

CHILD CARE ASSISTANCE PROGRAM MANUAL

DESCRIPTION OF CHANGES ATTACHMENT

REVISED SECTIONS – ISSUED 12/2015

2.0 (Glossary) updates the title of “County and Tribal Child Care Fund Plan”, and adds the phrase “and allows agencies to establish some local policies and procedures” to the definition.

4.3.3.3 (MFIP Overview) adds a cross reference to Chapter 4.3.12.6 (BSF Authorized Activities and Hours).

4.3.6 (Transition Year (TY)) adds information about the SMI eligibility standard used in the TY child care assistance program for former MFIP families that did not receive MFIP child care. If a family did not receive MFIP child care assistance and applied during their Transition Year and their income exceeds 47% SMI, the family is not eligible for child care assistance.

4.3.9 (Transition Year Extension (TYE)) adds information regarding the transfer of a case in MEC² from TY to TYE status during a period of temporary ineligibility. These cases should be considered eligible for TYE child care.

4.3.12.6 (BSF Authorized Activities and Hours) adds information that there is no minimum work requirement for students who do not want child care assistance for employment while attending school

4.3.12.9 (BSF Priorities) clarifies that one parent in a CCAP Family must be defined as a veteran under MN Statutes section 197.447 to be included in the 4th Priority for the Basic Sliding Fee (BSF) waiting list. Updates information about agencies being allowed to establish sub-priorities within the 5th Priority of the Basic Sliding Fee (BSF) waiting list.

4.6 (Employment and Training Requirements) adds that participants (not new applicants) in a single parent family may be eligible for CCAP during a medical leave, adds a cross reference to Chapter 9.36 (Care During Medical Leaves of Absence), and adds a link to the Parent Medical Condition Form (DHS-6305).

4.9 (Cooperation with Child Support) adds that in addition to the Referral to Support and Collections form (DHS-3163B), applicants must also sign and fill out the Cooperation with Child Support Enforcement form (DHS-2338) to be considered cooperating with child support.

4.12 (Date of Eligibility) adds how to determine the date of eligibility in a TY case when a family has not maintained eligibility and must reapply during the period of time between when MFIP or DWP has ended. Adds a cross reference to Chapter 4.3.6 (Transition Year (TY)).

5.3 (Determining the CCAP Family) updates information about children who reside in multiple homes due to parenting time arrangements to include CCAP does not require a child to be in a home of any parent for a percentage of time in order to receive child care assistance. Adds a section that defines guardians and kinship caregivers and eligibility criteria for CCAP.

5.9 (CCAP Family composition Examples) Adds a second case scenario that includes one parent in a temporarily absent status, and one parent working full time to the 2 parent unmarried blended family example.

6.15.18 (Annualizing Seasonal Income and Temporary Earned Income) NEW SECTION provides information about annualizing seasonal and temporary income. Please review this section in its entirety.

6.21 (Family Copayment) updates information about MEC² prorating a copayment based on the number of calendar days left in a bi-weekly period when a family first receives service. Adds a link to the current Bi-weekly Copayment Schedules (DHS-6413D), effective October 12, 2015.

7.9 (Income Verification) adds information that if the most current 30 days of income verification is not reflective of expected future income, a different time frame can be used, adds information about seasonal and temporary income and the use of employer statements in combination with paycheck stubs to determine expected future income.

7.12 (Verifying Citizenship and Immigration Status) adds instruction for workers to track and request verification of renewed documentation prior to the expiration date. Adds new information about the I-94 form and the upgraded format that went into effect on 9/1/2015.

7.24 (DHS System Verification) adds a recommendation that when information from an integrated MAXIS field carries over to MEC² but there is no documentation in the child care case file, CCAP workers confirm that the verification exist within the agency before requesting verification from a client.

9.3 (Payments to Providers) adds information that child care centers cannot be paid for children of center employees if more than half of the children attending the center receive CCAP and are the children or dependents of center employees. DHS monitors this policy and will direct the local agency to take action if needed for purposes of program compliance. Adds a new section about ending payments for provider non-compliance and is directed at local agencies who have opted to implement these policies as identified in their County and Tribal Child Care Plan.

9.9 (Determination of Payment Amounts) adds information about the processing of IRS and MN Department of Revenue CCAP provider levies. The DHS Financial Operations Division will enter levies, send notices and monitor fulfillment of the levy. Agency staff will be able to view information and see that a levy has been entered and/or payments made tied to a particular provider in MEC². Adds a cross reference to Chapter 12.6.12 (Payment Deduction Required by Law Notices).

9.15 (Authorization Hours-Employment) removes a reference to a typical number of credits and/or hours for a full time student. Because the educational institution determines their own standard for full time and part time students, workers are instructed to contact the educational institution for their definition of full-time and part-time student.

9.24.3 (Child Care Rates, Registration Fees, Copayments) updates the link to the current Biweekly Copayment Schedules (DHS-6413D), effective October 12, 2015.

9.36 (Care during Medical Leaves of Absence) adds a link to the Parent Medical Condition Form (DHS-6305). This form can be used to verify that a parent or other parentally responsible individual (PRI) in the household has a medical condition and is unable to provide care for their child(ren).

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10.6 (Redetermination Process) adds information to alert workers that a redetermination processing workflow and flowchart are available to workers on SIR under MEC² Worker Resources.

10.6.6 (Redetermination Processing – Reinstatement) adds information and a link to alert workers that a document entitled “Reduction of Hours to a Provider Requiring a 15 Day Notice Workaround” is available in the MEC² User Manual in the Service Authorization section. This document explains how to correctly reduce authorized hours with a 15-day notice when processing the redetermination.

11 (Providers) adds a statement that CCAP will not pay a provider who lives in the same home as the child.

11.3 (Licensed Child Care Providers) adds clarifying language that a licensed provider must be providing child care services in the licensing state or in the area under the licensing tribe’s jurisdiction.

11.6 (License Exempt Centers) adds the following new sections: Licensed Exempt Centers Operated by Nonprofits for School Age Students, Centers Not Licensed by the State of Minnesota Department of Human Services, Centers Serving Infants and Toddlers, Licensed Programs Providing Non-Child Care Services, and License Exempt Center Registration. Adds that each license exempt program site and sites which may operate programs that fall under different license exemptions need to be registered separately. Please read this chapter in its entirety.

11.9 (Legal Nonlicensed (LNL) Providers) adds has not been excluded or debarred in another Department of Human Services (DHS) program as an additional criteria to determine if a provider can be a legal nonlicensed (LN) provider..

11.12 (Provider Registration) adds two NEW forms to include in provider packets. Minnesota Child Care Assistance Program Change Form (DHS-7196) must go in all provider registration packets and CCAP Licensed Family Child Care Provider Registration and Acknowledgement (DHS-7195) must be sent to a Licensed Family Child Care Provider who is applying to be registered as a CCAP provider. Note there are now separate forms to register licensed centers and to register licensed family child care providers.

11.15 (Provider Record Keeping) adds language that attendance records must be immediately available upon the request of a county, tribe, or the Department of Human Services (DHS), and adds language that “daily attendance records must be kept *at the site where services are delivered* (NEW Language) for 6 years after the date the care was provided.”

11.18 (Provider Reporting) adds a new bullet that all providers are required to report immediately to CCAP when a child attends less than half of their authorized hours or days for a four-week period. Adds that when a child’s attendance drops to less than half of their authorized hours or days, providers must reports this in a four week period in the comments section on the Billing Form and that other attendance information may be reported on the Billing Form or by notifying the family’s caseworker.

11.21 (Provider Authorization) adds links to provider registration forms, adds link to the new CCAP Licensed Family Child Care Provider Registration and Acknowledgement form (DHS-7195). Note there are now separate forms to register licensed centers and to register licensed family child care providers.

11.27 (In-Home Child Care Requests and Provider Information) adds a Minnesota Statute citation (Minnesota Statutes 119B.09, Subd. 10) under Legal Authority.

12.1 (15 – Day Notice Requirements) adds language for two exceptions to the 15 day notice for adverse actions requirement: a Minnesota licensed provider’s license has been temporarily immediately suspended, and there is imminent risk of harm to the health, safety and rights of a child in care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the state of Minnesota. Adds a Minnesota Rule citation (Minnesota Rules 3400.0040, Subp. 4) under Legal Authority.

12.3 (Notices to Families) adds language to instruct CCAP workers to provide the required 15 day Adverse Action Notice for all negative actions except when adverse action notice required are waived and adds a cross reference to Chapter 12.1 (15-Day Notice Requirements). Adds a Minnesota Rule citation (Minnesota Rules 3400.0040, Subp. 4) under Legal Authority.

12.3.6 (Denial Notices-Family) adds “or tribe’s” to the child care fund plan bullet.

12.3.9 (Adverse Action Notices-Family) adds instruction to CCAP workers to provide at least 15 calendar days’ notice to families before taking an adverse action except when the adverse action notice requirements are waived. Adds the new section “Copay increase followed by case closure”. Please review this new section in its entirety. Adds a Minnesota Rule citation (Minnesota Rules 3400.0040, Subp.4) under Legal Authority.

12.3.12 (Termination Notices- Family) adds instruction to CCAP workers to provide at least 15 calendar days’ notice to families before taking an adverse action except when the adverse action notice requirements are waived. Adds a Minnesota Rule citation (Minnesota Rules 3400.0040, Subp.4) under Legal Authority.

12.6 (Notices to Providers) adds language that “Providers must receive” prior to the listing of notices.

12.6.6 (Adverse Action Notices-Providers) adds instruction to CCAP workers to provide at least 15 calendar days’ notice to families before taking an adverse action except when the adverse action notice requirements are waived. Adds a Minnesota Rule citation (Minnesota Rules 3400.0040, Subp. 4) under Legal Authority.

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12.6.12 (Payment Deductions Required by Law Notices) adds instructions for CCAP workers if contacted by a provider, the IRS, or Minnesota Department of Revenue about CCAP provider tax levies. Includes a change in the process of the entering of IRS or Minnesota Department of Revenue tax levies in MEC² by the Department of Human Services Financial Operations Division staff. Please review this chapter in its entirety.

14.3 (Responsibility for Overpayment) adds headers to clarify overpayment types and added examples to the family and provider overpayment sections. Adds language to the “Family and Provider Overpayments” section about families and providers working together to commit fraud, assigning overpayments, and action after the family or provider has completed their fraud disqualification period. Adds cross references to Chapter 14.12.3 (Disqualification for Fraud-Families) and Chapter 14.12.6 (Disqualification for Fraud-Providers). Adds a Minnesota Statute citation (Minnesota Statutes 119B.125, Subd. 6 & 7) under Legal Authority. Please review this chapter in its entirety.

14.6 (Amount of Overpayment) adds a link to the current Biweekly Copayment Schedules (DHS-6413D), effective October 12, 2015. Adds end dates for the two previous copayment schedules links. Adds a header to the Determining the Overpayment section.

14.9.18 (Claim Compromise) adds language to emphasize that provider claims may NOT be compromised and that the right to compromise a claim does NOT apply to family claims when the overpayment occurred due to fraud, meaning an Intentional Program Violation (IPV) has been established. Adds cross references to Chapter 14.12.3 (Disqualification for Fraud-Families).

14.12 (Fraudulently Obtaining Child Care Assistance) adds instruction that agencies must establish that an Intentional Program Violation (IPV) has been committed in order to disqualify a family or provider for fraud, and determine that an overpayment occurred due to fraud. Adds cross references to Chapter 14.12.3 (Disqualification for Fraud-Families) and Chapter 14.12.6 (Disqualification for Fraud-Providers).

14.12.9 (Administrative Disqualification Hearing) replaces “clear and convincing legal standard of proof” with “preponderance of evidence.” Adds language that legally, preponderance of evidence means that when the evidence is considered, it is more likely than not that fraud occurred. Adds cross reference to Chapter 14.12.3 (Disqualification for Fraud-Families) and Chapter 14.12.6 (Disqualification for Fraud-Providers). Adds the Office of Inspector General at the Department of Human Services as resources to consult if an agency has questions about bringing an Administrative Disqualification Hearing (ADH) against an individual provider, the provider’s business or both.

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AUTHORIZED HOURS

The number of hours in a service period, not to exceed the maximum hour limit established in MN Statutes 119B.09, subd. 6, that may be paid for child care for a child. See definition for Scheduled Hours. **(Legal Authority: MN Rules 3400.0020 subp. 10(a))**

BASIC SLIDING FEE PROGRAM

A sub-program of the Child Care Assistance Program for non-Minnesota Family Investment Plan/Diversionary Work Program (MFIP/DWP) families with entrance income below or equal to 47 % of the State Median Income (SMI). See Chapter 4.3.12 (Basic Sliding Fee (BSF)).

BSF

See BASIC SLIDING FEE PROGRAM.

CALENDAR MONTH

A period that begins with the 1st day of the month and ends with the last day of the month.

CCAP

Child Care Assistance Program.

CCAP FAMILY

See FAMILY.

CHILD

A person 12 years old or younger, or age 13 or 14 who has a hearing impairment, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability which requires special instruction and services.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 4)

CHILD CARE

Care of a child by someone other than a parent, stepparent, legal guardian, eligible relative caregiver or their spouses in or outside the child's own home.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 5)

COUNTY AND TRIBAL CHILD CARE FUND PLAN

A county, tribe, and the designated administering agency shall submit a biennial plan to the commissioner of DHS. The plan shall include information requested by the department to ensure compliance with the child care fund statutes and rules, and allows agencies to establish some local policies and procedures.

COPAYMENT FEE

The amount the family must contribute as its share of child care costs. This amount is based on household income and size.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 24)

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COUNTY BOARD

The board of county commissioners in each county.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 9)

DISABILITY

A functional limitation or health condition that interferes with a child's ability to walk, talk, see, hear, breathe or learn in order to meet the conditions required for an increased rate. See Chapter 9.54 (Special Needs).

(Legal Authority: Minnesota Rules 3400.0020, Subp. 17a)

DWP

Diversionary Work Program. See Chapter 4.3.3.15 (DWP Overview)

Discovery Date

The date the agency receives all documentation necessary to calculate a claim. (See Chapter 14.6 Amount of Overpayment.)

DOCUMENTATION

A written statement or record, including an electronic record, that substantiates information provided by a person or an action taken by an agency.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 18)

EARNED INCOME

See INCOME.

eDOCs

A Web site that gives access to the Minnesota Department of Human Services (DHS) forms and documents in multiple languages.

EDUCATION PROGRAM (applies to Basic Sliding Fee)

Remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding post-baccalaureate programs, and other education and training needs as documented in an EDUCATION PLAN. The Education Plan must outline education and training needs of a participant, meet state and county requirements for education plans and meet the requirements of programs that provide federal reimbursement for child care services.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 11)

ELIGIBLE RELATIVE CAREGIVER

An eligible relative caregiver is a person who is the caregiver of a child receiving an MFIP or DWP child only grant. See Chapter 5.3 (Determining the Child Care Assistance Program (CCAP) Family), Chapter 5.9 (CCAP Family Composition Examples).

(Legal Authority: Minnesota Statutes 256J.08; Minnesota Rules 3400.0020, Subp. 20)

EMPLOYMENT PLAN (applies to MFIP/DWP)

An Employment Plan (EP) is developed by the job counselor and the participant which identifies the participant's most direct path to unsubsidized employment, lists the specific steps that the participant will take on that path, and includes a timetable for the completion of each step. The plan also identifies any

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subsequent steps that support long-term economic stability.
(Legal Authority: Minnesota Statutes, 256J.49, Subd. 5)

ESTABLISHED DATE

The date the agency computes an overpayment. See Chapter 14.6 (Amount of Overpayment).

EXCLUDED TIME FACILITY

A type of living arrangement which affects the determination of state residence and the county of financial responsibility. See Chapter 8.12 (Moving Between Counties).

FAMILY

The Child Care Assistance Program (CCAP) defines a family as parents, step-parents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities, or parents, step-parents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household. The term "spouse" includes married same-sex spouses. For information on how to determine CCAP Family, see Chapter 5.3 (Determining the CCAP Family).

FAMILY SUBSIDY PROGRAM

The Family Subsidy Program, also known as the Family Support Grant Program, is a state-funded program that provides cash grants to families with children with disabilities who live, or will live, in their family home. The grants provide families with the flexibility to purchase an array of supports and services to meet specific needs.

The goal of the Family Subsidy Program is to prevent or delay the out-of-home placement of children with disabilities and to promote family health and social well-being by enabling access to family-centered services and supports.

For additional information about the Family Subsidy Program families may either:

- Contact their local county social services agency.
- OR
- See the DHS Family Support Grant program website.

FICA

Federal Insurance Contribution Act. Social Security withholding tax.

FULL CALENDAR MONTH

From the first day of the month through the last day of the month.

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HOUSEHOLD OF APPLICANT/PARTICIPANT/FAMILY

The CCAP family as defined in Chapter 5.3 (Determining the CCAP Family).

HOUSEHOLD OF PROVIDER

The provider and those people living with the provider or in the home during child care hours.

INCOME

Earned or unearned income received by ALL FAMILY members, including public assistance cash benefits, at-home infant child care subsidy payments, and child support and maintenance distributed to or received by the family. See Chapter 6 (Income Eligibility).

INFANT

- **Licensed Family Child Care:** A child is an infant up to 12 months of age.
- **Legal Non-Licensed Family Child Care:** Follow the Licensed Family Child Care definition
- **Licensed Center Child Care:** A child is an infant up to 16 months of age. A child in center care may be considered to be an infant up to 18 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.
- **License Exempt Centers:** Follow the Licensed Center Child Care definition.

(Legal Authority: Minnesota Statutes 245A.02; Subd.19, Minnesota Rules 9503.0005; Minnesota Rules 9503.0040)

IN-HOME CARE

Care provided in the child's own home.

KNOWN TO THE AGENCY

Information about a family's circumstances that the county agency receives from the family or discovers from sources such as MAXIS, PRISM, or MMIS.

For the purposes of this determination, the county agency includes the Minnesota Department of Human Services and the county human service agency(s) responsible for the administration of the child care, cash, food, and health care programs. It also includes any agency(s) that contracts with the human service agency(s) for the delivery of financial, health care, child care programs, and employment services.

LEGAL GUARDIAN

A person or an agency that has been appointed or accepted as guardian by a court of jurisdiction or tribal law.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 31b)

LUMP SUM

Cash received on a non-recurring or irregular basis that cannot be reasonably anticipated. Examples of lump sums include child support arrears, an inheritance, an insurance payment, and gambling winnings. See Chapter 6.15.15 (Annualizing Lump Sum Income).

MAXIS

Minnesota's statewide automated eligibility system for public assistance programs.

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MEC²

Minnesota Electronic Child Care System.

MFIP

Minnesota Family Investment Program. See Chapter 4.3.3.3 (MFIP Overview).

MFIP/DWP CHILD CARE

A sub-program of the Child Care Assistance Program for families receiving MFIP or DWP. See Chapter 4.3.3.3. (MFIP Overview).

MFIP/DWP CHILD CARE FOR STUDENT PARENTS

Child care assistance for student parents under age 21, pursuing a high school or general equivalency diploma, who are not MFIP participants, and who reside in a county with a Basic Sliding Fee waiting list. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents).

MINOR PARENT

A parent who is less than 18 years of age.

OVERPAYMENT

The portion of a child care payment that is greater than the amount for which a participant or provider is eligible.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 33)

PARENT

A child's biological, step, or adoptive mother or father.

PARENTALLY RESPONSIBLE INDIVIDUAL (PRI)

All parents, stepparents, legal guardians, or eligible relative caregivers and their spouses who are members of the FAMILY and reside in the household that applies for child care assistance. See APPLICANT and FAMILY.

PRE-SCHOOL

- **Licensed Family Child Care:** A child is a preschooler at 24 months of age up to being eligible to attend kindergarten within the next four months.
- **Legal Non-Licensed Family Child Care:** Follow the Licensed Family Child Care definition. *
- **Licensed Center Child Care:** A child is a preschooler at 33 months of age up to the age of being eligible to attend kindergarten within the next four months. A child in center care may be considered to be a preschooler at 31 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child. *
- **Licensed Exempt Centers:** Follow the Licensed Center Child Care definition.*

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Preschool/School age category changes; in August of each year, MEC² will complete the annual school age change batch. This process changes the Age Category for children who have reached the appropriate age to start kindergarten in the fall and who have a kindergarten start date entered on the child's school window. Without a date entered in that field, the age change cannot occur and the child will remain in the preschool age category when they should be changed to school age. Please refer to the MEC2 User Manual for further information.

