

CHILD CARE PROVIDER REIMBURSEMENT GUIDE

**for
Licensed, Registered,
and In-Process Providers**

South Dakota Department of Social Services
Division of Economic Assistance
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South Dakota
Department of
Social Services

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Child Care Services

Child Care Services provides assistance to low income families who need help with child care costs while parents work or attend school. They also provide oversight, technical assistance and support in promoting safe, healthy and caring environments for children through licensing, registration and quality improvement activities. The availability of quality child care is not only important for maintaining a strong workforce; it is vital for the healthy growth and development of children.

Child Care Services provides:

- Child care assistance for families who need help in paying their child care costs
- Licensing and registration of child care programs
- Child Care facility development in response to local community needs
- Regional Early Childhood Enrichment training delivery system for child care providers
- Specialized training and technical assistance for Out-of-School-Time programs
- Pathways to Professional Development Program
- Child Safety Seat Distribution Program

To learn more about any of the programs mentioned above, contact Child Care Services at 1-800-227-3020.

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Introduction

Funding made available to South Dakota, through the Child Care & Development Block grant, helps qualifying families pay for their child care while they work, attend school or a combination of both.

In order to qualify for Child Care Assistance (CCA), a family must meet certain program eligibility requirements. Depending on household size and income, the family may be responsible for a portion of the Child Care Assistance; this portion is referred to as the copayment.

The provider initiates a payment request by completing a Request for Payment form or using the online payment request website. Child Care Assistance reimbursements are paid directly to the child care provider. The provider is required to maintain daily attendance records, completed and signed by the family, which are used to support payment requests.

The following guide will provide you with the information you need to receive reimbursement from the Child Care Assistance program. The guide is also available on our website at the following web address: dss.sd.gov/childcare/childcareassistance.

We do make changes to the guide on a regular basis, so we suggest that you occasionally review online to ensure you are using the most current guide. You may also request a copy of our most recent guide by contacting Child Care Services.

Please contact Child Care Services if you have any questions about the Child Care Assistance Program—we are here to help you!

Provider Eligibility Forms

In order to qualify as an eligible provider to receive/continue to receive Child Care Assistance reimbursements, a provider must complete the following paperwork. When you first begin participating in the Child Care Assistance Program, the forms will be included in your initial mailing.

Please note that the first certificate(s) you receive may require a rate adjustment and be re-issued once we receive and process your rate declaration form.

1. Rate Declaration Form: (complete each time you change your rates)

Child Care Services (CCS) collects provider rate information from each provider requesting payment through the Child Care Assistance program. Provider rate information is used by the Caseworker to select the appropriate reimbursement rate to ensure that a provider is not overpaid through the Child Care Assistance program.

2. Provider Agreement: (complete for each federal fiscal year)

The Provider Agreement serves to ensure all parties agree and understand the policies and procedures governing the South Dakota Child Care Assistance/Subsidy program. The Provider Agreement is sent to participating providers each year. Each time that you sign a Provider Agreement, make sure to keep your copy accessible for future reference. Failure to comply with all terms and conditions of the agreement may result in ineligibility to receive child care subsidy funds.

3. W-9 Form: (complete for initial payment, and as needed)

Before CCS can make a payment to you, you must complete and return a Form W-9 Request for Taxpayer Identification Number and Certification.

4. Payment authorization form: (complete for initial payment, and as needed)

This form will provide CCS with information about where you would like your payment deposited.

Reimbursement Rates and Provider Rates

How does CCS determine the reimbursement rates?

Every two years, CCS conducts a survey to find out what South Dakota providers are charging for their services. The questionnaire is sent to every registered and licensed child care provider. If you receive a survey, it is very important for you to fill it out and return it. The information provided is used to establish the hourly reimbursement rates.

How to receive a copy of the reimbursement rates

You will receive a copy of the current reimbursement rates when you first begin participating in the Child Care Assistance Program. The reimbursement rates are also available on our website (dss.sd.gov/childcare). If you prefer, you may phone our office to receive a copy by mail.

Why does Child Care Services need to know a Provider's rates?

CCS collects provider rate information from each provider requesting payment through the Child Care Assistance program. This information is collected to comply with Federal and State program requirements. CCS must ensure that Federal subsidy funds do not pay more for services than is charged to the general public for the same service. In addition, ARSD 67:47:01:15 states that the unit price billed for the child care services provided must be the provider's usual and customary charge for the same services provided on the same date to the general public.

