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# Child Care Services Provider Handbook

Revised November 1, 2022

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# Child Care Services Provider Handbook

Workforce Solutions Deep East Texas (WSDet) has developed this Child Care Services Provider Handbook to inform you about its child care services and to explain your role as a contracted Child Care Services Provider (CCS Provider). This handbook is for regulated child care providers offering child care services to families receiving assistance through Child Care Services (CCS). It will provide you with a reference guide that you can keep, explain your requirements and responsibilities as a CCS Provider to CCS families, explain the conditions on which child care services are based, and explain reimbursement procedures for child care services rendered.

Please read this handbook carefully. Keep it handy as a reference for questions you may have later about your CCS contract. Feel free to contact us at the phone number and email address listed below if you have any questions.

## CCS Contact Information

<b>Child Care Services</b> 210 N. John Redditt Dr. Lufkin, TX 75904 1-800-256-1030 or 936-631-8624 Fax 936-632-9383 CCSDet@detwork.org	<b>Billing Department</b> CCSBILLING@detwork.org 936-221-5566
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## Complaints and Grievances

CCS Providers have the right to have complaints or grievances heard without the threat of retaliation. CCS Providers should begin by explaining the problem or complaint to CCS staff. If this is unsuccessful, CCS Providers may request a review by the Director or Senior Director.

## Eligible Child Care Providers

Any licensed or registered provider of child care in Texas may apply to become a CCS Provider. A regulated child care provider must meet the following criteria to be eligible to receive CCS funds for providing child care services.

### Basic Provider Eligibility Requirements

- Have a current license from Health and Human Services Commission Child Care Regulation (CCR) as a child care center, licensed child care home, registered child care home, or operated and monitored by the United States Military Services.
- Provider must be Texas Rising Star (TRS) certified, or, at a minimum, have a TRS Entry Level rating not to exceed the maximum length of time before becoming TRS certified. (For more information regarding the Texas Rising Star Program and the requirements, see page 19.)
- If the potential provider is a former CCS client that has an outstanding balance owed to CCS, he or she is ineligible to become a CCS Provider until the balance is paid in full.
- Provider cannot be debarred from any other State or Federal programs. Federal Executive Order 12549 requires CCS to screen each covered potential provider to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion.

NOTE: WSDet does **not** contract with licensed Before- and After-School Programs or Relative Care.

### Provider Application Process

When a potential child care provider is interested in becoming a CCS Provider, a CCS Provider Application Packet will be emailed through Adobe Sign to the provider with the following forms:

- TWIST Information Worksheet
- Site Data Form
- Provider Holiday Form
- Texas Family Law Form
- Electronic Payment Authorization Form
- W9 Form

Please fill out these forms and return them through Adobe Sign along with a copy of your current **Child Care License, a Voided Check, and your current Published Rates**. These items may be added to your Application via the Attachment Button. Please ensure that your rates list full-time and part-time rates along with any additional fees that may be charged, such as registration, supply and/or material fees, and the frequencies in which these fees are charged.

Once the CCS Provider Application Packet and additional documents have been received, a review process will be initiated. CCS staff will contact you if additional information is needed.

Upon approval of the application, the Provider Contract will be drafted and sent to the provider through Adobe Sign for review.

- The provider will review all of the information on the contract for accuracy and sign.
- After the contract is signed and returned, CCS staff will sign the contract, and a completed copy will be sent to both the provider and CCS.
- Data from the completed contract will be entered into our system. The provider is now a CCS Provider.

As a CCS Provider, you are not entitled to wages or benefits from CCS. The CCS Provider is fully responsible for the payment of all federal, state, and local taxes or contributions imposed or required under Unemployment Insurance, Social Security, and employment tax laws. CCS Providers must abide by the terms of the Provider Contract and the CCS Provider Handbook.

Contracting with CCS does not guarantee that a provider will have children referred by the CCS Contractor.

- All referrals made by the CCS Contractor are based on parent choice.
- Even if CCS Providers do not have CCS-referred children in care, they must still comply with the terms of the CCS Provider Contract.

