

Annex A

TITLE 55. PUBLIC WELFARE

PART II. PUBLIC ASSISTANCE MANUAL

Subpart C. ELIGIBILITY REQUIREMENTS

CHAPTER 168. CHILD CARE

GENERAL PROVISIONS

§ 168.1. Policy on payment of child care.

(a) To the extent funds are available, payment for child care will be made to enable the [parent/caretaker] parent to participate in [work-related] work activities as defined in §§ 165.31 and 501.6 (relating to RESET participation requirements; and employment and training program). To qualify for a child care payment the [individual must be eligible to receive cash assistance, including persons who do not receive a cash payment due to the minimum monthly check requirement or due to a month of zero cash payment. Child care payments are considered a reimbursement for past or future child care expenses for food stamp eligibility purposes.] parent shall be eligible to receive food stamps or cash assistance. This includes parents who do not receive a cash payment due to the minimum monthly check requirement or due to a month of zero cash payment.

(b) The [CAO] Department will promptly inform a recipient of food stamps or cash assistance who is in need of child care about the following:

(1) The types and locations of child care providers and the services the providers offer.

(2) The services available from the [Local Management Agency (LMA), also known as the Child-Care Child Care Information Services (CCIS) Agency] CCIS, for help in finding and selecting a child care provider.

(3) Child care payments will be paid in advance of the date that payment is required by the provider, consistent with the requirements and time frames in § 165.42 (relating to advance payment of special allowances for supportive services), to ensure that the [participant] parent will have access to the child care provider of the [participant's] parent's choice. The advance payment requirement does not apply to vendor payments for child care. [Advance payments are considered a reimbursement of future child care expenses for food stamp eligibility purposes.]

(i) The Department will make an exception to the provisions which limit advance payment to instances in which the provider requires it, and which restrict advance payment for providers enrolled in the child care vendor payment system as set forth in § 165.42 (relating to advance payment of special allowances for supportive services) for a TANF budget group determined prospectively ineligible as a result of starting new employment under § 168.71(1)(ii) (relating to monthly payment determination).

(ii) The [CAO] Department will make an advance payment to cover the period from the first day of employment until the date of TANF discontinuance if the information regarding new employment is verified through a collateral contact consistent with § 168.41(4) (relating to verification requirements).

(c) At application, reapplication and whenever the [agreement of mutual responsibility is developed or revised, the CAO will inform applicants and recipients] AMR OR EDP is developed or revised as specified in §§ 165.25 and 165.31 (relating to RESET participation requirements following exemption; and RESET participation requirements), the Department OR ITS DESIGNATED AGENT will inform parents in writing and orally of the availability of child care allowances.

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(f) The [CAO] Department will discuss the maximum child care allowances and the co-payment sliding fee scale in Chapter 3041, Appendix B (relating to co-payment chart, family co-payment scale), whenever the [Agreement of Mutual Responsibility (AMR)] AMR OR EDP is developed or revised and reflects a need for child care. The [CAO] Department will advise [clients] parents that copies of the maximum child care allowances and the co-payment sliding fee scale are available upon request [at the CAO].

(g) The [CAO] Department will [refer the client to the LMA/CCIS whenever help is needed] provide help in finding and selecting a child care provider, including providing information about how to identify high quality providers.

§ 168.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

AMR--Agreement of Mutual Responsibility--AS DEFINED IN § 165.2 (RELATING TO DEFINITIONS).

Budget group--[A group of persons receiving TANF. A child receiving SSI benefits and for whom child care payments are requested is included in the budget group.] As defined in § 183.2 (relating to definitions).

CAO--County Assistance Office--The local office of the Department responsible for the determination of eligibility in the Cash Assistance, Food Stamp and Medical Assistance Programs.

CCIS--Child Care Information Services Agency--A public or private agency with which the Department has a contract to manage the subsidized child care program in part of a county, a county or several counties. [The subsidized child care program is for families not receiving TANF. This agency is also known as an LMA.

Child care vendor file--A listing of regulated child care providers who have signed the required agreement to receive a vendor payment from the Department.]

Co-payment--The [monthly] weekly amount the family pays for SUBSIDIZED child care that is subsidized.

Co-payment sliding fee scale--A scale based on family [sizes] size and income from which a determination of the child care co-payment is made as set forth in Chapter 3041, Appendix B (relating to co-payment chart, family co-payment scale).

