

Policy Communiqué #12-16: Advance Co-payment and Co-payment Requirements for Mid-week Enrollments

This is a message from the Division of Policy.

Title: Advance Co-payment and Co-payment Requirements for Mid-week enrollments

Date: July 27, 2012

Priority: **Medium**

Category: Informational

Action Required: See Next Steps

Response Required: No

Purpose:

The purpose of this communiqué is to provide Child Care Information Services (CCIS) agencies with clarification and direction regarding advance co-payment and co-payment requirements for mid-week enrollments.

Background:

The Office of Child Development and Early Learning (OCDEL), Bureau of Subsidized Child Care Services, Division of Policy has received several questions regarding advance co-payment and co-payment requirements for mid-week enrollments. Some of the questions required clarification only, while other questions caused the Division of Policy to reassess its current position regarding interpretation of the regulation set forth in 55 Pa.Code, Chapter 3041 (relating to subsidized child care eligibility). Co-payment requirements for mid-week enrollments caused considerable discussion because of the limitations of Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN) Child Care Works (CCW) to accurately assess a co-payment for the first week of a mid-week enrollment.

Advance Co-payment:

As specified in § 3041.104(a) (relating to p/c co-payment requirements), a parent/caretaker (p/c) whose child is authorized for subsidy is required to pay a co-payment and an equivalent advance co-payment to the provider. Only the co-payment is due thereafter.

EXCEPTIONS:

1. An employed p/c who is receiving subsidized child care under the Temporary Assistance for Needy Families (TANF) child care program is ***NOT*** required to pay an advance co-payment. The advance co-payment requirement applies to the Low-Income, Former TANF and Head Start child care programs only.
2. A p/c who transfers from the TANF program must pay the equivalent advance co-payment to the provider no later than the redetermination due date for the first redetermination scheduled following the transfer.

The provider is required to collect an advance co-payment from the p/c at the time of enrollment and refund it upon termination. In addition, the provider is required to adjust the amount of the advance co-payment as specified in §§ 3041.104(d) and (e).

As specified in § 3041.104(d), if the co-payment is decreased as the result of a redetermination or partial redetermination, the provider will refund to the p/c the difference between the current advance co-payment and the decreased co-payment on the first day of the service week following the redetermination or partial redetermination.

EXAMPLE: The co-payment is \$41. The CCIS completes a partial redetermination on 8/8/12 based upon income verification submitted by the p/c indicating reduced income. The co-payment is decreased from \$41 to \$19. The CCIS generates and sends to the p/c a Confirmation Notice notifying the p/c of the co-payment decrease effective the following Monday. The provider is required to refund to the p/c \$22 no later than 8/13/12 (i.e., the Monday following the completion of the partial redetermination).

As specified in § 3041.104(e), if the co-payment is increased as the result of a redetermination, the p/c is required to pay the difference between the current advance co-payment and the increased co-payment no later than the first day of the service week following expiration of the notification period (i.e., 13 days plus a Monday following the date the CCIS sends the Confirmation Notice to the p/c notifying the p/c of the co-payment increase).

EXAMPLE: The co-payment is \$41. The CCIS completes a redetermination on 8/8/12. The co-payment is increased from \$41 to \$61. The CCIS generates and sends to the p/c a Confirmation Notice notifying the p/c of the co-payment increase effective 8/27/12 (i.e., 13 days plus a Monday following expiration of the notice period). The p/c is required to pay \$20 (i.e., the difference between the increased and the advance co-payment) to the provider no later than 8/27/12.

The Department will not require the provider to collect advance co-payments from families that were not notified of the requirement to pay an advance co-payment at the time of the initial enrollment with the provider. **However, providers must begin to collect advance co-payments, going forward, for all new enrollments established under the Low-Income, Former TANF or Head Start child care programs.**

If a p/c fails to pay the advance co-payment, the provider is required to report this delinquency to the CCIS. However, the CCIS will **NOT** enter a delinquent advance co-payment on the *Case Co-pay Delinquency* page in PELICAN CCW because the system is not designed to accommodate advance co-payments or advance co-payment delinquencies. Instead, the CCIS **MUST** complete the following steps:

1. Determine whether the advance co-payment is truly delinquent based upon the child care program under which the enrollment is established. Refer to the "Exceptions" above. If the delinquency is correct, proceed with the steps below.
2. Assess eligibility by navigating to the *Child Care Program* page, ensure the appropriate child care program is selected and click "Assess."
3. Click "Update" on the *Family Composition Eligibility Results* page to add a failure reason code.
4. Select failure reason code "938 – Delinquent Co-pay – Advance Co-pay – AA" and click "Save" on the *Failure Reason Codes* page.
5. Override eligibility on the *Family Composition Eligibility Results* page by changing the family composition eligibility status from "Eligible" to "Ineligible, selecting an override code of "Outside System Scope," entering an override comment and clicking "Confirm."

If a p/c fails to pay both the advance co-payment and the weekly co-payment, the CCIS will **NOT** enter a delinquent advance co-payment on the *Case Co-pay Delinquency* page in PELICAN CCW because the system is not designed to accommodate advance co-payments or advance co-payment delinquencies. Instead, the CCIS **MUST** complete the following steps in PELICAN CCW:

1. Determine whether the advance co-payment is truly delinquent based upon the child care program under which the enrollment is established. Refer to the "Exceptions" above. If the delinquency is correct, proceed with the steps below.
2. Enter the co-payment delinquency for the first week's co-payment on the *Case Co-pay Delinquency* page.
3. Deselect "CC Request" for each child in the case on the *Care Request* page and click "Save."
4. Assess eligibility by navigating to the *Child Care Program* page, ensure the appropriate child care program is selected and click "Assess."
6. Click "Update" on the *Family Composition Eligibility Results* page to add a failure reason code.
7. Select failure reason code "938 – Delinquent Co-pay – Advance Co-pay – AA" and click "Save" on the *Failure Reason Codes* page.
8. Click "Confirm" on the *Family Composition Eligibility Results* page.

Co-payment Requirements for Mid-week Enrollments:

The Division of Policy has changed the way in which it is interpreting the regulation with regard to co-payment requirements for mid-week enrollments. **The following information is different from the information the CCIS agencies received during the Act 22 Expedited Regulation Changes training held in June 2012.** PELICAN CCW does not assess a co-payment for the first week of a mid-week enrollment because it may only assess a co-payment on a Monday. Therefore, PELICAN CCW does not deduct the first week's co-payment from the total payment for that week of care. Effective with the release of this communiqué, if the child does not begin care on a Monday, **the provider will not collect the co-payment for the first week.** The provider is receiving the full payment for enrolled days from the CCIS. To collect the co-payment in addition to what the CCIS has paid would result in an overpayment to the provider. However, when the provider and p/c are notified of the amount of the weekly co-payment via the Enrollment Summary, the provider must collect the equivalent advance co-payment from the p/c.

EXAMPLE: The child is scheduled to begin care at ABC Child Care Center on Wednesday, 8/15/12. The child's enrollment schedule is Monday through Friday. The co-payment is \$28.00 and is effective Monday, 8/20/12. The daily maximum child care allowance is \$31.00. For the first week of care (i.e., three days) the CCIS will pay the provider \$93.00 (i.e., \$31.00/day × 3 days). A co-payment is not deducted for the first week. The provider has been paid the full amount owed for these 3 days of care and will not collect a co-payment from the p/c. The provider will collect the \$28.00 advance co-payment no later than 8/20/12.

Next Steps:

1. Share this information with appropriate staff.
2. Direct questions to your Subsidy Coordinator.