

Subsidized Child Care Assistance Program Policy Manual  
Chapter 11. Responding to Changes and Redetermination

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# Subsidized Child Care Assistance Program Policy Manual

## Chapter 11. Responding to Changes and Redetermination

### **I. CHAPTER OVERVIEW**

This chapter discusses the annual eligibility redetermination process which occurs prior to the end of the twelve-month certification period and provides instructions on how to respond to changes that are reported during the certification period.

### **II. MAINTAINING CONTACT WITH THE RECIPIENT**

#### **A. Maintaining Contact**

Regular contact with the recipient or their representative helps to assure effective case management while ensuring that the record is up-to-date and reinforces the responsibility of the recipient to report changes which may impact eligibility. In addition, it helps to establish the childcare worker as someone the recipient can contact if problems arise. An annual redetermination is required for every case.

#### **B. Contact With the Recipient May Include One or More of the Following:**

1. An office visits.
2. A telephone call to the recipient or the agency worker assigned to the CPS or foster care case.
3. A home visits.
4. A locally developed questionnaire mailed to the recipient.
5. A telephone call or visit to the child's childcare provider; or
6. A visit to the recipient's work site or training program. (This should only be done with the parent's approval and prior notification of the visit and if other types of contact have been tried but were unsuccessful.)

### **III. CHANGE IN CIRCUMSTANCE**

#### **A. Recipient Responsibilities Regarding Reporting Changes**

At the time of application and redetermination, the childcare worker should emphasize to the recipient the importance of reporting changes. The childcare worker must use the [North Carolina Rights and Responsibilities for Public Assistance \(NCFAS-20009\)](#) when reviewing the reporting requirements with the recipient. The form specifies

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changes that have to be reported to the childcare worker within ten (10) business days of the change and the consequences of failing to do so.

### 1. Changes That Must be Reported

The following changes that must be reported

- i. Change of contact information including address and telephone number.
- ii. Increase in income that exceeds 85% SMI (this should NOT include irregular income fluctuations) based on the SMI chart posted on the [Division's website](#).
- iii. Non-temporary change in the status of the recipient as working or attending a job training or education program or any other non-temporary change in their need for childcare.
- iv. Change in recipients' choice of provider is needed or wanted.
- v. Recipient needs or wants to end childcare service.

### 2. Failure to Report a Change

Failure to report a change may impact an individual's ability to continue to receive subsidized childcare assistance. If the failure to report results in a significant overpayment-and it appears that there was intent to commit fraud, the child care worker may refer the family's case to the agency's Program Integrity Unit. For further instructions, see [Chapter 19: Fraudulent Misrepresentation, Improper Payments, Sanctions, and Appeals](#). **Assistance may only be terminated if the recipient is determined ineligible.**

## **B. Worker Responsibilities When Changes are Reported**

The childcare worker must react to the change reported by the recipient or the provider within ten (10) business days by documenting the change in the record as described below and determining if the change requires that a notice be sent to the recipient, provider or other agency staff. The worker is encouraged to react quickly to changes that impact the payment to the provider or the family's eligibility.

### 1. Updating the Case Narrative

Information regarding a change that is reported by the recipient that is not recorded on the Application, such as a change in the plan of care, must be recorded in the case narrative. In NC FAST, case narratives

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are-located on the contacts (tab) as notes; all notes should be added to the integrated case.

### 2. Distributing the Child Care Action Notice

The Child Care Action Notice must be sent to the recipient and provider if the change makes the family ineligible, or the change will reinstate or decrease the amount of the parental fee or change the plan of care. For information regarding the effective date of the changes that result in the termination of services, refer to Section VI. B. in this chapter. For information regarding the effective date of changes related to parental fees, refer to Chapter 8: Parental Fees.

Childcare workers are encouraged to review all notices that are generated in NC FAST. If the address on the notice is not accurate, workers are to manually send the notice to the correct address to ensure the recipient receives information timely. Childcare workers also must update the person page evidence ensuring that the correct information is updated prior to any changes on the case.