In order to comply with these Federal and State requirements, a provider cannot charge a higher rate for a child using Child Care Assistance than would normally be charged to a private-pay family. Provider rate information is also used by the Caseworker to select the appropriate reimbursement rate.

Complete a Rate Declaration Notice, each time you update your rates

Complete a Rate Declaration Notice each time you update the rates you charge families in your care. This will ensure the Caseworker has access to the most up-to-date rate information for you while processing a Child Care Certificate.

The Rate Declaration Notice is available on our website (dss.sd.gov/childcare) and by mail, if requested.

Special CCS reimbursement rates available to Providers

A Provider serving a child with special needs may need to make special accommodations. CCS does offer a higher rate for children with special needs to help offset any additional costs. CCS will make the final determination if the higher rate can be allowed. In order to determine this, the family must provide medical documentation of the child's condition, a written request that the special needs rate be allowed, and the provider must complete and submit a questionnaire relating to the enhanced services being provided to the child. Contact CCS for more information.

A higher rate is also available to Family Child Care Providers registered as caring for 6 or fewer children. The rate is available for children in care under age 3.

A weekly rate is paid to providers who participate in the optional TANF Reimbursement Program. If you provide full-time care for a family participating in TANF and charge a weekly rate, please contact CCS to discuss participation in this voluntary program.

Required Daily Attendance Records

Providers are **required** to maintain daily attendance records for children who receive Child Care Assistance. In order to ensure that your daily attendance records comply with the requirements of the Child Care Assistance Program, the records must legibly document the child's first and last name, the dates the child(ren) was present, and **a daily** signature by the parent, or person designated by the parent(s), to verify the accuracy of the attendance records.

As an alternative, there are child care software programs available for child care providers where parents sign via computer each day. Reports from these programs meet requirements as long as parents sign their child(ren) in/out via computer with an individualized, private code. The attendance records from the program must accurately reflect the person who picked up or dropped off a child.

Providers are required to maintain all attendance and billing records for a period of at least four (4) years.

When you first begin participating in the Child Care Assistance Program, we will include sample attendance records with this guide. Sample attendance records are also available on our website (dss.sd.gov/childcare). A form of your own design is permitted but must include a space for **a daily** parent/guardian signature.

Why does Child Care Services (CCS) require attendance records?

Keeping accurate records is important for you and the families you serve. Proper attendance records ensure agreement between you and the family and support your reimbursement requests to CCS.

CCS reimburses you on behalf of the CCA participating family. If a family becomes ineligible to receive assistance, they could be responsible to repay benefits paid on their behalf to you. For this reason, it is important for the parent/guardian to have the opportunity to review and sign agreement to the times listed on the attendance records.

Furthermore, if you are selected for an audit, you will be asked to provide your attendance records. The records will be reviewed in comparison to your payment requests and CCS program policy. Clear and accurate records are important to ensure that you are in compliance with program requirements. Without proper attendance records, you will not be able to support your payment requests to CCS. As a result, you may be responsible to repay reimbursements paid to you.

Family Eligibility Process

A family applies for Child Care Assistance (CCA)

There are several ways for a family to apply for Child Care Assistance.

- Pick up an application at any Department of Social Services local office
- Pick up an application at any Department of Labor and Regulation local office
- Request an application by calling Child Care Services (CCS) at 1-800-227-3020
- Request an application by emailing CCS at: CCS@state.sd.us
- Download an application or apply on-line by visiting the CCS website: dss.sd.gov/childcare

A Child Care Services (CCS) Caseworker determines family eligibility

CCS Caseworkers process applications within ten working days after receiving a completed application. An application received between the 1st—15th will have a start date of the 1st; an application received on or after the 16th will have a start date of the 16th.

If an incomplete application is received, the Caseworker will inform the family as to what is needed to complete the application process. Please note that an incomplete application will delay the processing time.

You may contact CCS to find out the status of an application. CCS will be able to provide you with limited information, unless the family has completed a Release of Information form, giving CCS permission to disclose additional information to you.

The amount of assistance is determined based on the number of hours the family is working or in school, plus supplemental time for travel. Depending on household size and income, the family may be responsible for a portion of the Child Care Assistance; this portion is referred to as the copayment. *(See page 19 for more information on family copayments)*

A Child Care Certificate is issued to the family and provider

Once a CCS Caseworker determines that a family is eligible for Child Care Assistance, the family and provider will each receive a copy of the Child Care Certificate in the mail; if we have your email on file, you will also receive an email copy. *(See page 7-8 to view a certificate example)*

The Child Care Certificate is proof to you that the family is eligible for assistance. You will need the information on this certificate to request payment for the child(ren).