## Child Care Authorization

Once child care has been authorized by CCS, all arrangements for child care shall be made between the parent and CCS Provider per the parent's child care needs and the CCS Provider's policies.

When the parent notifies CCS that a child care selection has been made, CCS staff will:

- Contact the CCS Provider to be sure space is available;
- Verbally authorize care to start and give an authorization code; and
- Email the CCS Provider a TWC Form 2450 - Authorization for Child Care Enrollment. Form 2450 includes:
  - The date child care is to begin and end
  - The parent share of cost (PSOC)
  - The days authorized for care
  - If transportation is authorized

**The CCS Provider must not accept a child unless CCS staff have called the CCS Provider and issued an authorization code.**

- The CCS Provider will also get a Form 2450 for Discontinuation of Care after the services are ended. CCS will not pay the CCS Provider for any days after the end date on this form.

CCS Providers may set a cap of CCS children but not deny a child care referral based on the parent's income status, receipt of public assistance, or the child's protective service status. When a CCS staff member calls to place a child in care, it is the CCS Provider's responsibility to notify the CCS staff member at that time that the CCS Provider has met their cap.

The Americans with Disabilities Act (ADA) of 1990, as amended, requires that all individuals, regardless of their disabilities, be allowed access to child care facilities, including registered homes.

## **Requirements of a CCS Provider**

The CCS Provider is required to:

- Collect the PSOC from families (if applicable) before services are provided, and report nonpayment of PSOC.
- Not charge parents who are exempt from paying a PSOC or parents whose share of cost is calculated to be zero (0).
- Not collect reimbursement from parents or any fee included in the CCS Provider's calculated rates.
- Attend two face-to-face mandatory trainings per year with CCS and/or Board Staff.
- Document and **maintain PSOC receipts** (if applicable) for all CCS children. These receipts must include:
  - The date of payment
  - The dates the payment is for
  - The children the payment is for
  - The first and last name of child whom payment is made for
  - PSOC paid
  - Total amount paid
- Report absences for all CCS children (**see page 6**)
- Report any changes in Holidays or Closures (**see page 12**)
- Report any changes in provider status at least 10 days prior to changes being made (**see page 13**)

## **Record Keeping**

CCS Providers must maintain financial records for each child receiving subsidized child care and make them available for review by CCS upon request.

At a minimum, the CCS Provider must keep the following for each child receiving subsidized care:

- Attendance records
- PSOC receipts
- Provider payment proofs
- Any other records pertaining to financial claims for a child receiving subsidized care
- Copy of Contract
- Copy of most recent CCS Provider Handbook
- Staff records

In accordance with Federal law, providers must keep financial records for five (5) years from the last day the child receives subsidized child care.

## Child Care Attendance

### Attendance Form Requirements:

CCS Providers will receive a template for tracking attendance of CCS children in their care. This attendance form is to be sent in every Friday by 5pm to [ccsbilling@detwork.org](mailto:ccsbilling@detwork.org). CCS Providers must include the following information on the attendance forms prior to submission:

- Twist ID and Last/First name for each child
- Provider name and address
- Current month and year
- Director's name and person completing the Attendance Form
- Authorized phone number and operation type
- Please record the following Legend marks:
  - P for Present
  - A for Absent
  - I for Illness
  - C for Court Order
  - H for Paid Holidays
  - U for Unpaid Holidays
  - C19 for Covid-19 issues
  - W for Bad Weather (5 total per calendar year)
  - DC for Discontinued (use this code the day after care ends)
    - If you receive a Discontinued code, do not list the child on the following month's attendance form.

**NOTE:** CCS Provider's failure to meet requirements regarding the Attendance Form may result in corrective or adverse actions, such as investigation and prosecution of fraud. Other actions include, but are not limited to:

- Closed intake
- Moving children to another provider selected by the parent

- Withholding provider payments
- Termination of CCS contract
- Recoupment of funds and prosecution

## Additional Attendance Requirements

If a CCS child has five (5) consecutive absences, the CCS Provider **must** report the non-attendance to CCS, regardless of whether the absences occurred at initial enrollment (the first 5 days of scheduled care) or after enrollment, and regardless of whether the CCS Provider received prior parent notification of the absences or not.

