

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM		ISSUED	REVISED	CHAPTER	SECTION
	Sponsoring Organizations of Homes POLICY & PROCEDURE MANUAL		12/90	6/12	9	9.1
CHAPTER Chapter 9. Tiering/Eligibility Guidance			SUBJECT Classification of Family Child Care Homes			

A Sponsoring Organization of family child care homes (SO) participating in the Child and Adult Care Food Program (CACFP) must determine reimbursement category for family child care home providers (providers) under their sponsorship per the two tier reimbursement system established as a result of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The new system was designed to target higher reimbursement rates to providers in low-income areas and to providers and children from low-income households. The basis for determination of higher reimbursement rates includes:

- the location of the family child care home
- the income of the family child care home provider’s household; or
- the income of individual children’s households receiving child care by the family child care home provider.

The Income Eligibility Guidelines (IEG) used to determine eligibility for free and reduced price meals in the school lunch program are updated annually, and are also utilized to determine eligibility for the two-tier reimbursement system for CACFP. The IEG include household size and income levels determined annually by the Secretary of Agriculture to determine eligibility for free and reduced price meals. The guidelines for reduced price meals, set at or below 185 percent of the Federal income poverty guidelines, are the basis to qualify a provider or child to receive tier I meal reimbursement.

Family child care homes are categorized in one of three different manners and receive reimbursement accordingly, including tier I, tier II or tier II mixed. The tier I category provider meets IEG and receives the higher reimbursement rates. The methodology to determine eligibility for tier I reimbursement is discussed in Sections 9.2, 9.3, 9.4 and 9.5 of this chapter. Section 9.6 discusses the category for reimbursement of tier II, which receives the lower reimbursement rates and is not subject to IEG. Finally, the tier II mixed category provider receives reimbursement at both higher and lower rates, dependent upon the household income of the individual children under the provider’s care. The methodology to determine eligibility for tier II mixed reimbursement is discussed in Section 9.7 of this chapter.