

THE RESEARCH IMPLICATIONS OF PROVIDER BILLING BASED ON ENROLLMENT

Contrasting Data Sources for Michigan Child Care Assistance Program Policy Change

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Public Policy Associates (PPA) in partnership with the Michigan Department of Education (MDE) and the Michigan Department of Health and Human Services (MDHHS) has been conducting a multi-year study of the Michigan Child Development and Care (CDC) program.¹ During the third program year of 2021-2022, the study focused on various child care assistance policy changes in response to the COVID-19 pandemic. In particular, the research partners were interested in how providers and parents experienced subsidized child care usage during 2021.

The research design specified two means of data collection and analysis to understand parents' perspectives, one based on CDC program secondary data and the other based on parent interviews. This brief seeks to explain how these contrasting data sources unexpectedly resulted in differing—though both valid—pictures of the parental experiences.

Study Design: Two Distinct Yet Related Data Sources

The program dataset includes provider payments for subsidized hours of child care at the family level (by individual case). Interviews with 36 parents/guardians yielded qualitative information about how families experienced child care access and subsidy usage during the same period. Each data set told its own story about patterns in subsidy use and child care provision. Determining the degree of congruence in results was intended, in part, to help to validate the results of the secondary data analysis.

The interview sampling design stratified potential interviewees into four categories of use pattern for 2021:

-  **Stopped using the child care assistance and did not start using it again**
-  **Used the child care assistance significantly more or less in the second half than in the first half of the year**
-  **Stopped using child care assistance for a while but started using it again**
-  **Used the child care assistance and had little or no change in use**

¹ This report was made possible by Grant Number 90YE0219 from the Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. The contents are solely the responsibility of the authors.

The four use patterns were identified in an analysis of the secondary data for the first eight months of 2021 (the period for which data was available at that point in the project). This analysis looked for changes in breaks in the regular bi-weekly subsidy payments to providers. CDC payments are for two-week periods, so a cessation of payment would show only if it continued for at least two weeks. Once parents had been assigned one use pattern, prospective interviewees were randomly selected from each category. The sample was also stratified by the four MDHHS Business Service Center regions.

The use patterns derived from the payment data guided the interview questions asked; as designed, a number of the questions, as well as the question sequence, depended partly on the a priori assigned use pattern category of individual interviewees. Attempting to change lines of questioning to better fit the reality of how a family perceived their child care usage proved challenging to both interviewers and interviewees.

Data Collection and Analysis: Divergent Pictures Emerge

It became clear to the research team during interview data collection, and even more so during interview data analysis, that parents do not think about or experience subsidized child care “use” in the same way the use patterns in the secondary data presented. Once parents are approved for assistance and have secured an affordable slot at an acceptable provider, they reported focusing mainly on the availability and delivery of care.

This experiential framing was especially salient during 2021 when the operation of many providers (and schools) and the status of many families’ employment and health could fluctuate unpredictably. From a parent’s perspective, use of the child care subsidy (i.e., the provider was paid in part or in whole by the State) is not necessarily the same thing as the hours of child care a family could utilize as they attended work, school, or for other approved reasons.

For families, “using” the subsidy was synonymous with getting child care services. However, from an administrative perspective, the program data showed that subsidy payments were still going out to providers—the main indicator of subsidy use. In March 2020, Michigan adopted a policy of allowing providers to bill based on child enrollment instead of attendance hours. This was done to stabilize the market during the pandemic by giving providers more consistent income; however, the change also introduced the possibility that regular billing no longer meant continuity of care.

Also, the day-to-day experience of whether families could leave their children with a provider is what mattered most. If a provider suddenly closed, for example, or if a provider refused to accept a child until a COVID-19 quarantine period had passed, the parent had to find alternative care, forego work, or not attend their educational courses, even though their subsidy was still paying the provider. Such events could significantly affect a parent’s child care use and experience even if the disruption lasted just a few days, let alone more than two weeks.

During interviews, parents talked about their experiences in ways that could have categorized them into a different usage pattern category than the administrative data placed them. For example, a parent might say that the reason they used fewer hours was because they had to stop for a while when their provider temporarily closed, only to restart when the provider reopened. Another parent might say that they did not really stop using the subsidy when their provider temporarily closed; instead, they used fewer hours when their provider temporarily closed, but they increased their use when the provider reopened.

Moreover, due to CDC administrative time lags in billing changes and the application of certain billing policies, there were a range of individual circumstances when hours of attendance differed from the hours billed. Therefore, circumstances occurred when parents were not “using” child care (i.e., their

child was not in care at the provider’s facility) but subsidy payments to that provider were still being made under the allowable absence billing, for instance. The reverse was also true; sometimes the child was in care at a new provider, but that provider was not receiving payments for some period because that provider had not yet been approved to bill the State, for example.

Implications for Future Research

Several factors, or a combination of them, might account for this unexpected research situation. The state data system did not have time to adapt the data collected when this policy change was made, so the records could not capture the full story of what was happening with child care, only the usage of the subsidy from a payment perspective.

In designing interview-based data collection, the research team expected the interviews to validate the administrative data, but the opposite occurred in multiple instances. Across the 36 interviews, enough variation existed that the research team immediately revisited how to interpret the results and give context to the administrative data results (i.e., discarding the plan to analyze the question responses by use pattern category).

The emergence of differing stories highlights how categories of secondary data, such as use patterns, may be well-defined but can turn out to be ambiguous and misleading for understanding how parents experience child care access. This fact has several implications for future research in child care assistance policy and other policy areas involving human services:

- Use caution when applying an interpretation of or inference from secondary data to categorize prospective respondents and/or to differentiate how qualitative data are collected from the resulting sub-groups. Unintended complications to data collection, including adverse effects on sample size/characteristics, missing data, and unintended barriers to analysis may ensue. Instead, quantitative and qualitative data collection may need to be independent of one another, with interpretations of findings from each informing the other.²
- To improve future research—and by extension the policymaking the research informs—an expansion of what program data are collected and for what purposes may need to occur in circumstances of policy change. In this case, data on provider payments are necessary for financial accountability and useful for research but added data on child attendance could support greater understanding of child care access, better define subsidy usage, and promote program improvement.
- The importance of including program end-users in research studies was reinforced through this research lesson. In this instance, the input of parents led to a different interpretation of the research findings and added depth to the story of the consequences of the policy changes at the family and administrative levels. Their voices both shaped and enriched the meaning of the policy change effects and implications for future program decision making.

² A recent example of a similar conclusion arguing for the use of qualitative data from community engagement to illuminate quantitative research, albeit in a different context, is given in Sherry Glied, “Presidential Address: Connecting the Dots: Turning Research Evidence into Evidence for Policymaking,” *Journal of Policy Analysis and Management* (2022), 41(3): 676-682.