



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: 02-32

Effective Date: January 1, 2002

Issuance Date: November 23, 2001

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

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

**RE: PURCHASE OF CARE (POC) CHANGES IN INCOME AND
PROVIDER PAYMENT RATES**

PROGRAM AFFECTED: PURCHASE OF CARE (POC)

**ORIGINATING OFFICE: CHILD CARE ADMINISTRATION
OFFICE OF CHILD CARE SUBSIDY**

SUMMARY:

Effective January 1, 2002, the Child Care Administration is making regulatory and /or procedural changes to the Purchase of Care (POC) program. The changes will provide support to families in their efforts to achieve and maintain economic independence. This action transmittal provides information on the changes.

1. Income Eligibility:

Increase income eligibility guidelines from 45 percent to 50 percent of the State Median Income for 2001. See Attachment A.

2. Income Disregards:

- a. A disregard of \$5,000 will be applied to a family's annual income for each child of a non-parent adult who has physical custody and is using POC. This represents an increase from the current disregard of \$2,200.
- b. A disregard of \$5,000 will be applied to a family's annual income for each child of a minor parent who is using POC. This represents an increase from the current disregard of \$2,200.

3. Informal Rates:

Informal rates will increase so that the maximum rates for informal child care are established from a rate of 41% to a new rate of 50% of the Family Child Care Regional Payment Rate. See Attachment B.

4. Formal Rates:

Formal rates will change so that the POC payment rates for regulated child care are increased to the 75th percentile of the current (2001) regional market rates. See Attachment C.

5. Adjusted Copayments:

- a. Copayments will be adjusted for families using regulated and informal child care. The copayment levels for the youngest child in care will be a maximum of 34% of the monthly rate. The copayment levels for the second and third children in the family will be a maximum of 27% of the monthly rate. See Attachment D.
- b. The copayment increase will be limited to \$10 a month per child or less.

ACTION REQUIRED:

There are no new actions required. Continue to follow current policy and procedures. The income changes and provider payment rates have been modified in CCAMIS. Customer and provider notifications will be mailed out statewide listing the old payment rates and new payment rates for all children with active vouchers. Workers do not need to issue new vouchers. All vouchers issued from 1/1/02 forward will display new provider rates and copay levels.

CCAMIS PROCEDURES:

All changes are system driven therefore, POC staff are to continue to follow current CCAMIS procedures.

CCAMIS users may access the notifications with the child specific data by selecting the following menu options:

1. Ad Hoc Reporting
2. Letters
3. Documents
4. Run
5. The letter selection screen appears for the worker to select the appropriate letter

ACTION DUE:

The regulatory changes in provider rates and parent/caretaker income will be effective beginning with January service and February payment.

INQUIRIES:

Direct policy inquiries to Addie Fuller. Direct CCAMIS inquiries to Anne Webster. Anne Webster's telephone number is 410-767-7815, her e-mail address is awebster@dhr.state.md.us. Addie Fuller's telephone number is 410-767-6947, her e-mail address is afuller@dhr.state.md.us.

cc: DHR Executive Staff
FIA Management Staff
Constituent Services
OIM Help Desk
CCA Management Staff
CCA Program Development Staff
CCA Child Care Subsidy Staff