



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: # 01-44

Effective Date: July 1, 2001

Issuance Date: May 25, 2001

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF
PURCHASE OF CARE ADMINISTRATORS**

**FROM: LINDA HEISNER, EXECUTIVE DIRECTOR, CCA
CHARLES HENRY, EXECUTIVE DIRECTOR, FIA**

RE: POC TIERED REIMBURSEMENT

PROGRAM AFFECTED: PURCHASE OF CHILD CARE (POC)

**ORIGINATING OFFICE: CHILD CARE ADMINISTRATION, OFFICE OF
PROGRAM DEVELOPMENT**

SUMMARY: Beginning July 1, 2001, regulated family child care providers and child care centers who care for children receiving Purchase of Child Care (POC) may be eligible for monthly incentive payments if they meet requirements tied to quality improvements.

BACKGROUND/ POLICY:

The Child Care Administration (CCA) initiates provider credentialing, program accreditation and tiered reimbursement effective July 1, 2001 to improve the quality of child care and encourage growth in the supply of providers willing to take POC children.

The Maryland Child Care Credential is a framework of requirements that recognizes education and experience for all CCA registered family child care providers and individuals working in licensed child care centers. The CCA Office of Credentialing administers this voluntary program, tracks provider compliance, and offers financial assistance with training and bonuses upon completion of the requirements.

Providers who meet the requisites for higher levels of the credential can receive a higher rate of reimbursement for their Purchase of Child Care (POC) children in care. Four tiers of differentials for child care centers and family child

care providers are established with progressively higher reimbursement rates as they move up the credential ladder, meet quality indicators and attain accreditation status at the fourth level. Payments at each tier vary based on the child's subsidy level. Guidelines for Tiered Reimbursement, which detail the requirements at each tier to receive the differential, are included as Attachment A. The policy is included in COMAR 07.04.06.11, effective July 1, 2001

ACTION REQUIRED: Effective July 1, 2001, local departments of social services shall pay the monthly incentive amount awarded in addition to the child's subsidy to a family child care provider or child care center who meets the requirements for tiered reimbursement and is approved by the Child Care Administration, Office of Credentialing.

APPLICATION:

- The Office of Credentialing distributes applications for tiered reimbursement to all regulated family child care providers and child care centers. Applications are returned to the Office of Credentialing and evaluated for requirement compliance at the appropriate tier.
- The Office of Credentialing approves or denies each application and provides written notification to the applicant with a copy to the appropriate local department.
- Information on how to appeal a denial is included in the denial letter to the applicant. Appeals for denials are made to the Office of Credentialing, Training Review Committee. A decision is reached within 30 days and the appellant notified.
- The Office of Credentialing processes renewal applications, enters approval information into CCAMIS and forwards copies of the approval or denial letter to the provider.

INVOICE PROCESSING/PAYMENT:

- ***The Office of Credentialing enters approval in CCAMIS for tiered reimbursement to a provider. The CCAMIS tiered reimbursement screen includes the approved tier and the start date and end date for payment. The approval is for 12 months. This gives the local department the authority to issue payment. Based on the start date entered into CCAMIS by the Office of Credentialing, the local department issues payment for the first full month following invoice receipt from the provider. Payment must be made for the first full month to avoid paying two different incentive amounts during the same pay month.***

- ***Payment is the child's subsidy amount and the additional monthly differential, which is a percentage of the child's subsidy. The percentages, which are multiplied by the child's subsidy amount at each level and automatically calculated by CCAMIS, are found in Attachment B.***
- ***The monthly differential is applied to each child listed on the provider's invoice.***
- ***When tiered reimbursement is denied and the Office of Credentialing overturns the denial, that Office informs the local department by entering the information into CCAMIS. The local department must make an adjustment in CCAMIS and issue payment retroactive to the initial application date.***

CCAMIS PROCEDURES:

- The CCAMIS tiered reimbursement screen that contains Program Evaluation approval from the Office of Credentialing is a view only screen for POC staff.
- The start and end dates are included on the screen. If the start date (approval date) is the first day of the month, that date is entered by credentialing staff with an end date that reflects a 12 month approval period.
- If the start date is later than the first day of the month, credentialing staff enters as the start date the first day of the subsequent month.
- The tier attained by the provider is displayed on the voucher receipt screen and on the invoice screen.
- CCAMIS pays each voucher receipted to an approved provider at the increased rate appropriate to the child's assigned subsidy and the approved tier.
- The Invoice Detail report lists the amount of the tiered reimbursement as a separate payment for each child.

ACTION DUE: Providers may apply to the Office of Credentialing beginning July 1, 2001. Payments by the local department may commence the first full month following approval by the Office.

INQUIRIES: Please direct inquiries to the Child Care Administration. For policy related questions, contact Linda Zang at 410-767-7813 or at lzang@dhr.state.md.us. For CCAMIS inquiries, contact Anne Webster at 410-767-7815 or awebster@dhr.state.md.us.

cc: DHR Executive Staff
FIA Management Staff

CCA Management Staff
Constituent Services
OIM Help Desk

Attachment B

Tiered Reimbursement Differential Percentages

	<u>Level 2</u>	<u>Level 3</u>	<u>Level 4</u>
<u>Family Child Care</u>			
<u>Child Under 2</u>	<u>11%</u>	<u>22%</u>	<u>29%</u>
<u>Child Over 2</u>	<u>10%</u>	<u>21%</u>	<u>28%</u>
<u>Center Child Care</u>			
<u>Child Under 2</u>	<u>22%</u>	<u>37%</u>	<u>44%</u>
<u>Child Over 2</u>	<u>10%</u>	<u>19%</u>	<u>26%</u>