## C. Worker Reactions to Changes Reported

Some types of changes, such as a new work schedule, provider switch, or change in income, may affect Parent Fee, eligibility, or Service Plan details of an active SCCA Product Delivery Case (PDC). Guidelines vary with the type of change reported, below describes what changes to enter, how to enter changes, and when required verifications are needed. Some types of change require specialized responses; these may include increases in income and changes in provider.

### 1. Required Reporting

Childcare workers shall react in the following way to changes that recipients are required to report:

- i. Change of contact information including address and telephone number
  - Update information in NC FAST

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- ii. Increase in income. Recipients are required to report any income increase that exceeds 85% SMI based on the SMI Chart on the [Division's website](#).
  - Income must be verified per the Verification Method Hierarchy in [Chapter 7](#) of this manual; **this should NOT include irregular income fluctuations.**
  - Manually review the new income outside of NC FAST
    - If the increased income remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot increase during 12-month certification period due to change in income.
    - If the increased income is above 85% SMI, enter new income into NC FAST and generate 10-day termination notice.
- iii. Change in recipient's choice of provider is needed or wanted.
  - Issue action notice to end services at the existing childcare provider with the appropriate notice period.
  - Change providers in NC FAST and issue a new voucher.

**NOTE:** If the recipient returns to a previously attended provider, the childcare worker must issue a new voucher.
- iv. Recipient needs or wants to end childcare services.
  - Terminate case in NC FAST

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### 2. Voluntary Reporting

When a recipient voluntarily reports changes the childcare worker must enter the change into NC FAST if the change decreases the parent fee or increases the recipient's subsidy. Additional information reported by the recipient should be documented in the case narrative.

Childcare workers shall react in the following way to changes that recipients voluntarily report:

- i. Changes in income that do not exceed 85% SMI.
  - Income must be verified per the Verification Method Hierarchy in Chapter 7 of this manual.
  - Manually review the income increase outside of NC FAST
    - If the income increases but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot increase during 12-month certification period due to change in income.
    - If the income increases and is above 85% SMI, enter new income into NC FAST and generate 10-day termination notice.
  - If the income decreases, enter new income into NC FAST and decrease the parental fee.
- ii. Changes in work hours or education hours
  - If an increase in work hours results in increase in income, review income as indicated above.
  - If an increase in childcare hours is needed, increase the level of care in NC FAST to reflect the need based on work or education hours.
  - If decrease in work hours or education hours is reported, only enter this decrease into NC FAST if requested by the

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recipient; DSS/LPAs cannot automatically decrease the level of care to adjust to a decrease in work or education hours.

- iii. Change in household members (includes marriage, divorce; or a household member, including children, moving into or out of the home)
  - Update household members in NC FAST
  - If there is an income change based on the new income unit, manually review the new income based on new income unit outside of NC FAST.
    - If the income increases as a result of this change but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parent fee cannot increase during 12-month certification period due to change in income.
    - If the income increases as a result of this change and is above 85% SMI, enter new income into NC FAST and generate a 10-day termination notice.
  - If the income decreases as a result of this change, enter new income into NC FAST and decrease the parent fee.

### 3. Temporary Changes

If a recipient reports a temporary change in their need for childcare assistance the childcare worker must document the recipient's circumstances in the case record and services should continue without interruption through the end of the 12-month certification period. The recipient's need for care can be adjusted within NC FAST during the temporary change and the parent fee can be reduced if there has been a reduction in income, but services shall not be terminated prior to the end of the 12-month certification period.

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**NOTE:** When there is no longer a temporary change in a recipient's need for care the initially reported income can be reinstated.

Instances of a temporary changes are:

- Seeking employment following a job loss.
- Transitions between training or education activities.
- Job search following the 20-month post-secondary education time limit.
- Medical/Maternity Leave.
- Interruption in work for a seasonal worker between regular work seasons.
- Student break or holiday for a parent participating in training or education or,
- Any other interruption in work, training, or education hours that does not exceed 90 days.

### 4. Temporary Changes at Redetermination

When a recipient experiences a temporary change in their need for services at redetermination the recipient's specific circumstances must be assessed. The assessment is completed through an interview with the recipient about their specific circumstances, information the recipient can provide to document that they are planning to return to employment or education, and the length of time the recipient has been experiencing the temporary change. The recipient must meet all eligibility criteria in order to receive a new 12-month certification.

