

Change in Child Care Subsidy Payment System

In 2005, the Kansas SRS Child Care Subsidy Program changed its payment system. The transition took place between June 2005 and August 2005. It transitioned from a retrospective (after the fact), time sheet payment system based on actual hours children were in care each month to a prospective benefit delivery system using Electronic Benefit Transfer (EBT) technology. These prospective child care benefits are issued to eligible parents at the beginning of the month based on an estimate of the number of hours expected during the month. There are no adjustments made by SRS for actual hours used monthly. Parents then use these benefits to purchase child care from SRS providers. Payment is made by the parent/guardian to the provider based on their individual provider/parent agreement. The parent/guardian has a card that allows for the electronic transfer of funds to the provider using a toll-free telephone number or through a Point of Sale (POS) device located at the provider.

In June 2007, a report was finalized by Milliman, Inc. which analyzed the impact of the change in policy and payment systems. Milliman, Inc. provided analysis of things such as changes in paid hours of care through time sheets vs. scheduled/estimated hours used for benefits, changes in per child benefits and changes in providers used each month. The analysis is contained in the report to SRS issued by Milliman, Inc.