

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**DIVISION OF MEDICAID AND MEDICAL ASSISTANCE**  
Statutory Authority: 31 Delaware Code, Section 512 (31 Del.C. §512)  
16 DE Admin. Code 11004

**PROPOSED**

**PUBLIC NOTICE**

**Child Care Redetermination**

In compliance with the State's Administrative Procedures Act (APA - Title 29, Chapter 101 of the Delaware Code), 42 CFR §447.205, and under the authority of Title 31 of the Delaware Code, Chapter 5, Section 512, Delaware Health and Social Services (DHSS) is proposing to amend Division of Social Services Manual regarding Child Care Redetermination, specifically, *to add a graduated phase-out*.

Any person who wishes to make written suggestions, compilations of data, testimony, briefs or other written materials concerning the proposed new regulations must submit same to, Planning, Policy and Quality Unit, Division of Medicaid and Medical Assistance, 1901 North DuPont Highway, P.O. Box 906, New Castle, Delaware 19720-0906, by email to [Nicole.M.Cunningham@state.de.us](mailto:Nicole.M.Cunningham@state.de.us), or by fax to 302-255-4413 by 4:30 p.m. on December 1, 2017. Please identify in the subject line: Child Care Redetermination.

The action concerning the determination of whether to adopt the proposed regulation will be based upon the results of Department and Division staff analysis and the consideration of the comments and written materials filed by other interested persons.

**SUMMARY OF PROPOSAL**

The purpose of this notice is to advise the public that Delaware Health and Social Services (DHSS) is proposing to amend Division of Social Services Manual regarding Child Care Redetermination, specifically, *to add a graduated phase-out*.

**Statutory Authority**

- Child Care Development Fund (CCDF)
- 45 CFR 98.21 (b) - Child Care Development Block Grant of 2014

**Background**

New law requires that child care will continue for an additional 12 months without interruption or increased parent fees as long as the family income is within 85% of the State Median Income guidelines for Delaware. This new law is required so that families will have a transition period or "graduated phase-out" from the child care assistance program to leave the child care assistance program, rather than the assistance abruptly ending.

**Summary of Proposal**

*Purpose*

The purpose of this proposed regulation is to provide families who exceed the child care income a "graduated phase-out" from the child care assistance program.

*Summary of Proposed Changes*

Effective for services provided on and after January 1, 2018 Delaware Health and Social Services/Division of Social Services proposes to amend the Division of Social Service Manual to provide a "graduated phase-out" from the child care assistance program.

*Public Notice*

In accordance with the *federal* public notice requirements established at Section 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205 and the *state* public notice requirements of Title 29, Chapter 101 of the Delaware Code, Delaware Health and Social Services (DHSS) gives public notice and provides an open comment period for thirty (30) days to allow all stakeholders an opportunity to provide input on the proposed regulation. Comments must be received by 4:30 p.m. on December 1, 2017.

**Fiscal Impact**

The following fiscal impact is projected:

	Federal Fiscal Year 2018	Federal Fiscal Year 2019
General (State) funds	\$2,000,000	\$2,250,000
Federal funds	\$6,000,000	\$6,250,000

**AMENDED**

**11004.13 Determining Graduated Phase-Out for Child Care at Redetermination**

45 CFR 98.21(b)

This policy applies to recipient families whose income exceeds the child care income limit at redetermination.

- 1. The graduated phase-out of assistance is provided to families that report during redetermination income exceeding 185% but falling at or below 200% of the Federal Poverty Level (FPL).**
- 2. The graduated phase-out of child care assistance has a two-tier income range applicable at the time of redetermination.**
  - : Tier 1: Income over 185% of the FPL - the graduated phase-out of assistance begins.
  - : Tier 2: Income over 200% of the FPL - the child care closes.
- 3. An additional twelve months of child care will be authorized at the time of the graduated phase-out.**
  - A. The family must continue to have a need for child care during the graduated phase-out period.
  - B. The family will remain eligible for the full twelve months of assistance even if during the graduated phase-out period the family's income increases above 200% of the FPL but remains below 85% of the State Median Income (SMI).
  - C. If the family's income exceeds 85% of the SMI during the graduated phase-out period, the child care will close.
- 4. A new parent fee will be set at the start of the graduated phase-out period.**

21 DE Reg. 374 (11/01/17) (Prop.)