Disability--A physical or mental impairment that precludes a parent's ability to participate in work, education or training.

EDP--EMPLOYMENT DEVELOPMENT PLAN-- AS DEFINED IN § 165.2 (RELATING TO DEFINITIONS).

Family--A budget group or a household requesting help in paying child care costs.

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[Full-time employment--Employment which averages at least 30 hours per week in a calendar month.]

Household--As defined in ~~7 CFR 273.1(a)(2)~~ 7 CFR 273.1(a)(3), (b)(1), (b)(4), (d) AND (e) (relating to household concept).

In-home care--Child care provided by an individual who is specifically exempt from certification or registration under Chapters 3270, 3280 and 3290 (relating to child day care centers; group child day care homes; and family child day care homes) and who cares for a child in the child's home.

[LMA--Local Management Agency--A public or private agency with which the Department has a contract to manage the subsidized child care program for families who are not receiving TANF. This agency may be known as a CCIS agency of part of a county, a county or several counties.]

MCCA--Maximum child care allowance--The ceiling set by the Department for payment of child care services [to budget groups eligible for child care payment].

Nontraditional hours--Hours of child care [which include evening, night, early morning, holiday or weekend hours] provided to a child whose parent works on Saturday, Sunday or between the hours of 6 p.m. and 6 a.m.

Parent--A ~~TANF~~ specified relative FOR THE TANF PROGRAM as defined in § 151.42 (relating to definitions), the General Assistance payment name as defined in § 171.21(b)(2) (relating to policy) or a responsible member of the food stamp household as defined in 7 CFR 273.1(d) (relating to household concept).

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~~[Pre-expenditure] Preexpenditure approval~~ Approval by ~~[a person] an individual~~ specified by the Department prior to the ~~[recipient's] recipient of food stamps or cash assistance~~ incurring an expense for child care.

Provider agreement--A document signed by the child care provider in order to participate in the Department's subsidized child care program.

Regulated care--[Child care given by a person or entity which is licensed by or registered with the Department or approved by the Department of Education] Child care provided by a child care center certified under Chapter 3270, a group child day care home certified under Chapter 3280 or a family child day care home registered under Chapter 3290.

Relative/neighbor care--[Care given by a person who is exempt from certification or registration under Chapters 3270, 3280 and 3290 (relating to child day care centers; group child day care homes; and family child day care homes)] Child care provided by an individual who is specifically exempt from certification or registration under Chapters 3270, 3280 and 3290 and who cares for three or fewer children unrelated to the [caregiver] provider in the provider's home.

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Satisfactory arrangement--[The plan made by the budget group to pay overdue fees which are] The plan made by the parent to pay an overdue co-payment which is acceptable to the child care provider.

Self-certification--A written statement provided by the parent for the purpose of establishing verification of a child's immunization or exemption from immunization.

Service month--The calendar month during which child care services were provided.

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Sleep-time--[Hours of care following third shift employment when the parent/caretaker has an eligible child in the home and needs care for the child in order] Care provided for a child when the parent's work shift ends between the hours of 12 a.m. and 9 a.m. to allow the parent time to sleep.

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Unregulated care--Relative/neighbor care and in-home care.

Vendor payment--A child care payment made by the Department directly to a [regulated] child care provider who has signed [the Child Care Vendor Program Enrollment Request Agreement and is enrolled in the child care vendor payment system] a Provider Agreement.

§ 168.3. Child abuse reporting.

Suspected child abuse shall be reported in accordance with 23 Pa.C.S. Chapter 63 (relating to the Child Protective Services Law) and Chapter 3490 (relating to child protective services).

§ 168.4. Authority to administer subsidized child care.

The Department may delegate to another approved entity, such as the CCIS, the responsibilities set forth in this chapter for the purpose of administering subsidized child care.

ELIGIBILITY REQUIREMENTS

§ 168.11. General requirements.

(a) [Special allowances] Payment for child care [are] is available for the following types of [child care] providers:

(1) [Center-based] A child day care center certified under Chapter 3270 (relating to child day care centers).

(2) [Group home] A group child day care home certified under Chapter 3280 (relating to group child day care homes).

(3) [Family] A family child day care home registered under Chapter 3290 (relating to family child day care homes).

(4) [Relative/neighbor care] A relative or neighbor provider specifically exempt from certification or registration under Chapters 3270, 3280 and 3290.

(5) [In-home care] An in-home provider specifically exempt from certification or registration under Chapters 3270, 3280 and 3290.

