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**State of Wisconsin  
Governor Scott Walker**

**TO: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers  
Training Staff  
Child Care Coordinators**

**FROM: Sue Mathison, Section Chief  
Wisconsin Shares Policy Section  
Bureau of Child Care Administration  
Division of Early Care and Education  
Department of Children and Families**

<b>DECE/BCCA OPERATIONS MEMO</b>		
<b>No:</b>	<b>13-01</b>	
<b>DATE:</b>	<b>01/10/2013</b>	
<b>FS</b>	<input type="checkbox"/>	<b>MA</b> <input type="checkbox"/>
<b>SC</b>	<input type="checkbox"/>	<b>CTS</b> <input type="checkbox"/>
<b>BC+ Basic</b>	<input type="checkbox"/>	<b>BC+ CORE</b> <input type="checkbox"/>
<b>CC</b>	<input checked="" type="checkbox"/>	<b>W-2</b> <input type="checkbox"/>
<b>CF</b>	<input type="checkbox"/>	<b>JAL</b> <input type="checkbox"/>
<b>RAP</b>	<input type="checkbox"/>	<b>WIA</b> <input type="checkbox"/>
		<b>EA</b> <input type="checkbox"/>
		<b>JC</b> <input type="checkbox"/>
		<b>Other</b> <input type="checkbox"/> *
		<b>EP</b>

**SUBJECT: Tiered Reimbursement – Phase II**

**CROSS REFERENCE: Operations Memo 13-01**

**EFFECTIVE DATE: January 2, 2013**

**PURPOSE:**

This memo provides information on Phase II changes to Tiered Reimbursement and revised Child Care Authorization Notices.

**BACKGROUND:**

The 2009 Wisconsin Act 28 created YoungStar, Wisconsin's Quality Rating and Improvement System Program. The 2011 Wisconsin Act 32 modified YoungStar to include the Tiered Reimbursement structure which links the provider's quality of care to the Wisconsin Shares subsidy reimbursement. Beginning on July 1, 2012, the Wisconsin Shares reimbursement was based on each child care provider's YoungStar quality rating.

**POLICY CHANGES:****5 Star Provider Adjustment Increase**

Effective January 1, 2013 adjustments for YoungStar quality rating will be increased from the current 10% to up to 25% for child care providers who are rated as 5 Star. The adjustment will begin with the attendance period beginning the week of December 30, 2012. The 25% YoungStar adjustment will be calculated on the Wisconsin Shares reimbursement amount *after* the copayment amount has been deducted. The increase will be included in Wisconsin Shares reimbursements issued in January, 2013.

Wisconsin Shares reimbursement amounts for child care providers rated at other star levels will not change.

**Revised Authorization Notices**

Parent and Provider Authorization Notices have been revised to provide clarity in two areas. First, the notices were revised to help parents understand the true cost of child care. And, secondly to give child care providers information that can be shared with parents to explain the parent's share when the provider's cost is higher than the combined amount of the Wisconsin Shares payment and the parental copayment.

The notices were also redesigned to provide more information about how the YoungStar quality ratings are calculated in relation to Wisconsin Shares. For instance, a new column, *The Maximum Weekly WI Shares Payment* has been added and it displays the maximum reimbursement amount prior to adding the YoungStar adjustment. *The Auth Rate after Co-pay* column indicates the weekly rate for enrollment-based authorizations and the hourly rate for attendance-based authorizations.

The Parent Authorization Notice as well as the Provider Authorization Notice include updated information regarding repaying overpayments. The parent version also contains new information about the Intentional Program Violations rule that became effective on November 1, 2012.

The new Parent and Provider Authorization Notices will be issued with Wisconsin Shares authorizations written on or after December 28, 2012.

**CONTACTS:**

For child care related policy questions contact your Bureau of Regional Operations (BRO) Child Care Coordinator, please find your BRO contact on this list:

[http://dcf.wisconsin.gov/regional\\_operations/pdf/contact\\_list.pdf](http://dcf.wisconsin.gov/regional_operations/pdf/contact_list.pdf)

For child care related policy questions for Milwaukee County:

Child Care Help Desk at: [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or (608) 264-1657.

Questions about YoungStar should be directed to your local YoungStar office

<http://dcf.wisconsin.gov/youngstar/map/default.htm> or the Child Care Information Center at

**1-800-362-7353.**

\*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, BC+ Core – BadgerCare Plus Core, 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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