Child Care Services cannot issue a reimbursement payment to a provider until the family is eligible for the program. The family is ultimately responsible for payment until you receive a certificate notifying you the family is approved.

Family Eligibility Process continued

A Child Care Certificate expiration and closure notice will be sent

Approximately six weeks before the end date of the certificate, a certificate expiration notice will be mailed to the family and provider as a reminder for the family to re-apply for continued assistance.

If the family does not re-apply in time or is no longer program eligible, their certificate will close. The provider will receive a closure notice. If CCS has your email on file, you will receive these notices by email only.

Please note that CCS does not send notification if an application is denied. If you have any questions about the status of a family's application, please call our office.

Family Reporting Responsibilities while on Child Care Assistance

In order to remain eligible to receive Child Care Assistance, a family must follow several guidelines, including the need to report changes to their Caseworker.

According to Administrative Rules of South Dakota 67:47:01:18, a household must report to the department when they experience any of the following changes:

- 1) A permanent change in employment or school status;
- 2) A change in child care provider;
- 3) An address change;
- 4) If the monthly income exceeds 85% of the state median income.

Changes can be reported in any written format that is convenient for the family.

Please continue to encourage families to report any changes in circumstance which may affect their eligibility; and if you suspect that a family is abusing their assistance, please contact Child Care Services to report the information.

Continued Assistance following a permanent change

If a current recipient of Child Care Assistance has a permanent change in employment or school status, 3 months of continued assistance can be granted from the last day of employment or school attendance. A permanent change is defined as a job quit or termination, a job ending due to the closing of a business, cessation of attendance or graduating from an educational or training program, or no longer participating in a TANF approved activity. Permanent changes must be reported in writing within 10 working days.

Child Care Certificate Example

Once a CCS Caseworker determines that a family is eligible for Child Care Assistance, the family and provider will each receive a copy of the Child Care Certificate in the mail. The Child Care Certificate is proof to you that the family is eligible for assistance, and has the information you will need to request payment.

(A)- **Your provider number**

You will use your state issued nine-digit provider number (located on your Child Care License or Registration) to identify yourself when you complete your Request for Payment or contact Child Care Services.

(B) - **The certificate number**

The certificate number links the assistance to the correct family, provider and time period. This number will change with each certificate issued for the family, so it is very important that you enter the correct certificate number on your Request for Payment.

(C) - **Eligibility Dates**

The family is eligible for Child Care Assistance during this timeframe. You can request payment up to 60 days past the end date of the certificate.

(D) - **Child Identification Numbers**

Each child is identified by their own unique identification number. This number will always remain the same even if the child is not continually receiving Child Care Assistance.

(E) - **Maximum Monthly Hours**

This is the maximum monthly hours that CCS determined are eligible for Child Care Assistance based on the family work/school activity. Typically, supplemental hours are included in this total to cover travel time, etc. The child may attend child care for more time than the maximum monthly hours, but the family is responsible for covering that cost.

(F) - **Hourly Rate**

This is the hourly rate assigned for the child. The rate may differ depending on the age of the child. If you charge an hourly rate to families in your care, the rate will be the lessor of your rate or the CCS reimbursement rate. If you charge a daily or weekly rate to families in your care, the rate will be the CCS reimbursement rate. Reimbursement payments will not exceed your weekly rate.

(G) - **Family Co-Payment Amount**

This is the portion of Child Care Assistance the family is responsible to pay you toward their child care bill. The copayment will be automatically subtracted from your payment.

(H) - **Payment Maximum**

The payment maximum is not guaranteed and could vary depending on the end date of the certificate and your payment rates.

Child Care Certificate Example

CHILD CARE CERTIFICATE

South Dakota Department of Social Services

Office of Child Care Services

CHILD CARE CERTIFICATE (CCC)

A

Date

07/01/12

Provider Number

444444444

Provider Name

123 Main St

Anywhere, SD 50000-0000

Dear Provider:

Parent Doe has been approved to receive child care benefits through the Office of Child Care Services (CCS). You are listed as the child care provider. Keep this certificate for your records as you will need this information to request payment.

B

C

For billing purposes the certificate number for this family is 888888888 effective 7/1/12 to 12/31/12.

This assistance is being provided for the following children:

Child ID Number

Name of Child

Max Monthly Hours

Hourly Rate

123456789

Joe Smith

200.00

2.10

234567890

Jane Smith

200.00

2.00

G

The co-payment, or amount the family is responsible to pay you is \$50 twice a month or a total of \$100 once a month. Regardless of the co-payment, the assistance may not cover the entire child care bill. The family is responsible for any child care costs which exceed the monthly assistance amount.