(Legal Authority: Minnesota Statutes 245A.02, Subd.19; Minnesota Rules 9503.0005)

PROVIDER

Individuals or centers licensed by a state or tribe, license-exempt centers, and legal non-licensed individuals providing legal child care services. For more information, see Chapter 11 (Providers).

(Legal Authority: Minnesota Statutes 119B.011, Subd. 19)

PROVIDER RATE

The amount the provider charges for child care.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 35)

PROVISIONAL AUTHORIZATION

A temporary approval of a legal nonlicensed provider to provide care and receive payment for the care of a specific child or children receiving child care assistance when all the requested registration information/documentation, except the background check, is available to the county. See Chapter 9.3 (Payments to Providers).

(Legal Authority: Minnesota Rules 3400.0110 Subp. 2a and 2b.; Minnesota Statutes 119B.125 Subd.5)

PROVISIONAL PAYMENT

A temporary payment paid to a legal nonlicensed (LNL) provider based on a provisional authorization. See Chapter 9.3 (Payments to Providers).

(Legal Authority: Minnesota Rules 3400.0110, Subp.2a and 2b; Minnesota Statutes 119B.125 Subd. 5)

RECOUPMENT OF OVERPAYMENTS

The reduction of child care assistance payments to an eligible family or a child care provider in order to correct an overpayment of child care assistance.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 21)

REDETERMINATION

The process by which information is collected periodically by the county and used to determine whether a recipient is eligible for continued assistance and the amount of care to be authorized under the child care fund. See Chapter 10 (Redetermination of Eligibility).

(Legal Authority: Minnesota Rules 3400.0020, Subp. 37)

REGISTRATION

The process used by a county to determine whether the provider selected by a family applying for or receiving child care assistance to care for that family's children meets the necessary requirements for payment of CCAP for child care provided by that provider.

(Legal Authority: Minnesota Rules 3400.0120, Subp. 2; Minnesota Statutes. 119B.011, Subd. 19a)

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RESERVE

See TEMPORARY INELIGIBILITY.

RESIDENCE

The primary place where the family lives as identified by the applicant or participant.
(Legal Authority: **Minnesota Rules 3400.0020, Subp. 38a.**)

RSDI

See RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE.

RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE

A program operated by the Social Security Administration that provides a monthly income to retired people, survivors or dependents of insured people, and people with disabilities.

SCHEDULED HOURS

The specific days and hours during a service period that a child will attend child care as determined by the child care worker, the parent and the provider based on the parents verified eligible activity schedules, the child's school schedule, and any other factors relevant to the families child care needs.
(Legal Authority: **MN Rules 3400.0020, Subp. 38b**)

SCHOOL AGE

- **Licensed Family Child Care:** A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if the child has a verified special need. For information on Special Needs, see Chapter 9.54 (Special Needs).
- **Legal Non-Licensed Family Child Care:** Follow the Licensed Family Child Care definition.**
- **Licensed Center Child Care:** A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if the child has a verified special need. For information on Special Needs, see Chapter 9.54 (Special Needs).**
- **License Exempt Centers:** Follow the Licensed Center Child Care definition.**

**CCAP recommends that counties consider a child to be school age (for payment purposes) on September 1st following the child's 5th birthday unless the parent informs the county that the child will not be starting school in September of that year. In this case, the child would not be school age until September 1st of the following year. If a child starts school before the child's 5th birthday, the child is considered school age on the day the child starts school.

(Legal Authority: **Minnesota Statutes 245A.02, Subd. 19; Minnesota Rules 9503.0005**)

SMI

State Median Income.

SSI

See SUPPLEMENTAL SECURITY INCOME.

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STUDENT

A person enrolled in an educational program as defined by the definition of EDUCATION PROGRAM.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 40)

SUPPLEMENTAL SECURITY INCOME

A program operated by the Social Security Administration that provides monthly income to low income people who are AGED, BLIND, or have a DISABILITY.

SUSPENDED

The family remains eligible up to 1 year if there are temporary breaks when child care assistance is not needed. See Chapter 8.9 (Suspending).

TEMPORARY ABSENCE

A period of time a family member is physically absent from the family's residence but still included in the household size as he/she intends to return to the residence. See Chapter 5.6 (CCAP Family – Temporary Absence).

(Legal Authority: Minnesota Rules 3400.0020, Subp. 40a)

TEMPORARY INELIGIBILITY

When a family has been receiving child care assistance and a change makes them ineligible and the ineligibility is believed to be temporary, the family's position in CCAP should be reserved. The case remains active for a maximum of 90 days, one academic semester/quarter, or until deactivated from military service (if a family had been receiving child care assistance but increased income from active military service made them ineligible). Payments cannot be made while a family is temporarily ineligible. See Chapter 8.6 (Temporary Ineligibility).

(Legal Authority: Minnesota Statutes 119B.09, Subd. 4a; Minnesota Rules 3400.0040, Subp. 17)

TODDLER

- **Licensed Family Child Care:** A child is a toddler at 12 months of age up to 24 months of age.
- **Legal Non-Licensed Family Child Care:** Follow the Licensed Family Child Care Definition.
- **Licensed Center Child Care:** A child is a toddler at 16 months of age up to 33 months of age. A child in center care may be considered to be a toddler up to 35 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.
- **License Exempt Centers:** Follow the Licensed Center Child Care definition.
(Legal Authority: Minnesota Statutes 245A.02, Subd. 19; Minnesota Rules 9503.0005; Minnesota Rules 9503.0040)

TRANSITION YEAR CHILD CARE

Child care assistance used to support employment or job search for families who have received MFIP assistance or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance or who have received DWP assistance for at least 3 of the last 6 months before losing eligibility for MFIP or DWP. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 20)

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TRANSITION YEAR EXTENSION CHILD CARE

Child care assistance used to support employment or job search for families who have completed their transition year of child care assistance and who are eligible for, but on a waiting list for, basic sliding fee services, for the duration of time necessary for the families to be moved from the basic sliding fee waiting list into the basic sliding fee program.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 20a)

UNITARY RESIDENCE

The 2-month period when a county remains financially responsible for child care assistance benefits after a participant moves from that one county to another county.

MFIP OVERVIEW**4.3.3.3**

MFIP is the Minnesota Family Investment Program. Its purpose is to provide temporary assistance to support families in the process of becoming economically stable. MFIP emphasizes and rewards work. Eligibility is limited to 60 months in a lifetime, with some exceptions.

The MFIP grant includes both a cash and food portion by combining federal or state family cash assistance and the Supplemental Nutrition Assistance Program (SNAP). It is the cash portion of the grant which is time-limited. See Chapter 4.3.3.6 (Opting out of MFIP Cash) for its effect on CCAP eligibility.

In a two parent household when one parent is on MFIP and continues to meet the eligibility requirements for MFIP and the other parent is not included in the MFIP grant, they can still receive MFIP child care if the other parent meets BSF eligibility requirements.. Examples of this would be when one parent receives SSI or when one parent has been disqualified from MFIP for fraud. See Chapter 4.3.12.6 (BSF Authorized Activities & Hours) for further information about BSF program eligibility requirements.

LEGAL AUTHORITY

Minnesota Statute 119B.05

Minnesota Rule 3400.0080

TRANSITION YEAR (TY)

4.3.6

Transition Year (TY) Child Care is available to families whose MFIP or DWP closes, and who meet other criteria provided below. Transition Year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Families must have received MFIP or DWP for at least 3 of the 6 months prior to the closing of their cash assistance. For example, a family whose MFIP was closed effective December 1st would have to have received MFIP or DWP (or a combination of both) for at least 3 months in the period from June through November.

NOTE: Families who choose to “opt out” of the MFIP cash portion are still considered MFIP participants.

In most TY cases, families were receiving MFIP child care assistance before their cash assistance closed and continue to need child care assistance after cash assistance closing. Move these families from MFIP child care assistance to TY child care assistance. When there is no break in receipt of child care assistance:

- Do not require a new application.
- The family’s income must be at or below 67% of State Median Income (SMI) to be eligible for TY.

Former MFIP or DWP participants can apply for TY for up to 12 months after their cash assistance closes. In the example provided above, the family would be able to apply for TY through the following November, but their TY eligibility would end November 30th.

If the family did not receive MFIP child care assistance, applied during their Transition Year, and their income exceeds 47% of SMI, the family is not eligible for child care assistance.

When there is a break in receipt of child care assistance, determine whether the family’s income must be at or below 47% of SMI or 67% of SMI in order to meet TY eligibility requirements.

- If the family was eligible but did not need care during the break in receipt of child care assistance, the family’s income must be at or below 67% of SMI.
- If the family was not eligible during the break in receipt of child care assistance, the family’s income must be at or below 47% of SMI.

Consider the following examples:

1. MFIP closes 3/1 and family is eligible for continued child care assistance but has no child care needs at this time. MFIP child care is closed. Family applies for TY in July because they now have child care needs. All other eligibility factors remain the same.

At the time of MFIP closing this family was eligible but had no child care needs. This may have been a family with school age children and there were no child care needs until summer. The TY case could have remained open with suspended status. If the county child care worker closed the child care case rather than suspend it, the TY case should be opened and the family is not required to meet the 47% SMI. Although there actually were interrupted services, the family continued to be eligible and has met the 47% SMI entry requirement in the first program of service (MFIP). The applicant would not need to meet 47% SMI entrance level income limit.

2. MFIP participant is a 22 year old college student on 3/1 when MFIP closes and is not TY eligible. The county has Basic Sliding Fee (BSF) waiting list. In July the participant applies for TY because she is employed.

Because Transition Year may only be used to support employment and job search related expenses, this participant is not eligible for continued assistance through TY and could not be added to BSF because the county has a waiting list. The applicant would need to meet

TRANSITION YEAR (TY)**4.3.6**

47% SMI entrance level income limit when applying for TY in July because of interrupted services when the applicant was not eligible.

For payment purposes, retroactive eligibility cannot go back further than 6 months prior to the date the application was received by the county agency. Refer to the MEC² User Manual for instructions.

The family needs to cooperate with child support enforcement in order to approve eligibility for TY.

If a family begins receiving MFIP again, move the family to MFIP child care assistance and consider the following when the MFIP case closes again:

- Look at the previous 6 months. If the family received MFIP or DWP for 3 of those previous 6 months, the family qualifies for a new 12 months Transition Year Period.
- Look at the previous 6 months. If the family received MFIP or DWP for only 1 or 2 of those previous 6 months, the family is eligible for the remaining months of the original Transition Year period. Treat the month or months on MFIP as a suspension of the TY child care benefit but not a suspension of the Transition Year period.

Once families complete their 12 months of TY eligibility, move them to Basic Sliding Fee (BSF) child care if:

- They remain eligible.
- Your county has BSF funds available.
- Your county does not have any higher priority families on the waiting list.

TRANSITION YEAR AND WAITING LIST REQUIREMENTS

If your county does not have BSF funds available at the end of a family's transition year, move the family to Transition Year Extension (TYE) and add them to your BSF waiting list as 2nd priority.

Transition Year families are placed on the waiting list and should be reported on the waiting list the date their Transition Year period ends. Their effective date for the waiting list is the date they 1st became eligible to apply for TY.

- If a TY family moves to a new county, the family's effective date for the waiting list in the original county shall transfer with the family.
- If a TY family is eligible for TY child care but does not need child care for a period of up to 1 year, the family retains their effective date for the waiting list and is added to the 2nd priority waiting list at the end of their transition year.

STUDENTS

If at least one parent in the family is under age 21 and pursuing a high school or general equivalency diploma and BSF funds are not available, the family will receive MFIP/DWP child care for student parents if eligibility requirements are met, rather than TY child care. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents) and Chapter 4.3.15.6 (MFIP/DWP Child Care for Student Parents – Subprogram Changes).

TRANSITION YEAR (TY)**4.3.6**

If the family does not meet the eligibility requirements for MFIP/DWP child care for student parents, determine whether the family can be served under BSF, rather than TY child care:

- If a parent has an educational activity that meets the county requirements for an approved BSF education plan when their MFIP closes, that family could be served in the BSF program as soon as BSF funds are available.
- The family cannot be served before 1st priority applicants (including those receiving MFIP/DWP child care for student parents) or 2nd priority applicants with earlier effective dates when there is a BSF waiting list.

If the family is not eligible for MFIP/DWP child care for student parents and is not served under BSF, the family should be approved for TY child care if eligibility requirements are met. Education is not an authorized activity for TY. Care may be authorized for TY authorized activities. See Chapter 4.3.6.3 (TY Authorized Activities).

A full-time student retains full-time status during school breaks, including summers, if the student is expected to return to school full time after the break.

LEGAL AUTHORITY

Minnesota Statutes 119B.011

Minnesota Statutes 119B.06, subd. 1

Minnesota Statutes 119B.09

Minnesota Rules 3400.0060, subd. 7

Minnesota Rules 3400.0090

TRANSITION YEAR EXTENSION (TYE)**4.3.9**

Transition Year Extension (TYE) was designed to provide continuous child care assistance to families who complete their 12 months of Transition Year (TY), continue to be eligible, but cannot be moved into Basic Sliding Fee child (BSF) because your county lacks funds and has a waiting list. Approve TYE and retain the family on the Basic Sliding Fee (BSF) waiting list as 2nd priority. There is no time limit on TYE.

If a case is scheduled to transfer from TY to TYE during a period of temporary ineligibility, the case should be considered eligible for TYE. Although MEC² suppresses the program switch due to the "temporarily ineligible" (TI) status, the family was given up to 90 days to become eligible for assistance and this status should take precedence. These cases should not be treated differently than a TY case that would have up to 90 days of TI and once again become TY eligible.

Transition Year Extension (TYE) child care may be used to support employment of at least an average of 20 hours per week, or 10 hours per week if the family member is a full time student and earning at least the applicable minimum wage. Job search is available for up to 240 hours per calendar year. TYE is available for the time necessary for families to be moved from the (BSF) waiting list into the (BSF) program. TYE families are not to be considered TY families.

If BSF funds become available and there are no 1st priority applicants, move TYE families into the regular BSF program. First serve families who have been in TYE the longest. See Chapter 4.3.12 (Basic Sliding Fee) for more information.

LEGAL AUTHORITY

Minnesota Statutes 119B.011

BSF AUTHORIZED ACTIVITIES & HOURS**4.3.12.6**

Basic Sliding Fee (BSF) child care assistance can be authorized for:

- Job Search.
- Education.
- Employment.
- Any combination of the above.

Authorize no more than 240 hours of job search per calendar year.

See Chapter 4.3.12.3 (BSF Students) for policies regarding authorizing BSF for education.

To authorize BSF to cover employment hours, require employment of at least an average of 20 hours per week and receipt of at least the applicable minimum wage for all hours worked. If the compensation is other than an hourly wage, divide the earned income by the number of hours worked to determine if this requirement is met.

If a full-time student also requests child care assistance for employment hours, require employment of at least an average of 10 hours per week and receipt of at least the applicable minimum wage for all hours worked. The training or education may or may not be approved by the county. The full-time student status needs to be verified. A full time student retains full time status during school breaks, including summers if the student is expected to return to school full time after the break.

If a student is not working or does not want child care assistance for the hours they are working, there is no minimum work requirement.

LEGAL AUTHORITY

Minnesota Statutes 119B

BSF PRIORITIES**4.3.12.9**

Each county or tribe receives an annual capped allocation for Basic Sliding Fee (BSF) child care assistance. When funding is not available, establish a written record of applicant families who would be eligible if funding was available. Sort the list by the priorities provided below.

1st Priority

Non-MFIP/DWP applicants without a high school or general equivalency diploma, or who need remedial and basic skill courses in order to pursue employment or education leading to employment. Students must be participating in the education program. Within this group, give priority to:

- Parents under age 18.
- Parents 18-20.
- Parents 21 and older.

Families within this priority may be eligible for MFIP/DWP child care for student parents until funding becomes available, if the parent is under age 21, is pursuing a high school or general equivalency diploma, and is not an MFIP participant. Families that appear eligible for MFIP/DWP child care for student parents should be given a child care application. Families receiving MFIP/DWP child care for student parents must be reported on the waiting list as priority 1 while they receive MFIP/DWP child care for student parents. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents).

2nd Priority

Transition Year families are placed on the waiting list effective the date their Transition Year (TY) period ends, however their effective date for the waiting list is the date they first became eligible to apply for TY. If the family moves, their waiting list date transfers with them. If their name reaches the top of the waiting list before TY ends, continue TY and encumber BSF funds for the months remaining in the allocation period. Use the encumbered funds when TY ends.

The length of time on the waiting list reported to DHS should NOT include time spent in TY child care. Do not include families who are still in their transition year of child care on the waiting list reported to DHS.

Move TY families into BSF child care as soon as possible after completion of TY. If the family's name doesn't reach the top of the waiting list by the end of TY, transfer the family to Transition Year Extension (TYE) until BSF funding becomes available. The family retains their TY waiting list date after moving to TYE.

Also give 2nd priority to families who receive less than 3 months of DWP benefits. These families are not eligible to receive TY child care, but are 2nd priority for BSF.

3rd Priority

Families who are eligible for portability pool BSF assistance. Families remain in this priority even if their portability pool assistance ends. See Chapter 4.3.12.15 (BSF Portability Pool). Report families in this priority starting with the month that they become eligible for portability pool funding. The family's effective date on the waiting list should be the date of the family's move.

4th Priority

Families in which at least 1 parent in the CCAP family is a veteran as defined under Minnesota Statutes section 197.447. A veteran is a US citizen or resident non-citizen separated under honorable conditions from any branch of the US armed forces after:

- Serving on active duty for 181 consecutive days.

OR

- Incurring a disability while serving on active duty.

BSF PRIORITIES

4.3.12.9

OR

- Meeting the minimum active duty requirement.

OR

- Has active military service certified a discharge under honorable conditions.

5th Priority

All other eligible families. Agencies may set priorities within this category. Check your county's or tribe's Child Care Fund Plan to see if subpriorities have been established by your agency. For the definition of County and Tribal Child Care Fund Plan, see Chapter 2 (Glossary).

LEGAL AUTHORITY

Minnesota Statutes 119B.03

Minnesota Statutes 119B.011

Minnesota Rules 3400.0060

EMPLOYMENT AND TRAINING REQUIREMENTS

4.6

Applicants and participants must meet employment, (work study must be counted as employment), education, and training requirements as outlined below to be eligible for child care assistance.

- **SINGLE PARENT, UNMARRIED LEGAL GUARDIAN OR ELIGIBLE RELATIVE CAREGIVER**

The applicant or participant must meet employment, education, or training requirements and other eligibility requirements of the child care assistance program-the family is applying or-participating in. Participants (not new applicants) may be eligible during a medical leave. See Chapter 9.36 (Care During Medical Leaves of Absence) for additional information.

- **TWO PARENTS, A PARENT AND STEPPARENT, A LEGAL GUARDIAN AND SPOUSE, OR AN ELIGIBLE RELATIVE CAREGIVER AND SPOUSE**

At least 1 parent, legal guardian, eligible relative caregiver, or spouse must meet employment, education, or training requirements and other eligibility requirements of the child care assistance program the family is applying or participating in. The other parent, legal guardian, eligible relative caregiver, or spouse must:

- Meet employment, education, or training requirements and other eligibility requirements of the child care assistance sub-program the family is applying or participating in.

OR

- Be unable to care for the applicant's child or dependent as determined by a licensed physician, licensed psychologist, or the local social services agency. The condition of the parent who is determined to be "unable to care" may be permanent or temporary. The [Parent Medical Condition Form \(DHS-6305\)](#) can be used to verify that a parent or other parentally responsible individual (PRI) in the household has a medical condition and is unable to provide care for their child(ren).

LEGAL AUTHORITY

Minnesota Statutes 119B.011

Minnesota Rules 3400.0040

COOPERATION WITH CHILD SUPPORT

4.9

Require all new applicants and current recipients to cooperate with child support for all minor children in the home with an absent parent. See Chapter 4.9.3 (Child Support Enforcement Referral Process).

