

CHILD CARE PROGRAM HANDBOOK FOR CHILD CARE SERVICE AGENT

INTRODUCTION

Child care services provided by the Cabinet for Families and Children (CFC) or its designated agent cover a wide range of areas to promote, expand and improve the quality of care for children in Kentucky. In the context of Family Based Services, child care is one of the support services, provided to: (1) prevent or remedy abuse, neglect or exploitation of children; (2) strengthen and maintain client families; (3) prevent family dissolution; (4) prevent out-of-home placements; and (5) reduce client dependency on social services and public assistance by promoting self-sufficiency. Full-day and part-day child care services are subsidized for families by the Child Care Assistance Program (CCAP). The CCAP uses funds obtained through the Social Services Block Grant (SSBG), Child Care and Development Fund (CCDF) and Food Stamp Employment and Training Program (FSETP). Child care services are purchased from licensed and certified programs, relative providers and unregulated non-relative providers who enroll with the State to meet minimal health and safety requirements.

Child care services in Kentucky are provided at the state and local level. The Central Office Child Care Services Branch, under the Department for Social Services (DSS), has responsibility for the improvement and expansion of statewide child care resources and services. This is accomplished through the planning and development of initiatives that support and promote quality child care. A limited number of Family Child Care Workers have field responsibility for the Family Child Care Certification Program. Guidelines for the Family Child Care Certification Program may be found in the **Family Child Care Handbook For Child Care Workers**.

The CCAP is operated by service agents who may be CFC or contracted staff. In some regions of the state where outside service agents are not secured, CFC personnel may be used as service agents to operate CCAP. Service agents are responsible for helping the families find quality child care services that meet their needs. The service agent searches for the most cost-effective child care, free if possible, that meets the needs of the family and provides quality care. Other sources of child care assistance are considered before CCAP funds are applied. The service agent is responsible for eligibility determinations and redeterminations, matching clients to available resources, payments processing, addressing unmet child care needs, and resolution of complaints. To support the operation of CCAP,

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the Cabinet has purchased an automated computer system referred to as the Kentucky Child Care Management System (KCCMS).

Program Definitions

Service agent - a service agent under contract with the Cabinet for Families and Children (CFC) to administer the Child Care Assistance Program (CCAP). If there are areas of the state where CFC has no service agents, CFC staff will administer CCAP.

Center-Based Child Care - Type I Child Day Care Facility.

Certificate Process - a payment mechanism used by a family to secure child care from the provider of choice.

Child - a person under 18 years of age. Eligibility is limited to a child under age 13 unless certain physical or mental disabilities exists or the child is under court supervision.

Child Care Assistance Program (CCAP) - program to consolidate all child care assistance provided by the Cabinet. CCAP is administered by DSS but may be operated by service agents who are contracted or Cabinet staff.

Child Care and Development Fund (CCDF) - child care assistance provided to families through the State to improve the affordability, quality and availability of child care services for a family of low income in order to work or participate in K-TAP.

Child Day Care - the provision of essential child care for a portion of a day on a regular basis and is designed to supplement, but not substitute for, the family's responsibility for the child's protection, development and supervision.

Child Protective Cases - cases registered for services in which the case file contains appropriate documentation that substantiates child abuse, neglect, dependency or exploitation. This category may, with appropriate supervisory approval, include child care services to prevent abuse, neglect, dependency or exploitation.

Director - individual responsible for the day-to-day operation of a licensed or certified facility for the care of children.

Eligibility Requirements - the program requirements that must be met for a family to qualify for child care funds.

Employment - a public or private, full or part-time, permanent or temporary position, including self-employment.

Enrollment - is the process by which unregulated providers become eligible for CCDF funds by completing the application packet for provider enrollment and obtaining approval by the Child Care Services Branch.

Family - for eligibility determination, a nuclear unit of one or more adults, if any, or K-TAP specified relative and child(ren) related by blood or law, including step-parents and K-TAP specified relatives, residing within a household.

Family Care - care in a home other than the child's which is either certified, enrolled, or unregulated.

Family Child Care Home (FCCH) - a private home which provides full-day or part-day care, for part of a 24-hour period, for six or fewer children who are not the children, nieces, nephews, or children in legal custody of the provider.

Family Child Care Worker (FCCW) - CFC field staff who operate the Family Child Care Certification program and perform other child care activities, such as provider enrollment and technical assistance to contracted service agents on programmatic issues.

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Family In-Home - care in child's home.

Food Stamp Employment and Training Program (FSETP) - the training and employment program for food stamp recipients.

Full-Day - five (5) hours or more of care per day.

Group Home Child Care - a Type II Child Care Facility.

Income Eligible - at the time of initial application, a family at or below 133% of poverty is income eligible for the Child Care Assistance Program. At the time of redetermination or other reported change which will effect eligibility, income eligibility will continue through 150% of poverty. To receive services an income eligible family shall also meet certain need requirements. Services are subject to the continued availability of state and federal child care funds.

Kentucky Child Care Management System (KCCMS) - a computer system designed specifically to support the operation of the Child Care Program administered by the Cabinet for Families and Children.

Kentucky Transitional Assistance Program (K-TAP) - a money payment program for children who are deprived of parental support or care due to death, continued voluntary or involuntary absence, physical or mental incapacity of a parent or unemployment of at least one parent when both parents are in the home.

Kentucky Works Program - an employment and training program which assists K-TAP recipients to gain self-support through employment.