Should the CCS Provider fail to report, within five (5) business days of receiving authorization, any authorized days that do not match the referral on the attendance system, payment will be withheld. The CCS Provider has 15 business days from date of payment to dispute payment discrepancies on the CCS Provider's payment proof. After 15 days, the discrepancies will be null and void.

## Rates and Reimbursement

CCS Provider must not be reimbursed for care if the child's parent or stepparent is the director, assistant director, or has an ownership interest in the licensed center; and at licensed, registered, or listed homes where the parent works during the hours his or her child is in care. For center-based care, a parent can work at the facility, unless the parent is the director, assistant director, or has an ownership interest in the facility.

CCS Providers must furnish their published rates charged to the public for the age categories they have a CCR license for. The age groups for reimbursement are:

- Infants (0-17 months)
- Toddlers (18-35 months)
- Preschool (3-5 years (36 to 71 months))
- School age (6-12 years (72 months and over))

The published rates must include:

- Full-time rates (including school-age summer rates)
- Part-time rates, if offered (including before- and after-school rates)
- Any other fees, such as:
  - registration/enrollment fee
  - supply fee
  - activity fee (activity fees include only the fees that all parents are required to pay)
- How often the fees are charged
- Transportation rate (if separate from the provider's published rate)

Fees for field trips or other non-mandatory special activities will not be included in these



calculations. Rates submitted to CCS cannot be handwritten or listed in the body of an email. However, rates can be submitted on letterhead as an attachment to an email to CCS. The CCS Provider's published rates are subject to verification by CCS to ensure rates are not greater than actual rates paid by private-paying parents.

## **Full-time, Part-time, and Blended Care**

- Full-time care is six (6) or more hours per day.
- Part-time care is less than six (6) hours a day.
- Blended care is provided to children who attend the child care center before and/or after school during the school year, and any days school is closed during the school year.

The blended rate calculation is the (lowest part-time school age rate x 175 days) + (lowest full-time rate x 30 days) / 205 days.

The blended rate is paid during the days that school is in session based upon the singular school calendar.

A part-time, school-age referral is used during the summer months only if a child needs less than six (6) hours of care per day.

Summer care days may only be authorized during the months of June through August and cannot exceed 12 weeks.

- During summer vacation, CCS Providers will be reimbursed for school-age children using the lower of the CCS Provider's full-time or the CCS full-time rate.

## **Calculating the Provider Daily Rate**

CCS staff will determine the CCS Provider's daily rate upon receipt of the CCS Provider's published rates using the Rate Calculation Worksheet. For CCS Providers whose rates are charged on a basis other than daily, the following standards will be used to obtain the daily rate:

- Monthly rates (Divided by 4.33, then divide the result by 5);
- Bi-weekly rates (Divided by 2.165, then divide the result by 5);
- Weekly rates (Divided by 5); and
- Hourly rates (Multiplied by 6 for part-day or 12 for full-day).

CCS Providers with multiple rates within an age category, listed below, will average all applicable rates to obtain the published rate for the age category, then determine the daily rate using the appropriate method as listed above.

- Infant (0-17 months)
- Toddler (18-35 months)
- Preschool (36-71 months), and
- School-age (72 months and up)

CCS Providers will be reimbursed for child care services rendered at the CCS Provider's published rate up to the maximum reimbursement rate established by WSDet.

- If the CCS Provider's published rate is less than the maximum reimbursement rate established by WSDet, the CCS Provider will be reimbursed for allowable costs up to their published rate.

## **Reimbursement Terms**

CCS will reimburse the CCS Provider after services are rendered. The CCS Provider will receive reimbursement when attendance has been emailed for the billing cycle.

The Board sets maximum reimbursement rates that CCS Providers can be reimbursed for child care services based on the following:

- The type of child care provided;
- The age of the child receiving child care services;
- Whether full-time or part-time care is authorized; and
- Whether additional adult assistance or equipment is required for a child with a disability.

CCS Providers that obtain school readiness certification and participate in integrated school models may receive an additional 5% above the maximum rate established for only preschool-age children.

