



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
Health and Social Services

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February 1, 2016

The Honorable Paul Seaton  
Chair, House Health and Social Services Committee  
Room 102  
Alaska State Capitol  
Juneau, AK 99801

House Health and Social Services Committee,

I appreciated the opportunity to testify to the committee about HB 260 Thursday, January 28, 2016. This letter will respond to the following questions posed by the committee during the hearing:

1. Representative Vasquez wondered why the heating assistance program was is not included in the bill and Representative Seaton asked whether the Department would support an amendment including this program in HB 260.

Response: The Department in proposing this legislation was focused on compliance with our federal requirements related to child care assistance. The Department is not opposed to amending the bill to include the ability to garnish PFD in order to collect overpayments from the Heating Assistance Program and/or the Senior Benefits.

2. Representative Tarr requested a breakdown identifying overpayment for individuals vs providers.

Response: There are 28 overpayment claims for individuals participating in the Child Care Assistance Program. The Child Care Program Office has established 24 claims against providers, 23 of which are from the Child Care Assistance Program and 1 from the Child Care Grant Program. Of these 24, 11 are still in some stage of the collection process. The most common reason for a provider overpayment in the Child Care Assistance Program is when relative providers don't report changes in the children they are caring for and the relationship criteria are not being met.

3. Representative Tarr also requested more information on the 'time schedule' currently used to pay providers, requesting a brief description of how the time blocks are used.

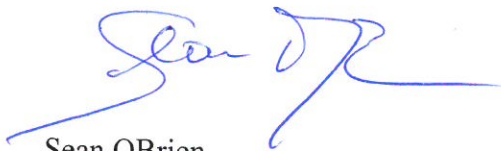
Response: Child care is billed as follows:

- hourly (when only 1 or 2 hours of care are needed in a day);
- part day (up to and including 5 hours in a day);
- full day (5 hours and 1 minute up to and including 10 hours per day) ;
- part month (when 17 or more part days are needed in a month);
- and full month (when 17 or more full days are needed in the month);

Care cannot be authorized if the family's monthly contribution or co-pay (based on the family size and income) is more than the eligible cost of care needed. So if a family only needs a few hours a day, they may not actually qualify for a benefit if their co-pay is more than the cost of the care they need. Finally, Child Care providers establish their own policies for enrolling children into their care so they may or may not accept drop in care for only a few hours a day, or part time children. If a family is using more care than is authorized through the Child Care Assistance Program, the family is responsible to cover those costs. How child care is authorized and paid is something that is being reviewed for Child Care Assistance regulation revisions in response to the Child Care Development Block Grant reauthorization to meet the requirement of ensuring continuity of care for the children and fair payment practices for the child care providers.

Thank you for the opportunity to respond to these questions. If there is additional information we can provide to assist the committee please let me know.

Sincerely,



Sean OBrien  
Director, Division of Public Assistance

Cc: Valerie Davidson, Commissioner, Division of Public Assistance  
Darwin Peterson, Legislative Director, Office of the Governor