Licensed Child Care Facility - a Type I or Type II child day care facility, regulated by the Cabinet for Health Services, Division of Licensing and Regulation. Child care facilities operated by religious organizations while religious services are being conducted are exempt from licensing requirements, KRS 199.894.

Licensing Authority - the Cabinet for Health Services, Division of Licensing and Regulation.

Non-Traditional Hours - child care routinely provided between the hours of 6:00 PM and 6:30 AM., including the weekend from Friday 6 p.m. through Monday 6 a.m.

Part-Day - care provided for less than five (5) hours per day.

Physical or Mental Incapacity - the diagnosis by a physician or qualified professional that a child under the age of 18 has multiple or severe problems that prevent the child from caring for himself or herself for any part of the day.

Priorities - families who are eligible for child care assistance are ranked by priority for available funds.

Provider - a person, including a volunteer, who works in a Type I or Type II licensed child day care facility, certified Family Child Care Home, Unregulated Home or Enrolled Home.

Relative Provider - under CCDF, adult individuals not living in the same household who are, by marriage, blood relationship or court decree, the grandparent, great grandparent, aunt, uncle, or sibling, are considered exempt from health and safety requirements to qualify as a provider of child care.

Social Services Block Grant (SSBG) - one source of child care assistance for families receiving protective and preventive services, including children of teen parents attending school to obtain a high school diploma or its equivalent and low-income working parents.

Special Needs Child - a child who has multiple or severe problems, and the severity of the disability requires ongoing specialized care as defined under Public Law 99-457 Part H or Public Law 94-142.

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Teen Parent - parent who is age 19 or below and actively pursuing a high school diploma or its equivalent.

Type I Child Day Care Facility - a facility other than a dwelling unit which regularly receives four or more children for child care; or a facility, including a dwelling unit, which regularly provides child care for 13 or more children. If pre-school children of any child care staff receive care in the facility, they shall be included in the number for which the facility is licensed.

Type II Child Day Care Facility - a home or dwelling unit that is the full time residence of the licensee which regularly provides care apart from parents for seven, but not more than 12 children. The provider's own pre-school children shall be included in the number for which the home is licensed.

Unmet Need - Families without adequate child care resources, who would qualify for child care assistance, but whose child care needs can not currently be met because available funds are obligated.

Unregulated Provider - a child care provider who is not subject to licensure or certification by the state or federal government.

Without Regard To Income - SSBG child care services to prevent or remedy abuse, neglect, dependency or exploitation of children shall be provided or purchased without regard to family income. In situations where the Court is involved, parents may be ordered to pay for part or all of the cost of child care. Voluntary payments by parents may be accepted. CCDF funds may be used in protection/prevention cases without regard to income and without assessing a parent co-pay on a case by case basis with supervisory approval. Working parents whose K-TAP grant was discontinued due to employment within the last twelve months may receive child care without regard to income, but are assessed a parent co-pay. Twelve months from discontinuance, the family is subject to income eligibility.

CHILD CARE SERVICE REQUESTS, Guideline # 1

Child Care Subsidy Program Guidelines Revised 05/01/98

The service agent may accept and process referrals for low-income working families. These referrals may come from the Cabinet, other agencies or families seeking child care assistance on their own. Non-K-TAP adults in post-secondary education programs, i.e. vocational education or college, are eligible for child care assistance payments without being required to meet work requirements.

The service agent shall assist the family in determining if child care is the appropriate service to meet the needs of the child and to allow the parent to work. Before the decision is made to assist the family in paying for child care services, the service agent searches for the most cost-effective child care, free if possible, that meets the needs of the family and provides quality care. Other sources of child care assistance shall be considered before funds from the Child Care Assistance Program are applied.

If the family is income eligible or have had their K-TAP grant discontinued due to employment within the last twelve months (refer to **Guideline # 2**), funds are available, and other sources of child care assistance have been considered, the service agent may arrange to assist the family in paying for child care services. Families whose K-TAP grant was discontinued due to employment are subject to income eligibility twelve months after discontinuance as long as their income is at or below 85% of median income for those coming off K-TAP (refer to **Attachment #2**). If funds are obligated, the family may be placed on a list to receive assistance when funds are made available (refer to **Guideline # 11**).

The service agent shall arrange for child care services for the families and children referred by CFC. Children needing protection may be referred by Department for Social Services (DSS) staff and families participating in K-TAP, discontinued from K-TAP due to employment, or receiving services through the FSETP may be referred by Department for Social Insurance (DSI) staff. Service agents shall:

- Make every attempt to conduct an intake interview with clients within three (3) working days after referral to the service agent by DSS or DSI.
- Address the child care needs of other low income working families in the community who meet program eligibility requirements.
- Search for the most cost effective child care, free if possible, that meets the needs of the family and provides quality care.

If funds are available, the service agent may arrange to pay for part of the cost of child care for families not authorized by the Cabinet. The amount the service agent will pay depends on the parent co-pay and established maximum payment rates for the area.

Referrals made by CFC staff to the Cabinet's designated service agent may be through electronic interface with the Kentucky Child Care Management System (KCCMS) or manually by completing a referral form and sending it to the service agent:

- DSS staff may ask the service agent to arrange for child care services for a child receiving protective services or to prevent a situation of abuse, neglect or exploitation of a child. Requests for the service agent to arrange for child care services to allow a teen parent, age 18 or below, to pursue a high school diploma or its equivalent may also be referred by DSS.

