Care 4 Kids Program

Program Operations TRANSMITTAL

To:	Sherri Sutera, Program Director Care 4 Kids Program
From:	Harriet Feldlaufer, Director of Early Care and Education Office of Early Childhood
CC:	Distribution List
Subject:	**October 2018 - June 2019 Retroactive Reimbursement Payments**

Program Issue: Licensed Family Child Care Providers (FCC) and Unlicensed Relative Providers (UI) serving Infants/Toddlers, Preschool, and School Age children have been approved for retroactive reimbursement payment from October 1, 2018 through June 30, 2019.

Background: A Collective Bargaining Agreement between the Office of Early Childhood (OEC) and the Connecticut State Employees Association (CSEA-SEIU Local 2001) has been approved for a general rate increase, retroactive payments and other incentives for licensed Family Child Care providers (FCC) and Unlicensed Relative Providers (UI). The retroactive payments are effective October 1, 2018 through June 30, 2019 and will only be made to providers that are active on **July 1, 2019**.

Due to system limitations, the retroactive payments will be calculated outside of the legacy Child Care Management Information System (CCMIS) and outside the new ImpaCT system. However, ImpaCT will be used to issue retroactive payments using a batch process. Formulas have been developed to calculate the dollar amount to be issued as a manual payment to Licensed Family Child Care providers and Unlicensed Relative providers who are eligible to receive the retroactive payments effective October 1, 2018.

Directive:

The following will be the calculation for the Retro Manual Payments for active Care 4 Kids home-based providers:

In order to be eligible for the retroactive payments active Care 4 Kids provider is defined as:
- active on July 1, 2019
- serving at least 1 enrollment on July 1, 2019, and
- has received payments for care provided anytime during the period October 1, 2018 through June 30, 2019.

   A. **Calculations of payments for providers in ImpaCT**

Calculations will be done in the 'Retro Manual Payments Report' excel spreadsheet outside of ImpaCT. Base Rate will be the lower of Invoiced Rate or Prorated Cost of Care. The final payment amount to be issued to a provider will be derived using the seven (7) steps defined below.

1.) The following formula will calculate the payment amount issued to a provider with the **OLD** Maximum Reimbursement Rate (MRR):

Payment Amount Issued (Old MRR) = For all children on all invoices **[(Monthly Base Rate considering Old MRR (includes Special need if applicable)) + (Accreditations + Supplemental Payment – (Family Fee)]**

2.) The following formula will calculate the payment amount issued to a provider using the **NEW** MRR:

Payment Amount Calculated (New MRR) = For all children on all invoices **[(Monthly Base Rate considering New MRR (includes Special need if applicable)) + (Accreditations + Supplemental Payment – (Family Fee)]**

3.) The following variables will **not** be considered when calculating 'Payment Amount Issued (OLD MRR)' and 'Payment Amount Calculated (NEW MRR)' in steps 1 and 2:

- One-time Incentives and Manual Payments
- Underpayment
- Withholdings
- Overpayment

4.) The following formula will calculate the 'Rate Change Difference' amount for the services provided during the period 10/01/2018 through 06/30/2019. This formula will take the difference between the 'Payment Amount Calculated (NEW MRR)' and the 'Payment Amount Issued (OLD MRR)'.

Rate Change Difference = ['Payment Amount Calculated (NEW MRR)' – 'Payment Amount Issued (OLD MRR)']

5.) An additional percent (based on vendor type) will be added to manual payments of these types 'Administrative Error' and 'Reissuance' that were issued for the service period 10/01/2018 through 06/30/2019.

Administrative Error and Reissuance Manual Payment Amount = [(Total Dollar amount of administrative error and reissuance manual payments issued within 10/01/2018 through 06/30/2019) * (Percent Increase)]

This is applicable to only providers having a greater than zero amount in step 3.

Vendor Type	Percent Increase
Licensed Family (CC Licensed/Family Home)	2.5%
Unlicensed Relative (CC Unlicensed/Home)	1.25%

6.) An additional percent (based on vendor type) will be added to adjustments of this type 'Underpayment' that were issued for the service period 10/01/2018 through 06/30/2019.

Underpayment Amount = [(Total Dollar amount of underpayments issued within 10/01/2018 through 06/30/2019) * (Percent Increase)]

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This is applicable to only providers having a greater than zero amount in step 3. The underpayment amount calculated is at the provider level and will not be segregated by provider.

Vendor Type	Percent Increase
Licensed Family (CC Licensed/Family Home)	2.5%
Unlicensed Relative (CC Unlicensed/Home)	1.25%

7.) The following formula will calculate the 'ImpaCT Net Amount' to be paid to the vendor. ImpaCT will subtract Overpayments and Withholdings from the 'ImpaCT Net Amount' to be paid to the vendor.

ImpaCT Net Amount = ['Rate Change Difference' + 'Administrative Error and Reissuance Manual Payment Amount' + 'Underpayment Amount"]

B. Calculations of payments for providers in the Child Care Management Information System (CCMIS)

Calculations will be done in the 'Retro Manual Payments Report' excel spreadsheet outside of CCMIS. The report will include any dues deduction calculations to compare the difference in rates. The final payment amount to be issued to a provider will be derived using the 7 steps outlined above including calculations for dues deduction reimbursement (DDR) payment. Note: Base Rate will be the lower of Invoiced Rate or Prorated Cost of Care.

Final Payment Amount to be paid to the vendor = ['ImpaCT Net Amount' + 'CCMIS Net Amount']

The 'CCMIS Net Amount' will be added to the 'ImpaCT Net Amount' to determine the 'Final Payment Amount' to be paid to the vendor. The 'Final Payment Amount' will be calculated for each applicable vendor. This value is the dollar amount that will be issued as a manual payment of type 'Retroactive Payment' to the vendor.

Note: Any withholdings or recoupments for the vendor will be applied on this amount by the system.

Questions concerning this transmittal can be referred to Office of Early Childhood at 860-500-4421.

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