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**INTRODUCTION**

Child Development and Care (CDC) payments are made when all of the following are true:

- All eligibility and need requirements are met.
- A CDC case is open in Bridges.
- Care is provided by an eligible provider; see BEM 704.
- An eligible provider is assigned to the case.
- The provider successfully bills for hours of care.

**INDIVIDUALS WHO  
MAY NOT RECEIVE  
PAYMENT FOR  
CARE**

Clients are not eligible for CDC services for care provided by any of the following persons:

- A member of the CDC program group.
- The applicant/client.
- The applicant/client's spouse who lives in the home.
- The parent of the children in care or a legal guardian who is not a member of the CDC program group.
- A home help provider who is also providing adult home help at the same time as child care is being provided.
- A person who has had any license or registration revoked by the Department of Licensing and Regulatory Affairs (LARA), Bureau of Community Health Systems (BCHS).
- A person who has a license or registration that is currently suspended.
- A CDC program group member, applicant or applicant's spouse who owns in whole or part the child care center, group or family child care home where the child care is provided.

Note: If a P/SP is employed at the child care facility that the child attends there must be documentation that the child is not in care of the P/SP while the P/SP is working.

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## HOURLY RATES

The department's hourly pay rate is based on the:

- Child care provider type.
- Age of the child.
- The provider's:
  - Star rating, if a registered or licensed provider.
  - The training level, if an unlicensed provider.

RFT 270 contains a chart showing the department's rates.

Providers cannot charge CDC clients more than they charge the general public (including their own employees). If the provider provides child care at no cost to the general public, payment cannot be authorized to the provider.

## FLAT-RATE FAMILY CONTRIBUTION

The flat-rate family contribution is generally based on the eligibility group type or a provider's star rating. Cases may have more than one eligibility type.

### CDC Protective Services

For the CDC Protective Services eligibility category, the family income eligibility limit is waived and the family will not have a family contribution.

### Income Eligible

A portion of the department's pay rate will be paid for income eligible children. The department pay portion is determined by the CDC program group size and all non-excluded income of the program group members; see RFT 270, CDC Flat-Rate Family Contribution and Income Eligibility Scale.

Note: To be initially eligible for the CDC program, a family's gross monthly income must not exceed the maximum monthly gross income limit by family size associated with the \$15 Family Contribution (FC) category. Flat-rate family contributions are per child per biweekly pay period; see RFT 270.

**Exception:** Income eligible children assigned to a 3, 4, or 5 star rated licensed or registered provider will also receive the entire

department rate, however the family contribution will not be waived for children attending a 2 star or lower rated program. The family contribution will be based on the program group's income for the family size.

## PROVIDER PAYMENTS

Licensed and registered providers must be registered in the state of Michigan's Contract and Payment Express (C&PE) system in order to receive CDC payments.

Unlicensed providers must complete the Great Start to Quality Level 1 Orientation training prior to being eligible to receive department payment. There is a \$10 fee for this training.

Note: Unlicensed providers may still be assigned to a CDC case without the Level 1 training being completed. Once the training is completed, if appropriate, the provider will receive a DHS-198, Child Development and Care (CDC) Provider Notice, indicating his/her ability to bill. No payments will be made prior to the completion of Level 1 training.

Providers must bill the department **biweekly** for care provided. Each bill covers a two-week pay period.

Providers must bill the department within 90 days after the end of the pay period being billed or 90 days after the authorization was entered by the local office in order to receive payment. If the provider bills and the payment is rejected as a result of late billing, the provider must contact the Child Development and Care (CDC) office at 1-866-990-3227 to request that the payment be released. In order for a late billing to be approved, providers will be required to demonstrate good cause for not billing within the 90 day period. The CDC office will determine whether or not good cause has been demonstrated and the payment is to be released.

Payments are generated based on the provider's billing and the authorization in Bridges. See BEM 710 for information on determining authorizations.