H

The maximum amount Child Care Services can pay you, the provider is \$ 720 a month depending on the number of actual hours the child(ren) are in your care while the family is working and/or attending school and the type of payment rate you have established.

The max monthly hours are pro-rated by the number of days in the billing period and also pro-rated based on length of certificate.

Provider must report a 10-day Child Absence

In order to prevent potential overpayments to the provider and ensure CCA payments are disbursed appropriately on behalf of the family, CCS needs to evaluate a child's extended absence.

When should I report an absence?

Regardless of when the child is scheduled to attend, if a child is absent from the child care program for more than 10 consecutive business days:

- The provider must report the absence, regardless of the reason for the absence, and
- The provider must stop requesting payment for any billing period following the 10th absent day, until the child returns to care.

Any child care bill following the 10th absent day is the family's responsibility to pay. If a provider requests payment for billing periods following the 10th absent day, the payment(s) will be subject to recovery and investigation.

How do you define 'more than 10 consecutive business days'?

'Business days' aligns with a child care program's days of operation. If a program is open Monday through Friday, the 'business' days are Monday through Friday. If a program is open Monday through Saturday, the 'business' days are Monday through Saturday. So '10 consecutive business days' are 10 days that occur in a row that align with a program's days of operation.

What if a child has been absent for more than 10 consecutive business days but will be returning?

Even if a provider has contacted the family and discussed the child's planned returned date, the provider is still required to report when the child is absent for more than 10 consecutive business days and must stop requesting payment for any billing periods following the 10th absent day, until the child returns to care. Any child care bill following the 10th absent day is the family's responsibility to pay.

What if the child is scheduled to attend sporadically?

Regardless of the days the child is scheduled to attend, if the child does not attend for more than 10 consecutive business days, the provider must report the absence.

How should I report the absence?

When a child has been absent for more than 10 consecutive business days, the provider will report this information by emailing CCS@state.sd.us or calling our office at 1-800-227-3020.

Provider must report a 10-day Program Closure

Child Care Services pays the provider on behalf of a CCA participating family. As a result, providers need to communicate extended closures so that Child Care Services can evaluate the closure as well as the provider's plans following the closure to prevent potential overpayments and ensure CCA payments are disbursed appropriately on behalf of the family.

Can I request reimbursement for days that I am closed?

Now that providers will request the full authorized certificate hours allowed for the reimbursement period (unless a child has been absent for more than 10 consecutive business days), this will include days that a provider is temporarily closed such as holiday, sick, or personal days.

When should I report a closure?

If a provider is closed for more than 10 consecutive business days:

- The provider must report the closure, regardless of the reason for the closure, and
- The provider must stop requesting payment for any billing period following the 10th closure day, until the provider begins offering care again.

How should I report the closure?

When a provider has closed their child care program for 10 consecutive business days, the provider will report this information by emailing CCS@state.sd.us or calling our office at 1-800-227-3020.

Requesting Reimbursement

In order to receive reimbursement, you must request payment from Child Care Services (CCS). CCS offers two different methods to request payment.

1. **Request for Payment Form:** (see page 13-14 for an example)

The Request for Payment forms are available directly from Child Care Services or on the website, (dss.sd.gov/childcare/childcareassistance). Information about each child must be entered on the form, and the form is signed and mailed to CCS. A faxed form cannot be accepted. A provider can bill once or twice a month with this form.

2. **Online Payment Request:** (see page 15 for an example)

A provider uses his/her provider identification number and pin number (provided by CCS) to enter an online billing website. Information about each child is already on the screen and the provider enters required information. A provider can bill once or twice per month with this method. Contact CCS to be signed up.

Reimbursement overview

Providers request reimbursement for a child's full authorized certificate hours allowed for the reimbursement period.

If a child was absent from the child care program for more than 10 consecutive business days or if the provider was closed for more than 10 consecutive business days, the provider must report this information regardless of reason and stop requesting reimbursement for any following billing period. (see page 9-10 for more information)

Reimbursement exceptions not payable through Child Care Assistance

- Additional fees not included in your tuition rate, such as transportation, meal, or enrollment fees.
- Care you provide for a child in your household: According to the Administrative Rule of South Dakota 67:47:01:11 ...'a provider registered...may not receive child care assistance payments for children who reside in the provider's household...' This includes a child that is in your care due to a foster care situation, including respite care.
- Care hours for a school-age child during the typical school day if homeschooled. A school-age child that is homeschooled is considered as 'attending' school during the typical school day (8 am to 3 pm); these hours of care are therefore not reimbursable.