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- DSI staff may make referrals for families needing child care to participate in K-TAP, including the Kentucky Works Program, families whose K-TAP grant has been discontinued due to employment within the past twelve months, or the FSETP. Child care services will be authorized by DSI staff to allow the parent to participate in an approved work activity or to participate in an approved education or training program. The services are intended to assist the parent to become self-sufficient. Families whose K-TAP grant was discontinued due to employment are subject to income eligibility twelve months after discontinuance.

DETERMINATION AND DOCUMENTATION OF ELIGIBILITY, Guideline # 2

Child Care Subsidy Program Guidelines Revised 10/01/97

The service agent shall determine and document the client's eligibility for services.

To be eligible for services a family shall meet the following requirements:

- Need shall be established by the DSS or DSI (refer to **Guideline # 1**) or the family shall need child care services to allow a parent or parents to work;
- To qualify, the family's gross income shall be at or below 133% of the current federal poverty guidelines, according to family size (refer to Family Size and Income Scale, Attachment # 2), be receiving protective services or have had their K-TAP grant discontinued due to employment during the last twelve months. All income (earned and unearned) of the adult family members, except for Food Stamps, Medicaid and one-time only payments is counted when calculating the gross family income. Families whose K-TAP grant was discontinued due to employment are not subject to income eligibility for twelve months after the discontinuance, but are subject to making parental co-payments;
- Eligibility is limited to children under the age of 13, or under age 18 and physically or mentally incapable of caring for himself, or under age 18 and under court supervision. The service agent shall request the client to provide proof of the child's age and any special conditions of the child that may affect eligibility for services. Documentation shall be recorded in the case record; and,
- If there are two (2) parents, child care shall be needed for both to work unless one (1) parent is physically or mentally unable to give adequate care and supervision to the child or children. If assistance is provided due to a physical or mental limitation of one (1) parent, the family shall provide proof of the limitation.

The service agent shall assist the client in completing the Application for Subsidized Child Day Care Assistance form (refer to Attachment # 1). Unless the client is approved through DSS for services without regard to income or is referred through DSI to allow the family to participate in K-TAP or FSETP, the service agent shall request the client to provide his pay check stubs or other proof of income. Documentation of all sources and amount of income and the method of verification identified shall be recorded in the case record. Family size and income reported on a DSI referral is not subject to re-verification.

To determine if the family meets the income guidelines, the service agent shall calculate the family's gross income by multiplying a weekly income by 52, a biweekly income by 26, a bimonthly income by 24 or a monthly income by 12 to arrive at the annual income. If the amount of income for a family member varies, the annual income shall be calculated by multiplying by six the amount of income received during the most recent two months. Incomes from all applicable sources are combined to

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arrive at the gross annual income for a family. This figure is then divided by 12 to obtain the gross monthly income for the family unit.

The gross monthly income is used to determine the co-pay a family is required to pay (refer to Parent Co-Pay procedures under **Guideline # 4**). Cases authorized through FSETP shall not be assessed a parent co-pay.

Note: For detailed procedures on listing a family in the KCCMS for automatic eligibility determination and calculation of the parent co-pay, the service agent may refer to the client section of the KCCMS User Guide.

At the time of application, all clients shall be given a copy of the completed Application for Services form and a DSS-154, Request for Hearing form and instructed on its use (refer to Client Rights, **Guideline # 14**). Ineligible clients shall be notified in writing of their status within 30 days of application for services. Eligible clients may be notified verbally of their status.

REGISTRATION AND DOCUMENTATION OF CLIENT SERVICES, Guideline # 3

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The service agent shall complete the necessary forms to register and record case activity.

Upon determination of child care eligibility, the service agent shall open a case. A case record shall be maintained by the service agent during the period in which a case is active and for a period of three (3) years following termination of services. Forms to be completed by the service agent and client include the Application for Subsidized Child Day Care Assistance and the Child Day Care Services Agreement and Child Care Certificate. The running record shall be used to document verification of income and other case activities. The Request for Hearing, DSS-154; the Notice of Intended Action, DSS-154A; and the PA-628, Exchange of Information form shall be processed by the service agent, as required, and a copy filed in the client case record.

The service agent shall assist the provider of child care, as needed, in completing the DSS-77, Child Care Billing Statement and Enrollment and Attendance Verification (EAV) form, (refer to attachment # 5) to request payment. Original copies of the monthly EAV forms, containing provider signatures, shall be maintained by the service agent for a period of three years. EAV forms shall be filed separately in an administrative folder. The EAV shall document attendance of the child in the provider's facility.

The running record shall be used to record any problems experienced by the child or the family that were related to child care.

The service agent shall provide to each family referred or applying for child care services a fact sheet describing the Child Care Assistance Program (refer to Attachment # 14). The service agent may also address the following with recipients of child care services:

- a) Discuss child care resources available from the family or community.
- b) Explore the need for immunizations, and plan for obtaining services, if needed.
- c) Explore the availability of child care resources, including public, private, sectarian, non-sectarian, relative and non-relative resources and assist in selection of an appropriate child care program that meets the needs of the client's child.
- d) Explore the possible reactions of the child due to shyness and fearfulness of the new experience.
- e) Help the family prepare for child care experience by interpreting child care to the child as a positive experience and suggesting that the child accompany the parent to the child care program when final arrangements are being made, in order to become somewhat familiar with the setting.
- f) Encourage the family to arrange for a personal interview with the child care provider, of their choice in order to give the child care staff pertinent facts concerning the individual child.
- g) Inform the parents of their responsibilities regarding the importance of regular attendance of the child and the payment of co-pays according to the care provider's policies.