Consider applicants to be cooperating when the Referral to Support and Collections form ([DHS-3163B-ENG](#)) and [Cooperation with Child Support Enforcement form \(DHS-2338\)](#) are signed and filled out.

Cooperation with child support may include:

- Establishing paternity.
- Establishing a support order.
- Modifying a support order.
- Enforcing of an existing support order.

It also includes the following, as determined necessary by child support enforcement:

- Providing all known information relevant to the absent parent such as name, address, social security number, phone number, place of employment or school, and the names and addresses of any relatives.
- Appearing at interviews, hearings and legal proceedings.
- If under a judicial or administrative order, submitting to genetic tests including genetic testing of the child.
- Providing additional information necessary to cooperate in good faith with the child support agency.

If a court order establishes child care support for a child in care and subsidized by the Child Care Assistance Program, require the parent to assign this type of support to the State. Assignment of child care support is a condition of eligibility for child care. The Referral to Support and Collections form ([DHS-3163B-ENG](#)) is used for this purpose. If a client is receiving or has applied for the Minnesota Family Investment Program (MFIP), it is the financial worker's responsibility to have an applicant complete and sign the Referral to Support and Collections form ([DHS-3163B-ENG](#)). Notify the applicant or recipient in writing of the right to claim a good cause exemption from cooperation with child support enforcement. If the client claims good cause, the Cooperation with Child Support Enforcement-Client Statement of Good Cause ([DHS-2338-ENG](#)) is used. See Chapter 4.9.6 (Child Support Good Cause Claim).

If an applicant or participant claims Good Cause and has been issued an identification card by the Secretary of State showing that they are a participant in the Safe at Home program, the Good Cause Committee should automatically grant the Good Cause. The Department of Human Services (DHS) policy accepts participation in the Safe at Home program as clear evidence that there are significant safety concerns. If the Safe at Home participant does not claim Good Cause, the child support case must remain open to establish or enforce a court order, while the address continues to be protected.

See Combined Manual Chapter 12.21.06 (Child Support Good Cause Exemptions).

Consider applicants to NOT be cooperating when the family refuses to sign the [Referral to Support and Collections form \(DHS-3163B-ENG\)](#) or the [Cooperation with Child Support Enforcement form \(DHS-2338\)](#).

LEGAL AUTHORITY

Minnesota Rules 3400.0040

Minnesota Statutes 119B.09

Minnesota Statutes 256.741

DATE OF ELIGIBILITY**4.12**

The date eligibility begins depends on the sub-program the family is eligible for.

MFIP/DWP

- Approve eligibility for employed persons not participating in employment services beginning the later date of:
 - The date of employment or approved job search.
- OR
- The date of MFIP or DWP eligibility.
- Retroactive eligibility cannot go back further than 6 months prior to the application date.
- Approve eligibility for participants in employment services beginning the later date of:
 - The date of commencement of the services.
- OR
- The date of MFIP or DWP eligibility

TRANSITION YEAR (TY)

- Approve eligibility the 1st day of the month after the family loses eligibility for MFIP or DWP if the family is eligible. Make child care payments retroactive to this date if the family has maintained eligibility during the entire time period. Payments of child care assistance may only be made retroactive for a maximum of 6 months from the CCAP application date.
- If the family has not maintained eligibility during the entire time period between when MFIP or DWP eligibility ended, then the family will need to reapply. Make child care payments retroactive to the date TY eligibility requirements were met after MFIP or DWP eligibility ended. TY requirements include income entrance limits as described in Chapter 4.3.6 (Transition Year (TY)).
- A family with verifiable continued CCAP eligibility does not need to meet the income entry requirement.

TRANSITION YEAR EXTENSION (TYE)

- Approve eligibility the date the family completes their Transition Year child care and is eligible for but are on a waiting list for Basic Sliding Fee.

BASIC SLIDING FEE (BSF)

Approve child care assistance beginning the later date of:

- The date the application was received by the agency.
- OR
- The beginning date of employment, approved education or training, or approved job search.

For information on provisional payments, see Chapter 2 (Glossary), Chapter 9.3 (Payments to Providers).

MFIP/DWP CHILD CARE FOR STUDENT PARENTS

Approve child care assistance beginning the later of:

- The date the application was received by the agency.
- OR
- the date the parent began pursuing an approved high school or general equivalency diploma education activity.

For information on provisional payments, see Chapter 2 (Glossary), Chapter 9.3 (Payments to Providers).

LEGAL AUTHORITY

Minnesota Rules 3400.0040

Minnesota Statutes 119B.09

DETERMINING THE CCAP FAMILY**5.3**

For information on what constitutes a family for the Child Care Assistance Program (CCAP), see the definition of FAMILY in Chapter 2 (Glossary).

ADULT FAMILY MEMBERS LIVING OUT OF THE HOUSEHOLD

An adult family member who is not in an authorized activity may be temporarily absent for up to 60 days. People may remain in a Child Care Assistance Program (CCAP) family while temporarily absent under certain conditions; see Chapter 5.6 (CCAP Family - Temporary Absence).

DEPENDENT ADULT STUDENTS

An adult age 18 or older who meets the definition of family and is a full-time high school or post-secondary student may be considered a dependent member of the family if 50 percent or more of the adult student's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same family.

To include the adult student as a dependent in the family, the family must verify:

- The adult dependent's student status.
- That the family provides 50 percent or more of the dependent students support.
- All other eligibility factors required for members of the CCAP family.

See the following chapter sections for more information:

- 7.3 (Verification – Initial Application).
- 7.6 (Verification – Eligibility Redetermination).
- 7.9 (Income Verification).

Agencies may want to set up criteria for determining the level of family support for adult students. Suggestions include determining household costs, for example, rent, utilities, and food. Divide the amount by the total number of family members. Assign a percent to each member, and then compare that to the adult student's income. The adult student's earned and unearned income must be included in determining the household income, if the adult student is included in the family, unless the adult student is under the age of 19 and has not earned a high school diploma or GED.

MINOR PARENTS LIVING WITH OTHER RELATIVES

When a minor parent or parents and his/her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children.

PARENTING TIME ARRANGEMENTS – CHILD RESIDES IN MULTIPLE HOMES

CCAP does not require a child to be in the home of any parent for a certain percentage of time to receive child care assistance.

When a child resides in multiple homes, all families can apply for child care assistance. Parenting time arrangements are an example of this. The child is considered to be temporarily absent from each home during the time the child is not in residence in that home. The child is included in the household size in all homes. Child care assistance can only be paid on each case during the time the child is residing with that parent. All cases would have to cooperate with child support enforcement as there is an absent parent in each case. Eligibility, income, copayment, and household size are determined separately for each case.

When a child resides in more than one home and care is needed by all parents who use different providers, care should be authorized to avoid the payment of absent days to all of the parent's provider when care is being paid to another parent's provider.

DETERMINING THE CCAP FAMILY**5.3****GUARDIANS**

To receive child care assistance, the applicant must be the parent, step-parent, legal guardian, legal guardian's spouse, eligible relative caregiver, or eligible relative caregiver's spouse, of the child. The relationship of the child to the applicant must be verified.

- Legal guardian means a person has been appointed or accepted as guardian by a court of jurisdiction or tribal law.
- Eligible relative caregiver means a person who is a caregiver of a child receiving a Minnesota Family Investment Program (MFIP) grant or who is an MFIP participant and the caregiver of a child.

Kinship caregivers (relative custodians) receiving Northstar Kinship Assistance must meet one of the legal guardian definitions above in order to receive child care assistance for the child. If the Kinship caregiver meets one of the legal guardian definitions above, the child is included in the family size. If the Kinship caregiver does not meet one of the legal guardian definitions above, the child is not included in the family size.

There are other situations in which a non-parent caretaker may consider themselves a guardian but are not considered family by CCAP. For example:

- Foster parents are not considered legal guardians for CCAP purposes. Foster children are not included in the foster parent's family size.
- A person with a notarized Delegation of Power by Parent does not meet the definition of legal guardian.

CASE EXAMPLES

The Department of Human Services (DHS) has developed a series of case examples to assist you in determining the CCAP family. See Chapter 5.9 (CCAP Family Composition Examples).

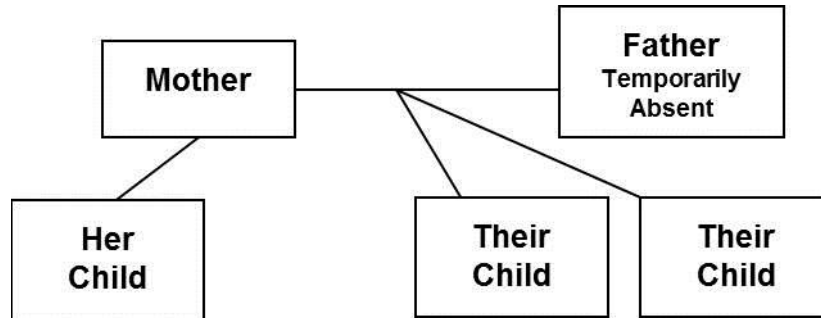
LEGAL AUTHORITY

Minnesota Statutes 119B.011, Subd. 13

CCAP FAMILY COMPOSITION EXAMPLES

5.9

2-PARENT MARRIED FAMILY (1 TEMPORARILY ABSENT)



Mother Working 40 hours per week.
Father Temporarily absent from home and intends to return.
Family Size 5

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

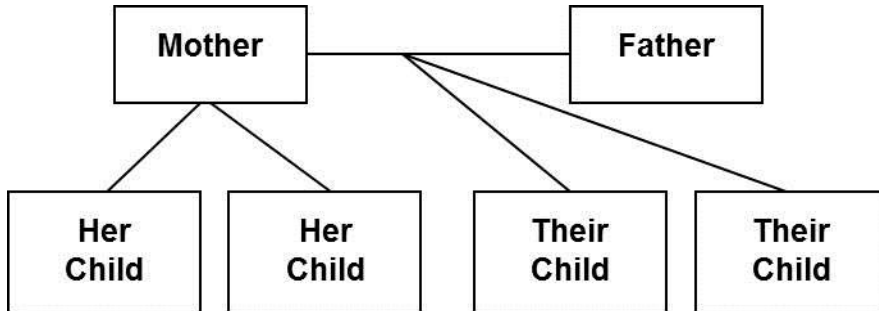
BSF Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

MFIP Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

TY Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

CCAP FAMILY COMPOSITION EXAMPLES

2-PARENT MARRIED BLENDED FAMILY



Mother Attending School.
Father Working 40 hours per week.
Family Size 6

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

- BSF** Eligible with an approved education plan.

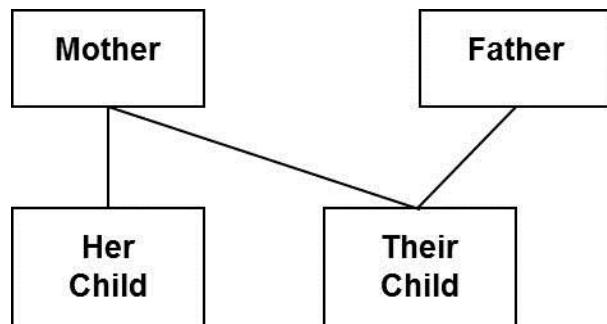
- MFIP** Eligible with an approved Employment Plan for the mother.

- TY** Not eligible. School is not an authorized activity for TY.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

2-PARENT UNMARRIED BLENDED FAMILY



Case Scenario 1

Mother Working 35 hours per week.
Father No authorized activity.
Family Size 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Eligible for her child only. Father could NOT be paid to care for her child.
MFIP Eligible for her child only. Father could NOT be paid to care for her child.
TY Eligible for her child only. Father could NOT be paid to care for her child.

Case Scenario 2

Mother Temporarily absent from the household, no authorized activity
Father Working 40 hours per week
Family Size 4

If the family meets general eligibility for CCAP and the temporarily absent parent will return to the household within 60 days, continue to authorize care for both children as needed.

BSF Eligible for both children up to 60 days*, after 60 days only eligible for mutual child.
MFIP Eligible for both children up to 60 days*, after 60 days only eligible for mutual child.
TY Eligible for both children up to 60 days*, after 60 days only eligible for mutual child.

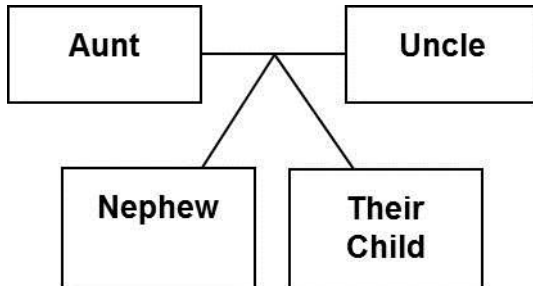
*If the temporarily absent parent is in an authorized activity, there is no limit on the length of time that the parent may be absent as long as they intend to return.

Refer to CCAP Policy Manual 5.6.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

ELIGIBLE RELATIVE CAREGIVER OR LEGAL GUARDIAN FAMILY



Mother Working 35 hours per week.
Father Working 40 hours per week.
Nephew MFIP, child-only grant.
Family Size 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Eligible.

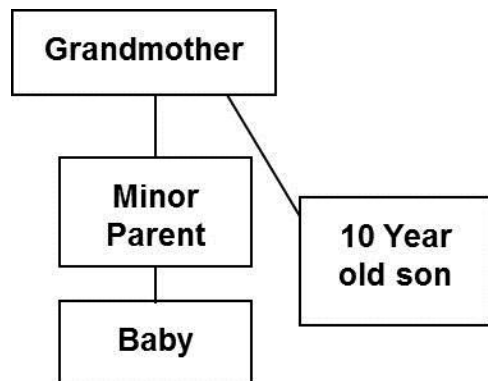
MFIP No. Would be eligible only if aunt and/or uncle (applicant for CCAP) are on the MFIP grant.

TY No. Would be eligible only if aunt and/or uncle (applicant) had been on MFIP for 3 out of the previous 6 months.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

MINOR PARENT FAMILY LIVING WITH HIS OR HER PARENT



Grandmother Working 40 hours per week.

Minor Parent Attending High School.

Family Size Two families of 2 or 1 family of 3 depending on whether minor parent applies for and receives CCAP

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.
Family A = Grandmother, Minor Parent, and 10 Year old.

OR

Family B = Grandmother and 10 Year old.

AND

Family C = Minor Parent and Baby.

BSF Family A/B Family could apply for assistance for 10 year old while the grandmother works.

Family C Child care is available while minor parent attends school with an approved education plan.

MFIP Family A/B Grandmother could apply for assistance for 10 year old while she works.

Family C Minor parent must have an approved Employment Plan.

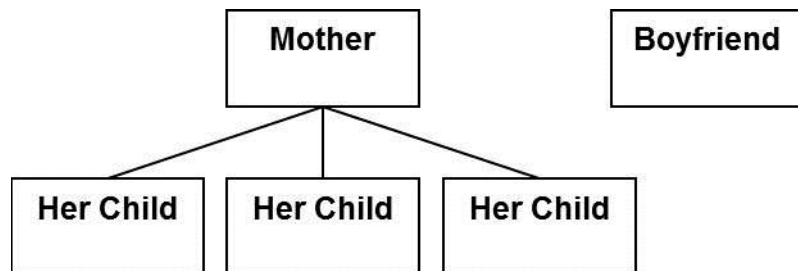
TY Family A/B Family would be eligible for child care for 10 year old while grandmother works if she has been on MFIP for 3 out of the previous 6 months.

Family C Not eligible. School is not an authorized activity for T. Year.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

UNMARRIED PARENT LIVING WITH BOYFRIEND

**Case Scenario 1**

Mother Working days, 30 hours per week
Father Working intermittently, some days and some nights.
Family Size 4 (boyfriend does NOT meet the definition of family and is not considered part of the CCAP family.)

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Eligible for mother's work activity.

MFIP Eligible for mother's work activity.

TY Eligible for mother's work activity.

Case Scenario

Mother and boyfriend get married.

Mother 30 hours per week.

Husband Working some days and some nights, 30 hours per week.

Family Size 5.

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Eligible for times when both mother and her husband are simultaneously in authorized activities.

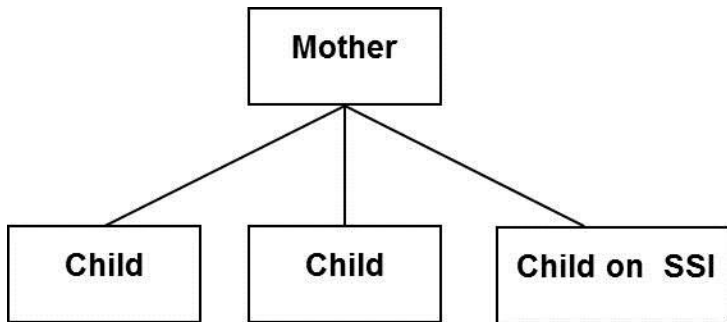
MFIP Eligible for times when both mother and her husband are simultaneously in authorized activities.

TY Eligible only if the mother was previously MFIP.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

UNMARRIED PARENT WITH A CHILD ON SSI



Mother Receives MFIP for herself and 2 out of her 3 children. The other child receives SSI. Family.

Family Size 4 (The child that receives SSI meets the definition of family and is considered a member of the CCAP family).

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Not eligible.

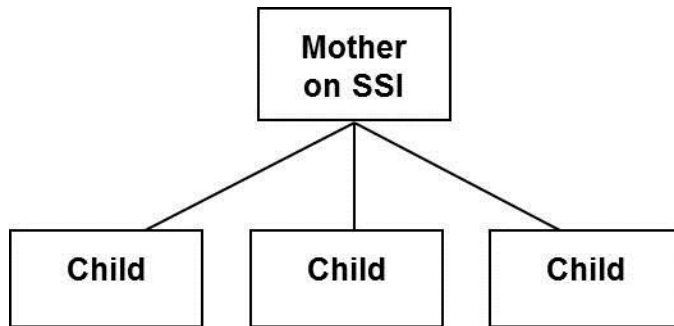
MFIP Eligible (determined by the applicant's status).

TY Not eligible.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

UNMARRIED MOTHER ON SSI



Mother Receives SSI.
Family Size 4. The mother receives SSI and meets the definition of family. She is considered a member of the CCAP family.

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF Eligible to apply (determined by the applicant's status). SSI is excluded income.

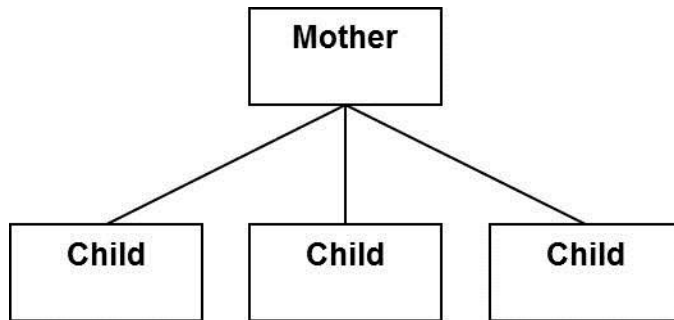
MFIP Not Eligible.

TY Not eligible.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

MOTHER DISQUALIFIED DUE TO FRAUD



Mother	Not on MFIP because of MFIP fraud disqualification (NOT a MFIP child care fraud.).
Children	3 children receive MFIP.
Family Size	4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF	Eligible to apply (determined by the applicant's status). If MFIP closes, family would continue to be eligible for BSF.
MFIP	Not Eligible.
TY	Not eligible.

LEGAL AUTHORITY

Minnesota Statutes 119B.011

Minnesota Rules 3400.0040

ANNUALIZING SEASONAL AND TEMPORARY EARNED INCOME 6.15.18

Temporary income is income that is known to be ending prior to the end of the family annualization period. Seasonal income is temporary income that is expected to reoccur annually.

Count the amount of temporary income that the client expects to receive during the annualization period. Annualizing seasonal income or other temporary income as on-going income will not give an accurate assessment of annual income available to the family. It is recommended that workers use the method of income calculation that provides the most accurate assessment of annual income available to the family.

Refer to the “Enter Temporary Income” Section of the MEC² User Manual for instructions on entering seasonal and temporary income.