The CCS payment system runs each Monday night, including Holidays.

If CCS is closed on a Monday holiday, the payment system will still run for payment requests already entered in the system. However, staff will not be in the office to receive mail and enter requests on that day. For a list of days that CCS is closed, see page 22 of this guide. If you request payment online, you must enter your payment request by 6:00 pm Central Standard Time on Monday in order for it to run through the payment system that night.

A provider may request payment once per month or twice per month.

Once per month: 1st day through last day of the month.

Twice per month: 1st day through 15th day and 16th day through last day of the month.

Requesting Reimbursement continued

A provider can only request payment AFTER care is provided.

You cannot request payment in advance for anticipated hours of care. If a family is no longer in care with you, or if a certificate ends early, you can request payment early for that family. You will need to include a note with your payment request explaining why you are billing early. Otherwise, the payment request will be returned to you.

A provider can request payment up to 60 days past closed certificate.

Payment requests past 60 days will not be processed.

Following payment, a Remittance Advice will be mailed to provider.

If CCS has your email on file, you will receive this notice by email only. The notice will provide detail about your payment. A copy of the notice will also be sent to the family.

How will you be paid?

Providers receive their payment reimbursement electronically through direct deposit or a Mastercard Prepaid Debit Card (available to Family Child Care providers only).

When will you be paid?

According to the Administrative Rules of South Dakota 67:47:01:16, payment shall be made within 15 working days following receipt of a complete payment request. Generally, the reimbursement payment is available within two to three business days after payment is processed. You may call our toll-free number anytime to hear information about your most recent payment.

Tax information

Child care providers who receive \$600 or more in payment from Child Care Services (CCS) will be mailed a 1099 Miscellaneous Tax Form by January 31st of each year. The form summarizes all payments the provider received from CCS in that year.

If you make a mistake on your payment request

If you make an error on your payment request, please contact CCS right away. Staff can let you know what you will need to do to correct the error.

Complete payment requests are important

Please take the time to make sure that you enter the correct information on your payment requests including certificate numbers, child id numbers, etc. Payment requests that are not complete, or that have incorrect information will be sent back to you for corrections. An incomplete or incorrect payment request could delay payment to you.

Perjury Statement

Each Request for Payment Form requires your signature. By signing the form, you are declaring and affirming under the penalties of perjury that the claim form has been examined by you and to the best of your knowledge and belief is in all things true and correct.

Request for Payment Form Example

Follow the instructions below to complete a Request for Payment Form. You will need the Child Care Certificate to complete the form.

(A) - Provider Name

This is the name that is on your child care license or registration; either your name, or the name of your child care center. (example: Mary Smith, or Kidz Daycare).

(B) - Provider Number

Enter your state issued nine-digit provider number (located on your Child Care License or Registration).

(C) - Provider Address

Enter your complete mailing address or the address of your child care facility.

(D) - Billing Period

Check the box of the appropriate time period. You can only request payment for one time period per form. If you are billing for different time periods, you will need to use separate forms.

(E) - Month and Year

Fill in the month and year for the time period you want to request payment.

(Example: It is now August 10th, but you are billing for the last part of July, the month you would use would be July.)

(F) - Child Name

List the full name of the child. If there is more than one child on a certificate, list them on separate lines. If you request payment from more than one certificate, please skip a line between certificates.

(G) - Child Care Certificate (CCC) Number

The certificate number links the assistance to the correct family, provider, and time period. This number will change with each certificate issued for the family, so it is very important that you enter the correct certificate number on your Request for Payment. Double-check to make sure the certificate is valid for the time period you are requesting payment.

(H) - Child Identification Number

Each child is identified by their own unique identification number. This number will always remain the same even if the child is not continually receiving Child Care Assistance.

(I) - Total Hours Child Care Received

Enter the full authorized certificate hours regardless of the billing period requested; the system will pro-rate the authorized hours based on the number of days in the billing period.

(J) - Provider Signature: Sign your name.

(K) - Date: Write in the date that you complete the form.

Request for Payment Form Example

CHILD CARE SERVICES REQUEST FOR PAYMENT

DEPT OF SOCIAL SERVICES

CLEARLY PRINT ALL INFORMATION INCLUDING COMPLETE ADDRESS

PROVIDER NAME: <i>Jane Doe</i>	A	PROVIDER NUMBER: 444444444	B
PROVIDER ADDRESS: <i>123 Main St, Anywhere, SD 50000</i>			C

BILLING INFORMATION

Request for Payment forms can be submitted for the following time periods: the 1st through the 15th of the month, the 16th through the 31st, or the 1st through the 31st. Please check ONE box.