(b) The [parent/caretaker shall have the right to] parent may SHALL HAVE THE RIGHT TO choose from any [type of] child care provider that is a type of provider available under this chapter [and the right to choose any child care provider] who meets the requirements of this chapter SET FORTH IN §§ 168.19 AND 168.41 (RELATING TO CHILD CARE ARRANGEMENTS; AND VERIFICATION REQUIREMENTS) and who meets the Department's standards for provider participation SET FORTH IN THE PROVIDER AGREEMENT.

(c) [Pre expenditure] ~~Preexpenditure approval is required unless the child care is for a job interview and the [client] parent documents that he was unable to contact the worker prior to the scheduled interview.~~

§ 168.17. Eligible children.

To be eligible for a child care payment, the [budget group] family shall include a child

who meets the following criteria[. The child meets the following conditions]:

(1) Is a TANF dependent child under Chapter 153 (relating to deprivation of support or care) and § 145.43(a)(1) (relating to requirements) or would qualify as a TANF dependent child under Chapter 153 and § 145.43(a)(1) except for receipt of SSI or foster care benefits or IS CONSIDERED A MANDATORY FOOD STAMP HOUSEHOLD MEMBER AS SPECIFIED IN 7 CFR 273.1(b)(1)(iii) (RELATING TO HOUSEHOLD CONCEPT).

(2) [Meets one of the following conditions:

(i) Is under 13 years of age.

(ii) Is 13 years of age or older and meets one of the following conditions:

(A) Is under 19 years of age and not physically capable of caring for himself as verified by a physician.

(B) is under 19 years of age with a developmental age of less than 13 years of age as verified by a physician or licensed psychologist.] ~~Is considered a mandatory food stamp household member as specified in 7 CFR 273.1(b)(1)(iii) (relating to household concept).~~

(3) (2) [Is age appropriately immunized. If the child does not have age-appropriate immunizations, the parent/caretaker has 90 days to obtain and document immunizations for the child unless one of the following applies:

(i) The parent/caretaker objects to immunizations on religious grounds.

(ii) The child's medical condition contraindicates immunizations as verified by a physician.] Meets one of the following conditions:

(i) Is under 13 years of age.

(ii) Is 13 years of age or older but under 19 years of age and is incapable of caring for himself as verified by a physician or licensed psychologist.

~~(4)~~ (3) Is age-appropriately immunized unless one of the following applies:

(i) The parent/caretaker objects to immunizations on religious grounds.

(ii) The child's medical condition contraindicates immunization.

~~(iii)~~ (4) If the child does not have age-appropriate immunizations and is not exempt from immunization, CHILD CARE SHALL BE AUTHORIZED AND the parent has SHALL BE GIVEN 90 days to obtain immunizations for the child AND SELF-CERTIFY THAT THE CHILD HAS THE REQUIRED IMMUNIZATIONS OR IS EXEMPT FROM IMMUNIZATION.

§ 168.18. Need for child care.

(a) Child care must be needed to enable a [member of the budget group] parent to participate in a [work-related] work activity as defined in §§ 165.31 and 501.6 (relating to RESET participation requirements; and employment and training program).

(b) Child care services will not be considered as needed when an unemployed [parent/caretaker] parent of the child is in the home, unless one of the following applies:

(1) The [parent/caretaker] parent is physically or mentally incapable of providing child care, as verified by a physician or licensed psychologist.

(2) The [parent/caretaker] parent is involved in [work-related] work activities as defined in §§ 165.31 and 501.6, or the custodial parent is participating in [a Department of Education Pregnant and Parenting Youth Program] an education program for pregnant or parenting youth that is approved by the Department.

[(3) The child is at risk because of suspected child abuse.]

(c) Child care will be considered as needed for entry into or during breaks in approved [work-related] work activities as defined in §§ 165.31 and 501.6 for [one of the following:

(1) Up to 2 weeks.

(2) Up to 30 days when it is verified that the child care arrangements would otherwise be lost in the interim] up to 30 days.

(d) [Child will not be considered as needed when the biological or adoptive parent, specified relative or legal guardian of the child is the owner/operator of a child is the owner/operator of a child care business where care is available for the child] When a parent is the operator of a child day care center, group child day care home or family child day care home as specified in Chapter 3270, Chapter 3280 or Chapter 3290

(relating to child day care centers; group child day care homes; and family child day care homes) or is the operator of a home that is exempt from certification or registration under section 1070 of the Public Welfare Code (62 P. S. § 1070) and when space is available to enroll the parent's child at the facility operated by the parent, that child is not eligible to receive subsidized child care.