If a recipient does not have a need for care at the time of redetermination due to a temporary change that has occurred for less than 90 days from the date the recertification application is received, the childcare worker must document the recipient's circumstances in the case record and family shall be granted another 12-month certification period.

If the temporary change occurred more than 90 days from the end of the certification period, the family shall be granted a 90-day



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transition period. If at the end of the 90-day transition period the recipient continues to not have a need, the case can be terminated with a 10- day notice.

If a recipient does not have a need for care at the time of redetermination due to a non-temporary change, the recipient may not be granted another 12-month certification period.

**NOTE:** Refer to Section E. below regarding Non-Temporary Changes.

### **D. Changes to CPS and Foster Care Cases**

#### 1. Changes in Child Protective Services

When the need for care ends or changes prior to the end of the 12-month eligibility period for childcare cases with a need of Child Protective Services (CPS) the childcare case should be updated, and care should continue through the end of the recipient's 12-month certification period.

A new application is not needed at this time. The childcare worker must end date the CPS referral, change the need for care to the appropriate need, and continue services through the end of the recipient's 12-month certification period.

#### 2. Changes in Foster Care

When a foster child is receiving childcare due to his or her foster parents' need of employment or education and that child transitions to a new foster family prior to end of the 12-month eligibility period, the childcare will continue with no interruption. The new foster family's income for care will be reassessed at redetermination.

**NOTE:** The same would apply if a child is placed in a relative's home or other caregiver's home that is not a foster parent.

If the new foster family has a need for care, the childcare worker must review the new program referral for changes to the childcare case and

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make any needed updates to the plan of care such as selection of new childcare provider, change in hours of care, etc.

If the new foster family has a need for care, the child care will continue with no interruption. If the new foster family does not have a need, the child care worker should confirm with the new foster family as to whether they would like to receive child care through the end of the current certification period. If the foster family confirms they want to continue care, the worker must allow services to continue through the current certification period. The worker should adjust the need for care accordingly based on the new foster family's request. At redetermination, the foster family is required to have a need for care to receive continued eligibility.

If the new foster family declines child care services, the case can be terminated with a 10- day notice.

### **IV. TERMINATION OF SERVICES DURING THE ELIGIBILITY PERIOD**

#### **A. Child Care Assistance May be Terminated for a number of Reasons:**

1. The recipient has notified the LPA that the service is no longer wanted or needed
2. The recipient's income exceeds 85% SMI based on the SMI chart posted on the [DCDEE website](#). (this should NOT include irregular income fluctuations)
3. The child receiving subsidy assistance moves out of the home; except for when a Foster Care child moves to another Foster Care home.
4. The child has been admitted to an institution and is no longer able to use service or immediate termination.
5. The recipient moves out of the state of North Carolina

#### **B. Non-Temporary Changes**

Recipients are required to report non-temporary breaks, interruptions, or transitions in their ongoing work, training, or education activities.

Instances of non-temporary changes are:

1. when a recipient no longer needs or wants the services, or

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#### 2. when a recipient is planning to move outside of the state

When a recipient reports a non-temporary change in their work or education status 90 days of continued assistance is granted to the recipient. If at the end of the 90-day transition, the family is still experiencing the non-temporary change and does not have a need for care, services can be terminated. If the recipient no longer wants services and opts out of the 90 days of continued services, services can be terminated with 10-day notice.

#### **C. Notifying the Recipient and Provider**

The Child Care Action Notice giving notice of the termination of services and the reason for termination must be provided to the recipient and provider at least ten (10) business days prior to the effective date of the termination of services when services end during the twelve-month eligibility period. If there are less than ten (10) business days left in the twelve-month eligibility period, the notice is only until the end of the current eligibility period.

**NOTE:** No notice is required when the provider indicates that they will no longer care for the child, or the provider indicates it is not necessary to pay a notice. Payment will be made only for those days the child attends. The recipient's eligibility for services is not terminated, only the payment to the provider.