LEGAL AUTHORITY

Minnesota Statutes 119B.011

Minnesota Statutes 119B.09

Minnesota Rule 3400.0170

FAMILY COPAYMENT**6.21**

Child care assistance families are required to pay the family copayment fee. When a family fails to pay the required family copayment fee, the family is ineligible for child care assistance until:

- The fees are paid.
- OR
- The family reaches an agreement for payment with the provider and the county.
- AND
- The family continues to comply with the payment agreement.

The copayment amount is based on family size and annual income after allowable deductions. It is the provider's obligation to collect or waive copayments.

Some providers apply the amount paid by the family to the oldest fees or to the amount that is more than the county maximum rate. In these cases, the provider considers the copayment not to have been paid and may indicate this on the billing voucher. Consider the family to have met their requirement if the family is able to document that an amount has been paid that is equal to or greater than their copayment.

If someone outside the family pays the copayment on behalf of the family, or the provider waives the copayment, the provider must keep a record of these transactions. Do not consider this as income for the family. Consider the family's copayment requirement to have been met.

Copayments are graduated to provide movement of families to full payment of child care costs as their income increases.

During the biweekly period when the family first receives service, MEC² will prorate the copayment based on the number of calendar days left in the biweekly period.

When family income increases, or the family receives a lump sum resulting in an increased copayment, provide a 15-day notice of adverse action to the family and provider. Make the increased copayment effective with the biweekly copayment period after the 15 day notice period.

For the Bi-Weekly Copayment Schedules, select the applicable time period:

[BI-WEEKLY COPAYMENT SCHEDULES effective October 12, 2015 \(PDF DHS-6413D\)](#)

[BI-WEEKLY COPAYMENT SCHEDULES effective October 13, 2014 \(PDF DHS-6413C\)](#)

[BI-WEEKLY COPAYMENT SCHEDULES effective October 14, 2013 \(PDF DHS-6413B\)](#)

[BI-WEEKLY COPAYMENT SCHEDULES effective October 1, 2012 \(PDF DHS-6413A\)](#)

[BI-WEEKLY COPAYMENT SCHEDULES effective October 3, 2011 \(PDF DHS-6413\)](#)

Contact your agency's Technical Assistance Liaison at the Minnesota Department of Human Services for previous copayment schedules.

LEGAL AUTHORITY

Minnesota Statutes 119B.12

Minnesota Rules 3400.0100

INCOME VERIFICATION**7.9**

Verify all sources of income, including excluded income, prior to approving or denying eligibility, or continuing to authorize child care assistance. Request documentary evidence from the applicant that proves when, what type and the amount of income a family member receives. A Minnesota Family Investment Program/Diversionary Work Program (MFIP) Employment Plan (EP) cannot be used as verification of income.

All income must be verified using the documentation that is the best indicator of future income. The recommended standard is the most current 30 days of verification for income other than child support tracked through PRISM. If the most current 30 days of income verification is not reflective of expected future income, a different timeframe can be used. For child support tracked through PRISM, the recommended standard is the last six months of information. If the worker uses something other than these standards, it is recommended that they case note why they deviated and how verification is used to support the income components required in the calculation of annualized income.

If the applicant or recipient cannot provide an actual document, ask him or her to provide a release of information signed by the family member receiving the income allowing you to contact the source of the income directly. A client statement cannot be used to verify income except in the following circumstances:

- Self-employment income: If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income.
- Child support income: In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application.
- Verification of the date the last paycheck was received. Verification of the date the last paycheck was received is required to confirm the end of the earned income.

EARNED INCOME

- Paycheck Stubs
 - Ask if the applicant or recipient has paycheck stubs for the timeframe that is the best indicator of future income. The recommended standard is the most current 30 days of verification. If the most current 30 days is not reflective of expected future income, such as for seasonal or temporary income, a different timeframe can be used. The paycheck stubs should specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name.
 - The worker may also use year-to-date totals as the best indicator of future income.
 - If something other than the recommended standard is used to calculate the income components, it is recommended that the worker case note what was used and how it was used to determine the income components.
- Employer Statement
 - If paycheck stubs are not available, or do not contain all the necessary information, ask the applicant or recipient to provide a letter from the employer on company letterhead with the necessary information.
 - If an employer statement is used as verification, the worker must request paycheck stubs as soon as they become available and reconcile the information on the employer statement to the information on the paycheck stubs.
 - Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment (if the county reimburses underpayments).
 - For seasonal or temporary income, paycheck stubs may not be reflective of expected future income. An employer statement can be used in combination with paycheck stubs to determine

INCOME VERIFICATION**7.9**

expected future income. The worker is not required to use the information on the paycheck stubs when calculating income if the paychecks are not reflective of expected future income.

SELF-EMPLOYMENT INCOME

Documentation of self-employment income must meet the following criteria:

- Ask for books and tax statements, if available, providing gross receipts and expenses from self-employment income.
- Self-employment business income records must be kept separate from the family's personal income records.
- If business records and personal records are not separate, ask the parent to separate income records and resubmit according to Child Care Assistance Program requirements.
- If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the participant of possible overpayment if the estimated income used does not reflect the actual income earned.
- If self-employment income is estimated at application, the worker must request verification and redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verification with the self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment if the county reimburses underpayments.
- When the federal income tax return has been filed, which reflects the current self-employment activity, review the tax records and compare with the income amount used for calculating child care eligibility in the corresponding tax year. If the current self-employment activity is not reflective of the previous year's tax statement, adjustments must be made in the amount used for future authorizations.
- If a self-employed person believes that they should not be subject to the federal minimum wage, the county should work with the applicant or client to identify the correct applicable amount. If a self-employed person believes that they should not be subject to the federal minimum wage but verification is not available, accept a statement from the person that states that they are not subject to that amount and the reason why.

UNEARNED INCOME

- All unearned income must be verified using documentation from a timeframe that is the best indicator of future income. The recommended standard is the most current 30 days of verification, excluding child support tracked through PRISM.
- For child support tracked through PRISM, the last six months of information is the recommended standard.
- For child support that is not tracked through PRISM, the recommended standard is the most current 30 days of verification.
- If the worker uses something other than these standards to calculate the income components, it is recommended that the worker case note what was used and how it was used to determine the income components.

INCOME VERIFICATION

7.9

Examples of acceptable documentation of unearned income include but are not limited to:

- Court documents providing child support and/or spousal maintenance amounts.
- Documentation from the Child Support and Collections office. In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.
- Award letters from the Social Security Administration, the Veterans' Administration, etc.
- State Verification Exchange System (SVES) interface screen prints. See Chapter 7.24 (Verification – DHS Systems).
- Bank Statements indicating interest paid on a specific account.
- Copies of checks for pensions, trust funds, annuities, unemployment compensation, etc.
- Cash settlements/awards/winnings may be verified through copies of the “letters of award” or court order or other applicable items.
- Financial aid award letter. (Unearned and excluded student income and expenses can be verified in many ways. See optional tools [Student Income Calculation Form – Child Care Assistance Program Caseworker Tool \(DHS-6974\)](#) and [Child Care Assistance Program Student Income and Expense Form \(DHS-6974A\)](#) for additional guidance and options.

INCOME DEDUCTIONS

Request verification of the amount and type of expense and allow the required amount of time for the verification to be returned (see Chapter 7.1, Verification Due Dates). If the requested verification is not received, do not allow the expense as a deduction and process the case without the income deduction.

The following are examples of acceptable verification:

- Payroll deductions as indicated on the pay stubs. Request consecutive pay stubs to verify that the deduction is ongoing.
- Copy of invoice and receipt of payment from an insurance company. The documentation provided must verify the amount and type of expense covered.
- Copy of current invoice for Minnesota Care premiums.

LEGAL AUTHORITY

Minnesota Statutes 119B.025

Minnesota Rules 3400.0170 Subp. 1

VERIFYING CITIZENSHIP AND IMMIGRATION STATUS

7.12

People who report that they are not United States citizens may have several factors that require verification. Non-citizens will generally have 1 of 2 forms (I-551 or I-94) that indicate current immigration status and the date it was attained.

Only citizenship and immigration status of the children for whom child care assistance is being sought is relevant for authorizing care for child care assistance. When child care is provided in a setting subject to public educational standards, such as Head Start or a pre-kindergarten or a school-age care program operated under public educational standards, do **NOT** verify citizenship and immigration status.

You must verify the child's immigration status if the child care is provided in a setting that is not subject to public education standards.

NOTE: an expired immigration document is NOT acceptable verification of current status. Do not assume that an expired document is an indication that the immigration status has changed or that the person should be considered undocumented. If documentation has an expiration date, track and request verification of renewed documentation prior to the expiration date. Verification of U.S. citizenship and current immigration status for the children for whom child care assistance is sought is mandatory and needed to authorize care when child care is not provided in a setting subject to public educational standards.

I-94 FORM

Effective 9/1/2015, refugees entering the United States will have I-94 immigration document issued in an upgraded format. Key differences in the new format include:

- "Class of Admission" code will indicate an individual's immigration status. "RE" indicates refugee and "AS" indicates asylee.
- The Alien Number will be listed as "Passport Number" in the new format.
- Refugees will have "D/S" (Duration of Status) listed in the "Admitted until Date" field. Refugee status is valid indefinitely and there is no end date for admission.

NOTE: the expiration date listed on the top right corner of the print out refers to the document's template and does NOT refer to expiration of the individual's immigration documentation.

Deny a family's application for child care assistance or terminate a family's child care assistance when:

- The setting where child care will be or is being provided is not subject to public educational standards (such as a Head Start or a pre-kindergarten or a school-age care program operated under public education standards).
AND
- The county cannot verify that ANY of the child(ren) for whom assistance is being sought or paid meets immigration status requirements for child care assistance.

Refer to the [Guide to Non-citizen Eligibility for Cash, SNAP and Child Care Assistance \(PDF\) \(DHS-4864-ENG\)](#) for further guidance on identifying immigration documents and determining immigration status.

Approve an application when:

- The county can verify that any of the children for whom assistance is being sought or paid have an immigration status that meets requirements for child care assistance, the case should be opened and care authorized **ONLY** for the eligible children.

LEGAL AUTHORITY

Minnesota Rules 3400.0040

Minnesota Statutes 119B.025

VERIFICATION - DHS SYSTEMS

7.24

Child Care Assistance Program participants are required to verify certain information as a condition of eligibility and to authorize care. See Chapter 7 (Verification).

For families who have received public assistance benefits through the Minnesota Department of Human Services and/or the county human service agency(s), this may mean certain information can be verified through MAXIS or various other Department systems or interfaces. This happens in two ways:

- Information is verified directly through a third-party interface. Examples of information that can be verified directly through a third-party interface include, but are not limited to:
 - Social Security numbers (SSN). An interface between MEC² and the Social Security Administration (SSA) will verify all Social Security Numbers by entering a validation code on the MEC² Member window. If the client information does not match the Social Security Number, the worker will get an Alert. The message will list the discrepancy that needs to be clarified. To clarify the information, compare the information on the Member window to the case file or contact the client for more information.
 - Social Security income verified directly through the State Verification Exchange System (SVES) interface on MAXIS. The State Verification Exchange System interface is an exchange with the Social Security Administration (SSA), which allows workers with access to verify Retirement, Survivors, and Disability Insurance (RSDI) and Supplemental Security Income (SSI) benefit information. Information coded on the STAT/UNEA panel in MAXIS does not qualify as being verified directly from the Social Security Administration; verification must come from the SVES interface.
 - Disbursed Child Support income verified directly through PRISM. For child support tracked through PRISM, the last six months of information is recommended. See Chapter 7.9 (Income Verification). Income coded on the STAT/UNEA panel in MAXIS does not qualify as being verified directly from Child Support Enforcement; verification must come from PRISM.
 - Identity and/or citizenship information verified through an Social Security Administration interface on the STAT/MEMI panel in MAXIS. The "SSA/MA Citizenship Verification" field on the STAT/MEMI panel in MAXIS interfaces directly with the Social Security Administration. If this field is coded with an "A" (indicating that citizenship was verified through the Social Security Administration), the Child Care Assistance Program recognizes this as acceptable verification of identity for that member of the Child Care Assistance Program family and/or citizenship for that child.
 - Verification information is shared through integrated fields in the MAXIS and MEC² systems. When verification information from an integrated MAXIS field carries over to MEC², but there is no documentation in the child care file, the worker must :
 - Confirm that verification exists within the agency. The worker can obtain a copy of the verification or document in Case Notes the action taken to confirm this information, the type of documentation, and how it was used to establish eligibility. It is recommended that the worker attempt to confirm that verification exists within the agency prior to requesting verification from the client.
- OR
- Request verification from the client. It is recommended that the worker request verification from the client only if they cannot confirm that verification exists within the agency.

Counties are responsible for developing best practices for inter-agency communication to determine whether system documentation exists and meets Child Care Assistance Program verification requirements. These practices must be applied consistently.

VERIFICATION - DHS SYSTEMS

7.24

CASE FILE VERIFICATION

The Internal Revenue Service has special requirements for safeguarding federal tax information (FTI) generated by the Income and Eligibility Verification System (IEVS). For more information about what qualifies as federal tax information and how to prevent unauthorized use and disclosure of this information, see Combined Manual [0010.24.21 \(IEVS Safeguarding Responsibilities\)](#).

Social Security information gathered from the State Verification Exchange System (SVES) interface is NOT considered federal tax information. Specific protocols for safeguarding federal tax information when gathering and documenting information do NOT apply to information gathered through the SVES interface.

Generally, child care workers must obtain hard copies of income verification for the child care file. See Chapter 7.9 (Income Verification). Exceptions occur when income is verified through a third-party interface. When information is verified using a third-party interface, record the source of the verification and make a screen print of the third-party interface for the case file.

- When income from Social Security is verified using the SVES interface:
 - Make a screen print of the SVES interface information for the child care case file.
 - Record a generic reference in Case Notes that includes the type of income, the date of the SVES interface response, and that a printed record of the interface information is available in the case file. As a precaution, do not include detailed information in Case Notes. For example, do NOT copy and paste any information gathered from the SVES interface and/or TPQY result messages into Case Notes.
- When income from Child Support is verified using PRISM, screen prints are not required.

LEGAL AUTHORITY

Minnesota Statutes 119B.025
Minnesota Rules 3400.0040
Minnesota Rules 3400.0170

PAYMENTS TO PROVIDERS**9.3**

Make payments to providers, unless the provider cares for children in the children's own home. Care provided in the child's home must be approved by DHS. Payment must be made directly to the family when care is provided in the child's home. This applies whether the provider is licensed or legal nonlicensed. See Chapter 9.6 (Payments to Families).

You must:

- Make payments at least monthly.
- Make payment no later than 30 days after receipt of the bill when the provider submits a bill for services within 10 days after the last date of service.
- Provide notice to both the family and provider of the payment amount, and how and when the payment will be made.

Pay the provider (or parent, if care in the home is approved) after the provider is authorized by the county, retroactive to the later of the date that:

- Child care was authorized to begin. OR
- The family became eligible. See Chapter 4.12 (Date of Eligibility). OR
- The family began using a licensed provider OR the family began using a Legal Nonlicensed provider and the provider completed training required. See Chapter 11.9 (Legal Nonlicensed (LNL) Providers).

If a provider has received an authorization of care and been issued a billing form for an eligible family, the billing form must be submitted within 60 days of the last date of service on the bill. You may pay a bill submitted more than 60 days from the last date of service (but less than 1 year) if the provider shows good cause for the delay. Good cause is defined in your County and Tribal Child Care Plan, and it must include county error.

If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, payment may only be made retroactively for a maximum of six months from the date the provider is issued a Service Authorization and billing form.

Do NOT pay a bill submitted more than a year after the last date of service on the bill.

Do NOT require participants to pay providers in advance of receiving payment from the child care fund as a condition for receiving child care assistance.

PAYMENTS FOR CHILDREN OF LICENSED FAMILY OR LEGAL NONLICENSED PROVIDERS

Licensed family child care providers and their employees and legal nonlicensed child care providers and their employees are NOT eligible to receive child care subsidies for their own children or children in their family during the hours they are providing child care or being paid to provide child care. They are eligible to receive child care assistance subsidies for their children when they are engaged in other authorized activities, as long as the hours do not overlap with the hours they provide or are being paid for providing child care services. This does not apply to child care centers and their employees.

PAYMENTS FOR CHILDREN OF CHILD CARE CENTER EMPLOYEES

Child care centers cannot be paid for children of center employees if more than half of the children attending the center receive CCAP and are the children or dependents of center employees.

DHS monitors providers' compliance with this policy. Do NOT take action to enforce this policy, unless DHS directs your agency to do so.

PAYMENTS TO PROVIDERS**9.3****ENDING PAYMENT FOR PROVIDER NON-COMPLIANCE**

County and tribal agencies that opt to do so in their County and Tribal Child Care Plan or DHS may end a provider's authorization, stop payment issued to a provider, or refuse to pay a bill submitted by the provider if the provider violates one or more of the following clauses:

- Clause 1: The provider admits to intentionally giving materially false information on the billing forms.
- Clause 2: The agency finds by a preponderance of evidence that the provider intentionally gave materially false information on the billing forms and/or attendance records.
- Clause 3: The provider violates CCAP rules, until the violations have been corrected
- Clause 4: The provider is operating after receipt of a licensing order of suspension or revocation (this occurs when providers are appealing the revocation or suspension) or a final order of conditional license, for as long as the conditional license is in effect.
- Clause 5: The provider submits false attendance reports or refuses to provide attendance records upon request.
- Clause 6: The provider gives false child care price information.

For clauses 3, 5, and 6, the agency may withhold a provider's authorization or payment for a period of time not to exceed three months beyond the time that the condition above has been corrected.

To implement these policies, complete the [Child Care Assistance Program County and Tribal Child Care Plan Amendment \(DHS-5107A\)](#) and submit it to DHS for approval.

EMPLOYEE/EMPLOYER RELATIONSHIP

Receipt of federal, state or local funds by a child care provider either directly or through a child care assistance recipient does NOT establish an employee-employer relationship between the provider and the county or state.

PROVISIONAL PAYMENTS

After a county receives a completed application from a legal nonlicensed (LNL) provider, the county may choose to issue provisional authorization and payments to the provider during the time needed to determine whether to give a final authorization to the provider. See Chapter 2 (Glossary) for the definition of provisional authorization and provisional payments. Check your County and Tribal Child Care Plan to see if your county has chosen this option.

If a provisionally authorized LNL provider does not receive final authorization by the county:

- Send notice to terminate provisional authorization and payment to the provider.

AND

- Send a notice of adverse action to notify the family using the ineligible provider that they must choose a new provider to continue to receive child care assistance

A provider's failure to receive final authorization does not cause payments made during the provisional authorization to be overpayments.

LEGAL AUTHORITY

Minnesota Statutes 119B.09

Minnesota Statutes 119B.13

Minnesota Rules 3400.0110

Minnesota Rules 3400.0185

Minnesota Statutes 119.125

DETERMINATION OF PAYMENT AMOUNTS**9.9**

The payment amount is the provider's rate, not to exceed the CCAP maximum rate, minus the family copayment. See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments), Chapter 9.27 (Higher Rates for Quality - Accreditation/Credential), Chapter 9.30 (Higher Rates for Quality – Parent Aware Rated Providers), and Chapter 6.21 (Family Copayment)

Base the maximum payment rate on the county where child care is provided. Pay out-of-state providers based on the participant's county of residence.

Do not pay more than the CCAP maximum rate or the rate the provider charges to private pay families, whichever is lower. Do not place other limits on the payment amount.

The payment amount is based on:

- the county where care is provided,
- the age of the child,
- the type of the provider,
- provider's charge,
- number of hours of child care that are authorized,
- hours the child is scheduled to be in care.

When the provider charge is more than the amount CCAP can pay, the parent is responsible for the additional amount plus the family co-payment fee.

LEGAL NONLICENSED PROVIDERS (LNL)

Legal nonlicensed child care providers can only be paid by the hour. CCAP cannot pay for more than 10 hours of care in one day. CCAP cannot pay for more than 50 hours of care in one week.

