

Rhode Island's Coverage Program for Child Care Providers

To promote affordable child care, Rhode Island provides free child care services to families with incomes below 100% FPL and subsidized child care on a sliding scale basis to those with incomes between 100 and 185% FPL. In addition, Rhode Island has sought to increase access to child care by subsidizing health coverage for those who provide care. Certain home-based child care providers in the state are now eligible for coverage through RItE Care (the state's 1115 Medicaid waiver program). In addition, certain center-based providers are eligible to receive subsidies for coverage offered through their employer.

RItE Care for Home-based Child Care Providers

- **Administering agency:** Department of Human Services (DHS)
- **Eligibility.** Home-based child care providers must meet several criteria in order to qualify for this program: (1) the provider must be certified as a family day care provider by the Department of Children, Youth and Families (DCYF); (2) the provider must have rendered at least \$1,800 in child care services, payable by the DHS, during the 6 months prior to the application; (3) the provider must not be covered by some other form of health insurance. The home-based child care providers are not required to meet any income or asset requirements. Once determined eligible, the DHS can enroll the provider and the provider's dependent children (under age 19, living in the household) in RItE Care for a 6 month period.
- **Enrollment.** The state estimates there are 10,000 home-based child care providers in the state, approximately 1,000 of which qualify for RItE Care coverage. The state estimates current enrollment in the program at approximately 300 (about equally split between providers and dependents).
- **Outreach.** Upon certification, DCYF informs new family day care providers that they may be eligible for coverage through the DHS program. At recertification, DCYF again informs them about the program. The state does not engage in any other specific outreach efforts. However, upon request, DHS informs providers about what they need to do to start serving DHS-subsidized children (one of the eligibility criteria for the program).
- **Application procedure.** The application form for child care providers is not the same as the standard RItE Care application. Applicants can self-declare whether they have another source of health coverage, although the state does check for enrollment in any DHS coverage programs.
- **Ongoing administration.** DHS staff is notified once a provider is paid \$1,800 by DHS within a 6-month period by a computer program that runs after each payroll. The staff then manually sends out enrollment packets to those newly eligible people. In addition, the staff checks for providers due for their health insurance renewals on the same computer run. If they have maintained their \$1,800 over the last 6-month period, then they are automatically renewed.
- **Program and benefit distinctions.** The program that home-based child care providers qualify for is identical to RItE Care, with the following exceptions: (1)

spouses of the child care workers are not eligible for coverage; (2) under RItE Care, children through age 19 are covered; dependents of child care providers are eligible through age 18; and (3) the child care providers receive Blue Cross dental, not the Medical Assistance dental offered to other RItE Care enrollees. Like standard RItE Care, the coverage is free to enrollees (no premium contributions or co-pays).

Subsidies for Center-Based Child Care Providers

- **Administering agency:** Department of Human Services

- **Eligibility.** Child care centers must meet several criteria to qualify for this program: (1) the center must be certified as a child day care provider by the Department of Children, Youth and Families; (2) the center's enrollment census must contain a minimum percentage of children participating in the state's subsidized child care program. Effective July 1, 1999, at least 40% of the provider's enrollment census must meet the Department's child care assistance income guidelines. Effective July 1, 2000 at least 30% of the provider's enrollment census must meet those guidelines (although the Legislature may delay this reduction by one year); (3) the center agrees to make timely payment of its share of the premium, which must be at least 50% of total premium costs. The number of employees within the center who are eligible for the subsidies is based on their time spent with children. To be eligible, the employee must spend at least 75% of their time working directly with children.

- **Enrollment.** According to the state, 42 child care centers in Rhode Island are eligible to participate in this program. The Child Care Office of DHS has sent letters to each of these centers in an effort to increase participation. As of October 1999, 279 child care employees at 26 qualifying child care centers were participating in the program. (No coverage is available to dependents under the buy-in program.)

- **Application procedure.** DCYF provides the Child Care Office of DHS with a list of licensed child day care centers. DHS pre-qualifies centers on a quarterly basis by determining the percentage of children at the center participating in the state's subsidized child care program. DHS uses an Excel spreadsheet to compare the number of participating children against the center's license capacity or its total current census (the centers can select which one). DHS notifies every center approved by DHS what its current percentage is.

- **Ongoing administration.** The participating child care centers pay their monthly premiums to the health plan and then submit a claim to DHS. The centers self-declare their number of eligibles by circling the names of the employees that spend more than 75% of their time working directly with children. The Division of Reimbursement and Finance at DHS then determines how much to pay (based on 50% of the premium cost for those eligible employees) and sends a check to the center.

- **Benefits.** Since this program is funded with state-only dollars, there are no minimum benefit standards on the employer plans. Reimbursement is capped at \$85 per individual and must be directed to the employee's share of the insurance premium.