

## Co-pay rates

Co-pay have been set in accordance with legislative budgets. Co-pay rates are based on the income and size of the family. (See table on page 2 for current co-pay rates.) Recent changes to co-pays:

- On October 1, 2010, the income eligibility limit dropped from 200% federal poverty level (FPL) to 175% FPL, which resulted in copayment changes.
- On April 1, 2011, copayments increased from \$50 per month to \$65 per month for families with countable income between 82% FPL and 137.5% FPL. The formula used to calculate the co-pay for families with countable income between 137.5% FPL and 200% FPL was also changed: \$65 was added to the end of the calculation instead of \$50. The co-pay for families with countable income at or below 82% FPL remained at \$15 per month.

## Cliff effects of co-pay

Two types of "cliff effects" exist in the current co-pay system: co-pay level changes and program exit.

**Co-pay level changes:** Income increases can result in a family moving to the next copayment level, \$15 to \$65, \$65 to the calculated amount (as high as \$678 for a family of four). Co-pay level changes can be difficult for families, especially if the family's income increase is not a significant increase but is still enough to move them to the next co-pay level.

**Program exit:** The other cliff effect occurs when a family no longer qualifies for the subsidy program because their income is above 200% FPL. The significant difference between paying the required copayment and paying privately for child care can result in a family using substandard care, such as unlicensed care, or leaving an older child home alone.

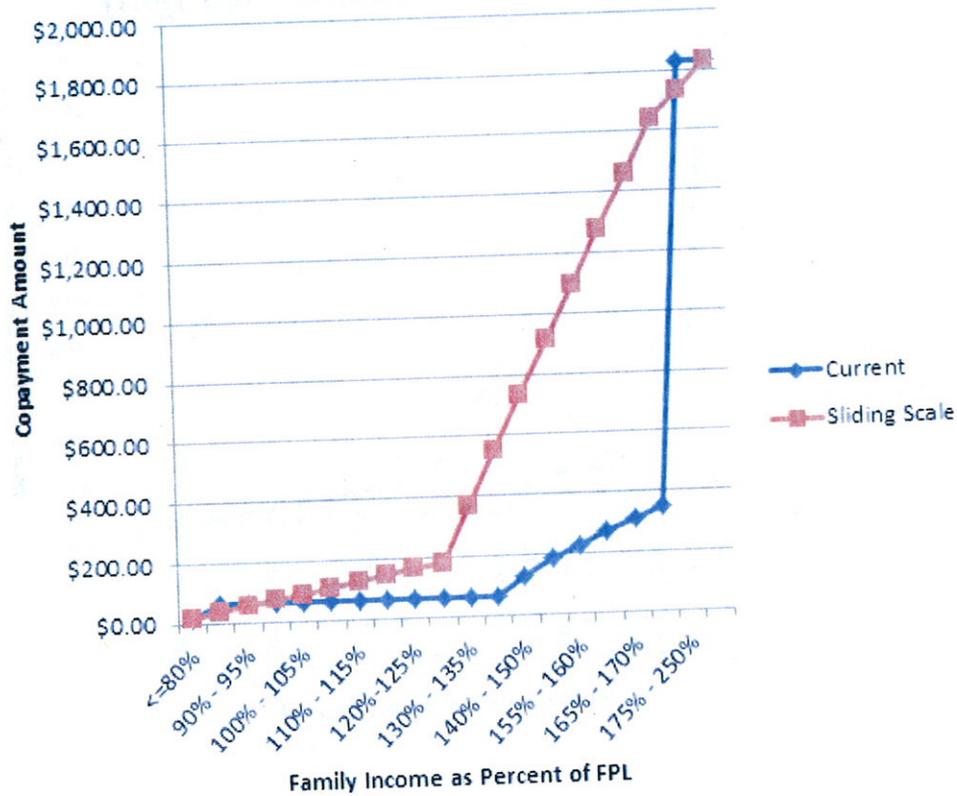
In addition, starting about when a family has countable income at 165% FPL, the copayment amount is over 10% of the family's countable income. The accepted best practice is to limit the copayment to no more than 10% of the family's income.

The following tables show current co-pay structure and a proposed alternative for discussion:

