

**Department of Workforce Development  
Hearing Summary**

**Proposed Rules Relating to Child Care Copayments  
DWD 56.08  
CR 08-020**

A public hearing was held in Madison on April 11, 2008.

22 people commented or registered against the proposed rules

0 commented in support of the proposed rules

8 commented for information only

**The following commented or registered on the proposed rules:**

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| 1. Pete Swin Ford, Organizing Director<br>AFSCME/CCPT<br>Milwaukee | 2. Genniene Lovelace-Michel<br>AFSCME and provider<br>Madison |
| 3. Oma Vic McMurray<br>AFSCME and provider<br>Madison              | 4. Silke O'Donnell<br>AFSCME and provider<br>Madison          |
| 5. Susanne Hoesler, Organizer<br>AFSCME<br>Madison                 | 6. Brenda Behm  |
| 7. Jennifer Singh  | 8. Kathryn McGee  |
| 9. Cassandra Wagner-Cokes  | 10. Yolanda McFadden  |
| 11. Jodi Knutson   | 12. Eloise Bradley  |
| 13. Jennifer Swenson   | 14. Betty Morgan  |
| 15. Georgette Bruhn, Day Care Certifier<br>Burnett County<br>Siren | 16. Jill Radle  |
| 17. Heidi Severson   | 18. Karen Metcalf   |
| 19. Fay Dahlgren   | 20. Mary Killins  |
| 21. Marjorie Nicholson   | 22. Vera McFarland  |
| 23. Frances Jarstad  | 24. Michelle Hanson   |
| 25. Cheryl Jakusz  | 26. Barbara Crawford  |
| 27. Lynn Ritter  | 28. JoAnn Burk  |
| 29. Pauline Kaat   | 30. Patricia Morrow   |

## AFSCME

1. This change will hurt families using certified care who will have to pay more for the care they receive. About 12% of the children served by Wisconsin Shares will be affected. This change will also hurt certified providers when families fail to pay the copayment. We realize that this would be hard to do because the department does not track whether parents are making copayments, but we believe that the department should look at the real economic impact on providers.

The department seems to view this change as a way of helping to balance the books by reducing reimbursements to certified providers. We agree with the department's assessment that the long term budgetary impact on the program is hard to quantify because parents may switch to a licensed provider when they experience no differential in cost for varying types of care.

The department should consider methods of complying with the CCDF regulations that do not harm families and providers. Requiring slightly lower licensed family copayments and increasing certified copayments by less than has been proposed would do less harm on the certified side and would help families using licensed care.

2. DWD has chosen the option that is most harmful to providers and families. Certified providers are already the lowest-paid level of provider and this change reduces that amount even more. The program is supposed to ensure that low income families have access to quality child care. The State will pay more for the children later in life if they don't find the money now.
3. I agree that low income families should have equal access to the child care facility of their choice. Parents can't pay the increased copayment. Providers are the buffer between the families and the DWD rules. We are human and respond to the families who are suffering. This will mean a pay cut to many providers. We need Wisconsin to step up and care for the children during these difficult times. Instead of raising copays for certified care, please lower the copay for licensed care.
4. In my role as one of the bargaining team members of AFSCME, I have talked to many child care providers across the state. Certified providers tell me this cut has been significant and providers are having to work longer hours or care for more children to pay the bills. Some of the providers receive a payment from the state of less than \$1 per hour per child now. DWD should lower the copayment for licensed care to comply with the federal regulations.

## AFSCME email to members and supporters encouraging comments

DWD has increased the copayment for Certified providers as of March 30th, 2008. In order for DWD to continue to receive federal funding for child care, DWD was mandated to have the same copay for Licensed and Certified providers. Prior to March 30th Certified providers had a lower copay due to them receiving lower reimbursement rates than Licensed providers.

DWD had three options to correct this copayment issue. Again DWD chose the one that would save them money, and cut the pay for Certified providers. Here are the three choices DWD had:

1. Lower Licensed copay to be the same as Certified.
2. Lower Licensed copay part way, and increase Certified copay part way.
3. Increase Certified copay all the way up to Licensed.

We need all providers to e-mail DWD opposing this increased copayment rule and tell them to lower licensed copay to be within federal rules. We need to share with them how detrimental this rule will be for Certified providers. You may not be affected by this rule this time, but future rule changes may affect you. That is why it is very important that all providers stand together on every major issue. Only together can we make change happen.

**Comments from providers and supporters 6 to 22:**

6.	I vote for #2.
7 to 9.	It's unfair to raise the copayments for certified care when certified providers already receive lower pay than licensed providers.
10 to 14.	Parents can't afford the increased copayment.
15 to 22.	Lower licensed copayments to be within federal rules. Lower licensed copayments to be the same as certified copayments.

**Department response to comments 1 to 22:** The federal Department of Health & Human Services has required that Wisconsin eliminate differential copayment amounts based on category of care, such as certified versus licensed providers. The Department is increasing the copayments for certified care to the same level as the copayments for licensed care to meet this requirement. The child care subsidy program is unable to afford the additional cost of decreasing the copayments for licensed care, given the budget issues facing the program. Decreasing the copayments for licensed care to the same level as the previous copayments for certified care would increase program costs by \$9.8 million. The vast majority of copayments assessed (87.7%) are for licensed care, so the fiscal effect on the program to decrease copayments for licensed care is much greater than the effect of increasing copayments for certified care.

**Comments from providers 23 to 30:**

23.	I oppose the increased copayments for licensed providers.
24.	I oppose certified providers being reimbursed at the same level as licensed. Licensed providers have more training and more rules to follow.
25.	It's not fair that licensed daycares get higher copays and certified get less.

26.	If DWD continues to increase the copayment, the quality of services by licensed providers will decrease.
27.	DWD should focus on fines for people doing child care illegally instead of cutting the pay for those who follow the rules.
28.	As a licensed provider, I spend more time and money on education every year than certified providers. I also spend more money on fuel and food costs than certified providers.
29.	Lowering payments to licensed providers is detrimental to the quality of care. Certified providers offer many of the same things as a licensed provider yet they do not have the same regulations to meet. Research shows that educated staff provide better care. We need funds to meet education needs.
30.	Everyone should get the same pay. We all work very hard.

**Department response to comments 23 to 30:** These comments are not clearly for or against the proposed rules.

- The rules do not affect licensed care. There is no change to the copayment amount or maximum reimbursement rate for licensed care.
- The copayment is paid by parents to the provider. A higher copayment means the payment from the Department to the provider is lower. Even with the same copayment for licensed and certified care, the payments from the Department to licensed providers will generally be higher than the payments to certified providers because the maximum reimbursement rate to licensed providers is higher.
- Certified and licensed providers will not be reimbursed at the same level. The higher reimbursement rate to licensed providers is statutory. Section 49.155 (6), Stats., provides that the county maximum reimbursement rate for a Level I certified provider may not exceed 75% of the rate set for a licensed provider in that county. The county maximum reimbursement rate for a Level II certified provider may not exceed 50% of the licensed rate in the county.