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- h) Explain to the parent that a complaint reported on the provider of services is subject to public inspection as enumerated in the Public Records Law, KRS 61.872 to 61.994.
- i) Inform the parents of their responsibility to report any change in income or family situation to the service agent that may affect eligibility or parent co-pay.
- j) Explain to the parent the provision that prohibits payment of over five (5) days in which the child is absent, unless authorization is obtained from the service agent.
- k) Encourage the parents to maintain close contact with the child care provider so that they remain informed about the child's activities, adjustment and development.
- l) Maintain contact with the child by observing the child in the care of the child care provider as needed.
- m) Discuss with parents their child's progress and problems, provide service referrals as needed, and stimulate the parent's thinking related to the care and adjustment of their child.
- n) Discuss with parents the importance of attending any parent conferences set up by the child care provider.
- o) Redetermine eligibility for services or child care need at any time.

In discussing child care services with the child care provider, the service agent may:

- a) Discuss child care needs of each child.
- b) Inform providers of the necessity for confidentiality of information regarding the child and family.
- c) If not on record, clarify the provider's policies on admissions, attendance, full-day versus part-day, etc.
- d) Explain the financial responsibilities of the parent and through the Child Care Assistance Program as it relates to the co-pays for child care.
- e) If appropriate, explain the State enrollment requirements to meet minimal health and safety standards.
- f) Explain that parental access to the child may not be denied and that the parents shall have access to the provider during normal hours of operation.
- g) Discuss the importance of recording absences and the collection of parent co-pays on the EAV payment form.

PARENT CO-PAYS, Guideline # 4

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Family responsibility is stressed through assessment of a parent co-pay. The service agent shall use the Daily Parent Co-Pay Chart (refer to Attachment # 2) to determine the parent co-pay. The amount a parent is obligated to pay is calculated according to the family's gross monthly income, family size and number of children receiving care. All income (earned and unearned) of the adult family members, except for Food Stamps, Medicaid and one-time payments is counted when calculating the gross family income. Examples of one-time payments may include but are not limited to the following: lump sum SSI or SSA payments, lottery winnings, life insurance payments, court awards, and gifts.

Parent co-pays **shall not** be assessed in the following cases:

- Except that voluntary and court ordered payments may be accepted, no parent co-pay shall be charged in SSBG protective or preventive services cases.
- Under CCDF protection/prevention category, parent co-pays may be waived on a "case by case" basis, with DSS supervisory approval.
- Cases authorized through FSETP shall not be assessed a parent co-pay.

Parent co-pays **shall** be assessed in the following cases:

- For working parent child care services funded by SSBG and CCDF parents shall be required to contribute a co-pay based on a sliding scale.
- Except for a transitional variance period, ending on December 31, 1997, parents receiving child care services to allow the parent to participate in K-TAP shall be required to contribute a co-pay based on a sliding scale.

The parent co-pay is calculated on a per family basis, with special consideration if more than one child is receiving care. To determine the per child co-pay, equally divide the total by the number of children requiring child care services. If more than one provider is used per day, the parent co-pay per child is equally divided among the providers.

It is the responsibility of the child care provider to collect the parent co-pay. The service agent shall be responsible for monitoring the payment of parent co-pays to the child care provider. The provider shall notify the service agent if a discrepancy exists.

If a failure to pay a parent co-pay situation is suspected, a preliminary inquiry may be made by the service agent. If confirmed, the service agent may develop a plan with the client to pay the parent co-pay. If the parent refuses to cooperate, the service agent may terminate the service, following the procedures listed under **Guideline # 13**.

REIMBURSEMENT FOR SERVICES, Guideline # 5

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To calculate the payment amount per child to be entered on the Child Day Care Services Agreement and Child Care Certificate (DSS-76), (refer to Attachment # 3), the service agent shall determine the maximum daily payment rate and subtract the parent co-pay per child (refer to **Guideline # 4**). The payment amount per child shall be the lesser amount of:

1. The customary and usual rate that is charged to the general public, less the parent co-pay per child; or,
2. The maximum daily payment rate (refer to Attachment # 4), according to the payment region, type of care, age of child and if full-day or part-day, less the parent co-pay per child.

The amount is entered on the DSS-76 as the payment amount per child.

Families shall assume responsibility for provider charges that exceed the amount listed on the Child Care Maximum Daily Payment Rates chart (refer to Attachment # 4) and any additional fees that a provider may charge. If the family cannot afford the cost above the maximum payment rate, the service agent may assist the client in exploring community resources that may help the client in this cost, for example, a business, church or civic organization.

Guidelines for applying the maximum daily payment rates are:

- The maximum daily payment rate is based on the region in which the provider is located, for full and part day care, level of care and age of the child.
- If it is necessary for a family to use more than one provider during a day, the maximum daily payment rate is applied to each provider.
- If a provider is located out-of-state, the applicable maximum daily payment rate shall be determined by the region in which the family resides.

The age categories for the maximum day payment rates are:

- Infants and toddlers, birth through two years and 11 months;
- Pre-School, three years through five years and 11 months; and
- School age, six years to 13 years.

Full-day is defined as five or more hours per day and anything less than five hours is part-day.

