



NC DEPARTMENT OF
**HEALTH AND
 HUMAN SERVICES**
 Division of Child Development and Early
 Education

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NEWS from the NORTH CAROLINA
 DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION
 Changes to the DCDEE Subsidized Child Care Market Rates
 October 2018

As of October 1, 2018, DCDEE will implement child care subsidy market rate increases for children across the state as specified by the General Assembly in the 2018-19 budget bill. There are two different market rate changes that are being implemented. The first is for children **three through five years of age** in three-, four-, and five-star rated child care centers and homes in **tier three counties**. For purposes of this market rate increase, **tier three counties** have the same designations as those established by the N.C. Department of Commerce's **2015** County Tier Designations. Please click [here](#) to determine the tier for your county for this market rate increase.

For three-, four-, and five-star rated child care centers and homes in tier one and two counties, there will be increased market rates for **children birth through five years of age** to the one hundredth percentile. For purposes of this market rate increase, **tier one and tier two counties** are based on 2018 County Tier Designations. Please click [here](#) to determine the tier for your county for this market rate increase.

These market rate changes are based upon the data from the 2015 Market Rate Study and will be effective as of October 1, 2018. A copy of the new market rate tables for each type of care and star level for each county is attached.

Important: For you to have a rate increase based on this legislative change in effect as of October 1, 2018, you must make a change in the NC FAST Provider Portal on or before August 31st, 2018. Changes made after August 31st will go into effect on the first day of the month following a 30-day notice of the rate change. You will have until December 31st to enter new rates into the portal with "Market Increase" designated as the reason. **This market rate increase change will not affect your ability to have one regular Private Pay Rate increase during the calendar year.**

Providers are required to take action to change their Private Pay Rates. The table below provides information for entering the rates into the NC FAST Provider Portal.

	Rates updated between 8/1/18 – 8/31/18	Rates updated between 9/1/18 – 12/31/2018	Rates updated after 12/31/2018
Effective Date of Rate Change	October 1, 2018	1 st day of the month after a 30-day notice	No longer eligible for rate increase using market increase as the reason**
New Rates Reflected on Approval Notice due to Market Rate Increase*	October 2, 2018	October 2, 2018	N/A

*New approved rates will be available via an Approval Notice in the NC FAST Provider Portal reflecting October 1, 2018 market rates and revised approved subsidy rates by October 2, 2018.

**Rate increases made after 12/31/2018 will be considered the provider's one regular private pay rate increase for the 2019 calendar year.

Please note changes in county tier designations between 2015 and 2018 – Forsyth County moved from tier 3 to tier 2 and Granville County moved from tier 2 to tier 3.

If you have any questions about the new Market Rates, please contact your Local Purchasing Agency.

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