(e) Subsidized child care may not be used as a substitute for a publicly funded educational program, such as kindergarten or a specialized treatment program.

(f) A parent is ineligible for subsidized child care if he does not attend a face-to-face interview no later than 30 calendar days following the request for care. The Department may extend the 30-day time frame for the face-to-face interview if, on or before the 30th calendar day, the parent claims hardship due to conflicts with the parent's working hours, transportation problems or illness of the parent or another family member. At the time the parent claims hardship, the Department may grant an additional 30 days from the date the hardship is claimed for the interview. The Department may substitute a telephone contact for a face-to-face interview if a face-to-face interview cannot be scheduled without the parent having to take time off from work.

(g) A parent is ineligible for subsidized child care if he does not select an eligible child care provider and enroll the child within 30 calendar days following the date the Department notifies the parent that the child may be enrolled or that the family's current child care provider is ineligible to participate in the subsidized child care program.

§ 168.19. Child care arrangements.

Payment for child care will be made when the child care arrangements are as follows:

(1) The [person] individual or entity providing child care meets the following conditions:

(i) [Provides care in accordance with applicable standards of Federal, State and local law.] Complies with the Department's standards for provider participation.

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(iii) Is [a person who is at least] 18 years of age or older.

(2) The [person or entity] individual providing child care may not be one of the following:

(i) The [biological or adoptive parent or legal guardian] BIOLOGICAL OR ADOPTIVE parent of the child.

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§ 168.20. Child care co-payment.

(a) The employed TANF budget group shall pay the required co-payment toward the cost of child care.

(b) The co-payment is due on the first day of the service week and each week thereafter, regardless of the day the child is enrolled.

(c) If the co-payment is decreased as the result of a redetermination, the employed TANF budget group shall begin paying the reduced co-payment on the first day of the service week following the date of the redetermination.

(d) If the co-payment is increased as the result of a redetermination, the employed TANF budget group shall begin paying the increased co-payment on the first service day of the week following the ~~notification~~ ADVANCE WRITTEN NOTICE advising the budget group of the co-payment increase.

(e) If the co-payments for 1 month are equal to or exceed the monthly payment for care, the family is not eligible for subsidized child care with that provider.

§ 168.21. Ineligibility for failure to pay co-payment.

(a) Ineligibility for child care payment results when the TANF budget group is employed and fails to pay the required co-payment toward the cost of child care as specified in § 168.20(b) (relating to child care co-payment). The TANF budget group is ineligible until [overdue] delinquent co-payments are paid or satisfactory arrangements to pay [overdue] delinquent co-payments are made with the provider.

(b) A co-payment is delinquent if it is not paid by the last day of the service week.

(c) On the day the provider reports the co-payment is delinquent, the Department will notify the TANF budget group ~~in writing~~, with advance WRITTEN notice, that action will be taken to terminate subsidized child care for the child.

(d) When a co-payment is delinquent, the first payment made during a week is applied to the current week's co-payment. Subsequent payment during a week is applied to the delinquent co-payment.

VERIFICATION

§ 168.41. Verification requirements.

The [applicant or recipient] parent is required, as a condition of eligibility, to cooperate in providing necessary information and verification to establish eligibility.

(1) Before authorizing the initial child care payment, the [CAO] Department will determine the following:

(i) Whether the child care is necessary to participate in a [work-related] work activity as defined in §§ 165.31 and 501.6 (relating to RESET participation requirements; and employment and training program).

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(iii) The date the service is needed [by the participant].

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(2) When the [parent/caretaker] parent provides verification to the [CAO] Department that indicates a change in eligibility, payment will be reduced, terminated or increased, as appropriate, upon issuance of appropriate notice to the [parent/caretaker] parent, in

accordance with §§ 133.4 and 168.101 (relating to procedures; and appeal and fair hearing).

(3) Child care costs shall be verified by the provider monthly on a form specified by the Department [or by a written statement signed by the provider] or by a collateral contact by the [CAO and] Department with the child care provider.