#### **V. ANNUAL REDETERMINATION OF ELIGIBILITY**

In order for an individual to continue to receive childcare services, eligibility must be redetermined annually. As a part of the annual redetermination of eligibility, recipients must complete, sign, and return the recertification application prior to the end of the current certification period. Individuals will be able to complete the redetermination process in person, by phone, mail, fax, or email. In all situations, the childcare worker must receive the completed redetermination application before the eligibility end date. All documentation needed for verification purposes to redetermine eligibility must be provided within thirty (30) calendar days of the date the redetermination application was received by the DSS/LPA. Refer to Chapter 4: Application, Eligibility Determination and Documentation for

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information on the application process. In addition, a Child Care Action Notice must be completed once the eligibility review is completed.

### **A. Contacting the Recipient**

NC FAST begins the recertification process approximately 45 days (on the 15<sup>th</sup> of each month) before the end of the certification period. An automatically generated recertification packet goes out to the recipient through DHHS Central Print.

An address change on the person page made on or after the 15<sup>th</sup> of the month may not be reflected on the Recertification packet. Check the address on the packet to ensure that the correct address is shown.

If all addresses on the Person page are end dated, there is no Active address to mail notices to clients, NC FAST will mail these notices to the DSS/LPA case owner. When receiving a client's packet, immediately contact the client to obtain their correct address and enter the new address into NC FAST through their Person page. Next, mail the notice to the client's correct address.

1. Additional copies of the redetermination packet can be requested by the recipient. The childcare worker will resend the redetermination packet to the recipient by mail. When there is insufficient time to complete the mailing process the childcare worker must inform the recipient that an office visit is necessary to complete the redetermination.
2. When a phone redetermination process is requested by the recipient, the phone interview will be conducted by appointment only. Phone interviews require the recipient to sign the redetermination application completed during the phone interview prior to the end date of the eligibility period. The childcare worker must mail the completed redetermination application to the recipient to sign.

### **B. Forms for Redetermination of Eligibility**

The recertification packet contains the Child Care Recertification form, Recipient Responsibilities for Subsidized Child Care Services form, and an instruction letter informing the recipient that a recertification on their case is due.

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The recipient must complete, sign, and return all forms and report changes. The recipient must provide any required documentation needed to determine eligibility within thirty (30) calendar days. Recertification packets returned by the last day of the current certification period initiate the recertification process.

The following must be completed in full:

1. Recertification Application for Child Care Assistance.
2. Recipient Responsibilities for Subsidized Child Care Assistance.
3. Child Care Action Notice (DCD-0450); after redetermination is complete the action notice is sent to the provider and recipient.
4. Narrative documentation- In NC FAST, it is recommended that Child Case Workers enter documentation in the Incomes Support Case narrative.

### C. Recertification Submission

NC FAST begins the recertification process approximately 45 calendar days, on the 15<sup>th</sup> of each month, before the end of an active childcare case certification period. An automatically generated recertification packet is mailed to the recipient through DHHS Central Print. The packet contains the Child Care Recertification Application, the Recipient Responsibilities document, and an instruction letter informing the recipient that a recertification on their case is due.

#### 1. Submission Timeline

- i. When a recertification application is submitted more than 30 calendar days prior to the end of the recipient's certification end date, the childcare worker has until the end of the certification period to complete the recertification.
- ii. When a recertification application is submitted less than 30 calendar days prior to the end of the recipient's certification end date, the childcare worker has 30 calendar days from the date the recertification application is received in the agency to complete the recertification.

**NOTE:** If the 30th calendar day falls on a weekend day, the complete recertification application must be completed in NC FAST by the last business day before the weekend date.

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### 2. Method of Submission

In all situations, recertification applications must be received in the agency on or before the last day of the recipient's certification period in order to be processed as a recertification.

#### i. Mail

When a recertification application is submitted by mail, the recertification application must be received in the agency on or before the last day of the recipient's certification period in order to be considered timely. The date the agency receives the recertification application is the date entered in NC FAST regardless of when the recertification application was signed and dated.

#### ii. Fax or Email

When a recertification application is submitted by fax or email and the documents are legible, the recertification application shall be accepted. The date the agency receives the recertification application by fax or email is the date entered in NC FAST regardless of when the recertification application was signed and dated. If a faxed or emailed recertification application is not legible, the childcare worker must contact the applicant and request that the recertification application be resubmitted in a legible format.

