

ECECD– ECEN Child Care Assistance Co-pay Calculation and Methodology*

Short Description:

- The ECECD 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 ECECD 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\% \times \$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 \times .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:

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- 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 the EPICS service delivery system. This system also apply all the rules and calculation methodology described above