(4) A collateral contact will be used whenever necessary to ensure that payment is made in advance of the date that payment is required by the child care provider consistent with § 168.1(b)(3) (relating to policy on payment of child care). When a child care [allowance] payment is authorized based on a collateral contact with or by a written statement from the provider, verification of the charge for child care on a form specified by the Department shall be submitted to the [CAO] Department within 30 days of the first day child care costs were incurred. The [CAO] Department will assist the [client] parent, as needed, to obtain a completed verification form from the provider. Failure to provide verification within the specified time period could result in nonauthorization of the child care payment.

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§ 168.43. Verification of [the disability of a child] a child's disability INJURY OR IMPAIRMENT.

A THE PARENT SHALL SUBMIT TO THE DEPARTMENT OR ITS DESIGNATED AGENT A written statement from a physician or licensed psychologist which confirms

that the child has a physical or mental [handicap] injury or impairment which prevents the child from caring for himself ~~is required~~.

§ 168.44. Verification of [the disability of a parent/caretaker] a parent's disability.

A THE PARENT SHALL SUBMIT TO THE DEPARTMENT OR ITS DESIGNATED AGENT A written statement from a physician or licensed psychologist which confirms that the [biological or adoptive parent, specified relative or legal guardian has a physical or mental handicap] parent has a disability which prevents the [person] parent from providing child care ~~is required~~.

§ 168.45. [Verification of suspected child abuse] (Reserved).

[The statement of the parent/caretaker, caseworker or other professional is acceptable evidence to verify suspected child abuse. Suspected child abuse will be reported in accordance with 23 Pa.C.S. Chapter 63 (relating to the Child Protective Services Law) as defined in Chapter 3490 (relating to protective services).]

§ 168.49. Verification of payment of co-payment for the employed budget group.

[A signed, written statement from the child care provider on a Department form which confirms that the child care co-payment has been paid for a specified month is required. If co-payments are owed, a signed, written statement by the child care provider that the overdue co-payments have been paid or that satisfactory arrangements for payment have been made is acceptable.] The provider is not required to report to the Department if a co-payment is paid timely. The provider shall report to the Department when a

co-payment is delinquent on the last day of the service week, when a delinquent co-payment has thereafter been paid and when satisfactory arrangements for payment of a delinquent co-payment have been made.

§ 168.51. Verification of age-appropriate immunizations.

[The parent/caretaker shall provide a signed, written statement on a form specified by the Department to verify that the child has received age-appropriate immunizations, or that the parent/caretaker objects to immunizations on the basis of religious grounds, or documentation from a physician to verify that the child's medical condition contraindicates immunizations.] The parent shall provide self-certification indicating that the child has received age-appropriate immunizations or that the child is exempt from immunization on the basis of religious grounds or a medical condition which contraindicates immunizations. Self-certification is a written statement provided by the parent for the purpose of establishing verification.

REPORTING REQUIREMENTS

§ 168.61. Reporting requirements.

The [budget group] parent shall report changes to IN child care arrangements TO THE DEPARTMENT OR ITS DESIGNATED AGENT [and child care costs monthly consistent with Chapter 142 (relating to monthly reporting) and § 125.24(d) (relating to responsibility for reporting changes). Documentation will be retained in the case record to support the determination of the payment, including child care costs. These documents are retained in accordance with cash assistance case record retention

policies] within 10 calendar days from the date the change occurred. Documentation of child care payment shall be retained in the case record in accordance with § 3041.85 (relating to record retention).

PAYMENT DETERMINATION

§ 168.71. Monthly payment determination.

The amount of the child care payment is determined for each month.

(1) The allowable child care payment is the [lowest of the actual child care costs, the rate charged the general public or the maximum allowance] rate the provider charges to the general public or the MCCA established by the Department, whichever is less.

(i) For [participants] parents in unpaid [work-related] work activities as defined in §§ 165.31 and 501.6 (relating to RESET participation requirements; and employment and training program), payment is [made for the actual costs of child care up to the maximum allowance] the rate the provider charges to the general public or the MCCA established by the Department [or the rate charged the general public], whichever is less.

(ii) For [participants] parents in paid [work-related] work activities as defined in §§ 165.31 and 501.6, payment is made for the actual costs of child care up to the maximum allowance established by the Department or the rate charged the general public, whichever is less, minus the family co-payment as determined in § 168.74

(relating to determining [monthly] weekly child-care [co-payments] co-payment for the employed TANF budget group).

(A) A TANF budget group determined prospectively ineligible for TANF benefits as a result of starting employment will have the co-payment waived from the first day of employment until the date of discontinuance of the TANF benefits in accordance with § 183.105 (relating to increases in income), if the budget group has reported timely in accordance with § 125.24(d) (relating to responsibility for reporting changes).