Service agents shall survey the child care providers in their region to determine the provider's customary and usual charge to the general public. The provider rates are recorded and kept current in the KCCMS. The service agent may authorize payments from CCAP on an enrollment basis for the number of days/hours care is needed, if that is the policy of the provider.

Individuals under the age of 18, unless emancipated by marriage or through court order, may not enter into a legally binding agreement as a provider of child care services. Payments are not to be made for care provided by:

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- Parents;
- Legal guardians;
- Members of the K-TAP assistance group; or,
- Caregivers living in the same home as the child.

Payments shall be made only to eligible providers:

- Licensed;
- Certified;
- Enrolled (those exempt by statute from licensing or certification requirements but subject to the minimal health and safety standards to receive CCDF funds); and
- Relatives (grandparent, great grandparent, aunt, uncle, and siblings) exempt from enrollment to meet minimal health and safety standards.

Following negotiation of the DSS-76 Services Agreement, the DSS-77, Child Care Billing Statement and Enrollment and Attendance Verification form, EAV, (refer to Attachment # 5) shall be used to determine the monthly amount owed to a provider. The provider shall document all absences on the EAV and notify the service agent by telephone at the time absences exceed five days during each calendar month. Payment of absences beyond the allowed five days per calendar month require special approval from the service agent. Payment shall be based on enrollment for the number of days/hours care is needed. Payments shall be made only for part-day arrangements for those needing part-day care as long as part-day care is available.

Child care payments shall be made directly to the provider of services except in the case of a provider in the child's own home (in-home provider). An in-home provider shall receive a check issued jointly to the parent and provider. Parents using in-home child care shall be responsible for paying all applicable employee benefits mandated under the Federal Insurance Contribution Act (FICA), including withholdings associated with state and federal unemployment insurance and other withholdings associated with domestic employment. The service agent shall inform the parent who intends to use an in-home provider of the policy regarding co-payments for in-home care. The check issued to the provider requires the signature of both the parent and the in-home provider prior to the check being tendered for payment. Also, parents shall be informed that they are responsible for paying all applicable employee benefits mandated including those under FICA.

A total of one additional dollar per day beyond the maximum rate for the same type of care, age category and amount of care, may be paid for:

- Special needs children, if that amount is charged to the general public. Children with multiple or severe problems, as defined by Public Law 99-457 Part H and Public Law 94-142, that require ongoing specialized care may be considered to have special needs. These problems may include developmental delays, emotional disturbances, physical disabilities or other diagnosed medical disabilities. Any of the following conditions as diagnosed by a physician or a qualified mental health professional may involve special needs:
 - a) medical disability, physical disabilities, special dietary needs (prescribed by a physician), birth defects or chronic illness;
 - b) mental disability diagnosed by a qualified mental health professional;

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- c) emotional or behavioral disability evaluated by a qualified mental health professional; and,
 - d) other circumstances or added evidence that ordinary care with base rate reimbursement shall not meet the needs of the child as diagnosed by a physician or qualified mental health professional; or as accepted by a collateral agency (i.e. schools, comprehensive care centers) as meeting the definition of special needs;
- Providers having national accreditation from the National Association for the Education for Young Children (NAEYC), National Association for Family Child Care (NAFCC), and other programs providing national accreditation for child care centers, such as for School Age Care, may receive up to a dollar per day beyond the maximum rate for the same type of care, age/needs of child and amount of care, if that amount is charged to the general public; or
 - An additional dollar per day beyond the maximum rate may be paid for non-traditional hour care, if that amount is charged to the general public. Non-traditional hours are defined as child care routinely provided between 6:00 PM and 6:30 AM. In order to qualify, the provider shall be open for at least six of those hours and a child must be receiving care.

Child care payments may be provided for up to two weeks prior to the start of employment or for up to one month during a break in employment if subsequent employment is scheduled to begin within that period and if child care arrangements may otherwise be lost. The service agent shall document that child care arrangements may be lost if payments are not made.

REQUIREMENTS FOR LICENSED OR CERTIFIED PROVIDER PARTICIPATION IN CHILD CARE PROGRAMS, Guideline # 6

Child Care Subsidy Program Guidelines Revised 10/01/97

Licensed or certified providers who meet the DSS criteria for participation may be used as providers of care for the Child Care Assistance Program, under SSBG, CCDF or FSETP. The Department's criteria for participation are:

1. The provider shall be **licensed** by the Cabinet for Health Services, Division of Licensing and Regulation or **certified** by the Cabinet for Families and Children, Department for Social Services, and not have licensing or certification deficiencies against the provider that places the child at risk of abuse, neglect or exploitation pursuant to KRS Chapter 620.
2. Authorized representatives of the Cabinet for Health Services shall at all times have the right to inspect premises, records as required by 905 KAR 2:090 Section 4 and 2:100 Section 2, and programs of licensed child care providers. Inspections by the Cabinet shall be unannounced.
3. Authorized representatives of the Cabinet for Families and Children shall at all time have the right to inspect premises, records and programs of certified family child care homes, as required by 905 KAR 2:100 Section 2 (2) (a), (b) and (c).
4. The provider shall not have been determined by DSS to present a condition or circumstance that has or may place a child at risk of abuse, neglect or exploitation pursuant to KRS Chapter 620.
5. The provider shall be in compliance with Title VI of the Civil Rights Act of 1964, as amended.
6. The provider shall allow parental access to the child at any time and access to the provider during the normal hours of provider operation.