## **Reimbursement for Transportation**

CCS reimburses CCS Providers who offer transportation, as follows:

- If the CCS Provider includes transportation in its published daily rate, CCS pays the CCS Provider that rate.
- If the CCS Provider charges a separate rate for transportation, CCS pays the transportation rate only for those CCS-referred children authorized to receive transportation services.

The CCS reimbursement amount, which is the combined total of the CCS Provider's published rate plus their transportation rate, is subject to the maximum rate.

The Provider Contract identifies whether the CCS Provider offers transportation and, if offered, whether transportation is paid as a separate rate.

- The provider's separate charge for transportation (if applicable) cannot exceed CCS's maximum reimbursement rate.

## **The Difference between Provider Published Rates and CCS Reimbursement Rates**

CCS Providers will be reimbursed for services rendered at the CCS Provider's published rate plus any enrollment fee, supply and/or activity fee(s) pro-rated to a daily rate.

- CCS Providers will not be reimbursed at a rate higher than their published rate for the age of the child receiving child care services.
- Effective November 1, 2022 providers may no longer collect directly from the parent any difference between the published rate and the maximum reimbursement rate.
- CCS Providers may not charge parents who are exempt from the PSOC or parents whose fee is calculated to be zero (0) from the difference in cost between the CCS Provider's published rate and the Board's maximum reimbursement rate.

## **Annual Submittal of Published Rates**

CCS Providers must provide documentation of their published rates to CCS on an annual basis.

- At the time of the Annual Provider Visit, CCS staff will request a copy of the CCS Provider's published rates on letterhead.
- Failure to provide documentation of the CCS Provider's published rates may result in termination of the CCS Provider's contract to serve WSDETS's subsidized children.

Calculated rates will be determined by using the Provider Rate Calculation Spreadsheet.

**CCS Provider will not be paid for increases in published rates prior to CCS receiving all signed forms.**

## **Rate Changes**

CCS will initiate a Provider Contract Amendment when CCS Providers report to CCS in writing and submit their new published rates.

- Published rates charged to the public must be submitted on letter head.
- The published rates can be submitted as an attachment to an email to CCS (as long as the published rates are on letterhead.)
- The CCS Provider's published rates will be used to determine the daily rate and will include enrollment/registration fees, supply fees, and activity fees for each age group the CCS Provider serves.
- A new Provider Amendment will be completed and sent to the CCS Provider via Adobe Sign. The due date will be ten (10) working days from date sent to the CCS Provider.
- The change in rates will be effective on the first of the following month after receiving the signed Contract Amendment. CCS Provider will not be paid for increases in published rates prior to child care contractor receiving notice from the CCS Provider and all signed forms.
- If the CCS Provider reports a change in rates but does not provide the signed Provider Contract Amendment, their rates will remain the same.

## **Billing and Payment Proofs**

CCS Providers will receive reimbursements based on active referrals.

- The CCS Provider must allow 15 days from the end of the billing cycle for reimbursement.

The Payment Proof is emailed to the CCS Provider by CCS staff. It is the CCS Provider's responsibility to review the payment proof for the following:

- Child not paid
- Incorrect number of units paid
- Incorrect rate paid
- Incorrect PSOC deducted

**NOTE: All check discrepancies must be reported within 15 days from the date noted on the check proof. If no discrepancies are reported, CCS will assume that payment was made correctly and no further adjustment will be made.**

## Recovery of Improper Payment

WSDet must ensure CCS Providers repay improper payments for child care services received.

Recovery of improper payment from a CCS Provider could arise in the following circumstances:

- Provider committed fraud
- Provider did not meet the provider eligibility requirements
- Provider operating without a valid CCR child care license
- Unreported closure and units were paid out
- Provider was paid for the child care services from another source
- Provider did not deliver the child care services
- Unreported holiday closure
- Unreported denial of child care services
- Referred children have been moved from one facility to another without authorization from CCS

Other instances in which repayment is deemed appropriate include:

- Referral correction resulting in a negative balance
- Non-compliance with program rules and regulations (other than fraud)

## Children with Disabilities/Inclusion Assistance

A child with disabilities as defined in 809.2 under 19 years of age is eligible for CCS if the family meets all other eligibility requirements.

