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TO: CHILD CARE RESOURCE AND REFERRAL (CCR&R) DIRECTORS

SUBJECT: PAYMENT EXCEPTION POLICY, PROCEDURES AND ADJUSTMENTS FOR FULL TIME AGREEMENTS DURING THE E-CHILD CARE (ECC) PHASE-IN IMPLEMENTATION PROCESS

DFD Instruction No. 11-11-3

This Instruction will impact the following programs: DFD Child Care Programs

PURPOSE

The purpose of this instruction is to provide guidance to the CCR&Rs regarding payment exception policy, procedures, and manual adjustments through the Administrative Terminal (AT) for Full Time Agreements during the phase-in process of the E-Child Care (ECC) pilot and statewide implementation. Part Time Agreements are dictated by current policy and part-time rate: therefore existing Information Technology applications will not change.

BACKGROUND

New Jersey Department of Human Services, Division of Family Development (DFD) has contracted with Affiliated Computer Services (ACS) to implement an Electronic Payment Processing and Information (EPPIC) system known as E-Child Care (ECC).

ECC is the new way of reporting child care attendance and absences, issuing payments to child care centers, and registered and approved home providers and allowing parents to assume the responsibility of reporting the attendance of their child/ren in subsidized child care.

ECC began as a pilot on September 25, 2011 in Hunterdon, Ocean, Sussex, and Warren counties. The statewide implementation of ECC in all other counties is scheduled to begin on January 1, 2012.

PROGRAM

The intent and purpose of ECC is to maximize the effective use of available child care funds by minimizing improper payments, eliminating the potential for fraud and error reductions, as well as standardizing the child care program payment system.

To ease the transition on providers and administrators as the conversion from a purely manual to an automated application takes place for statewide implementation, the state will implement the following payment exception provisions.

During the pilot implementation, specifically as it related to Full Time Agreements and occasional early pick-ups, it became clear that only paying providers for the actual hours of care provided (i.e., number of check-in and check-out swipes) rather than the terms of the agreement (full time care), produced the unintended consequence of only paying providers for hours of care and not for the full-time slot capacity that is reserved, irrespective of the number of hours a child is present, as is the case in the private child care sector.

In order to help maintain fiscal stability for providers accepting state subsidies with the transition of ECC, the State made a payment exception provision whereby providers would receive payments at the full time rate, including those occasional instances when a child/ren is picked up early, so long as there was a Full Time Agreement in place.

PROCEDURES & ADJUSTMENTS

Full Time Agreements will be paid at the full time rate. A payment exception provision has been made to honor provider payments at the full time rate ONLY during those occasional exceptions when the child/ren is picked up early.

In those occasional instances when there is a Full Time Agreement in place and care has been provided for at least 4 consecutive hours, ECC is programmed to make the necessary adjustments automatically by defaulting to a full time payment rate for 4 or more consecutive hours of care.

In those occasional instances when there is a Full Time Agreement in place and care is provided for less than 4 consecutive hours, the CCR&Rs are required to make manual adjustments within the system upon notification by the provider that there is a payment discrepancy for that period.

Example 1: Ms. Mom has a Full Time Agreement in place (9:00 am to 5:00 pm). On a rare occasion, Ms. Mom needs to pick her child up on or after 1:00 pm but before 5:00 pm (a minimum of 4 consecutive hours of care have been provided). ECC will automatically make the adjustments within the system eliminating the need for any manual adjustments. The provider will receive payment based upon the Full Time Agreement.

Example 2: Mr. Dad has a Full Time Agreement in place (9:00 am to 5:00 pm). On a rare occasion, Mr. Dad needs to pick his child up before 1:00 pm (less than 4 hours of care have been provided). ECC will **not automatically** make the adjustments. The provider will have to notify their respective CCR&R of the payment discrepancy once payment is received. The CCR&R will then make manual adjustments within the system upon notification from the provider.

MONITORING

These temporary payment exception provisions for Full Time Agreements only have been made based upon the premise that early pick-ups do not occur on a regular basis. If a pattern emerges in which it appears that early pick-ups are occurring on a more than occasional basis, Full Time Agreements may be revisited and adjusted accordingly to reflect the actual hours of care provided. This would require outreach to the parent and issuance of a warning notification letter that further early pick-ups will result in a change of the Full Time Agreement to a Part Time Agreement.

Example 1: Ms. Mom has a Full Time Agreement in place and every week, three days out of five, she picks up her child early (less than 4 consecutive hours of care provided). This pattern has been occurring since the beginning of her agreement or over the past few months. A warning notification letter should be sent to the parent and provider advising that a pattern of part time child care services has been displayed and future early pick-ups will result in a Part Time Agreement.

Example 2: Mr. Dad has a Full Time Agreement in place and one to four days out of a month he picks up his child early. This has been going on since the beginning of his agreement or over the past few months. This is considered occasional.

The CCR&Rs will be required to monitor how often hours of care are not consistent with the expressed agreements to ensure program integrity and accountability.

Pilot Counties

With the above changes that ***have not*** systematically occurred in ACS/EPPIC, CCR&Rs will be required to make an adjustment in the Administrative Terminal (AT) for those providers with Full Time Agreements that were not paid at the full time rate. In addition, for Family Child Care Providers with agreements and no bank account, CCR&Rs will issue a manual check.

FISCAL
N/A

SYSTEMS
N/A

TRAINING
N/A

Sincerely,

SIGNED

Jeanette Page-Hawkins
Director

JPH:AKS:cct