THIS BILL IF FOR (check one) 1st DAY OF THE MONTH THROUGH THE 15TH
 16TH DAY OF THE MONTH THROUGH THE 31ST
 1ST DAY OF THE MONTH THROUGH THE 31ST

D

All billing information can be found on the child care certificate you received in the mail. If there are multiple children per certificate, please group families together.

IMPORTANT: Please leave a space between each grouping of claims (multiple families or certificates).

NOTE: Child Care Services will calculate the correct payment, based on the number of hours you record for each child.

To prevent delay, complete each box by following the example provided.

I declare and affirm under penalties of perjury that this claim has been examined by me and to the best of my knowledge and belief is in all things true

OFFICE USE ONLY CLAIM #	MONTH AND YEAR	CHILD NAME	CHILD CARE CERTIFICATE (CCC) NUMBER	CHILD ID NUMBER	TOTAL HOURS CHILD CARE RECEIVED
EXAMPLE	MARCH 13	Joe Smith	888888888	123456789	45
	MARCH 13	Jane Smith	888888888	234567890	45
	E	F	G	H	I

and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulations there under relating to non-discrimination in Federally assisted programs.

PROVIDER SIGNATURE

J

DATE

K

CCS cannot accept this form by fax!
PLEASE SIGN AND MAIL TO: CHILD CARE SERVICES
910 E. SIOUX AVENUE—PIERRE-SD-57501

Online Payment Request Examples

Below is an example of the Online Payment Request Entry Screen. Notice that the child name, certificate number, child identification number, eligibility date, and the authorized certificate hours allowed for the billing period is populated.

In order to complete the payment request, enter what is listed in the 'HR MAX' column into the 'HR ACT' column (highlighted in grey) and complete the rest of the form/online submission.

ONLINE PAYMENT REQUEST ENTRY SCREEN

Please pay attention to the Fr Date and To Date for each line. Claims can be entered for each billing cycle the day after the billing cycle ends. Encoding errors may delay payment.

LAST NAME	FIRST NAME	CERT NUM	CHILD ID	FR DTE	TO DTE	HR MAX	HR ACT
-----------	------------	----------	----------	--------	--------	--------	--------

Smith	Joe	999999999	123456789	09/01	09/30	200.00	
-------	-----	-----------	-----------	-------	-------	--------	--

Smith	Jane	999999999	456789123	09/01	09/30	135.00	
-------	------	-----------	-----------	-------	-------	--------	--

I declare and affirm under the penalties of perjury that this claim has been examined by me and to the best of my knowledge and belief is in all things true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulations issued there under relating to non-discrimination in Federally assisted programs.

Save Invoice

Request for Payment Processing - Pro-rating allowable hours

The computer system that processes the Payment Requests is designed to process payments as efficiently as possible, while preventing system overpayments to providers. There are a couple of methods used by the computer system that may affect a reimbursement payment that you receive.

1. Authorized certificate hours are pro-rated by the number of days in the billing period.
2. Provider reimbursement payments do not exceed the provider's weekly rate for the billing period.
3. The provider reimbursement payment is reduced by the family copayment.

1. Authorized certificate hours are pro-rated by the number of days in the billing period

Why does this happen?

The computer system pro-rates the maximum authorized certificate hours to ensure that a family's assistance is distributed and available as evenly as possible over each billing period in the month.

Who will this affect?

This pro-rating can affect providers that request payment twice per month. It can also affect providers if the end date of the certificate falls within a billing period.

How can this affect a payment reimbursement?

The system will only allow payment for a certain number of pro-rated hours for the billing period. If you enter more hours than the system allows, the system will adjust the hours you enter to not exceed the pro-rated total.

How does this work?

The number of days in the billing period differ depending on the number of days in the month. The number of days in the first billing period is always 15. The number of days in the second billing period varies. See directly below for an example.

	<u>1-15 billing period</u>	<u>16-end billing period</u>
28 day month	15 days	13 days
30 day month	15 days	15 days
31 day month	15 days	16 days

Request for Payment Processing - Pro-rating allowable hours

In order to figure out what the system will allow for the billing period, apply the following formula depending on the number of days in the month.