- The inclusion assistance rate also is available to assist CCS Providers and families if a child's disability requires more than just reasonable modifications for the child to be fully included in the CCS Provider's daily activities.
- Only the parent may initiate the review process. CCS must ensure CCS Providers are reimbursed for additional staff or equipment needed to assist in the care of a child with

disabilities, and are paid a rate up to 190 percent of the CCS Provider's reimbursement rate for a child without disabilities of that same age.

## Holidays and Emergency Closure Days

### Holidays

All CCS Providers will be paid nine (9) CCS holidays every year. CCS Providers will receive a Holiday form from CCS for completion. CCS Providers are required to submit a completed Holiday form annually (forms can be returned through Adobe Sign).

Holiday closure days not listed on the Holiday form will need to be reported ten (10) business days prior to being closed. These days will be listed as an unpaid holiday with the exception of emergency closure days.

The CCS Provider must notify CCS of any changes to their holiday schedule at least 14 business days prior to the change.

**NOTE: CCS Providers can check with CCS Staff if unsure what days were chosen.**

### Emergency Closure Days

CCS will reimburse the CCS Provider for each child currently enrolled when they are closed due to emergency circumstances, such as icy roads, fire, electrical or gas outage, etc.

- CCS Providers can be reimbursed for **up to five (5) business days** per calendar year.
- CCS Providers must notify CCS of the closure within 24 hours by email at [ccsbilling@detwork.org](mailto:ccsbilling@detwork.org) and include the following information on your center's letterhead:
  - First date of closure
  - Reason for closure
  - Possible reopen date (If this day changes, notify CCS of the new date.)

## Parent Share of Cost (PSOC)

Most parents receiving care will be assigned a monthly PSOC.

CCS Providers must not charge parents who are exempt from paying a parent fee, or parents whose PSOC is calculated to be zero, the difference in cost between the CCS Provider's published rate and the Board's maximum reimbursement rate.

## Non-payment

CCS Providers must report parents who fail to pay their required PSOC to CCS staff via email by the fifth (5th) calendar day of the following month.

CCS Providers must notify CCS via email when late payments are received from those reported for non-payment.

Reportable PSOC does not include late fees, or any other fees not calculated in provider's daily rate.

**Note: The PSOC will be deducted from the CCS Provider's reimbursement. It is the CCS Provider's responsibility to collect the PSOC before services are delivered.**

## Referral Ended by Provider (Refusal of Care)

A CCS Provider may end a referral (Refuse Care) for a child for several reasons such as but not limited to:

- Behavior issues
- Parent conflict
- Non-payment of PSOC
- Needs of the child/family can no longer be met
- To prevent the child from accumulating absences

The CCS Provider must notify CCS of the date the child will no longer be accepted. CCS staff will:

- Issue a Discontinue Code
- Inform the parent of the CCS Provider ending the referral

The CCS Provider's failure to inform CCS that services were denied to a child may result in technical assistance or a Service Improvement Agreement (SIA) being issued. CCS will not pay the CCS Provider for any days after services were denied.

## Reporting Changes to CCS

Changes that may affect the terms of the Provider Contract, or the nature of child care services provided, must be reported no less than 10 days prior to change. Depending upon the nature of the changes, CCS will determine whether a new contract is required.

The CCS Provider must inform CCS in writing of the following changes:

- The name of the facility
- Governing body or corporate status
- Rates or fees
- Hours of operation

- The location/address of the facility
- Ages of the children served
- Transportation policies
- Debarment from other state or federal programs
- Any other changes that may affect the service provided

Failure to inform CCS about any of these changes before their occurrence may result in corrective actions against the CCS Provider.

## **Initiation of a New Provider Contract**

Certain changes may result in CCS initiating a new Provider Contract. Initiation of a new Provider Contract may be necessary in the following circumstances:

- At contract revision
- When significant changes have occurred in the legal nature of the CCS Provider
- Social Security number changes to an EIN number (owner's tax status)
- Changes in ownership, governing body or corporate status of the facility
- Conditions of the license or registration are changed by CCR or the United States Military and the Provider Contract is affected (i.e. registration or licensing status of the facility, a new license number is issued, or the CCS Provider changes from a registered home to a licensed center)
- When the contractor changes
- When the maximum reimbursement rate changes

An amendment may be used in lieu of initiating a new contract.

