



Office of Children and Family Services

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Administrative Directive

Transmittal:	23-OCFS-ADM-04
To:	Local Departments of Social Services Commissioners
Issuing Division/Office:	Division of Child Care Services
Date:	March 31, 2023
Subject:	Updated Policy for Notification of Child Care Provider Payment Changes
Suggested Distribution:	Directors of Social Services Directors of Temporary Assistance Supervisors of Day Care Supervisors of Temporary Assistance Child Care Assistance Staff
Contact Person(s):	Sonoma Pelton, OCFS Bureau of Child Care Assistance, 518-408-6074 Sonoma.Pelton@ocfs.ny.gov ocfs.sm.districtsupport.subsidy@ocfs.ny.gov
Attachments:	OCFS-7078, Notice of Change in Provider Payments

Filing References

Previous ADMs/INFs	Releases Cancelled	NYS Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
12-OCFS-LCM-01 14-OCFS-LCM-04 21-OCFS-ADM-30		18 NYCRR Parts 404, 415, and 358-3.3	SSL 410-x		OCFS-LDSS-4781

I. Purpose

The purpose of this Administrative Directive (ADM) is to inform local social services districts (districts) of the immediate issuance of a new form, OCFS-7078, *Notice of Change in Provider Payments*. The new form accompanies the new process for notifying families of changes to payments to their providers, providers' eligibility for payments, and other changes to child care assistance payments to the provider that do not impact a family's eligibility for child care assistance.

II. Background

Districts were previously advised of the process for notifying families of changes in payments to providers, providers' eligibility for payments, and changes to child care assistance benefits as specified below.

12-OCFS-LCM-01, *Changes to the Legally Exempt Child Care Provider Enrollment Process*, informed districts of changes in the legally exempt child care provider enrollment process and advised districts of changes to Social Services Law (SSL), specifically SSL §410-x(7), which allows districts to suspend the enrollment status of legally exempt providers in certain situations. Districts were advised that they must use OCFS-LDSS-4781, *Notice of Intent to Change Child Care Benefits*, to notify the applicant/recipient of child care services that payment for child care services rendered by the provider is suspended and the parent/caretaker should seek another provider. OCFS-LDSS-4781 contains hearing rights for the applicant/recipient of child care services.

14-OCFS-LCM-04, *Child Care Subsidy Fraud Regulations*, advised districts of child care assistance fraud regulations that went into effect on October 5, 2011. Districts were recommended to establish time frames for providers to submit claims and to notify parents/caretakers in writing of these time frames. Districts were also recommended to use sample notices provided or develop their own notices. Districts were advised to inform providers and parents/caretakers in writing if the provider is disqualified due to lack of integrity as defined in 18 NYCRR subpart 415.4(h)(2)(ii)(h) and 415.4(h)(2)(iii). Districts were also directed to notify parents/caretakers in writing within 10 days upon reaching the decision to disqualify a provider. This notification to parents/caretakers must indicate the district's decision to disqualify a provider from child care services. Providers who are disqualified from receiving child care assistance payments cannot receive payments for five years. If after five years the provider has made full restitution to the district, the provider may be eligible to receive child care assistance payments again.

21-OCFS-ADM-30, *Changes to Child Care Subsidy Regulations: Parts 404 and 415*, explained changes to form OCFS-LDSS-4781, *Notice of Intent to Change Child Care Benefits and Family Share Payments*. The form must be used when there is a decrease in family share or inclusion of an additional payment amount and/or increase in benefits. In addition to providing a family with notice that their child care benefit is changing, OCFS-LDSS-4781 notifies families of their right to a fair hearing to contest the change in their child care benefit.

III. Program Implications

There are situations where circumstances change and the family must be provided notice; however, the family's actual benefit does not change. These situations do not confer a fair hearing right to the family, and the use of OCFS-LDSS-4781 is therefore improper.

The [OCFS-7078, Notice of Change in Provider Payments](#), has been developed to address these situations. The OCFS-7078 must be used when a child care provider is not eligible, or is no longer eligible to receive payments for child care assistance, including

- when the provider is disqualified from receiving child care assistance payments based on established fraud and/or a lack of business integrity;
- when the legally exempt provider's enrollment is suspended by the district pursuant to SSL §410-x(7);
- when the legally exempt provider or licensed/registered provider is no longer in a payable status;
- when the legally exempt provider cannot receive payment, due to the case not being funded under the New York State Child Care Block Grant Program;
- when the provider has been disapproved from receiving child care assistance payments for care provided as a part of a family's protective or preventive case because the district believes it is contrary to the health, safety, or welfare of the child to receive child care services from that provider; and

- when the provider is determined to be a part of the family's child care services unit.

The OCFS-7078 must also be used when

- new market rates are issued;
- the agency changes the differential payment rate percent for providers;
- the agency changes the enhanced market rate;
- the family notifies the agency of a change in their provider;
- the agency is advised of a change in an approved provider's rate; or
- the provider, who was previously unable to receive child care assistance payments, is able to receive payment again, including when the licensed or registered provider or the legally exempt provider, who was previously not in a payable status, is in a payable status again.

The OCFS-7078 includes Attachment A, *New Provider Information*, for the parent to complete and return to the district if the family has found a new provider after receiving notification of the change in provider payments. Districts must continue to accept other means of notification of provider changes and may not require this form to be completed.

IV. Required Action

Districts must provide the OCFS-7078, *Notice of Change in Provider Payments*, to families as soon as possible, *but no later than 10 days* after becoming aware that a child care provider is not eligible, or no longer eligible to receive payments for child care assistance such that a family will need to make changes in their child care arrangements in order to continue receiving child care assistance payments.

Districts must provide the OCFS-7078, *Notice of Change in Provider Payments*, to families as soon as possible, *but no later than 30 days* when the district determines that a provider is eligible to receive payments again and after becoming aware of a change in the amount of payment for child care services that will not require a family to make changes in their child care arrangements.

Districts must continue to use the OCFS-LDSS-4781, *Notice of Intent to Change Child Care Benefits and Family Share Payments*, when changes occur that are subject to fair hearing rights, including, but not limited to, when there is a decrease in family share, inclusion of an additional payment amount, increase in benefit, or any change in eligibility for cases funded under Title XX.

V. Systems Implications

The Child Care Time and Attendance (CCTA) system changes regarding the OCFS-7078, *Notice of Change in Provider Payments*, are under development for all districts other than New York City. When system changes have been deployed, districts will be notified.

VI. Effective Date

This ADM is effective upon issuance. Districts must begin using the OCFS-7078 as soon as possible, but no later than 30 days after the issuance of this ADM.

/s/ Nora K. Yates

Name: Nora K. Yates

Title: Deputy Commissioner

Division/Office: Division/Office: Division of Child Care Services