	<u>1-15 billing period</u>	<u>16-end billing period</u>
28 day month	54% x total cert hours	46% x total cert hours
30 day month	50% x total cert hours	50% x total cert hours
31 day month	48.3% x total cert hours	51.7% x total cert hours

Example:

The total allowable certificate hours is 190. You want to request payment twice per month for a 31-day month. Use the following formula:

	<u>1-15 billing period</u>	<u>16-31 billing period</u>
31 day month	48.3% x 190 = 91 hours available	51.7% x 190 = 98 hours available

What options are available to make pro-rating easier to plan for and calculate?

Pro-rating, generally, does not affect providers that request payment once per month. You may choose to submit a Request for Payment Form once per month.

If you would like to request payment twice per month, using the online payment request system may be helpful for you. The system will calculate and list the pro-rated hours available to you on the screen. If you choose to use Request for Payment Forms and request payment twice per month, you can calculate the remaining hours available for the month by reviewing your Remittance Advice Notice for the first billing period of the month; subtract the hours paid from the total hours on the certificate for the entire month.

What if the family uses more hours (than pro-rated hours available) in the first billing period and not as many in the second billing period?

You may request payment during the second billing period for the additional care hours from the first billing period.

Example:

The total authorized certificate hours is 190. You want to request payment twice per month for a 31-day month. Due to pro-rating, you may request payment for 91 hours for the first billing period and 98 hours for the second billing period.

During the first billing period, a child attends 100 hours. The system will only allow reimbursement for 91 hours. That leaves a difference of 9 care hours unpaid from the first billing period.

During the second billing period, the child attends 80 hours. You may include the 9 unpaid care hours from the first billing period, and request payment for 89 hours.

Request for Payment Processing - Weekly rate cap

Provider reimbursement payments do not exceed the provider's weekly rate for the billing period

Why does this happen?

The payment system will adjust payment reimbursements accordingly in order to prevent an overpayment to a provider.

Who will this affect?

This can affect a provider that charges families in care with a daily, weekly, quarterly, etc. rate. This does not affect providers that charge families in care with an hourly rate.

How can this affect a payment reimbursement?

If you request payment and the total payment exceeds your weekly rate for the billing period, the system will cap the payment to match your weekly rate for the billing period.

How does this work?

Based on the rate used by the provider, the payment system calculates the maximum payment based on working days in the billing period.

For example:

A provider charges a rate of \$110 per week. The provider is requesting payment for the first billing period in a month. There are 11 working days in the first billing period. (Note: working days are counted using Monday - Friday only.)

$\$110 \text{ per week} / 5 \text{ working days per week} = \$22 \text{ per day} \times 11 \text{ working days} = \mathbf{\$242 \text{ payment cap}}$

The provider requests payment online for the full authorized certificate hours (85) during the first billing period.

$85 \text{ hours} \times \$3.00 \text{ (CCS reimbursement rate)} = \$255 \text{ reimbursement total}$

$\$255 \text{ reimbursement total exceeds the payment cap of } \$242 \text{ for the billing period}$

Therefore, provider will be reimbursed **\$242** for the child.

Request for Payment Processing - Family Copayment

The provider reimbursement payment is reduced by the family copayment

An eligible family may be responsible for a portion of the Child Care Assistance; this portion is referred to as the **copayment**. Basically, the copayment is a 'cost-share' of the total assistance between Child Care Services (CCS) and the family. If the assistance paid by CCS, and the family copayment, does not cover the family's total child care bill, the family is responsible to pay the remaining balance of the child care bill.

The copayment amount is calculated based on the household size and income of the family. A change to the family's household size or income can result in a change to the copayment amount on the next Child Care Certificate. If a family is using more than one provider for the same child(ren), the copayment will apply to the certificate with the highest child care need.

The Child Care Certificate will list the copayment for the family. (*See example certificate on page 8*) You are responsible to collect the copayment from the family. You can choose how you would like to receive this from the family: once per month, twice per month, etc.

The copayment will be automatically subtracted from your reimbursement payment.

- If you request payment once per month, the entire copayment will be subtracted from your reimbursement.
- If you request payment twice per month, half of the copayment will be subtracted from your reimbursement.

If you request payment, but the family copayment is more than the assistance total, your reimbursement payment will be \$0.

- The family will be responsible for the child care bill. You can request payment even though you may anticipate a \$0 reimbursement payment. Doing so will allow you or CCS to provide proof that you did request reimbursement, should a family ask.

The copayment is not pro-rated by the number of days in the billing period.