If a CCS Provider chooses to discontinue providing TWC-subsidized Child Care Services, the CCS Provider must notify CCS in writing within 30 days of discontinuation. The CCS Provider must also notify the parents to avoid interruptions in care and minimize impact on parents and children.

CCS Provider must notify CCS within one (1) day of changes in licensing status, such as being placed on corrective or adverse action or loss of license or registration.

## **Termination of the Provider Contract**

CCS Providers may have their Provider Contract canceled by mutual consent. If mutual consent cannot be attained, the CCS Provider or CCS may terminate the Provider Contract immediately.

## **Technical Assistance and Service Improvement Agreement**

CCS Providers must comply with the requirements of being a CCS Provider as outlined in the Provider Contract, TWC rules, and the policies and procedures in the CCS Provider Handbook.

CCS, WSDet, or TWC may take the following actions if a CCS Provider is found to be in noncompliance with the policies and procedures:

- Suspension
- Non-renewal
- Termination of Provider Contract

**NOTE: Contracts can be terminated for non-fraud issues.**

The consequence for any infraction with the requirement of being a CCS Provider may be in the form of: Technical Assistance or Service Improvement Agreement (SIA).

## **Technical Assistance**

If a CCS Provider would like to receive Technical Assistance, they must reach out to CCS via email. CCS staff will contact them to discuss details and to set up a time and date for assistance to be given.

CCS staff will contact the CCS Provider at any instance of an infraction related to the Provider Contract, Commission rules, and the policies and procedures outlined in the CCS Provider Handbook.

- A CCS Provider may receive up to three (3) instances of Technical Assistance for infractions before an SIA is issued.

CCS Providers may receive up to three (3) Technical Assistances for each individual infraction unrelated to the other for the following:

- Failure to report consecutive non-attendance
- Failure to report days closed not listed on Holiday Form prior to closing
- Failure to report changes in their facility operation
- Failure to provide documentation as requested by CCS
- Failure to remain in CCR Licensed Capacity
  - This infraction requires CCS to report the information to the appropriate CCR agency.

## **Service Improvement Agreement (SIA)**

An SIA form will be used to notify the CCS Provider of continuous non-compliance infractions with the terms of the Provider Contract, TWC rules, and/or the policies and procedures required in the CCS Provider Handbook.

A CCS corrective adverse action will be imposed as outlined on the SIA notification form.

Corrective actions for CCS Providers may include, but are not limited to, the following:

- Closing intake
- Moving children to another provider selected by the parent



- Withholding provider payments
- Recoupment of funds
- Ineligible for Quality Funding Improvement Grants

#### 1<sup>st</sup> SIA Issuance

- This will serve as notification of a corrective adverse action being imposed on any future occurrences of non-compliance.

#### 2<sup>nd</sup> SIA Issuance

- Intake closure for a minimum of 30 days based on the severity of the infraction (new enrollments will not be authorized during this time).

#### 3<sup>rd</sup> SIA Issuance

- Suspension of the Provider Contract for a minimum of 30 days based on the severity of the infraction. Any CCS-enrolled child will be transferred.

#### 4<sup>th</sup> SIA Issuance

- May result in termination of the Provider Contract. A wait period will be determined based on the severity of the infraction before the CCS Provider can re-apply to contract with CCS.

CCS Providers have the right to appeal only when one or more of the corrective actions listed above are imposed on their facility.

**NOTE: CCS may withhold payments to CCS Providers who are in serious non-compliance with provider requirements.**

CCS will provide sufficient information surrounding the circumstances of the infraction when determining whether the appropriate action is to withhold payment from the CCS Provider.

## Suspected Fraud

Fraud is the wrongful acquisition of any benefit through intentional use of deception or misrepresentation.

The Board must exercise due diligence in fact-finding, reporting, and collection of overpayments in cases involving fraud.