LICENSED PROVIDERS AND LICENSE EXEMPT CENTERS

For children attending licensed family child care providers, licensed centers, and license -exempt centers, if the child is authorized and scheduled for:

- More than 35 hours per week with a single provider, CCAP will pay the maximum weekly rate, not to exceed the provider charge.

OR

- 35 hours or less per week with a single provider and:
 - More than 5 hours per day with a single provider, CCAP will pay the maximum daily rate, not to exceed the provider charge. CCAP cannot pay more than the maximum weekly rate for one week of care.
 - 5 hours or less per day with a single provider, CCAP will pay the maximum hourly rate for each hour of care, not to exceed the provider charge. CCAP cannot pay more than the maximum daily rate for one day of care. CCAP cannot pay more than the maximum weekly rate for one week of care

During the school year for school age children, before and after school age care providers sometimes use "session rates." In these cases, the hours of care authorized will determine if an hourly, daily or weekly rate may be paid. Payment will be the lesser of the CCAP maximum rate or the provider charge. See Chapter 9.1 (Child Care Authorization) for more information on authorizing care for school age children.

MAXIMUM AUTHORIZATION AND PAYMENT

Do NOT authorize or pay for more than 120 hours of child care assistance per child every biweekly period.

Count all hourly rates paid to legal non-licensed providers towards the 120 hours.

To convert child care paid on a full-day or weekly basis to licensed providers into hours to determine if payment exceeds 120 hours of child care assistance:

DETERMINATION OF PAYMENT AMOUNTS**9.9**

- Payment at the daily maximum rate is equal to 10 hours of care
- Payment at the weekly maximum rate is equal to 50 hours of care

Rate	Actual Hours of Care	Count Toward Total Hours of Care
Hourly	5 or less	Actual number of hours
Full-Day	Greater than 5	10 hours
Weekly	Greater than 35	50 hours

PAYMENT DEDUCTIONS

The Department of Human Services Financial Operations Division staff will enter IRS and Minnesota Department of Revenue levies, send appropriate notices and monitor fulfillment of the levy. Agency staff can view information on IRS and Minnesota Department of Revenue tax levies and see that a levy has been entered and/or payments made tied to a particular provider in MEC². For other payment deductions required by law, such as child support payments, see Chapter 12.6.12 (Payment Deduction Required by Law Notices) and the MEC² User Manual for entering deductions.

LICENSE EXEMPT PROGRAM RATE

Make payments for care of children in license exempt programs (such as school based school-age programs, summer camps, etc.) at the same rate as licensed centers in the same age category. category.

HIGHER RATES FOR QUALITY

Providers with certain current early childhood development credentials and providers with a three or four-star Parent Aware rating are eligible for higher rates for quality. See Chapter 9.27 (Higher Rates for Quality – Accreditation/Credential) and Chapter 9.30 (Higher Rates for Quality – Parent Aware Rated Providers).

SPECIAL NEEDS RATE

Payment rates for care of children with special needs may exceed your agency's maximum rates. See Chapter 9.54 (Special Needs)

CO-PAYMENTS

Child care providers are responsible for collecting family copayment fees and must inform your agency if the copayment was or was not received. Most billing statements provide a declaration of receipt of the family's copayment. The county agency may stop payment or refuse to pay a submitted bill if the provider falsely declares receipt of the family's copayment. When a family is unable to pay their copayment, a payment arrangement can be established between the provider, the parent, and the county. The parent must continue to comply with the payment agreement. See Chapter 9.24.3 (Copayment schedule).

CHILD CARE EXPENSES PAID BY OTHER SOURCES

If the family receives partial or full reimbursement for child care expenses from sources other than child care assistance funds, reduce the amount of the child care assistance by the amount or reimbursement earmarked for the same child care expenses.

When the family receives a post-secondary child care grant that is earmarked to cover the same child care expenses that could be paid by the child care assistance program, the entire grant must be used before CCAP can make payments. See Chapter 9.9.3 (Post-Secondary Child Care Grant) for more information on post-secondary child care grants and how to use the grant in combination with CCAP funds.

Families can receive both CCAP and an Early Learning Scholarship. If a child is receiving CCAP, CCAP funds should be used first. Do not reduce CCAP payments due to an Early Learning Scholarship. Do not count an Early Learning Scholarship as income. An Early Learning Scholarship could be used to cover family copayments, transportation or activity fees, private pay rates not covered by CCAP maximums, and breaks or reductions in CCAP authorization/eligibility.

When funds from other sources are paid directly to the family's child care provider on behalf of the family, eligibility is not affected and the funds are excluded from the family's income. Child Care providers who

DETERMINATION OF PAYMENT AMOUNTS**9.9**

accept third-party payments must maintain family specific documentation of payment source, amount, types of expenses, and time period covered by the payments. CCAP should not be billed for costs covered by third party sources. The provider is responsible for ensuring proper billing. Providers may use the [Child Care Assistance Program Financial Tracking Form \(PDF\) \(DHS-5318-ENG\)](#) to record third party payments.

CHILD CARE SUPPORT ORDER

A CCAP applicant or participant may have a Child Care Support Order stating the noncustodial parent pay a percentage or a set amount of the child care expenses. If the noncustodial parent is making payments directly to the provider and the amount only covers the copayment or another part of the child care expenses that CCAP would not pay it would not affect the CCAP case. The provider would need to indicate on the billing form that the copay was paid or that there was a payment agreement. If the noncustodial parent is making the payment directly to the provider and the amount covers part of the child care expenses that CCAP would pay the provider should be directed not to bill CCAP for that part of the child care expense. In both of these situations the provider must keep records of the payments received and the payment sources. If the noncustodial parent is making the payment to the custodial parent the payment would be considered income to the custodial parent.

LEGAL AUTHORITY

Minnesota Statutes 119B.13

Minnesota Statutes 119B.10, Subd. 11

Minnesota Rules 3400.0110, Subd. 4a

Minnesota Rules 3400.0130

AUTHORIZATION HOURS - EMPLOYMENT**9.15**

Authorize no more than 120 hours per child every bi-weekly period.

If a MFIP/DWP family has an approved Employment Plan with an employment activity, authorize the number of hours needed for the employment activity or for support of the employment activity, as indicated by the Employment Services worker. The number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care or the hours that the provider is unavailable. The child may not need child care due to the child being in school. See Chapter 9.12 (Authorized Hours –Students)

EMPLOYMENT

Participants who do NOT have an approved MFIP/DWP Employment Plan must work at least an average of 20 hours per week and receive at least the applicable minimum wage to receive child care during employment hours. When a participant has multiple employment activities, the hours worked at the different employment activities may be combined to meet the 20 hours per week at the applicable minimum wage requirement. See Chapter 6.16 (Applicable Minimum Wage).

Work with the participant to determine a length of time, not to exceed 6 months, over which the number of hours worked weekly can be averaged to determine if the participant meets the requirement to work an average of 20 hours per week at the applicable minimum wage.

When the participant works for an hourly wage, child care should be authorized for the number of hours scheduled to be worked, including break and meal time during the employment, and up to two hours per day for travel time.

When the participant does not work for an hourly wage, authorize child care for the LESSER of:

- The number of hours spent in the employment activity, plus meal/break time and up to two hours per day for travel time,
OR
- The number of hours determined by dividing the annual gross earned income from the employment activity by 52 weeks and then by the applicable minimum wage, plus up to one hour per eight hours worked for meals/breaks, and up to two hours per day for travel time.

STUDENTS AND EMPLOYMENT

Students are not required to work.

- If a full-time student that does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 10 hours per week at the applicable minimum wage.
- If a part-time student that does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 20 hours per week at the applicable minimum wage.

NOTE: Because schools have differing definitions of full-time and part-time students, rely on the terminology of the specific school for determination. If you have questions about a student's status, contact the school or ask the student to do so for more information.

There is no minimum number of credits that a student must have to be considered part-time. A part-time student is considered anything less than full-time.

CHILD CARE IN SUPPORT OF EMPLOYMENT

For participants that do NOT have an approved MFIP/DWP Employment Plan, authorize child care assistance in support of employment for non-work hours if necessary if the following conditions are met:

- The child care in support of employment or in combination with the employment activity does not exceed the amount of child care that would normally be granted for child care during employment.
- The family meets all eligibility requirements.
- The employed person cannot reasonably modify the non-work schedule to provide child care.

AUTHORIZATION HOURS - EMPLOYMENT

9.15

LEGAL AUTHORITY

Minnesota Statutes 119B.10

Minnesota Statutes 119B.10

CHILD CARE RATES, REGISTRATION FEES, COPAYMENTS

9.24.3

CCAP MAXIMUM RATES

- Minnesota Child Care Assistance Program table listing the maximum rates that Family Child Care /Legal Non-Licensed and Child Care Center providers without a quality designation can be paid. [Minnesota Child Care Assistance Program Standard Maximum Rates - No Quality Differential \(Effective February 3, 2014\) \(PDF\) \(DHS-6441B-ENG\)](#)
- Minnesota Child Care Assistance Program table listing the maximum rates that accredited, credentialed and 3-star Parent Aware Rated Family Child Care/Legal Non-Licensed and Child Care Center providers can be paid. [Minnesota Child Care Assistance Program 15 Percent Quality and 3 –star Parent Aware Differential Maximum Rates \(Effective February 3, 2014\) \(PDF\) \(DHS-6442B-ENG\)](#)
- Minnesota Child Care Assistance Program table listing the maximum rates that 4-star Parent Aware Rated Family Child Care and Child Care Center providers can be paid. [Minnesota Child Care Assistance Program 20 Percent and 4 –star Parent Aware Quality Differential Maximum Rates \(Effective February 3, 2014\). DHS-6824-ENG](#)

REGISTRATION FEES

- Minnesota Child Care Assistance Program table listing the maximum registration fees that a provider can charge the Child Care Assistance Program. [Minnesota CCAP Maximum Child Care Registration Fees \(Effective November 28, 2011- current\) \(PDF\) \(DHS-6443-ENG\)](#)

COPAYMENT SCHEDULES

- Minnesota Child Care Assistance Program tables listing the copayment fees based on family size and income after allowable deductions. [Minnesota Child Care Assistance Program Copayment Schedules \(Effective October 12, 2015 – present\) \(PDF\) \(DHS-6413D-ENG\)](#)

See Chapter 14.6 (Amount of Overpayment) for links to expired rates and expired copayment schedules.

LEGAL AUTHORITY

Minnesota Statutes 119B.13
Minnesota Rules 3400.0100
Minnesota Rules 3400.0130

CARE DURING MEDICAL LEAVES OF ABSENCE**9.36**

You must authorize child care assistance during a participant's medical leave of absence from employment or education, if the following conditions are met:

- The participant is incapable of providing child care during the medical leave of absence.
AND
- The participant is expected to return to employment or an approved education or training program within 90 calendar days after leaving the activity.
AND
- The inability of the participant to provide child care and the necessity of the medical leave is documented by a physician or licensed psychologist.

AND
- The amount of child care during the medical leave does not exceed the equivalent of 1 month of full-time care (50 hours x 4.3 weeks = 215 hours).

A single parent working less than 20 hours per week due to temporary illness, and meets the criteria listed above is eligible for child care during the medical leave.

Care can be authorized for limited work availability and also for parent medical leave. Child care would be authorized during employment hours. This care would not apply toward the 215 hours of care allowed for parent medical leave.

Care would also be authorized for time that the child is in care while the parent is unable to work or provide care and would be applied toward the 215 hours of care allowed during the parental medical leave.

The [Child Care Assistance Program Parent Medical Condition Form \(DHS-6305\)](#) can be used to verify that a parent or other parentally responsible individual (PRI) in the household has a medical condition and is unable to provide care for their child(ren).

LEGAL AUTHORITY

Minnesota Rules 3400.0110 Subp. 10

REDETERMINATION PROCESS**10.6**

See Chapter 10.3 (When to Redetermine Eligibility) for information on the time between initial eligibility and the date an agency must review a case or the time between required reviews.

See Chapter 10.6.3 (Redetermination Processing Standards) for detailed information about processing the redetermination.

MEC² generates a cover letter and mails the following forms 45 days prior to the end of the redetermination period:

- [DHS-5274-ENG](#) Child Care Assistance Program Redetermination Form, English version
- [DHS-4794-ENG](#) CCAP Change Report Form

When a participant requires a redetermination form in another language the county worker will need to print the form from eDoc's and mail it directly to the participant.

- [DHS-5274-HMN](#) Hmong language version
- [DHS-5274-RUS](#) Russian language version
- [DHS-5274-SOM](#) Somali language version
- [DHS-5274-SPA](#) Spanish language version
- [DHS-5274-VIE](#) Vietnamese language version

To complete the redetermination process:

- Review the completed redetermination form,
- Obtain required verifications. Eligibility verifications are required to determine eligibility, while the family's schedule verifications are required to authorize care. See Chapter 7.6 (Verification – Eligibility Redetermination).
- Determine the family's eligibility for CCAP. See Chapter 4 (Eligibility Requirements).
- Notify the family of the eligibility determination. See Chapter 12.3 (Notices to Families).
- Notify the family and the provider(s) of the hours of care authorized if the number of hours changes. See Chapter 12.3 (Notices to Families) and Chapter 12.6 (Notices to Providers).

Refer to the MEC² User Manual Redetermination Process in the Case Management and Eligibility section for MEC² procedures. A redetermination processing workflow and flowchart are available to workers on [SIR > MEC² > Worker Resources](#).

NOTICE REQUIREMENTS

MEC² will send a 15-day notice before terminating benefits if the family fails to comply with the redetermination process. See Chapter 10.6.3 (Redetermination Processing Standards). If you fail to send a 15-day notice, continue benefits until you have given 15-day notice of adverse action. This applies even if the family's current eligibility period has ended. This may cause the family to have an overpayment if the family does not meet eligibility factors such as income or other eligibility requirements. If the family is ineligible for continued benefits or will receive reduced benefits based on information in the redetermination form, or if the information requires a reduction or suspension of the family's benefits, the family must receive a notice 15 calendar days before the effective date of the adverse action or termination. If the change in the family's benefit level was not reported timely, there may be an overpayment.

LEGAL AUTHORITY

Minnesota Statutes 119B.025
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040

REDETERMINATION PROCESSING- REINSTATEMENT**10.6.6**

Families have 30 calendar days after their case closes to submit the redetermination form and all required eligibility verifications. If the family meets all eligibility requirements, child care assistance can be approved back to the date the case closed.

If any of the required eligibility verifications or the redetermination form itself is not received within 30 calendar days after the case closes, the case should remain closed. The family must submit a new application to re-apply for child care assistance. If the redetermination form (DHS-5274) is submitted after the 30 day reinstatement period, it cannot be used as a new application (DHS-3550). Follow policies for processing a new application. See Chapter 3.6 (Accepting and Processing Applications).

INCOME

If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes the:

- Family's income must be below the exit level of 67% of State Median Income. See Chapter 6.3 (Income Limits).
- Family's income does not need to meet the 47% of State Median Income applicant income level. See Chapter 6.3 (Income Limits).

BASIC SLIDING FEE (BSF) WAITING LIST

If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes, the family is not subject to the Basic Sliding Fee waiting list.

Some families receive child care assistance while on the Basic Sliding Fee waiting list. If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes:

- Minnesota Family Investment Program/Diversionary Work Program (MFIP/DWP) Child Care for Student Parents child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year (TY) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year Extension (TYE) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Portability Pool (PP) child care can be approved back to the date the case closed, as long as the family has not exceeded the 6 month limit for Portability Pool child care. The family remains on the waiting list.

ELIGIBILITY

The family must meet all eligibility requirements to have their case reinstated. If the family does not meet all eligibility requirements the case should remain closed.

A family may meet all eligibility requirements for part, but not all, of the time between the case closing for no redetermination and when the worker processes the redetermination. If the family met all eligibility requirements for part of the time:

- If all eligibility requirements are met for a period of time directly after the case closed, but are not met at a later date, the case should be reinstated. After the case is reinstated, the case should close allowing for 15 days adverse action notice. The time period of continued eligibility would not be an overpayment unless the family failed to report a change timely.
- If all eligibility requirements are not met for the time period directly after the case closed, the case should remain closed.

Example: The case closed for no redetermination on September 10th. The family returned the redetermination form and all verifications on September 20th. The worker processed the redetermination on September 25th.

- The redetermination showed that the family stopped being in an authorized activity on September 15th. The family met all eligibility requirements on September 10th when the case closed for no redetermination. The case should be reinstated back to September 10th. The

REDETERMINATION PROCESSING- REINSTATEMENT**10.6.6**

case should close for no authorized activity allowing for 15 day notice from September 25th. There would not be an overpayment because the family reported the change in activity timely.

- If the redetermination showed that the family stopped being in an authorized activity on September 1st. The family did not meet all eligibility requirements on September 10th when the case closed for no redetermination. The case should remain closed.

SUSPENDED AND TEMPORARY INELIGIBLE CASES

If a complete redetermination form and all required verifications are received within 30 calendar days after a suspended case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the one year time limit for suspension.

If a complete redetermination form and all required verifications are received within 30 calendar days after a temporary ineligible case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the time limit for temporary ineligibility.

COPAY CHANGES

Information reported on the redetermination may change the family's copay.

- A copay decrease is effective the biweekly period after the redetermination is processed.
- A copay increase requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The copay increase is effective the biweekly period after the 15 day notice. The time period with the lower copay is not an overpayment unless the family failed to report a change timely.

AUTHORIZED HOURS CHANGES

Information reported on the redetermination may change the number of hours authorized for a child.

- An increase in the number of hours authorized is effective the biweekly period after the redetermination is processed. Authorized hours may also be increased for biweekly periods prior to the date the redetermination was processed if the child qualifies for more hours.
- A decrease in the number of hours authorized requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The decrease in the number of hours authorized is effective the biweekly period after the 15 day notice. The time period with the higher authorized hours is not an overpayment unless the family failed to report a change timely. Caseworkers should reference the [MEC² User Manual > Service Authorizations > Reduction of Hrs to a Provider Requiring a 15 Day Notice Workaround](#) to correctly reduce authorized hours with a 15 day notice.

SCHEDULE VERIFICATION

If schedule verifications are missing but all other required information has been returned within 30 calendar days after the case closes, the case should be reinstated but care should not be authorized. The family's case should be suspended for a period of up to one year. See Chapter 8.9 (Suspending a Case).

Child care can be authorized when the schedule verifications are submitted. Child care can be authorized retroactively back to the date care was ended or six months prior to the date the Service Authorization is issued, whichever is later (assuming that the schedule provided applies to the time period when care was ended). See Chapter 9.3 (Payments to Providers), which states, "If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, payment may only be made retroactively for a maximum of six months from the date the provider is issued a Service Authorization and billing form."

INAPPROPRIATE REINSTATEMENT

Families whose eligibility and service authorization were reinstated when the completed redetermination form and/or required eligibility verifications were received after the last day of the 30 calendar day reinstatement period are considered inappropriate reinstatements. If it is discovered that a case was inappropriately reinstated, the worker must determine if an overpayment occurred. See Chapter 14 (Overpayments).

LEGAL AUTHORITY

Minnesota Statutes 119B.025

Minnesota Rules 3400.0180

Minnesota Rules 3400.0040

PROVIDERS

11

For the definition of a provider, see Chapter 2 (Glossary).

CCAP will not pay a provider who lives in the same home as the child.

A licensed individual or a licensed center must have a valid child care license issued by a state or a tribe and provide child care services in the licensing state or in the area under the tribe's jurisdiction.

A legally unlicensed family child care provider must be at least 18 years of age and not a member of the MFIP assistance unit or a member of the family receiving child care assistance.

CCAP parents have a right to choose their child care provider

There are 4 different types of providers:

- Licensed family child care providers. See Chapter 11.3
- Licensed centers. See Chapter 11.3
- License exempt centers. See Chapter 11.6
- Legal non-licensed providers. See Chapter 11.9

For additional specific information regarding child care assistance provider requirements, see the following chapters:

- 11.3 Chapter Licensed Child Care Providers
- 11.3.3 Licensed Child Care Providers – License closes
- 11.6 License Exempt Centers
- 11.9 Legal Non-Licensed (LNL) Providers
- 11.9.3 Complaints Against LNL Providers
- 11.9.6 LNL Providers Data Distribution
- 11.12 Provider Registration
- 11.15 Provider Record Keeping
- 11.18 Provider Reporting
- 11.21 Provider Authorization
- 11.24 Provider Reauthorization
- 11.27 In-home Child Care Provider Information

The [Minnesota Child Care Assistance Program \(CCAP\) Provider Guide \(DHS-5260-ENG\)](#) is a tool available to CCAP child care providers; it may be referenced by CCAP workers if needed during discussions with CCAP providers or for informational purposes.