**NOTE:** If a faxed or emailed recertification application is not accepted, the childcare worker must document the reason for declining the recertification application and notify the applicant.

#### iii. In Person

When a recertification application is completed during a face-to-face appointment, the date of the face-to-face appointment is the date entered in NC FAST.

### **D. Ineligible Due to New Information**

If a recipient comes in for the annual redetermination and is found ineligible for any reason, the following steps occur.

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1. Complete a Child Care Action Notice to notify the recipient and the provider that assistance cannot be continued past the end of the twelve-month eligibility period.
  - i. If there are more than ten (10) workdays left in the eligibility period when the recipient is determined to be ineligible, services are terminated in ten (10) workdays rather than the end of the twelve-month eligibility period.
  - ii. If there are less than ten (10) business days left in the eligibility period, services are terminated at the end of the current eligibility period.
  
2. If the ineligibility is due to family income, the new income is compared to the 85% State Median Income (SMI).
  - i. If income is less than 85% SMI but exceeds the appropriate FPL, the family will be given a graduated phase out period, refer to Section F. below for more information about graduated phaseout.

#### **E. Ineligible Due to Lack of Response**

When NC FAST automatically generates the recertification packet and mails the packet to the recipient through DHHS Central Print, the recertification packet serves as the notice to the recipient of the recertification process.

**NOTE:** This policy does not prevent childcare workers from practicing good case management and maintaining contact when a recipient's recertification is due.

If a recipient does not reapply by the expiration date or applies but does not provide the necessary documentation within the thirty (30) calendar days, the following steps occur:

1. The service terminates on the last day of the twelve-month eligibility period. A ten (10) business day notice is not provided to the recipient when this occurs.
2. The recipient has the right to reapply at a later date; however, the DSS/LPA will not pay for childcare services provided between the date the eligibility expired or terminated and the date the new

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Application for Child Care Assistance is signed. Depending upon funding and priorities for assistance, the child may be placed on a waiting list.

### **F. Graduated Phase Out**

A graduated 12 month phase out period occurs only at redetermination when a recipients gross countable monthly income exceeds Federal Poverty Levels (FPL) of 133% for children ages 6-12 or 200% for children ages 0-5 and children with special needs whose income meets the federal income threshold of 85% State Median Income (SMI)

#### 1. Graduated Phase Out Period

At the time of the redetermination,

- i. If the recipient's income is less than 85% SMI but exceeds the appropriate FPL, the recipient will be given a graduated phase out period of 12 months during which childcare subsidy services continue with an adjustment of the parental fee.

At the end of a 12-month graduated phase out period the child in graduated phase shall not recertify that child's benefits are terminated. The childcare worker must end date the plan of care for any child whose graduated phase out ended. A recertification packet is not mailed.

- ii. If the recipient's income exceeds 85% SMI at redetermination, a ten (10) workday notice will be issued to terminate services. If there are less than ten workdays left in the certification period, the case will terminate at the end of the certification period.

#### 2. Eligibility during Graduated Phase Out

When a recipient reports a decrease in income during the graduated phase out period and the reduced income is at or below the appropriate FPL, the worker must now process this as a change in circumstance in NC FAST and decrease the income. A new application is not required.

When a decrease in income is reported the parent fee shall decrease. The recipient shall continue to receive subsidized childcare services through



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the end of the 12-month certification period and shall be able to complete recertification at the end of the certification period. NC FAST will recognize that the family is no longer in graduated phase out and a recertification packet will be mailed to the recipient at the end of the 12-month certification period.

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For additional information on policy described in this chapter please refer to:

**SCCA Manual:**

Chapter 4: Application, Eligibility Determination and Documentation

Chapter 7: Family Definition and Determining Income Eligibility

Chapter 8: Parental Fees

Chapter 19: Fraudulent Misrepresentation, Improper Payments, Sanctions,  
and Appeals

**NC FAST Job Aids:**

SCCA – Change of Circumstance

SCCA – Recertifications

**SCCA Program Rules:**

[10A NCAC 10 .1001](#) Basic Eligibility Criteria

[10A NCAC 10 .1007](#) Requirements for Determination and Redetermination of  
Eligibility