No accusation of fraud or dishonesty should be made, even if guilt seems apparent. A CCS Provider, or any other person in a position to commit fraud, may be suspected of fraud if the individual presents, or causes to be presented, to the Board or CCS one or more of the following items:

- A request for reimbursement in excess of the amount charged by the CCS Provider for the child care;
- A claim for child care services if evidence indicates that the individual may have:
  - known, or should have known, that child care services were not provided as claimed;

- known, or should have known, that information provided is false or fraudulent;
- received child care services during a period in which the parent or child was not eligible for services;
- known, or should have known, that child care subsidies were provided to an individual not eligible to be a provider; or
- Otherwise indicated that the individual knew, or should have known, the actions were in violation of Chapter 809 rules, state or federal statutes, or regulations relating to child care services.

A CCS Provider must furnish information requested by TWC, the Board, or CCS for any investigation of suspected CCS Customer or Provider fraud. Failure to provide documentation as requested could result in an SIA being issued or termination of the Provider Contract.

A finding of fraud will result in termination of the Provider Contract for a length of time to be determined based on the scope of fraud, severity of fraud, and provider's compliance history.

Depending on the factors of the fraud determination, the CCS contract may be terminated indefinitely.

Should the Provider Contract be terminated, the following will happen:

- Temporary withholding of payments to the provider for child care services delivered
- Stop authorizing care at the provider's facility or location
- Nonpayment of child care services delivered
- Recovery of funds from the provider
- Any other action consistent with the intent of the governing statutes or regulations to investigate, prevent, or stop suspected fraud.

## Appeals

If a provider disagrees with the adverse or corrective action issued by CCS, the provider may submit a written appeal to the Board.

- The request for an appeal must be submitted within 14 calendar days of the date of written notification of CCS adverse action.
- A fact-finding process will be initiated by the Board. Board staff may request additional documentation from the provider.
- Board staff will review all the documentation submitted.
- Board staff will schedule a Board hearing with CCS and the provider.
- The Board shall issue its determination in writing to the provider.
- The provider and/or CCS may file an appeal to TWC if either party disagrees with the outcome of the Board hearing.

## Notice of Freeze and Tax Liens on Child Care Reimbursements

TWC may place a freeze on provider’s reimbursements for unpaid amounts due under the Texas Unemployment Compensation Act. TWC may also place a freeze on a provider’s reimbursement under the Texas Labor Code for debts owed to a person whose employer is delinquent in the payment of wages.

Compliance with other state and federal programs must always be maintained. The following are instances when CCS will not reimburse providers:

- If a provider is debarred from other state or federal programs unless and until the debarment is removed.
- If a provider is issued a “Notice of Freeze” and will have a hold placed on the assets.

## Child Care Regulation Corrective/Adverse Action

CCR may place child care providers on corrective or adverse action if the provider has repeated violations of child care licensing standards that do not endanger the health and safety of children. CCR staff may place the operation on Corrective Action with probationary status.

CCS Providers must report to CCS, within one (1) business day, if the center is placed on adverse or corrective action by CCR.

**NOTE: Failure to report adverse or corrective action by CCR may result in CCS corrective or adverse action, including termination of the Provider Contract and recoupment of funds.**

The following table summarizes the actions to be taken when a child care provider has been placed on corrective or adverse action with CCR.

Status	Required Notification of Parents	Required to Stop New Enrollments	Required to Remove Currently Enrolled Children	Provider Eligible to Receive Enhanced Rates
Probationary Status	Yes	No	No	No
Corrective Action	Yes	Yes	No	No
Adverse Action	Yes	Yes	Yes	No

CCS must ensure that parents enrolled with the CCS Provider are notified in writing of the provider’s corrective action status. A parent may elect to transfer to another CCS Provider upon receiving notification.

CCS Providers cannot receive the enhanced reimbursement rate while on probationary status with CCR. The enhanced rates will end for CCS Providers who are:

- Texas Rising Star certified
- Texas School Ready certified

## **Texas Rising Star (TRS) Certification**

TRS provider certification is a process for improving the quality of child care services provided in Texas. A TRS provider is a child care provider that has an agreement with CCS to serve TWC subsidized children and that voluntarily meets requirements that exceed the State's Minimum Licensing Standards for child care facilities. The TRS certification system provides graduated levels of certification as providers meet progressively higher certification requirements. Certification as a TRS provider is available to licensed centers, licensed child care homes, and registered child care home providers who meet the certification criteria. The process improves the quality of child care provided, not only to TWC subsidized children, but to all children enrolled in certified facilities.