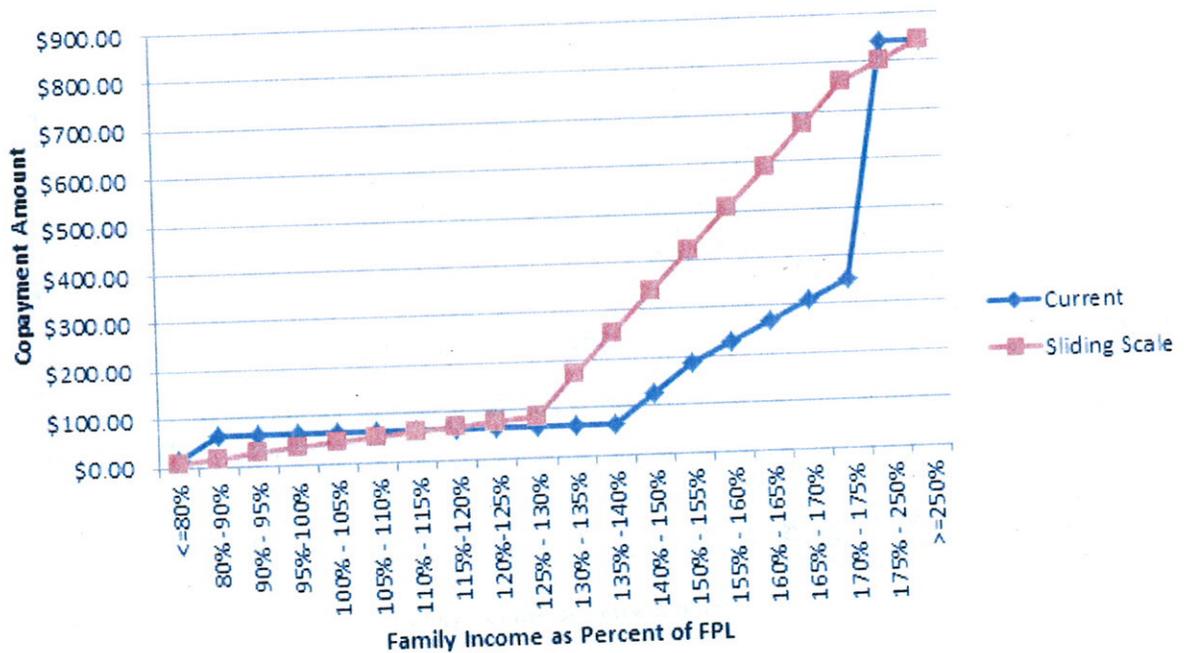
<b>Current co-pay structure</b>	
<b>If a consumer's income is:</b>	<b>Then the consumer's co-pay is:</b>
At or below 82% of the federal poverty level (FPL)	\$15
Above 82% up to 137.5%	\$65
Above 137.5% through 200%	The dollar amount equal to subtracting 137.5% of FPL from countable income, multiplying by 50%, then adding \$65
Above 200% of the FPL	Consumer is not eligible for WCCC

<b>Potential co-pay structure: Update exit at 250% FPL and create sliding scale</b>		
<b>If a consumer's income is:</b>	<b>The state pays the following percentage of the provider's private pay rate or the state rate, whichever rate is lower:</b>	<b>The consumer's co-pay is the following percentage of the provider's private pay rate or the state rate, whichever is lower</b>
At or below 80% federal poverty level (FPL)	99%	1%
Above 80% FPL up to 90% FPL	98%	2%
Above 90% up to 95%	97%	3%
Above 95% up to 100%	96%	4%
Above 100% up to 105%	95%	5%
Above 105% up to 110%	94%	6%
Above 110% up to 115%	93%	7%
Above 115% up to 120%	92%	8%
Above 120% up to 125%	91%	9%
Above 125% up to 130%	90%	10%
Above 130% up to 135%	80%	20%
Above 135% up to 140%	70%	30%
Above 140% up to 150%	60%	40%
Above 150% up to 155%	50%	50%
Above 155% up to 160%	40%	60%
Above 160% up to 165%	30%	70%
Above 165% up to 170%	20%	80%
Above 170% through 175%	10%	90%
Above 175% through 250%	5%	95%
Above 250%: Not eligible for WCCC benefits	-	-

## Comparison of Copayment Structures (highest full day rate for two children)



## Comparison of Copayment Structures (lowest full day rate for two children)



COPAY CALCULATION TABLE for 200% FPL – EFFECTIVE September 1, 2013									
	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6			
If Countable Income is:									
If Family size is	100% FPL	Above 200% FPL	0 to 82% FPL		More than 82 to 137.5%		More than 137.5 to 200%		137.5% FPL
1	\$958	\$1916	\$0	\$786	\$787	\$1317	\$1318	\$1916	\$1317
2	\$1293	\$2586	\$0	\$1060	\$1061	\$1778	\$1779	\$2586	\$1778
3	\$1628	\$3256	\$0	\$1335	\$1336	\$2239	\$2240	\$3256	\$2239
4	\$1963	\$3926	\$0	\$1610	\$1611	\$2699	\$2700	\$3926	\$2699
5	\$2298	\$4596	\$0	\$1884	\$1885	\$3160	\$3161	\$4596	\$3160
6	\$2633	\$5266	\$0	\$2159	\$2160	\$3620	\$3621	\$5266	\$3620
7	\$2968	\$5936	\$0	\$2434	\$2435	\$4081	\$4082	\$5936	\$4081
8	\$3303	\$6606	\$0	\$2708	\$2709	\$4542	\$4543	\$6606	\$4542
9	\$3638	\$7276	\$0	\$2983	\$2984	\$5002	\$5003	\$7276	\$5002
10	\$3973	\$7946	\$0	\$3258	\$3259	\$5463	\$5464	\$7946	\$5463
		Not Eligible	\$15 COPAY		\$65 COPAY		Subtract 137.5% FPL From Countable Income, then Multiply by .50 and Add \$65		

**STEPS TO CALCULATE WCCC ELIGIBILITY AND COPAYMENT:**

- Determine TOTAL income. This is the sum of all gross earned and unearned income.
- Determine COUNTABLE income. This is TOTAL income minus any child support PAID OUT.
- Compare COUNTABLE income to Column 2. If amount is greater, client is not eligible. If COUNTABLE income is below column 2 then check column 3, 4 or 5 for correct income range and copayment.

**WASHINGTON STATE CHILD CARE SUBSIDY ELIGIBILITY CHART**  
 (Working Connections Child Care and Seasonal Child Care)  
 Effective September 1, 2013

Family Size	Maximum Countable Income (200% FPG)
1 (child only case)	\$1916
2	\$2586
3	\$3256
4	\$3926
5	\$4596
6	\$5266
7	\$5936
8	\$6606
9	\$7276
10	\$7946