



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES

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MEMORANDUM

DATE: December 21, 2012

TO: Ms. Sharon L. Summers, DSS
Policy, Program & Development Unit

FROM: Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

RE: 16 DE Reg. 603 [DSS Proposed Child Care Subsidy Purchase of Care Plus Phase Out Regulation]

The State Council for Persons with Disabilities (SCPD) has reviewed the Department of Health and Social Services/Division of Social Services' (DSS) proposal to initiate a phase out of its Purchase of Care Plus (POC+) program commencing January 1, 2013. The proposed regulation was published as 16 DE Reg. 603 in the December 1, 2012 issue of the Register of Regulations.

As background, this program is an option which allows providers to charge DSS clients the difference between the DSS reimbursement rate up to the provider's private fee for service rate. Historically, SCPD believes some providers have limited DSS purchase of care slots since the compensation was so low the providers arguably could not sustain their businesses if they had too many POC slots. By inference, the POC+ program gave families an option, i.e., if a preferred provider had no POC slots, the family could offer the DSS subsidized compensation supplemented by a family payment. The family would still enjoy a State subsidy but have to pay a supplement resulting in the provider receiving an aggregate of its "private-pay" rate.

The purpose and rationale for the proposed phase-out is: In 2011, the provider rates were raised to sixty five percent of the market rate plus fifty cents. In addition, providers who join the Quality Rating and Improvement System known as Stars can potentially receive up to one hundred percent of the market rate. Some providers may choose the option of not participating in Stars, but will make up the difference by collecting the additional POC Plus fees through low income families. Phasing out of POC+ will encourage providers to participate in Stars and give some financial relief to our low income families.

There are pros and cons to this initiative.

The “pros” are as follows: 1) giving providers an incentive to participate in Stars quality rating program; 2) giving providers an incentive to offer more “regular” POC slots; and 3) reducing prospects for providers to negotiate payment of supplemental fees from families.

The “cons” are as follows: 1) reducing the network of providers who are willing to participate in the overall State subsidy program; 2) eliminating an option for families seeking a preferred provider with no “open” POC slots; and 3) being a disincentive for TANF clients to seek employment. For example, if DVR has a client with the opportunity to work, they will then exceed the FPL, will lose POC and have to pay out of pocket for child care services. This person will most likely not be able to attain a salary to pay for child care services and may just opt to rely totally on state benefits. Therefore, if POC+ is eliminated, the Division should adopt a program that has a buy-in option, similar to DMMA's Medicaid for Workers with Disabilities (MWD) program so there is an incentive for people to go to work, gain self-sufficiency and still keep their child care services.

SCPD does not know how many families participate in the POC+ program, how attractive the 65% + 50 cent payments are, and how difficult it is to identify child care providers with openings. However, SCPD does believe that the disadvantages outweigh the advantages and cannot endorse the regulation.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our position or observations on the proposed regulation.

cc: Ms. Elaine Archangelo
Mr. Brian Hartman, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

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