(B) A TANF budget group determined prospectively eligible for TANF benefits as a result of starting employment will have the co-payment waived from the first day of employment until the last day of the calendar month in which the first pay is received, provided the TANF budget group has reported timely in accordance with § 125.24(d).

(2) When the month of child care eligibility is not a full calendar month, the child care payment is prorated for the number of calendar days for which the TANF budget group is eligible.

[(3) Corrective or delayed payments are issued consistent with the requirements in Chapters 175 and 227 (relating to allowances and benefits; and central office disbursement).]

§ 168.72. Determining monthly child care costs.

~~The actual child care costs reported and verified as paid or incurred in the month are considered. Actual child CHILD care costs include the following:~~

(1) A charge for child care [reasonably related to] during the hours of the [work-related] work activity as defined in §§ 165.31 and 501.6 (relating to RESET participation requirements; and employment and training program), including travel time and sleep-time [for third shift employment].

(2) A charge [levied] for up to 10 consecutive days on which the child was not in attendance ~~due to illness~~ [, vacation, and the like].

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§ 168.74. Determining [monthly] weekly child care co-payment for the employed TANF budget group.

The co-payment is determined [for a month,] weekly based upon gross monthly income and [budget group] family size, using the co-payment sliding fee scale in Chapter 3041, Appendix B. Gross monthly income is determined based on anticipated or actual amounts as determined in accordance with Chapter 183 (relating to income).

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CHILD CARE PAYMENT METHODS

§ 168.81. Payment methods.

The Department will make a child care payment for child care expenses paid or incurred in a month [as one of the following:

(1) A direct check to the client when the child care provider is not enrolled in the Department's child care vendor payment system.

(2) A vendor payment to the child care provider when the provider is regulated and enrolled in the Department's child care vendor payment system except when it is verified that the client has paid the enrolled provider directly. Payment will then be issued directly to the client.

(3) A restricted endorsement check made payable to the client and the child care provider when it has been demonstrated that the client failed to use a prior child care payment for its intended purpose]. Payment is made to the provider in accordance with the provisions of the provider agreement with the following exceptions:

(1) Payment is made to the parent when care is provided in the child's home.

(2) Payment is made to the parent when the parent requires reimbursement for child care costs incurred during retroactive periods of eligibility.

§ 168.82. Time frames for authorization of payment.

(a) When verification of child care costs as specified in § 168.41(3) (relating to verification requirements) is obtained or received by the Department within 5 calendar days following a request for child care payment, the Department will authorize payment no later than 10 calendar days following the date of request.

(b) When verification of child care costs as specified in § 168.41(3) is obtained or received by the Department more than 5 days following a request for child care

payment, the Department will authorize payment no later than 5 calendar days after receipt of the verification.

(c) When the last day for authorization of payment falls on a weekend or holiday, the Department will authorize payment on or before the working day immediately preceding the weekend or holiday.

(d) Authorization of payment shall include actually processing the data needed to issue a check, including completing required forms and performing data entry.

(e) The Department will issue the written decision approving child care payment within the time frame for authorization of payment in this section.

(f) The Department will use the method of payment, such as a county or central issuance, that is best calculated to provide child care payment to the parent or provider in advance of the date that payment is required by the provider.

RESTITUTION

§ 168.91. Restitution.

The cash assistance provisions of Chapter 255 (relating to restitution) apply to a [recipient of] parent that has received a child care payment except that the provision for recoupment of an overpayment does not apply.

APPEAL AND FAIR HEARING

§ 168.101. Appeal and fair hearing.

The cash assistance provisions of Chapter 275 (relating to appeal and fair hearing and administrative disqualification hearings) apply to an applicant or recipient of a child care payment with one exception[;]: the requirement for an advance written notice of adverse action will not apply to a change in the method of payment, unless the change would result in a discontinuance, suspension, reduction or termination of benefits or would force a change in child care arrangements. If the [parent/caretaker] parent files an appeal within 10 days of the date of the advance written notice of adverse action IS MAILED TO THE PARENT, subsidy continues at the prior level until a final decision is made by the Bureau of Hearings and Appeals except when the adverse action is based solely on Federal or State law, regulations or policy or changes in Federal or State law, regulations or policy, or the Department lacks funding to continue the subsidy.