Providers cannot charge the department for care when they have already received or expect to receive reimbursement from another funding source, a non-custodial parent, employer, etc. For example:

- Head Start.
- Early Head Start.

- Great Start Readiness Program (GSRP).
- AmeriCorps.
- Department of Education (migrant education summer programs).

Child care payments are issued weekly. This accommodates those billings or authorizations that miss the first billing deadline for the pay period but meet the second deadline for the pay period.

Warrants may be delayed for many reasons such as:

- Holidays.
- Postal service delays.
- Problems with billing/payment systems.
- The CDC office deems it necessary to delay issuance of a warrant.

Payments are issued in the name of the provider and mailed to the provider except payments for unlicensed providers, which are issued to parent/substitute parent.

### **DHS-1381, CDC Statement of Payments**

The DHS-1381, Child Development and Care (CDC) Statement of Payments, is sent to all providers who have billed. This statement shows the amount paid in the previous payroll.

### **Payment Limits/Caps**

The maximum number of hours that can be authorized per child is 90 hours in a biweekly period.

The total number of hours providers can be paid in a biweekly pay period is limited to:

- Unlicensed providers - 630 hours per pay period.
- Family child care homes - 1,080 hours per pay period
- Group child care homes - 2,160 hours per pay period.
- Child care centers - No limit.

### **Child Absences**

There is a fiscal year (10/1-9/30) limit of 208 hours per child in care that can be paid to providers for child absences.

Child absence hours may be billed for any periods in which the child is not in care when he/she would have normally been in attendance. This includes periods when the provider is open for business, as well as when the facility is closed.

Child absence hours cannot be billed if the child is not expected to return to the provider's care.

Licensed and registered providers must have a written policy to charge all families for child absences, in order to bill the CDC program for such absences.

Note: CDC payment cannot be made for any hours of care that exceed any of the aforementioned limits.

### **Internet Billing**

Provider must use the Internet (I-Billing) to bill for hours of care. I-Billing can be accessed at [www.michigan.gov/childcare](http://www.michigan.gov/childcare).

Providers will need their provider identification number and personal identification number (PIN) in order to bill for hours of care. Bridges will mail the DHS-4481, Provider Confirmation, with the ID number to the provider when they are approved.

### **Record-Keeping**

Providers must maintain time and attendance records for all care provided. Attendance records must be retained by the provider for four years. Unlicensed providers are required to use the CDC Daily Time and Attendance Record, for their record-keeping.

### **PIN Resets**

PINS are mailed to the provider when authorizations are initially certified in Bridges. Providers who have misplaced or forgotten their PIN have three options to request a PIN reset.

The Forgot PIN link on the Internet billing system can be used to reset a PIN, if security questions have previously been completed.

PIN resets can also be requested by calling the CDC office at 1-866-990-3227 or by faxing a request to 517-335-4144. Faxed requests must include the provider's name, address, telephone number, provider ID number and a signature.

Note: The provider's mailing address must be correct prior to requesting a PIN reset.

**Annual  
Statements/1099s**

Every January, providers are mailed income information for tax reporting purposes. Unlicensed providers are mailed the DHS-505, Unlicensed Provider Annual Statement of Child Care Payments, and licensed/registered providers are mailed Form 1099-MISC.

**PROVIDER  
RESOURCES**

Various resources for providers are available at [www.michigan.gov/childcare](http://www.michigan.gov/childcare), including:

- Child Development and Care Handbook.
- I-Billing tutorial.
- CDC Daily Time and Attendance Record.

**PROVIDER/PARENT  
QUESTIONS**

Providers with questions regarding CDC billing or payments should be directed to call the CDC office at 1-866-990-3227.

**LEGAL BASE****CDC**

The Child Care and Development Block Grant (CCDBG) Act (42 USC § 9858 et seq.), as amended by the CCDBG Act of 2014 (Pub. L. 113-186).  
45 CFR Parts 98 and 99  
Social Security Act, as amended 2016