If the service agent has reason to believe a provider is not meeting the above criteria for participation, the service agent shall notify the local DSS office. The DSS Family Services District Manager or designee shall decide when the service agent will no longer purchase child care services from a provider having licensing or certification deficiencies or if DSS has determined that conditions or circumstances exist at the child care premise which places children at risk of abuse, neglect or exploitation pursuant to KRS Chapter 620. All involved parties shall be notified by letter if the decision is to no longer purchase child care services from a provider. DSS will notify the provider and the service agent of the decision to discontinue purchasing child care services. The service agent will notify families receiving assistance from the Child Care Assistance Program (using routine reduction or termination procedures under **Guideline # 13**), with children enrolled with the provider, of the decision to no longer purchase care from the provider. Families will have 10 days to choose a new provider before the service is terminated. In some situations, DSS may determine that children remaining with a provider may be in

imminent danger of abuse, neglect or exploitation. In those instances, DSS may ask for the normal 10 day notice requirement to be waived.

Family Child Care Home (FCCH) Certification Process:

Individuals inquiring how to become certified under KRS 199.8992, as a child care provider to keep six (6) or fewer non-related children, may be referred to the CFC/DSS Child Care Services Branch in Central Office. The Child Care Services Branch has a toll free number available to the public to obtain information on certification requirements and the certification application process or to register complaints against a certified provider. The toll free number is 1-800-421-1903. An individual has ninety (90) days to complete the certification process. The provider may receive payment for child care services provided during that time period unless it is determined that a child may be in imminent danger of abuse, neglect or exploitation.

REQUIREMENTS FOR ENROLLMENT OF PROVIDERS FOR PARTICIPATION IN CHILD CARE PROGRAMS, Guideline # 7

Child Care Subsidy Program Guidelines

Revised 10/01/97

Under the CCDF, an unregulated non-relative provider shall become enrolled to meet minimal health and safety requirements. Enrolled providers that meet the minimal health and safety standards and that do not live in the same household as the child, may care for up to three unrelated children. Providers inquiring how to become certified may be referred to the Child Care Services Branch as outlined in **Guideline # 6**. Persons providing child care in the child's home shall meet the minimal health and safety criteria listed in the procedures for Enrollment of Providers.

The service agent shall provide the parent with the Voluntary Release Authorization form and advise the parent that they may use the form to obtain a voluntary search of the DSS Child Abuse Registry for possible substantiated reports of child abuse, neglect or exploitation. Refer to Attachment # 6. The service agent may provide a parent with information relating to the Open Records Law.

A DSS-76, may be negotiated with a non-relative provider who agrees to voluntarily enroll with the DSS, Child Care Services Branch to meet minimal health and safety requirements. If the family chooses a provider who agrees to voluntarily enroll with DSS, the service agent will provide the following:

- The Application for Child Care Provider Enrollment: In Provider's Home, DSS-1295 (Attachment # 7);
- The Child Care Provider Enrollment Self Assessment, DSS-1296 (Attachment # 8); or
- The Application for Child Care Provider Enrollment: In Child's Home, DSS-1297 (Attachment # 9), as appropriate to the client.

The client takes the application and self-assessment, if applicable, to the provider. The client and the provider complete both items and mail it to the Cabinet's Child Care Services Branch. The provider shall return the completed application within 30 calendar days to the Child Care Services Branch. The individual shall complete the requirements for enrollment within 30 calendar days from the date the application is received by the Child Care Services Branch. Individuals who fail to become enrolled shall not be qualified to receive further payments through the state subsidized child care programs. All parties shall be notified by the Child Care Services Branch when providers do not meet the child care enrollment requirements. Routine reduction or termination procedures using the DSS-154A (refer to **Guideline # 13**) shall be used by the service agent to notify the client when services may be terminated if the provider does not meet the enrollment requirements. The client shall have the opportunity to choose another provider allowed under the state subsidized child care programs.

The minimal health and safety requirements for the enrollment of a provider of child care are listed below.

1. The provider shall be at least 18 years of age. A copy of a valid driver's license or birth certificate shall provide proof of age.

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2. The provider shall be free of tuberculosis. A statement from a qualified physician or health care specialist shall provide results of tuberculin skin test conducted within the past year.
3. A provider of care in their own home and all adults living in that household shall not have been convicted of crimes against children, including, but not limited to, child abuse, neglect or exploitation. A provider of care in the child's home shall not have been convicted of crimes against children, including but not limited to, child abuse, neglect or exploitation. A Criminal Records Check, conducted within the past year, from the Kentucky State Police shall be provided.
4. The provider shall sign an agreement not to use any form of corporal physical discipline on the children entrusted to their care, including the use of spanking, shaking or paddling, as a means of punishment, discipline, behavior modification, or for any other reason. For the purpose of this section, "corporal physical discipline" means the deliberate infliction of physical pain and does not include spontaneous physical contact which is intended to protect a child from immediate danger.
5. The provider shall complete the appropriate application and requirements and submit it to the Child Care Services Branch.

Pursuant to protective services mandates, the Department for Social Services may advise service agents not to enter into or to terminate an agreement with a provider if the Department has determined that conditions or circumstances at the child care premise places children at risk of abuse, neglect or exploitation pursuant to KRS Chapter 620.