LEGAL AUTHORITY

Minnesota Statutes 119B.09
Minnesota Statutes 119B.011, subd. 19
Minnesota Statutes 119B.125
Minnesota Rules 3400.0035 Subp. 7 & 8

LICENSED CHILD CARE PROVIDERS**11.3**

These are providers licensed by either:

- the State of Minnesota or
- another state, or
- a tribe

Licensed providers must be providing child care services in the licensing state or in the area under the licensing tribe's jurisdiction.

They include:

- Licensed family providers.
- Licensed group family providers.
- Licensed center providers.

Require a licensed provider to register with your county. See Chapter 11.12 (Provider Registration), Chapter 11.21 (Provider Authorization).

LEGAL AUTHORITY

Minnesota Statutes 119B.011, subd. 19, 119B.09

Minnesota Statutes 119B.125

Minnesota Rules 3400.0035 Subp. 7

LICENSE EXEMPT CENTERS**11.6**

License exempt centers include:

- Recreation programs for children operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities.
- Programs operated by a school, YMCA, YWCA or Jewish Community Center (JCC) whose primary purpose is to provide child care or services to school age children.
- Camps licensed by the Department of Health under Minnesota Rules, chapter 4630.
- Head Start and nonresidential programs that operate for less than 45 days in a calendar year.
- Programs for children such as scouting, boys and girls clubs, sports and art programs and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12 month period.
- A program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:
 - (i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or
 - (ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

Pay license exempt centers at the same rate as licensed centers in the same age category.

LICENSE EXEMPT CENTERS OPERATED BY NONPROFITS FOR SCHOOL AGE STUDENTS

License exempt centers operated by a nonprofit organization that serve youth in kindergarten through grade 12, provide structured, supervised youth development activities, and have learning opportunities take place before or after school, on weekends, or during the summer or other seasonal breaks in the school calendar, are exempt from licensure under Minnesota Statutes 245A.03, subdivision 2 (a) (27). However, programs that are exempt from licensure under this new law are not eligible to receive payment for services by the Child Care Assistance Program unless they become licensed.

CENTERS NOT LICENSED BY THE STATE OF MINNESOTA DEPARTMENT OF HUMAN SERVICES

Programs licensed by another agency such as a tribal nation or another state should be registered as a licensed program. See Chapter 11.3 (Licensed Child Care Providers).

CENTERS SERVING INFANTS AND TODDLERS

Programs serving infants and toddlers must be licensed. You should not authorize child care for an infant or toddler at a license exempt program.

NON-LICENSED PROGRAMS PROVIDING NON-CHILD CARE SERVICES

Programs providing services to children and youth that are not licensed or exempt from licensing under Minnesota Statute 245A.03 are not providing child care services. Programs not providing child care services are not eligible to receive payment as Child Care Assistance Program providers. These programs include private programs offering K-12 education services as defined under Minnesota Statutes 120-129C.

LICENSE EXEMPT CENTER REGISTRATION

Require a license exempt center to register with your agency. Register each license exempt program site separately. A site may operate programs that fall under different license exemptions. Register each of these programs separately. See Chapter 11.12 (Provider Registration), Chapter 11.21 (Provider Authorization).

LEGAL AUTHORITY

Minnesota Statutes 245A.03, Subd. 2
Minnesota Statutes 119B.011, Subd. 19

LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

Require a new Legal Nonlicensed (LNL) provider to register with your county. See Chapter 11.12 (Provider Registration). LNL providers must complete the criminal background process and be authorized by your county. See Chapter 11.21 (Provider Authorization).

Apply the following criteria to determine if a provider can be a Legal Nonlicensed (LNL) Provider:

- At least 18 years of age.
AND
- Not a member of the MFIP assistance unit, or a member of the family applying for or receiving child care assistance.
AND
- Not living in the same home as the child whose family is applying for or receiving child care assistance.
AND
- Provides child care only to related children, and/or provides child care to children from a single unrelated family at one time. Related refers to the provider being a sibling, a step-sibling, a niece, a nephew, a grandparent, an aunt, or an uncle.
AND
- Has current certification in First Aid and CPR.
AND
- Has not been excluded or debarred in another Department of Human Services (DHS)_program.

REQUIRED FORMS

When a parent chooses an LNL provider, send the parent and provider a copy of the [Health and Safety Resource List for Parents and Legal Nonlicensed Providers \(DHS-5192A-ENG\) \(PDF\)](#) form.

Require a signed [Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form \(DHS-5367\) \(PDF\)](#) when a family chooses a legal nonlicensed provider. Require a separate form for each Legal Nonlicensed Provider the family chooses. The Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form (DHS-5367) (PDF):

- Describes the registration process for LNL providers.
- Describes the participant's responsibilities and rights when choosing a LNL provider.
- Includes an acknowledgment that the participant and LNL provider will review the health and safety information provided by your county.
- Includes an assurance that the participant will provide an immunization record for each child to the LNL family child care provider within 90 days of the date that care begins, and will update the information as necessary.

Require the provider to complete and sign a [CCAP Legal Nonlicensed Provider Registration and Acknowledgement \(DHS-5192-ENG\) \(PDF\)](#) form. See Chapter 11.21 (Provider Authorization). The LNL Provider Registration and Acknowledgement form includes information stating that the county is required to keep a record of substantiated complaints concerning the health and safety of children in the care of LNL providers and that, upon request, information governing substantiated complaints must be released to the public as authorized under Minnesota Statutes 13.03.

TRAINING REQUIREMENTS

Upon initial authorization, LNL providers must provide documentation of First Aid and CPR training. Online components of First Aid and CPR training may qualify, except for the practical portion of CPR which is required in person. See Minnesota Statutes 245A.50 for further information. Counties should consult with county licensing staff about how to determine valid training for First Aid and CPR training requirements.

LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

The training must have been provided by individuals approved to provide such training. Counties should align standards for acceptable training with standards used for approving licensed family child care provider First Aid and CPR training. The training must be effective as of the date the provider registration is approved. See Chapter 11.12 (Provider Registration).

Upon each reauthorization after the initial authorization requiring First Aid and CPR training, if a provider still serves children receiving CCAP, the provider must take and provide proof of an additional 8 hours of training in topics listed by the Minnesota Center for Professional Development Registry. First Aid and CPR courses may be counted in the additional 8 hours of required training but are not required. All courses offered by the Child Care Aware agencies, which are listed in the Registry by the Minnesota Center for Professional Development, qualify toward the 8 hours. Child Care Aware agencies coordinate and offer training that is listed in the Registry. Their staff can help providers find training that may be of most interest to them.

PROVISIONAL PAYMENTS

Your county may choose to make provisional payments to LNL providers when all the requested information/documentation has been submitted but the county has not completed the background check. These payments are temporary and end if your county denies the authorization request. Check your County or Tribal Child Care Fund Plan to see if your county has chosen this option. For additional information on payments to providers, see Chapter 9.03 (Payments to Providers).

BACKGROUND STUDY REQUIREMENTS

Background study requirements for legal nonlicensed providers are aligned with the background study requirements for a licensed family child care provider. Included in the registration packet for LNL providers is the Child Care Assistance Program Authorization for [Release of Background Study \(DHS-5193\) \(PDF\)](#). The LNL provider must return a signed DHS-5193 to the county for all individuals for whom a background study is required.

Background studies are required for:

- The provider and each household member age 13 and older.
- Each household member age 10-12 living in the household where the provider services will be provided when the commissioner has reasonable cause as defined under MN Statutes 245C.02, subd 15.
- An individual who, without providing direct contact services in the LNL program may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

Conduct a background study that includes findings from the Bureau of Criminal Apprehension, juvenile courts, and social service agencies. If the local county juvenile courts and social service agency do not maintain statewide records, contact the county where the provider currently resides and any counties where the provider resided in the past 5 years. A finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court.

A county agency may charge a fee to a legal non licensed provider or applicant for authorization to recover the actual cost of the background studies completed under MN Statutes 245A.10 subd. 2 (b) not to exceed \$100 annually.

Counties may elect to reduce or waive the background check fees:

- In cases of financial hardship
- If the county has a shortage of providers in the county's area
- For new providers or
- For providers who have attained at least 16 hours of training before seeking initial licensure.

LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

Counties may allow providers to pay the applicant fees on an installment basis for up to one year.

When the background study reports are returned, review (or have reviewed) for conviction, admission of guilt or a preponderance of evidence indicating that the person has committed a criminal act that disqualifies them from being authorized as a legal nonlicensed provider. The disqualifying acts and characteristics are listed under MN Statutes 245C.14, MN Statutes 245C.15, and MN Statutes 119B.125 subdivision 2 (b) through (e). If the provider or any household members subject to the background study is determined to have a disqualifying act or characteristic, the provider cannot be authorized.

You may later authorize a previously denied LNL applicant if the person:

- Applies for and obtains a valid Minnesota child care license, a license issued by a tribe or another state.
AND
- Maintains the valid child care license.
AND
- Provides child care in the area under the jurisdiction of the licensing tribe or in the state of licensure.

If the LNL provider is not able to be authorized to provide care in the provider's home because a household member of the provider has a factor that prohibits authorization, the in-home care exception must be approved by DHS before care can be authorized. See Chapter 11.27 (In-Home Child Care Provider Information). The family must request that the care be provided in the child's home and this request must be approved by DHS before the provider can be authorized to provide care in the child's home. If the child and the provider live in the same home, in-home care is not an option.

Counties identify in their County Child Care Plans whether they perform background studies on LNL providers already registered in another county prior to authorizing that provider. Counties that do not perform a background study on LNL providers already registered in another county prior to authorizing that provider are only required to perform a background study on an LNL provider registered in another county if 1 of the following exists:

- 2 years have passed since the most recent authorization.
- An individual has reached age 10 but is not yet age 13 and is living in the household, when the county has reasonable cause as defined under MN Statutes 245C.02, subd. 15.
- Another person age 13 or older has joined the provider's household since the last authorization.
- A current household member has turned 13 since the last authorization.
- Your county has reason to believe that a household member has a factor prohibiting authorization.
- The county's provisions for unsafe care differ from those established by the county responsible for the first authorization.

PAYMENT INFORMATION

For information on the hourly rate to pay LNL providers, see Chapter 9.24.3 (Child Care Rates). Do not pay registration fees to LNL providers.

LEGAL AUTHORITY

Minnesota Statutes 13, Subd.03

Minnesota Statutes 119B.011, Subd. 5

Minnesota Statutes 119B.011 Subd. 19

Minnesota Statutes 119B.125 Subd. 1 and 2, 3, 5

(LEGAL AUTHORITY CONTINUES ON NEXT PAGE)

LEGAL NONLICENSED (LNL) PROVIDERS

11.9

Minnesota Statutes 245A.10. Subd. 2 (b)
Minnesota Statutes 245C.03.08 and .15
Minnesota Statutes 245C.14
Minnesota Statutes 245C.15
Minnesota Rules 3400.0120
Minnesota Rules 3400.0110 Subp. 2a
Minnesota Rules 3400.0140 Subp. 5
Minnesota Rules 3400.0035 Subp. 8 and 9

PROVIDER REGISTRATION**11.12**

Before you can approve payment to any provider, that provider must register with your county. Registration is the process you use to determine whether the provider chosen by a family meets the requirements necessary for payment of child care assistance.

Authorize the provider chosen by an applicant or a participant before making payment. See Chapter 11.9 (Legal Non-Licensed (LNL) Providers), Chapter 11.21 (Provider Authorization), and Chapter 11.24 (Provider Reauthorization). Counties and administering agencies should allow a provider to register when requested, using the appropriate Department of Human Services (DHS) registration forms and processes. It is not required that the provider have children from the Child Care Assistance Program (CCAP) enrolled in the program.

The county will send a provider registration and acknowledgement packet explaining the registration process, including a request for basic information regarding the provider, the provider's payment policies, and the provider acknowledgment to all providers.

Use the following letters/notices for all provider types listed below. The templates of letters/notices are on [eDocs](#).

Include the following attachments with all packets:

- [Child Care Provider's Responsibilities and Rights \(PDF\) \(DHS-4079\)](#)
- [Notice of Privacy Practices for Child Care Providers \(PDF\) \(DHS-3985\)](#)
- [Direct Deposit Form for the Minnesota Child Care Assistance Program \(PDF\) \(DHS-3552\)](#)
- [Child Care Assistance Program Financial Tracking Form \(PDF\) \(DHS-5318\)](#)
- Minnesota Child Care Assistance Program Change Form (PDF) (DHS-7196)
- Request for Taxpayer Identification Number (TIN) and Certification (IRS W-9). The Internal Revenue Service (IRS) W-9 needs to be sent to providers when they are being authorized for the first time on MEC² or when being reactivated in the system. If the provider is currently authorized and active on MEC², an IRS W-9 form does not need to be included with the packet.

Send the appropriate Provider Registration and Acknowledgement form based on the provider type:

- [CCAP Licensed Center Provider Registration and Acknowledgement \(PDF\) \(DHS-5190\)](#)
- [CCAP Licensed Family Child Care Provider Registration and Acknowledgement \(PDF\) \(DHS-7195\)](#)
- [CCAP Licensed Exempt Provider Registration and Acknowledgement \(PDF\) \(DHS-5191\)](#)
- [CCAP Legal Non-licensed Provider Registration and Acknowledgement \(PDF\) \(DHS 5192\)](#) and [Health and Safety Information for Parents and Legal Non-licensed Providers \(PDF\) \(DHS-5192A\)](#)
- [CCAP Authorization for Release of Background Study \(PDF\) \(DHS-5193\)](#) if a provider is a legal nonlicensed (LNL) provider.
- [CCAP Training Requirements for Legal Nonlicensed Family Providers \(PDF\) \(DHS-6419\)](#), if a provider is a legal nonlicensed provider (LNL).
- Any additional health and safety information your county would like to include.

DHS recommends making a copy of the [Minnesota Child Care Assistance Program \(CCAP\) Child Care Provider Guide \(PDF\) \(DHS-5260\)](#) available to providers.

LEGAL AUTHORITY

Minnesota Statutes 119B.125

Minnesota Statutes 119B.011, Subd. 19a

PROVIDER RECORD KEEPING

11.15

Require child care providers to maintain the following records and make them available to you immediately upon request:

1. Daily attendance records for children receiving child care assistance:
 - The attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times the child dropped off to and picked up from the child care provider must be entered by the person dropping or picking up the child.
 - An electronic sign in and out system may meet this requirement, but only if the person doing drop off and pick up is the person who actively participates in signing in or out, using a method such as a pin number or card that is assigned to the parent.
 - Providers that use this method must be able to provide print outs of each child's attendance records when requested by the county.
 - Records must be immediately available upon request of the county, tribe or the Department of Human Services (DHS).
 - The county is not required to monitor that all providers are meeting this requirement but may request attendance records when in the normal process of administering CCAP or may make a decision to request attendance records when doing provider reviews. If the county knows that providers are not complying with this requirement, the county is required to take action. See Chapter 9.3 (Payment to Providers)
 - The county may stop payment, deny or end a service authorization to a child care provider when the county knows or has reason to believe that the provider has not kept attendance records for children receiving CCAP. See Chapter 9.3 (Payment to Providers).
 - The daily attendance records must be kept at the site where services are delivered for 6 years after the date the care was provided.
2. Documentation of 3rd party payments of a family's copayment, document:
 - Payment source.
 - Amount received.
 - Time period covered.
3. Documentation of payments made by a source other than the family of part or all of a family's child care expenses not payable under CCAP if the funds are paid directly to the family's child care provider on behalf of the family. Examples of a third party payment would be a Post-Secondary Child Care Grant or Early Childhood Education Scholarship. Document:
 - Payment source.
 - Amount received.
 - Type of expenses.
 - Time period covered.

A provider may use the [Child Care Assistance Program Financial Tracking Form \(DHS-5318-ENG\)](#) or use their financial system to document situations #2 and #3 above.

LEGAL AUTHORITY

Minnesota Statutes 119B.125, Subd. 6

Minnesota Statutes 119B.12, Subd. 2

PROVIDER REPORTING**11.18**

Require all providers to report IMMEDIATELY to CCAP:

- Child absence days when the child has been absent more than 7 consecutive days.
- When a child attends less than half of their authorized hours or days for a four-week period.
- End of care for a child covered by child care assistance.
- Any changes in initial information in the provider acknowledgment including the provider's rate, charges for absences and holidays, any notice days required before a child discontinues care, and any required registration or activity fees.
- Suspected maltreatment of minors, to the appropriate authority.

When a child's attendance drops to less than half of their authorized hours or days for a four-week period, providers must report this in the Comments section of the Billing Form. Other attendance information may be reported on the Billing Form or by notifying the family's caseworker.

In addition, require legal non-licensed providers to report all changes that require reauthorization. See Chapter 11.24 (Provider Reauthorization).

LEGAL AUTHORITY

Minnesota Statutes 119B.125

PROVIDER AUTHORIZATION**11.21**

An authorized provider is a legal child care provider who has completed the registration process and has been approved for child care assistance payments.

The provider chosen by an applicant or a participant must be authorized before you can approve payment for care provided by that provider. The provider must complete and sign a provider registration form based on their provider type. CCAP Licensed Center Provider (PDF) (DHS-5190), CCAP Licensed Family Child Care Provider Registration and Acknowledgement (PDF) (DHS-7195), [CCAP Licensed Exempt Provider \(PDF\) \(DHS-5191\)](#) or [CCAP Legal Nonlicensed Provider \(PDF\) \(DHS-5192\)](#) should be used to authorize providers. The criteria for authorization of providers including statements that must be acknowledged by signing the registration and acknowledgment form and information that must be provided are listed below.

- The provider's rate, charges for child absences and holidays, any notice days required before a child discontinues care, and any required registration fees.
- If the provider is seeking the provider accreditation rate, the provider is eligible if they hold one of the approved early childhood development credentials or a current approved accreditation. See Chapter 9.27 (Higher Rates for Quality-Accreditation/Credential).
- Providers licensed by a state other than Minnesota, and providers licensed by a tribe, who are providing child care services in the licensing state or in the area under the licensing tribe's jurisdiction, must provide verification of their license prior to being authorized.
- Statement acknowledging that charging child care assistance participants more than families not receiving child care assistance for like services or wrongfully obtaining child care assistance may be a crime.
- Statement acknowledging that parents must be given unlimited access to their children and to the provider caring for the children during all hours that the children are in the provider's care.
- Statement acknowledging that the provider is responsible for notifying the county as provided in part Minnesota Rules 3400.0120, subpart 5, of child absent days and the end of care.
- Statement acknowledging that the provider is responsible for immediately notifying the county of any changes to the information supplied by the provider in the provider's acknowledgment.
- Statement acknowledging that the provider is a mandated reporter of maltreatment of minors under Minnesota Statutes, Chapter 626.556.
- Statement acknowledging that when the county knows that a particular provider or child care arrangement is unsafe, the county may deny child care assistance payments to that provider.
- Statement acknowledging that CCAP payments for child care provided by someone who resides in the same household or occupies the same residence as the child(ren) are prohibited.
- All providers must register with the county where the CCAP family lives. See Chapter 11.12 (Provider Registration).

There are additional requirements for authorization of Legal Non-Licensed Providers. See Chapter 11.9 (Legal Non-Licensed Providers). Also, see Chapter 11.12 (Provider Registration) for Child Care Assistance Program Authorization for Release of Background Study.

You must reauthorize the providers at least every 2 years. See Chapter 11.24 (Provider Reauthorization).