- If a family has a copayment of \$100 a month, the copayment will remain the same even though the month has more or less billing days than the previous month. It will remain the same as well if the certificate ends early.

What should you do if the family will not pay the copayment?

- If a family receiving Child Care Assistance does not pay the child care copayment (or any amount owed toward the child care bill), you have the right to use your policy for non-payment just as you do for private-pay families.

Child Care Assistance Audits and Fraud

In order to provide program integrity and financial accountability, CCS conducts regular provider audits. These audits allow for a review of provider billing practices to ensure alignment with program policies.

If you are selected for an audit, you will be asked to provide the original daily attendance records for children within your program receiving Child Care Assistance. CCS may request these records with or without notice.

Please note the following Administrative Rule of South Dakota:

67:47:01:24 (5) The department may withhold payments, in whole or in part, to a provider if the department requests sign-in/sign-out attendance records, and the provider does not provide them to the department within the requested time frame.

When your records have been received and audited, you will receive notification of the findings. If you have requested payment incorrectly, you will be responsible to repay the resulting over-issuance.

Significant or recurring issues identified through the audit could lead to an investigation for an Intentional Program Violation (IPV). An IPV can result in the following penalties:

- 1st Offense IPV—Disqualification from receiving any monies or assistance from Child Care Services for a period of one year.
- 2nd Offense IPV—Disqualification from receiving any monies or assistance from Child Care Services for a period of two years.
- 3rd Offense IPV—Permanent disqualification from receiving any monies or assistance from Child Care Services.

Anyone that intentionally obtains benefits and is not entitled to them is committing fraud; this includes submitting incorrect reimbursement requests.

Any person who knowingly and willingly commits fraud against the department will be subject to criminal prosecution.

Welfare fraud is a crime.

If you suspect that someone is committing welfare fraud, please call the **Welfare Fraud Tip Hotline at 1-800-765-7867**. You will not be required to provide your name and all information will be kept completely confidential.

Frequently Asked Questions

Q. Do I have to accept children into my child care program that are receiving Child Care Assistance?

A. No. A provider can choose whether or not to participate in the Child Care Assistance (CCA) program.

Q. I received my Child Care Assistance reimbursement for a family in my care, and it does not cover their entire child care bill. The family has a Child Care Certificate with a \$0.00 copayment. Who is responsible for the remaining bill?

A. If the Child Care Certificate states that family has a \$0.00 copayment, that means that Child Care Services has determined that the family will not need to 'cost-share' a portion of the assistance. However, the family is still responsible to pay the child care provider if the Child Care Assistance does not cover the whole child care bill.

Q. What if the CCA payment does not cover the family child care bill?

A. If the CCA payment, and the family copayment if applicable, does not cover the family's child care bill, the provider may choose to charge the family the remaining balance.

Q. What should I do if a family participating in Child Care Assistance (CCA) is not paying the rest of the child care bill that is owed to me?

A. If a family receiving CCA does not pay the child care bill, you have the right to use your policy for non-payment just as you do for private-pay families.

Q. Since Child Care Services (CCS) reimburses with an hourly rate, do I have to charge families in my care an hourly rate?

A. No. You can choose to bill families in your care in whatever rate format you would like. Regardless of how you charge families in your care, the family is responsible for the portion of the child care bill that is not paid by CCS.

Q. It is hard to get families to sign the attendance records for their child; they are often in a hurry and sometimes do not come all the way into my house. Can I just have them sign each month or week, or just when Child Care Services (CCS) requests my records?

A. No. Records that are not signed daily do not comply with CCS requirements. See page 4 for information on why attendance records with daily signatures are important.

Q. Since I am receiving money from the State of South Dakota, am I considered a state employee?

A. No. You are not considered to be an employee of the state. You are still considered to be self-employed as you are only receiving reimbursement from the state on behalf of eligible families.

Child Care Services Office Closure Dates

Child Care Services will be closed on the following holidays:

- New Year's Day January 1
- Martin Luther King Jr. Day Third Monday in January
- President's Day Third Monday in February
- Memorial Day Last Monday in May
- Independence Day July 4
- Labor Day First Monday in September
- Native American Day Second Monday in October
- Veteran's Day November 11
- Thanksgiving Day Fourth Thursday in November
- Christmas Day December 25

When a holiday falls on a Sunday, Child Care Services will be closed on the following Monday.

When a holiday falls on a Saturday, Child Care Services will be closed the preceding Friday.

Additional days may be proclaimed as a legal holiday by the Governor of South Dakota or the President of the United States. In the event of such an occurrence, Child Care Services will be closed.