USE OF RELATIVE PROVIDERS, Guideline # 8

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Revised 10/01/97

Under the CCDF, relative providers not living in the same household may be used to provide child care. Relative providers are exempt from health and safety requirements. To qualify as a relative provider under CCDF, the provider must be at least 18 years of age and provide child care services only to eligible children who are, by marriage, blood relationship or court decree, the grandchild, great grandchild, niece, nephew, or sibling.

Pursuant to protective services mandates, the Department for Social Services may advise service agents not to enter into or to terminate an agreement with a provider if the Department has determined that conditions or circumstances at the child care premise places children at risk of abuse, neglect or exploitation pursuant to KRS Chapter 620.

CHILD CARE PROGRAM OVERPAYMENTS, FRAUD AND ILLEGAL PROVIDERS OF CHILD CARE, Guideline # 9

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The service agent shall summarize and bring to the attention of appropriate Cabinet staff any suspected overpayments, fraud, or illegal providers of child care. Local service agent staff may attempt to recoup overpayments. Service agent agencies shall not enter into an agreement with a provider who does not comply with applicable licensing or regulatory requirements.

The service agent may attempt a local resolution with a provider or client when overpayment situations are documented. A repayment agreement shall be developed and signed by the appropriate parties. An active provider may request in writing that deductions from future checks be made in accordance with an agreed upon schedule through the local service agent office. The signed and dated letter reflecting the requested payment plan, with not less than 10% of the total overpayment to be received each month, shall be forwarded to the Cabinet's Central Office by the service agent. Checks from inactive providers or clients shall be made payable to the Kentucky State Treasurer and may be forwarded, along with sufficient identifying information, by the service agent to the Cabinet's Central Office.

Cases with suspected fraud shall be referred in writing, along with all relevant documentation, to the Cabinet's Central Office for review and necessary action.

A provider or client's failure to comply within **30 days** of a repayment plan may result in termination from services. Case documentation and procedures outlined in **Guideline # 13** shall be followed.

If a local resolution of overpayments is unsuccessful or not advisable, the service agent may contact the Cabinet's Central Office for information regarding other necessary action to recoup the overpayment.

Guidelines for reporting suspected illegal providers are as follows:

- The service agent shall report child care providers suspected of illegally caring for **seven or more unrelated children** to the Cabinet for Health Services, Office of Inspector General, Division of Licensing and Regulation, telephone (502) 564-2800.
- Providers suspected of illegally caring for **four to six unrelated children** shall be reported to the CFC/DSS Child Care Services Branch, telephone number 1-502-564-2524.
- The general public may report complaints against a certified provider by calling 1-800-421-1903. The Child Care Services Branch may provide additional information to the service agent regarding legal operation requirements as a child care provider.

As mandated by KRS 620.030, the service agent shall report any suspected child abuse, neglect, or exploitation situations to the local DSS office for investigation. In situations where DSS staff become aware that the service agent has entered into a Child Day Care Services Agreement with a provider who is operating illegally, DSS staff shall inform service agent staff regarding the situation. Service agent staff will, in turn, notify the client via the DSS-154A, Notice of Intended Action, that services will no longer be purchased from the provider operating illegally. Except for the normal 10 day notice specified on the DSS-154A, (refer to **Guideline # 13**) payments shall not be made to the provider who is operating illegally. Families will have 10 days to choose a new provider before the service is

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terminated. In some situations, DSS may determine that children remaining with a provider may be in imminent danger of abuse, neglect or exploitation. In those instances, DSS may ask for the normal 10 day notice requirement to be waived.

REAUTHORIZATION AND CASE TRANSFER, Guideline # 10

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The service agent shall redetermine authorizations of payments. The service agent shall, upon request and notification by the parent, transfer case records to other service agent regions in the state.

The service agent shall give a minimum of two weeks prior notice to the client of the redetermination date. If a client fails to respond to the redetermination notice, the Notice of Intended Action, DSS-154A, shall be completed and mailed to the client notifying him that services shall be terminated within the time frame specified on the notice.

As long as a case remains eligible for services, through established need and income guidelines, the case may be actively served.

The service agent shall emphasize to the client the importance of reporting family and financial changes that may affect the authorization of payment. Unless otherwise specified by the referring agency (DSS or DSI), the DSS-76 is authorized for a 12 month period or until there are programmatic changes or other changes reported by the client which affect authorization of payment. Reauthorization of payment shall be redetermined upon receipt of reported changes and a new DSS-76 shall be negotiated. Redetermination shall also be completed routinely at the end of 12 months from the application date or from the last date of review.

If a family moves to an area of the state served by another service agent agency, the case may be transferred to the other agency using the Transfer Request Form (refer to Attachment # 10). A copy of the Transfer Request Form shall be maintained by the referring agency, in an administrative file, for a minimum of three (3) years.

UNMET NEED, Guideline # 11

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If need for child care services is indicated and the client is otherwise eligible for the service, available child care funds shall be used. If, after serving protection/preventive cases, K-TAP and FSETP participants and working parents whose K-TAP grant has been discontinued due to employment during the past twelve months, there are no funds or child care slots available, potentially eligible families needing child care to work shall be placed on a list for available funds (see priority four below). If available funds are obligated, the service agent shall serve families according to the following priorities:

1. The first priority is for children with special needs, children in need of protection or prevention services and children of teen parents attending school to obtain a high school diploma.
2. The second priority is families needing child care to participate in a K-TAP program or families receiving assistance through the Food Stamp Employment and Training Program.
3. The third priority is working parents whose K-TAP grant has been discontinued due to employment within the past twelve months. These families are not subject to income eligibility until twelve months after the discontinuance.
4. The fourth priority is other low income working parents.

