMs effective August 28, 2011 unless the authorizations are manually entered.

Authorization workers are reminded that manual authorizations require an *hourly rate* entered for Attendance based authorizations; a *weekly rate* is required for Enrollment based authorizations.

CCPI: The CCPI page at <http://dcf.wisconsin.gov/childcare/ccpi/default.htm> will display an announcement for child care providers regarding this new policy.

PARENT AND PROVIDER COMMUNICATIONS

Letters will be sent to parents and licensed family providers prior to August 28, 2011. Copies of the letters will be available in the Provider and Parents sections on the DCF website at the following location: <http://dcf.wisconsin.gov/childcare/wishares/default.htm>

An article will be placed in the *Sharing the News* provider newsletter.

CONTACT

Please send email questions to the call center at [DCF Child Care Call Center](#) or telephone 608-264-1657.

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, *Other EP – Other Employment Programs.
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