

2. The following situations describe how parental fees are determined when child care services are needed for part of a month. The Subsidized Child Care Services Reimbursement Manual provides additional information.
 - a. The LPA has the option to either assess the parental fee on a daily basis (prorated) beginning with the first day the child enrolls or start assessing at the beginning of the first full month of child care services. Refer to [Chapter 22: Local Policy Options](#) for additional information. When the monthly parental fee amount and the beginning date are entered, the Subsidized Child Care Reimbursement System automatically begins the full parental fee at the first of the next month.
 - b. When child care services are terminated during a month, a partial month parental fee must be assessed for the number of days care is needed. The Subsidized Child Care Reimbursement System will calculate the parental fee based on the monthly parental fee amount and the number of days entered that care was needed. (The parental fee may be figured manually by multiplying the daily parental fee rate by the number of days care is needed.)

NOTE: The full-time monthly and daily parental fee should be shown on the voucher.

F. Different Plans of Care

Sometimes varying child care arrangements are needed because of different work schedules. When a parent's work schedule is unusually long, two types of child care arrangements or extra hours of care in the same arrangement may be needed. In either situation, the child care worker assesses the parental fee based on 10% of the family's monthly gross income.

There may be instances where the plan of care creates a need to change between two providers. A parent may work a varying work schedule consisting of both day and night hours. Some months, the daytime arrangement is used more, and other months, there is more need for nighttime care. In this situation, the child care worker chooses one (1) of the providers to collect the parental fee rather than trying to split the parental fee based on the varying hours care is needed. This is documented on the Child Care Voucher (DCD-0446) and in the case narrative.

VI. ADJUSTMENTS IN PARENTAL FEES

Parental fees for child care are based on the family's ability to pay and are not intended to discourage parents from using needed services.

To assist families having difficulty paying parental fees, adjustments can be made for special circumstances as listed below. Adjustments in parental fees are always effective at the beginning of a month.

NOTE: Parental fees cannot be waived by the **LPA** for any reason and can only be adjusted for reasons listed below or as listed in [Section V. E., 2., a.](#)

A. Parental Fee Adjustments for High Medical Expenses

Families with large medical expenses may find the payment of a parental fee more of a hardship than other families of similar size and income. To help in this situation, the family [gross income](#) upon which the parental fee is assessed will be reduced by subtracting the amount of documented medical expenses in excess of 10% of that gross income.

Medical expenses are considered only in relation to the payment of parental fees, not in determining basic income eligibility.

The parent/responsible adult's statement concerning medical expenses shall be accepted; however, the child care worker may need to assist the parent/responsible adult in identifying and computing medical expenses to make the most accurate statement possible. Information provided by the parent/responsible adult about the family's medical expenses must be documented in the case record.

1. One-Time Medical Adjustment

A one-time medical adjustment can be given when a parent/responsible adult pays a high medical expense for one month. The excess medical expense is deducted from the gross monthly income and the parental fee for the upcoming month is reduced. Thereafter, the parental fee goes back to the amount assessed prior to the adjustment.

2. Medical Expense Spread Over Several Months:

When a parent/responsible adult pays high medical expenses for more than one month, medical adjustments can be spread over several months. The excess medical expense is deducted from the gross monthly income for the months in which there are high medical bills. The parental fees are also reduced for those months.

B. Parental Fee Adjustments When the Plan of Care or Eligibility Changes, Including Redetermination

The parental fee is reassessed when the family income changes. Refer to

[Chapter 11: Responding to Eligibility Changes and Redetermination](#) for more information.

Whenever the family's countable monthly income increases or decreases by \$100 or more during the current eligibility period, the LPA must recalculate the parental fee. If the monthly income decreases by less than \$100, an adjustment of the parental fee is not required; however, the LPA may choose to reduce the parental fee to help the parent/responsible adult. The parental fee change and the date the change is effective must be documented on the Child Care Action Notice ([DCD-0450](#)), and sent to both the parent/responsible adult and provider.

NOTE: All changes in countable income, regardless of the amount, must be counted at redetermination of eligibility.

1. Reduction in Parental Fees

In most cases, a decrease in the parental fee is made effective the first day of the next month. If making a decreased parental fee effective the first day of the next month creates a hardship for the family (such as situations involving greatly reduced or complete loss of income), the effective date may be the first day of the month in which the change is reported. The Child Care Action Notice ([DCD-0450](#)) is sent according to the above instructions and does not require a ten (10) workday notice.

The LPA staff enters the new parental fee into the Subsidized Child Care Reimbursement System to be effective at the beginning of either the current or following month.

2. Increase in Parental Fees

Increased parental fees are effective the first day of the month. When the parental fee is to be increased, the effective date of the change may be no earlier than ten (10) working days after the date the Child Care Action Notice is given to the family notifying them of the parental fee increase. If the first day of the next month does not allow enough time for a ten (10) day notification of the parental fee increase, then the effective date is the first day of the second month after the parental fee change is determined.

The LPA staff enters the new parental fee into the Subsidized Child Care Reimbursement System to be effective at the beginning of either the first or second month after the parental fee change is determined.

C. Parental Fee Adjustments for Child Care Benefits

Money from a child care benefit is counted as part of the allowable cost of care. Money from the benefit is first applied to the parental fee; any remaining amount is subtracted from the amount the LPA pays to the child care provider. The child care worker must communicate this information to the Subsidized Child Care (SCC) reimbursement worker by an explanation in the comments section of the voucher or action notice. If the parent/responsible adult is employed by a child care facility who offers an employee discount, the discount is not considered when determining parental fees and payments.

1. When an employer benefit is less than the parental fee, the parent uses the benefit amount to help pay the assessed fee amount. The voucher/action notice would still show the actual parental fee amount, which would be entered in the SCC reimbursement system.
2. When an employer benefit is more than the parental fee, the parent/responsible adult will use the benefit to pay the parental fee. The remaining benefit amount is then subtracted from the allowable cost of care in the SCC reimbursement system. The voucher/action notice and SCC reimbursement system would still show the total monthly parental fee, which would be entered in the reimbursement system. The parent/responsible adult would pay the entire benefit directly to her provider. The child care worker must communicate this information to the reimbursement worker by an explanation in the comments section of the voucher or action notice.

For additional information, refer to [Chapter 20: Payment Policies](#).