LEGAL AUTHORITY

Minnesota Statutes 119B.125
Minnesota Rules 3400.0120

IN-HOME CHILD CARE REQUESTS AND PROVIDER INFORMATION**11.27**

CCAP will only allow child care assistance for care authorized in the child's home if the child's parents have authorized activities outside of the home (or in a two parent household, one parent has been determined unable to care) and if one or more of the following circumstances are met:

1. The parents' authorized activity is during times when out-of-home care is not available or when out-of-home care would result in disruption of the child's nighttime sleep schedule. If child care is needed during any period when out-of-home care is not available, in-home care can be approved for the entire time care is needed OR
2. The family lives in an area where out-of-home care is not available OR
3. A child has a verified illness or disability that would place the child or other children in an out-of-home facility at risk or create a hardship for the child and the family to take the child out of the home to a child care home or center.

IN-HOME CHILD CARE REQUESTS

When requesting in-home child care, the parent must complete the [Parent Request for In-Home Child Care \(PDF\) \(DHS-6475\)](#) and submit the form with the appropriate documentation to their Child Care Assistance Worker.

- If the request is based on out-of-home care not being available, the parent must contact Child Care Aware to obtain either a listing of licensed programs in their area or a written statement if there are no licensed programs available to meet the family's needs. If there are licensed programs available, families must contact all providers on the listing and document the reason(s) why those programs do not work for them. Additionally, if no licensed programs are available to meet the family's needs, parents must also provide a reason(s) as to why care cannot be provided in the legal nonlicensed (LNL) provider's home and why care must be provided in the child's home.
- If the request is based on the child's illness or disability, the parent must provide documentation of the child's illness or disability. A statement from a doctor or qualified professional needs to be submitted, verifying and describing the child's condition, and identifying that care should be provided in the child's home. Although not required, the parent may also add an explanation about why in-home care is requested. This explanation may describe how the child is at-risk to self or others or the illness or disability creates hardship for the family and/or child.

The county should submit completed requests, including all required documentation, to DHS for consideration. The county will receive a letter indicating whether the request was approved or denied. Only cases approved by DHS for an exception can be authorized. Dates of approval are limited to 12 months and in-home care can be authorized retroactive to the effective date of approval on the official letter from DHS, contingent on the parent(s) being in an authorized activity and the provider being approved as a CCAP provider. For approved cases, follow the MEC2 User Guide instructions for entering the information on the "Child's Provider" window.

Once the exemption ends at the end of the 12 month period, if in-home care is still needed, parents must complete a new in-home care request and submit new documentation.

See Chapter 9.6 (Payment to Families) for further information on when a provider cares for children in the children's own home.

EMPLOYING IN-HOME CHILD CARE PROVIDERS

The following provides labor law information for families who hire a child care provider to provide care for a child in the family's home.

The U.S. Department of Labor, Wage and Hour Division, enforces the Fair Labor Standards Act of 1938, as amended (FLSA). This law requires that employees be paid at a rate not less than the [federal minimum wage](#) for all hours worked and that hours worked over 40 be compensated at one and one-half times an employee's regular rate of pay. This law covers most domestic service workers. The federal minimum wage and overtime provisions apply to any persons providing babysitting services in private homes for more than 20 hours a week, on a regular basis.

IN-HOME CHILD CARE REQUESTS AND PROVIDER INFORMATION**11.27**

To ensure that all persons employed as in-home child care providers under the conditions described above receive the wages they are legally entitled to, The U.S. Department of Labor, Wage and Hour Division is asking your help in distributing information to parents or guardians who may be receiving assistance under the Child Care Assistance, Foster Care Assistance, Child Welfare, or any other state funded program. The information provided alerts them to their legal obligations to pay minimum wage and overtime to such care providers.

Fact Sheets on minimum wage and overtime provisions of the FLSA are available at www.dol.gov/whd. Provide these guides to all people who employ in-home providers.

Make copies of these sheets as needed or contact the U.S. Department of Labor, Wage and Hour Division for additional copies.

LEGAL AUTHORITY

Minnesota Statutes 119B.011, Subd. 19
Minnesota Statutes 119B.09, Subd. 5,10 and 13
Minnesota Statutes 119B.125
Minnesota Rules 3400.0035, Subp. 7-9

15 day notice requirements**12.1**

Child Care Assistance Program requires a 15 day notice for adverse actions, except when:

- A Minnesota licensed provider's license has been temporarily immediately suspended.
- There is imminent risk of harm to the health, safety, or rights of a child in the care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the State of Minnesota.

MEC² uses the following rules to calculate the 15 day notice period:

- The 1st day of the 15-day notice period is the day after the day the notice leaves IOC.
- Mail is only sent on work days and will not be sent on Saturdays, Sundays or holidays.
- The 15th day cannot fall on a Saturday, Sunday or holiday. If it does, continue counting after the Saturday, Sunday or holiday. These rules are built into the 15-day Notice logic on the MEC² system.

Examples:

1. No holiday or weekend – Worker approves adverse action on the case on Monday. The notice will be printed Monday night and mailed on Tuesday. The 1st day to start the 15-day count is Wednesday. Count 15 days, beginning with Wednesday as the 1st day. The 15th day would be Wednesday.
2. 2. Holiday – Worker approves adverse action on the case on Monday. The notice will be printed Monday night. However, Tuesday is a holiday so the notice will not be mailed until Wednesday. The 1st day to start the 15-day count is Thursday. Counting 15 days from Thursday would be another Thursday. Thursday is a holiday, so the 15th day would be Friday.

Weekend – Worker approves adverse action on the case on Friday. The notice will be printed Friday night, but the notice will not be mailed until Monday, so the 1st day to start the 15-day count would be Tuesday. Counting 15 days from Tuesday would be another Tuesday. This would be the last day of the notice period.

3. MEC² uses the State and Federal holiday schedules listed below for dates the system IS NOT available to process cases, send out notices, and determine non-mail delivery dates.

Federal Holidays:

New Year's Day
 Martin Luther King Jr Day
 President's Day
 Memorial Day
 Independence Day
 Labor Day
 Columbus Day
 Veteran's Day
 Thanksgiving Day
 Christmas Day

State Holidays:

New Year's Day
 Martin Luther King Jr Day
 President's Day
 Memorial Day
 Independence Day
 Labor Day
 Veteran's Day
 Thanksgiving Day
 Friday after Thanksgiving Day
 Christmas Day

LEGAL AUTHORITY

Minnesota Statutes 645.15
 Minnesota Statutes 645.44, Subd. 5
 Minnesota Rules 3400.0185
 Minnesota Rules 3400.0040, Subp. 4

NOTICES TO FAMILIES**12.3**

Notify applicants of approval or denial of eligibility for child care assistance. See Chapter 12.3.3 (Approval Notices), Chapter 12.3.6 (Denial Notices - Family).

Notify participants of changes in their eligibility based on changes in their circumstances. Send a notice of adverse action when there is a reduction in hours of service, an increase in copayment amount, a denial of an education plan, an adverse determination of provider eligibility, the agency's intent to recoup an overpayment, and a termination of eligibility.

Provide the required 15-Day Adverse Action Notice for all negative actions except when adverse action notice requirements are waived. See Chapter 12.1 (15-Day Notice Requirements) for the two exceptions. See Chapter 12.3.9 (Adverse Action Notices - Family), Chapter 12.3.12 (Termination Notices - Family).

Non-adverse actions, such as an increase in hours of service or a reduction in copayment amount, require a notice but should be changed as soon as possible.

LEGAL AUTHORITY

Minnesota Rules 3400.0185

Minnesota Rules 3400.0187, Subp 2

Minnesota Rules 3400.0035, Subp 2, 4, & 5

Minnesota Rules 3400.0040, Subp. 4

DENIAL NOTICES – FAMILY**12.3.6**

Document the reason(s) for ineligibility and notify the client in writing if you determine an applicant family is not eligible for child care assistance. The agency must mail a notice of denial of assistance to the applicant within 30 calendar days after receiving the application. You may extend the response time by 15 calendar days with the consent of the applicant.

Include the following in the denial notice:

- The reason for denial.
- The basis for denial in statute, rule or your county or tribe's child care fund plan.
- The applicant's right to appeal and receive a fair hearing.

LEGAL AUTHORITY

Minnesota Rules 3400.0035, Subp 4

ADVERSE ACTION NOTICES – FAMILY**12.3.9**

Provide at least 15 calendar days notice to families before taking an adverse action on their case except when adverse action notice requirements are waived. See Chapter 12.1 (15-Day Notice Requirements) for the two exceptions.

Include the following in the written notice:

- A description of the action you're taking on the case.
 - The effective date of the action.
 - The reason for the action.
 - The basis for your action in statute, rule or your county or tribe's child care fund plan.
 - The right to appeal and receive a fair hearing and the procedure for doing so.
 - The choices available if they choose to appeal:
 - Continue to receive child care assistance at the previous level while the appeal is pending, and be responsible for any overpayments that may result.
- OR
- Accept the adverse action being taken, and potentially receive reimbursement for child care expenses incurred while the appeal is pending, if the family wins the appeal.

If the family corrects the condition requiring the adverse action before the effective date of the adverse action, the adverse action must not take effect.

OVERLAPPING ADVERSE ACTION PERIODS**Two reasons for case closure**

If a 15-day adverse action closing notice is already in effect for one reason and prior to that original closing date a worker approves a second adverse action for case closure, the worker must give 15-day notice for each action. MEC² cannot process overlapping adverse action periods when a case is closing. In cases where a second adverse action is given during the first 15-day notice period of case closure, workers need to send a manual adverse action notice and should add a worker comment to the second adverse action notice with the following information:

- Explain that the case is still scheduled to close as of the date on the first notice.
- Note that if the reason for the first closure is resolved prior to the effective date, the case will remain open until the closure date on the manual notice.

See also MEC² User Manual Overlapping Adverse Action Periods Workaround.

Copay increase followed by case closure

When a copay fee is supposed to increase in the future (first adverse action) and an approval to close the case is done prior to the effective date of the copay fee increase (due to a second adverse action), and then the case is approved eligible within 15 days of the effective date of the copay fee increase or the case is reinstated, the copay effective date will be later to allow for another 15 day notice.

See also MEC² User Manual Copay Fee Changes

WHEN A NOTICE PERIOD IS NOT REQUIRED

A 15-day notice period is not required when:

- A Minnesota licensed provider's license has been temporarily, immediately suspended under Minnesota Statutes, section 245A.07.
- OR
- There is imminent risk of harm to the health, safety or rights of a child in the care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the State of Minnesota.

When the action is not adverse a notice must be sent effective the date of the change. A 15-day notice is NOT required. Reasons can include increased authorized hours, decreased copayment, and continuation of payment awaiting appeal decision.

LEGAL AUTHORITY

Minnesota Rules 3400.0185, Subp. 3

Minnesota Rules 3400.0040, Subp. 4

TERMINATION NOTICES – FAMILY**12.3.12**

Provide at least 15 calendar days notice to families before terminating child care assistance except when adverse action notice requirements are waived. See Chapter 12.1 (15-Day Notice Requirements) for the two exceptions.

Include the following in the written notice:

- The effective date.
 - The reason for the termination.
 - The basis for your action in statute, rule or your county or tribe's child care fund plan.
 - The right to appeal, receive a fair hearing and the procedure for doing so.
 - Choices available if they choose to appeal:
 - Continue to receive child care assistance at the previous level while the appeal is pending, and be responsible for any overpayments that may result.
- OR
- Do not receive child care assistance, and potentially receive reimbursement for child care expenses incurred while the appeal is pending, if the family wins the appeal.

Do not terminate the case if the family appeals and chooses to continue to receive child care assistance.

If the reason for termination is the family's move to another county, also include in the notice that the family may continue to receive child care assistance from the new county if they contact that county within 60 days of the move.

If the family's case is being terminated because the family requested their case to be closed and the family changes their mind before the effective date of the termination, the termination must not take effect.

If the family's case is being terminated because the family is no longer eligible for child care assistance and the family re-establishes eligibility before the effective date of the termination, the termination must not take effect.

LEGAL AUTHORITY

Minnesota Rules 3400.0185, Subp 1

Minnesota Rules 3400.0040, Subp. 4

NOTICES TO PROVIDERS**12.6**

Providers must receive:

- Notification of the amount of care authorized. See Chapter 12.6.3 (Approval Notices - Provider).
- Notices that affect the amount of care authorized. See Chapter 12 (Notices).
- Adverse Action Notices. See Chapter 12.6.6 (Adverse Action Notices – Provider). See Chapter 12.1 (15-Day Notice Requirements).
- Termination Notices. See Chapter 12.6.9 (Termination Notices – Provider).
- Provider Overpayment Notices. See Chapter 12.3.15 (Notice of Overpayment).
- Deductions Required By Law Notices. See Chapter 12.6.12 (Payment Deduction Required By Law Notices).

LEGAL AUTHORITY

Minnesota Rules 3400.0185

Minnesota Rules 3400.0187, Subp 2

ADVERSE ACTION NOTICES – PROVIDERS**12.6.6**

Give the affected provider at least 15 calendar days advance notice except when adverse action notice requirements are waived. See Chapter 12.1 (15-Day Notice Requirements) for the two exceptions. Adverse actions include but are not limited to:

- A reduction in the hours of authorized care.
- An increase in the family's copayment.
- An adverse determination of the provider's eligibility.

Include the following in the written notice:

- The family's name.
- A description of the adverse action that does NOT contain any information about why the action was taken.
- The effective date.
- A statement that unless the family appeals the adverse action prior to the effective date, the action will occur on the effective date.

When the action is not adverse, a notice still must be sent. The effective date is the date of the change. Reasons can include increased authorized hours, decreased copayment, and continuation of payment awaiting appeal decision.

LEGAL AUTHORITY

Minnesota Rules 3400.0185, Subp 4
Minnesota Rules 3400.0040, Subp. 4

PAYMENT DEDUCTION REQUIRED BY LAW NOTICES

12.6.12

Payment deductions occur when a child care provider owes money to certain public entities. These include the Internal Revenue Service, the Minnesota Department of Revenue, and other public authorities, such as a court ordered child support obligation.

When a county or tribe receives notification from a public authority or court which requires the county to reduce a payment or payments from a provider because of a child support obligation, send the Child Care Assistance Notice of Deduction for Child Support Obligation ([DHS-5165-ENG PDF](#)). See the MEC² User Manual for instruction on how to deduct payments.

For IRS and Minnesota Department of Revenue levies or withholding requests, the Department of Human Services Financial Operations Division staff will enter deductions, send appropriate notices and monitor fulfillment of the amount owed. Local agency staff will be able to view information on IRS and Minnesota Department of Revenue tax levies and see that a levy has been entered and/or payments made tied to a particular provider in MEC².

Communication regarding levies or tax withholding will be handled by DHS. If you receive questions or communication about tax levies from a provider and/or the IRS or the Department of Revenue, please direct them to:

DHS Financial Operations, 651-431-3756.

If your agency receives a request to withhold payments from a public authority not listed above, contact your technical liaison for assistance.

LEGAL AUTHORITY

Minnesota Statutes 270C.68

Minnesota Statutes 518A.53

Minnesota Statutes 290.92, Subd. 26

RESPONSIBILITY FOR OVERPAYMENT**14.3****STEP ONE: DECIDE WHO BENEFITED FROM THE OVERPAYMENT**

How is this decided?

Family Overpayments

If CCAP paid for more care than the family was eligible to receive, the family benefited. Assign the overpayment to the family except in the situations identified below as provider overpayments.

Examples of when overpayments may be assigned to the family include when:

- A parent commits an Intentional Program Violation (IPV) and has been disqualified for fraud. See Chapter 14.12.3 (Disqualification for Fraud – Families).
- More hours of care were authorized and paid by CCAP than what the family was eligible for. See Chapter 9.1 (Child Care Authorization) and Chapter 9.9 (Determination of Payment Amounts).
- Changes in income or activity were not reported and the amount paid by CCAP should have been less. See Chapter 8.3 (Reporting Requirements).

Provider Overpayments

When the family did not benefit from an overpayment, but the provider received more child care assistance than was correct, assign the overpayment to the provider.

Examples of when overpayments may be assigned to the provider include when:

- A provider commits an Intentional Program Violation (IPV) and has been disqualified for fraud. See Chapter 14.12.6 (Disqualification for Fraud – Providers).
- The rates paid by CCAP are higher than what CCAP policy allows. See Chapter 9.24 (Provider Rates).
- A provider does not indicate an absent day for a day when a child did not attend at all. See Chapter 9.39 (Care During Child Absences).
- A provider fails to comply with attendance record keeping requirements. See Chapter 11.15 (Provider Record Keeping).
- A legal nonlicensed provider cares for children from more than one unrelated family at the same time. See Chapter 11.9 (Legal Non-Licensed (LNL) Providers).
- A provider that is not exempt from licensing bills for care during a time when they are not licensed. See Chapter 11.3 (Licensed Child Care Providers), Chapter 11.6 (License Exempt Centers), and Chapter 11.9 (Legal Non-Licensed (LNL) Providers).

Family and Provider Overpayments

If both the family and the provider benefited, assign an overpayment to both parties.

Overpayments can be assigned to the family and provider only when both the family and the provider acted together to intentionally cause the overpayment. This means that both parties committed an Intentional Program Violation (IPV) and have been disqualified for fraud. See Chapter 14.12 (Fraudulently Obtaining Child Care Assistance), Chapter 14.12.3 (Disqualification for Fraud – Families), and Chapter 14.12.6 (Disqualification for Fraud – Providers). Both parties are jointly liable for the overpayment, regardless of who benefited from it. Recover the overpayment as outlined in Chapter 14.9 (Recovery Methods).

After the family or provider has completed their fraud disqualification period, as long as either party is in compliance with a repayment agreement, the party in compliance is eligible to receive child care assistance or to care for children receiving child care assistance, even if the other party is noncompliant with repayment arrangements. Once a family or provider becomes eligible again, the recovery method for that party switches from repayment to recoupment.

STEP TWO: RECOUP OR RECOVER FROM THE PARTY WHO BENEFITED

See Chapter 14.9.6 (Recoupment – Families) and Chapter 14.9.9 (Recoupment – Providers).

RESPONSIBILITY FOR OVERPAYMENT

14.3

LEGAL AUTHORITY

Minnesota Statutes 119B.011, Subd. 21
Minnesota Statutes 119B.11, Subd. 2a & Subd. 3
Minnesota Statutes 119B.125, Subd. 6 & 7
Minnesota Rules 3400.0140, Subp.19
Minnesota Rules 3400.0187

AMOUNT OF OVERPAYMENT**14.6**

To determine the amount of child care assistance the family and/or provider were actually eligible to receive, examine the following:

- Eligibility
- Copayment amount
- Authorized hours
- Payment amount

Child Care Assistance Program policies change over time. Consider the policies in place at the time an action occurred when determining whether an overpayment occurred and the amount of an overpayment.

If care took place prior to the effective date of the current standard maximum rates you should apply the expired maximum rates in effect at the time care was provided. Use expired rates only for overpayment calculation and case review correction plans.

If care took place prior to the current copayment schedule, consult previous copayment schedules.

MAXIMUM RATES

Maximum rates in place February 3, 2014 – current

- [Standard Maximum Rates – No Quality Differential \(PDF\) \(DHS-6441B\)](#)
- [15 Percent Quality Differential Maximum Rates \(PDF\) \(DHS-6442B\)](#)
- [20 Percent Quality Differential Maximum Rates \(PDF\) \(DHS-6824\)](#)

Expired Maximum rates in place November 28, 2011 – February 2, 2014

- [Standard Maximum Rates – Non-accredited \(PDF\) \(DHS-6441A\)](#)
- [Maximum Rates with Accredited/Credential Differential \(15 percent differential\) \(PDF\) \(DHS-6442A\)](#)

Expired Maximum rates in place July 1, 2006 – November 27, 2011

- [Standard Maximum Rates – Non-accredited \(PDF\) \(DHS-6441\)](#)
- [Maximum Rates with Accreditation/Credential Differential \(15 percent differential\) \(PDF\) \(DHS-6442\)](#)

COPAYMENT SCHEDULES

- [Copayment Schedules in effect October 12, 2015 – current \(PDF\) \(DHS-6413D\)](#)
- Expired [Copayment Schedules in effect October 13, 2014 – October 11, 2015 \(PDF\) \(DHS-6413C\)](#)
- Expired [Copayment Schedules in effect October 14, 2013 – October 12, 2014 \(PDF\) \(DHS-6413B\)](#)
- Expired [Copayment Schedules in effect October 1, 2012 – October 13, 2013 \(PDF\) \(DHS-6413A\)](#)
- Expired [Copayment Schedules in effect October 3, 2011 – September 30, 2012 \(PDF\) \(DHS-6413\)](#)

Contact your agency's Technical Assistance Liaison at the Department of Human Services for previous copayment schedules.

