**CYFD – ECS Child Care Assistance Co-pay Calculation and Methodology**

**Short Description:**
- The CYFD Child Care Assistance Co-pay schedule is derived from a calculation which considers family monthly income and family size. The higher the monthly income a family has the higher the co-pay calculation will be for the family. By the same token, the more family members within a household unit the less co-pay they will pay for the first child in care.

**Calculation Methodology:**
- The CYFD Child Care Assistance Co-pay schedule is setup in monthly increments of $50.00 (fifty dollars) on the vertical scale and family size of up to 15 (fifteen) household members on the horizontal scale;
- Example of $50.00 (fifty dollar) increments;
  - $0.00 - $450.00, $451.00 to $500.00, $501.00 to $550 etc...;
- The Co-pay calculation itself is derived from dividing the low end of the $50.00 dollar increment, which the family’s monthly income falls within into the annual dollar amount of 200% FPL for the specific family size. Once the product of the percent of monthly income to annual 200% FPL is attained the percent is then multiplied by the low end of the $50.00 (fifty dollars) increment in which the family’s monthly income falls within.
  - Example: A family of 3 with a monthly income of $1025.00 will have a monthly co-pay of $27.00 for the first child in care. The calculation would be as follows;
    - $1001.00 (low end of $50.00 dollar increment which family’s income falls within) / $41,560 (annual 200% FPL for a family of 3) = 2.40856%;
    - 2.408% x $1001.00 = $24.10 monthly co-pay;
    - Note: In approximately late 2010, due to program budget concerns, the decision was made to increase family co-payments by 10% of the calculated monthly co-pay for the first child in care. This was determined to be the best alternative short of dis-enrolling families and ultimately children receiving Child Care Assistance at the time;
    - With the above policy decision implemented, the $24.10 monthly co-pay amount for the example family above would be $26.51 rounded to the nearest whole dollar of $27.00 monthly co-pay for the first child in care. An example of that calculation is as follows;
      - $24.10 x .10 + 24.10 = $26.51
Methodology to Determine Additional Children’s Co-pay Amount:

- The following represents Child Care Assistance policy (8.15.2 NMAC) for determining additional children’s co-pay amount to be applied:

  - 8.13.2.13 B - Co-payments for each additional child are determined at one half of the co-payment for the previous child.

- Based on the example family above which has a monthly income of $1025.00 and therefore a co-payment assessed for the first child in care of $27.00 monthly the co-pay for the second child in care would be $13.50 monthly rounded to $13.00. Therefore the total monthly co-pay for the example family of three would be $40.00.

Methodology to Determine Pro-ration Based on the Block of Time a Child is in Care:

- The following represents Child Care Assistance policy (8.15.2 NMAC) for determining additional children’s co-pay amount to be applied:

  - 8.13.2.13 C - Co-payments for children in part-time care are determined based upon the block of time that the child is in care.

- Based on the above policy citation, each child’s co-pays are pro-rated based on the block of time/need for care the child is determined to need. The following illustrates these pro-ration rules:

  - If a child is determined to need care Full Time (30+ hours/weekly) then the full co-pay is assessed;

  - If a child is determined to need care as a Part Time 1 (8-29 hours/weekly) then the co-pay is reduced to 75% of the full time co-pay;

  - If a child is determined to need care as a Part Time 2 ((8-19 hours/weekly) and only for split custody or in cases where a child may have two providers) then the co-pay is reduced to 50% of the full time co-pay;

  - If a child is determined to need care as a Part Time 3 (7 or less hours/weekly) then the co-pay is reduced to 25% of the full time co-pay;

- The following are examples based on the family of 3 example. (Reminder: the family co-pay of $40.00 monthly was assessed: $27 for the first child and $13 for the second child).

  - If the child’s need for care is determined as a Full Time then the child’s copay will remain the same. In this example, we will say the first child’s will need Full Time care, therefore the copay will remain $27.00

For the second child, based on part-time care as follows:
Methodology is based on April 2017 – March 2018 copay rates.

- If the child’s need for care is determined as a Part Time 1 then the $13.00 is reduced to $9.75 and rounded to nearest whole dollar of $10.00;
- If the child’s need for care is determined as a Part Time 2 then the $13.00 is reduced to $6.50 and rounded to nearest whole dollar of $7.00;
- If the child’s need for care is determined as a Part Time 3 then the $13.00 is reduced to $3.25 and rounded to nearest whole dollar of $3.00;

Steps Taken to Ensure Co-pay Calculation Consistency:

- External Service Delivery System Automated Tool/s:
  - Smart templates have been developed in Excel to assist staff with determining/calculating co-payments to ensure consistency with those calculations. The templates referenced apply all the rules and calculation methodology described above;

- Service Delivery System Automated Calculations:
  - We have developed automated co-pay calculation business rules within both the FACTS and EPICS service delivery systems. These systems also apply all the rules and calculation methodology described above.