Priority four families not served through other community resources, shall be listed in chronological order and maintained on a list by service agent agency. If child care funds become available, the service agent shall notify priority three families and schedule an intake interview.

An applicant may voluntarily remove his child's name from the list. The service agent may periodically update the list by assessing a family's continued need for child care services through the Child Care Assistance Program.

EXCHANGE OF INFORMATION, Guideline # 12

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Revised 10/01/97

The service agent shall exchange client specific information with DSS and DSI within 10 days.

The service agent shall report within 10 days of action, with follow-up recording in the client record, actions or update changes that may affect the clients continued eligibility for child care authorized by DSS or DSI. The PA-628 (refer to Attachment # 11) may be used to document and record information to be shared with DSS and DSI. The following are examples of actions or update changes that may be reported to the appropriate authorizing agency, DSS or DSI:

1. The case has been terminated because the client quits a job.
2. The case has been terminated because the client fails to pay a parent co-pay.
3. The client has made suitable arrangements to pay parent co-pay.
4. The child has left the home.
5. A child has moved into the home or a newborn is reported.
6. Client's address changes.
7. Excessive absences of the child.

REDUCTION OR TERMINATION OF CHILD CARE PAYMENTS, Guideline # 13

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Revised 10/01/97

The service agent shall reduce or terminate child care payments when it is determined that a client's need or eligibility for child care services has changed. Clients, under SSBG, CCDF or FSETP, whose services will be reduced or who will lose eligibility for services due to a change in their need, income status or failure to cooperate with the required parental co-pay payment shall be provided adequate notice (refer to **Guideline # 14**). Clients under FSETP whose services will be reduced or who will lose eligibility for services will receive notification from the Department for Social Insurance. (FSETP has its own rules.) Following the notice, the payments for child care services may be reduced or terminated. If policy changes are enacted, children of parents who do not meet the new policy may be terminated upon proper notice.

If services are to be reduced or terminated, the service agent shall complete the Notice of Intended Action, DSS-154A, and update the DSS-76 to show the last day the Child Care Assistance Program will pay for the child's care. The 154A is mailed or given to the client and the updated DSS-76 is mailed to the child care provider listed on the DSS-76.

When terminations are necessitated by a change in the child care program policy, the following procedure shall be used for reassessing such families:

- Child care files on these families shall be assessed so that clients may be given 10 days notice of their loss of eligibility, if they do not meet the new criteria.
- The service agent shall send a written notice explaining that there are new eligibility criteria along with the Notice of Intended Action, DSS-154A, to these clients.

In cases where clients are removed from one program but remain eligible under another funding source, the service agent shall update the new code on the Child Care Services Agreement and Child Care Certificate. To provide seamless services, a new application for services shall not be required unless the family income or size has changed.

It is the parent's responsibility to notify the service agent of any changes that may affect their eligibility. This notification shall occur within 10 calendar days. Failure to notify the service agent may result in loss of eligibility and termination of payments.

The case shall be terminated when the service agent determines and documents that any of the following occurs:

1. The client failed to cooperate in paying the parent co-pay to the provider.
2. The client moves out of state.
3. The child turns age 13 and is not disabled or under court supervision.
4. Child(ren) requiring paid care leaves the home.
5. An absent parent returns home (this may change need or income status).
6. A change in status affecting an incapacitated parent.

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7. Client is no longer working or participating in K-TAP.
8. Child is no longer receiving protective/preventive services.
9. Teen parent turns age 18 or is no longer pursuing high school degree.
10. Family's income is over the eligibility guidelines (refer to Attachment # 2).

CLIENTS RIGHTS AND OBLIGATIONS, Guideline # 14

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Revised 10/01/97

The service agent shall advise the client of his rights and obligations under the Child Care Assistance Program:

1. At the time of initial application and upon redeterminations, applicants and recipients shall sign and be given a copy of the Application for Subsidized Child Day Care Assistance (refer to Attachment # 1). The service agent shall explain to the applicant or recipient his or her rights, as specified on the application form.
2. Inform applicants, at the time of application, and recipients, upon redetermination of need or income status, of their rights to a fair hearing with DSS. The service agent shall give applicants and recipients a copy of the DSS-154, Request for Fair Hearing (Attachment # 12).
3. Inform recipients of their obligations under the Child Care Assistance Programs as specified on the DSS-76. The service agent shall give recipients a copy of the DSS-76 (refer to Attachment # 3).
4. Notify recipients when services will be reduced or terminated of their rights to a fair hearing with DSS. The service agent shall give or send recipients a DSS-154A, Notice of Intended Action (refer to Attachment # 13).

Help Desk, Guideline # 15

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The CFC KCCMS Help Desk serves as the central point of contact for users of the statewide automated child care management information system experiencing problems with the KCCMS application. When a user identifies a problem related to using the KCCMS system, the user contact the designated Local Expert. The Local Expert is the central point of contact within a service agent's office designated to assist other staff with KCCMS related questions. If the Local Expert needs further assistance in resolving the problem, he/she contacts the KCCMS Help Desk.

Questions regarding program guidelines shall be referred to the Family Child Care Worker (FCCW) assigned to cover the service agent region. If the FCCW is unavailable, the policy question may also be referred, through the Local Expert, to the CFC KCCMS Help Desk for resolution.