### **Applying for TRS Program**

Providers must fill out an Interest Form to become TRS-certified at [texasrisingstar.org](https://texasrisingstar.org).

### **Entry Level Rating**

To be considered for Entry Level rating, providers must:

- Meet the minimum quality standards that qualify the provider to receive technical assistance and support under the TRS Program;
- Have current license with CCR or be regulated by the U.S. Military; and
- Not have excessive licensing deficiencies.

CCS Providers must achieve TRS certification of at least 2-Star level within 24 months of obtaining Entry Level Rating, unless the CCS Provider requests, and TWC approves, a waiver extension.

### **Star-Level Certification**

Upon TRS certification, providers will receive a rating of either 2-, 3-, or 4-Star. Specific measures must be met for a provider to be certified at each star level.

TRS-certified providers are eligible for an enhanced reimbursement rate, as follows:

- 2-Star rating receives a 5% higher reimbursement rate;
- 3-Star rating receives a 7% higher reimbursement rate; and
- 4-Star rating receives a 9% higher reimbursement rate.

TRS providers may receive these enhanced reimbursement rates for each provider type and category of care if the reimbursement rate is not higher than the provider's published rate.

## **Loss of TRS Certification**

If a CCS Provider loses TRS Certification, they must immediately:

- Cease advertisement as a TRS Provider
- Understand that their Provider Contract will be terminated

## **Texas School Ready (TSR)**

CCS Providers that participate in integrated school readiness models may receive an additional 5% above the maximum rate established for only infant, toddler, and preschool-age children.

A Board shall establish enhanced reimbursement rates: (1) For all age groups at TRS provider facilities; and (2) only for infant, toddler, and preschool-age children at child care providers that participate in integrated school readiness models pursuant to Texas Education Code §29.160. If the provider is certified TSR & TRS, the provider will receive the higher of the two rates but not both rates combined.

## **Child Care Quality Providers**

The Texas Government Code §2308.3171 defines a “quality child care indicator” as any appropriate indicator of quality services, including if the provider is:

- a TRS certified provider ([www.texasrisingstar.org](http://www.texasrisingstar.org));
- accredited by a nationally recognized accrediting organization approved by TWC; or
- participating in the TSR project (<http://texasschoolready.org>).



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Phone: 1-800-256-1030 or 936-631-8624

Fax: 936-632-9383 or 1-866-447-6201

**ACKNOWLEDGEMENT OF CHILD CARE SERVICES PROVIDER HANDBOOK**

Center Name		License Number	
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By initialing the items below, I acknowledge I have read and understand the CCS Provider Handbook and the information it contains.

#	Section	Initial
1	CCS Contact Information	
2	Complaints and Grievances	
3	Eligible Child Care Providers	
4	Child Care Authorization	
5	Requirements of a CCS Provider	
6	Child Care Attendance	
7	Rates and Reimbursement	
8	Children with Disabilities/Inclusion Assistance	
9	Holidays and Emergency Closure Days	
10	Parent Share of Cost (PSOC)	
11	Referral Ended by Provider (Refusal of Care)	
12	Reporting Changes to CCS	
13	Technical Assistance and Service Improvement Agreement	
14	Suspected Fraud	
15	Appeals	
16	Notice of Freeze and Tax Liens on Child Care Reimbursements	
17	Child Care Regulation Corrective/Adverse Action	
18	Texas Rising Star (TRS) Certification	
19	Texas School Ready (TSR)	
20	Child Care Quality Providers	

By signing below, I acknowledge that I have received the CCS Provider Handbook. Furthermore, I understand that I am agreeing to attend a minimum of two (2) face-to-face mandatory trainings per year with CCS and/or Board staff.

Owner's Name		Signature		Date	
Director's Name		Signature		Date	

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