DETERMINING THE OVERPAYMENT

The amount of the overpayment is the difference between the child care assistance payments that the family and/or provider received and the child care assistance payments that the family and/or provider were actually eligible to receive. The worker must include all amounts that were overpaid when determining the amount of the overpayment, regardless of how long ago the payments occurred.

Workers must determine the Discovery and Established Dates as part of the process of calculating a claim. See DISCOVERY DATE and ESTABLISHED DATE in Chapter 2 (Glossary). Examples of documents needed to calculate a claim could be paystubs, W-2s, or employer statements.

When a family reports changes in their circumstance within 10 calendar days of the change, there will be no overpayment. An exception would be when the county does not respond to a reported change within 10 calendar days. If this happens there may be an overpayment due to agency error. The overpayment would be calculated allowing for a notice period. Counties must act on all changes within 10 calendar

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days from the date the change was reported or becomes known to the agency. See Chapter 8.3.3 (Agency Responsibilities for Family Reporting).

If an employment plan is modified, the job counselor should notify the Child Care Assistance Program worker of the change within 10 calendar days of the date of the modified plan. If the CCAP worker is NOT notified of the modified plan timely, an agency error overpayment would be calculated allowing for a notice period.

When the family does not report changes in their circumstance within 10 calendar days there may be an overpayment. The overpayment would be calculated beginning on the date the change occurred.

If the change is due to increased income, the overpayment may be calculated differently depending on the following circumstances:

- If an overpayment was due to increased income that occurred during a period of ongoing eligibility, the overpayment would be calculated starting with the first biweekly period after the date the increased income was first received.
- If an overpayment was due to increased income that occurred at the same time as a new application:
 - If the applicant was working and receiving income prior to the application date, but they failed to report it on the application – calculate the overpayment back to the application date.
 - If the applicant was working prior to the application date, but they did not receive their first paycheck until after the application date, and they failed to list the job on the application – calculate the overpayment starting with the first biweekly period after the applicant received their first check.

The county agency may not charge interest on overpayments of child care assistance benefits. See Chapter 14.9.12 (Civil Recovery -- Families).

INELIGIBILITY

When a family received child care assistance for a period of time when the family was not eligible for child care assistance, the amount of the overpayment is the total amount of child care assistance paid during the time period of ineligibility. If a family reported a change timely and the agency did not act on the change, the overpayment would exclude the allowable notice period.

If a family becomes ineligible for child care assistance and wants to receive child care assistance in the future, the family is required to reapply for child care assistance and meet entrance income limits.

Sometimes it is discovered that a family continuously receiving child care assistance was ineligible for a period of time when Child Care Assistance Program (CCAP) family met the eligibility requirements for a subsequent period of time. The subsequent period of time begins with the next time the family supplied information that established their eligibility.

The following are examples of ineligibility and the begin date of the subsequent period of time:

- The family is ineligible because requested verifications were returned after the due date. The subsequent period of time begins on the date the agency received the requested verifications.
- The family is ineligible because they submitted a redetermination and all required verifications, showing eligibility requirements were met after the due date. If the last day of the redetermination period is before 8/4/14, the due date is the date the case closed. If the last day of the redetermination period is on or after 8/4/14, the 30 day reinstatement policy applies. See Chapter 10.6.6 (Redetermination Processing – Reinstatement). The subsequent period of time begins on the date the agency received the complete redetermination form with all required verifications.

Assess an overpayment for the period of ineligibility and determine if an overpayment exists for the subsequent period of time.

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If the family was receiving Minnesota Family Investment Program (MFIP) child care:

An overpayment would only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements.

If the family was receiving Basic Sliding Fee (BSF), Transition Year (TY), Transition Year Extension (TYE) or Portability Pool (PP) child care:

If the period of ineligibility was shorter than the time period allowed for temporary ineligibility, an overpayment should only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements. See Chapter 8.6 (Temporary Ineligibility)

If the period of ineligibility was longer than the time period allowed for temporary ineligibility, determine whether the family's income was below the entrance income limit for the family size at the beginning of the subsequent period of time when the family met the eligibility requirements.

- If the family's income was at or below the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements, an overpayment should only be assessed for the period of ineligibility. An overpayment should not be assessed for the subsequent period of time when the family met eligibility requirements.
- If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements an overpayment should be assessed for the period of ineligibility:
 - If the family's income was above the entrance income limit for their family size during the entire subsequent period of time, an overpayment should be assessed for the entire period, in addition to the period of ineligibility.

OR

- If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time, but at a later date was at or below the entrance income limit for their family size, an overpayment should be assessed for the beginning of the subsequent period of time when their income was above the entrance income limit for their family size, in addition to the period of ineligibility. An overpayment would not be assessed for the later period of time beginning when the family's income was at or below the entrance income limit for their family size.

Example

Family was on child care assistance from January 1 to November 30. Family met eligibility requirements from January 1 to May 31. Family did not meet eligibility requirements from June 1 to September 30 (for example the parent was not in an authorized activity). Family met eligibility requirements from October 1 to November 30.

For all cases an overpayment would be assessed for the time period of June 1 through September 30 (if the family reported the change timely, an overpayment would not be assessed for the allowable notice period). In this scenario the period of ineligibility is greater than the time period allowed for temporary ineligibility. To determine whether an overpayment should be assessed for the time period of October 1 through November 30:

- For MFIP cases: an overpayment should not be assessed for October 1 to November 30.
- For BSF, TY, TYE and Portability Pool cases:
 - If the family's income was at or below the entrance income limit for their family size on October 1, an overpayment should not be assessed for the time period of October 1 to November 30.
 - If the family's income was above the entrance income limit for their family size on October 1 and continued to be above the entrance income limit, an overpayment should be assessed for the time period of October 1 through November 30.

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- If the family's income was above the entrance income limit for their family size on October 1, but was below the entrance income limit for their family size at a later time, for example November 1, an overpayment should be assessed for the time period of October 1 to October 31. An overpayment should not be assessed for the time period of November 1 through November 30.

LEGAL AUTHORITY

Minnesota Statutes 119B.011

Minnesota Statutes 119B.11

Minnesota Statutes 16D.13

Minnesota Statutes 549.09

Minnesota Rules 3400.0187

CLAIM COMPROMISE**14.9.18**

Compromising a claim consists of accepting a partial payment as full satisfaction of a claim on the condition that the payment is received promptly. Provider claims may NOT be compromised.

This policy applies to all FAMILY claims when the overpayment did not occur due to fraud and the initial notification of overpayment was issued through MEC².

The text of all MEC² family overpayment notices include language that advises the debtor of:

- The right to have the claim compromised
- AND
- The conditions that must be met to have their claim compromised.

The time limit for a debtor to make the compromise payment is 90 days from the initial notification of the claim. If the initial overpayment notice is sent by 1st class mail, the 90-day period begins with the date the notice is issued. If the initial notice is returned to the local agency by the postal service, the right to an overpayment notice and compromise is renewed. If the initial overpayment notice is sent by certified mail and accepted by the household, the 90-day period begins with the date a household member signs for receipt of the notice.

The right to compromise does NOT apply to family claims when the overpayment occurred due to fraud, which means that an Intentional Program Violation (IPV) has been established. See Chapter 14.12.3 (Disqualification for Fraud – Families). In fraud situations, the agency should suppress the MEC² overpayment notice and mail their own overpayment notice without the compromise language. If an overpayment notice precedes the determination of fraud and a timely compromise payment is received, the local agency is bound by the compromise. Consequently, a local agency that pursues criminal action would not be able to seek monetary restitution for the full amount of a previously compromised claim. This does not, however, prevent a local agency from charging the full amount of a compromised claim or from requesting additional fines, penalties, interest, or non-monetary restitution in the sentencing phase of the criminal proceeding.

If the family chooses to compromise the debt after recoupment has begun, but before the 90-day time limit, the amount of the overpayment already collected through recoupment would be returned to the family through a manual payment once the compromise payment has been received. The manual payment would be issued to the provider, who would be responsible for refunding that amount to the parent, unless the child care was provided in the child's home.

Claims may be compromised by 25% if the remaining 75% is repaid within the 90-day time limit. Compromise amounts must be in the form of direct voluntary payment by a debtor. Recovery received by tax offset, recoupment, or restored benefits cannot be applied toward a compromise.

A compromise payment is considered a collection. The county deposits the money they collect then reports the full 75% in MEC². DHS bills the county for 75% of the amount collected. The county can retain 25% of the compromise payment amount.

LEGAL AUTHORITY

Statutes 16D.15

FRAUDULENTLY OBTAINING CHILD CARE ASSISTANCE**14.12**

Agencies must establish that an Intentional Program Violation (IPV) has been committed in order to:

- Disqualify a family or provider for fraud;
- Determine that an overpayment occurred due to fraud.

See Chapter 14.12.3 (Disqualification for Fraud – Families) and Chapter 14.12.6 (Disqualification for Fraud – Providers).

Fraud exists when:

- A family has willfully or intentionally withheld, concealed, or misrepresented information to receive or to attempt to receive more benefits than they are eligible to receive or to help another person to receive or to attempt to receive more benefits than the person is entitled to receive.
- A provider has willfully or intentionally withheld, concealed, or misrepresented information to be authorized by CCAP; to receive or to attempt to receive payments to which the provider was not entitled; or to help another person to receive child care assistance to which that person is not entitled.

CLIENT ELIGIBILITY FRAUD REFERRALS

Refer clients you suspect of fraud for investigation.

For counties participating in the Fraud Prevention Investigation (FPI) program, use the [Fraud Prevention Referral form \(DHS-3335A\) \(PDF\)](#) to make a referral for an FPI.

For counties not participating in the FPI program, follow your county process to make a referral for possible client fraud investigation and use the [Fraud Prevention Referral form \(DHS-3335A\) \(PDF\)](#) to notify the DHS Office of Inspector General (OIG) of the investigation. County processes for making referrals may include contacting your county's fraud investigator or investigative unit, your county attorney, and/or your local sheriff's department.

Client eligibility fraud referrals should be made whenever case file information exhibits characteristics of possible misinterpretation or omission of relevant facts or resolve current eligibility issue, including possible fraud.

These situations may occur at the time of application, redetermination, a change report, when case file information is updated or reviewed for accuracy, or when your agency receives a report of potential fraud.

PROVIDER FRAUD REFERRALS

Refer or notify the DHS Office of Inspector General (OIG) Child Care Provider Fraud Investigations Unit of providers you suspect of fraud. Some counties may have the resources to investigate provider fraud locally. However, all counties should use the [Child Care Provider Investigations Communications Form \(DHS-6811\) \(PDF\)](#) to inform the OIG of all child care provider investigations.

Send referrals or notifications whenever it appears a provider is withholding, concealing, or misrepresenting information in order to:

- Become a registered provider;
- Receive payments for which the provider is not entitled; and/or
- Resolve current registration or payment issues, including possible fraud.

These situations could occur at registration, renewal, billing, when information is updated or reviewed for accuracy, or when the county receives a report of potential fraud.

CONTINUATION OF BENEFITS

During a fraud investigation, continue benefits if current eligibility exists. Do not close a case or deny benefits to people under investigation for fraud if they are otherwise eligible.

FRAUDULENTLY OBTAINING CHILD CARE ASSISTANCE**14.12**

Disqualify parentally responsible individuals (PRI) and child care providers who have committed an Intentional Program Violation (IPV). See Chapter 14.12.3 (Disqualification for Fraud - Families), Chapter 14.12.6 (Disqualification for Fraud - Providers) for information on disqualification procedures, Chapter 14.12.9 (Administrative Disqualification Hearing).

NOTIFICATION OF OVERPAYMENTS

If the fraud investigator or county attorney believes that claims activity may hinder an investigation, county workers must delay notifying the client or provider of an initial overpayment until fraud has been determined or the case has been closed. Counties are required to start recovery or recoupment by the last day of the calendar quarter that includes the discovery date of the claim. See DISCOVERY DATE in Chapter 2 (Glossary). Because subsequent criminal investigation may identify additional information about overpayments, the discovery date will not occur until fraud has been determined or the case is closed.

LEGAL AUTHORITY

Minnesota Statutes 119B.13
Minnesota Statutes 119B.16
Minnesota Statutes 119B.125
Minnesota Statutes 256.98
Minnesota Rules 3400.0183

ADMINISTRATIVE DISQUALIFICATION HEARING**14.12.9**

An Administrative Disqualification Hearing (ADH) is a formal, impartial review by a Human Services Judge for the purposes of rendering a decision as to whether or not an individual committed an intentional program violation (IPV).

An IPV is any action by an individual or provider which is a willful or intentional false statement, a concealment of a fact, or misrepresentation, whether or not it did or could have resulted in receipt of additional benefits. For more information about the methods for establishing an IPV, see Chapter 14.12.3 (Disqualification for Fraud – Families) and Chapter 14.12.6 (Disqualification for Fraud – Providers).

Misrepresentation or a failure to report on a timely basis does not necessarily constitute an IPV. The criteria for establishing the IPV requires an intentional act of deception, or one taken with an appreciation or understanding of its consequences or wrongfulness, and must be proven by a preponderance of evidence. To establish an IPV in an ADH, there must be a finding of intentional concealment or misrepresentation of a material fact by the legal standard of “preponderance of evidence”. Preponderance of evidence requires less evidence than “clear and convincing proof” or “proof beyond a reasonable doubt.” Legally, preponderance of evidence means that when the evidence is considered, it is more likely than not that fraud occurred.

An ADH must be initiated for individuals accused of committing an IPV when criminal charges are not being pursued. ADH procedures and requirements, EXCEPT for the notice of hearing as explained below, are the same as for administrative appeal hearings. See Chapter 0015 (Appeals).

REFERRAL OF IPV

Resolve cases of suspected IPV through either the criminal or ADH process, not both. Do not make concurrent referrals for prosecution and ADH. The practice of resolving an IPV first through the ADH process and then referring the same IPV for prosecution is prohibited.

If a case is dismissed in court, an ADH may be pursued because the burden of proof in establishing an IPV in an ADH action is the lower “preponderance of evidence” test as opposed to the “any reasonable doubt” standard required in a criminal prosecution.

ADH WAIVERS AND REQUESTS FOR ADH

Upon identifying an IPV and determining that the ADH process will be pursued, the accused individual or provider must be offered the opportunity to waive the appearance before a Human Services Judge and simply agree to the prescribed disqualification penalties.

Initiate the ADH process by completing the Notice of Intentional Program Violation –Waiver of Administrative Disqualification Hearing (DHS-3131) for families, or the Notice of Provider Intentional Program Violation – Waiver of Administrative Disqualification Hearing (DHS-3131A) for providers, whichever is appropriate. Prepare a narrative summary of the allegations, investigative findings, and the evidence to support the findings. Someone other than the assigned case worker must also review and sign the form and find that the case facts, if proven, would justify a finding of fraud. A county contact person must also be listed for the accused person to contact for reviewing the agency’s proof. The back page of the ADH waiver form has instructions to accused person as to how to waive the hearing, or request an ADH hearing. The waiver allows the accused person to admit to the facts or not, with the understanding that the disqualification penalty will be imposed in either case. Present or mail the ADH Waiver to the accused person. In either case, allow the person up to 10 days to return the form.

When the ADH involves a provider, complete one ADH Waiver for each individual or business that you propose to disqualify from receiving CCAP payments. Only the person or entity named on the ADH Wavier will be disqualified as a provider due to the ADH process. If you have questions about whether to bring an ADH against an individual provider, the provider’s business or both, consult with your county attorney’s office for guidance or contact the Office of Inspector General at the Department of Human Services (DHS). The provider must have received a copy of the Child Care Provider Responsibilities and Rights (DHS-4079) which includes the Penalty warning, before the ADH can be successful.

ADMINISTRATIVE DISQUALIFICATION HEARING**14.12.9**

Waivers should not be offered when there is only a suspicion of guilt but the evidence is not convincing. If a county agency determines that it has sufficient evidence to hold a hearing and has offered the individual an opportunity to waive the hearing, the agency must then schedule a hearing if the individual requests a hearing or does not sign the waiver. Do not offer an ADH waiver if the case is being referred for prosecution nor should prosecution be suggested as a threat if the waiver is not signed. If an ADH waiver is offered it should be because the county has already determined that an ADH is appropriate and is merely offering the individual the opportunity to opt out of the actual hearing.

If the accused person waives their right to a hearing, disqualify the person. See Chapter 14.12.3 (Disqualification for Fraud - Families), Chapter 14.12.6 (Disqualification for Fraud - Providers).

People have the right to revoke a signed waiver and to request that an ADH be held. This revocation must be in writing and be received by the county agency prior to the effective date of the proposed disqualification or within 30 days of the date the waiver was signed, whichever is earlier.

If the accused person refuses to sign the waiver, requests to have a hearing, or fails to return the waiver, refer the case for an ADH. Complete the Request for Administrative Disqualification Hearing (DHS-3132), for families, or the Request for Provider Administrative Disqualification Hearing (DHS-3132A), for providers, whichever is appropriate, and send to:

Minnesota Department of Human Services
Appeals Office
P.O. Box 64941
St. Paul, MN 55164-0941

Upon receipt of the Request for Administrative Disqualification Hearing (DHS-3132), the State Appeals Office will either accept or deny the request. If denied, the county agency will receive a notice indicating the reason for the denial. Denied requests may be resubmitted to the State Appeals Office for reevaluation. ADH requests may be withdrawn any time before the scheduled hearing date with written notice to both the accused person and the State Appeals Office.

If the State Appeals Office accepts a request it will schedule a hearing date and send accused person and county agency a notice of hearing. The notice will include a copy of the summary prepared by the county agency. Federal regulations require the State Appeals Office to give notice of an ADH hearing at least 30 days in advance (unless the accused person waives the hearing), rather than the 5-day notice for a regular fair hearing.

A Human Services Judge may combine a fair hearing and ADH into a single hearing if the factual issues arise out of the same or related circumstances. The accused person must receive 30 days advance notice (unless waived) that the hearings will be combined.

Within 90 days of client notification of an ADH or a combined hearing, the State Appeals Office must conduct the hearing, reach a decision, and notify the accused person and county agency of the decision.

Unlike fair hearings, asking the State Appeals Office to reconsider their decision is not an option. If either party disagrees with the Human Services Judge's decision, that party may start an appeal in district court. This is a separate legal proceeding that must start within 30 days of the date of the decision.

People found guilty of fraud by an ADH determination are subject to the disqualification procedures in Chapter 14.12.6 (Disqualification for Fraud - Providers), Chapter 14.12.3 (Disqualification for Fraud - Families).

ADH INVESTIGATIVE SUBPOENA

Subpoena authority is available to county agencies to gather information relevant to the investigation of a potential IPV that will be pursued through the ADH process. Consider using an investigative subpoena when a third party refuses to provide information. Complete the Request for Investigative Subpoena form

ADMINISTRATIVE DISQUALIFICATION HEARING**14.12.9**

(DHS 3436) and send to the DHS Appeals and Regulations Division. Include a description of the information being requested and the relevance of the information to establishing the IPV.

These subpoenas are not self-enforcing meaning that a first refusal to obey will not result in a contempt citation. However, these subpoenas are enforceable by appealing to district court for their enforcement by issue of a district court subpoena.

DISQUALIFICATION CONSENT AGREEMENT

County attorneys can also use the Disqualification Consent Agreement (DCA) (DHS-3429, for families, or the Child Care Assistance Program (CCAP) Disqualification Consent Agreement (DCA) (DHS-3429A), for providers, whichever is appropriate, as an option for establishing an IPV and allowing an accused person to voluntarily agree to a disqualification and repayment of program benefits. Use of the DCA form is limited to the discretion of and execution by the county attorney's office. The DCA's intended use is for those IPV cases that the county attorney chooses to adjudicate without formal charging and prosecution outcomes.

LEGAL AUTHORITY

Minnesota Statutes 119B

Minnesota Statutes 256.046

Minnesota Statutes 256.98

Minnesota Rules 3400.0183

Minnesota Rules 3400.0230