



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

**ROY COOPER** • Governor  
**KODY H. KINSLEY** • Secretary  
**ARIEL FORD** • Director

## Changes to the DCDEE Subsidized Child Care Market Rates October 2022

The NC General Assembly directed DCDEE in Session Law 2022-74 to implement new market rates for all counties, all age groups, and all star-rated licenses (three-star – five-star) participating in the NC Subsidized Child Care Assistance Program.

These market rate changes are based upon the rates recommended from the 2018 Market Rate Study. A copy of the new market rate tables for each type of care and star level for each county is attached. Please note that the rates highlighted orange in the attached charts are the rates that are increasing.

Although the legislation applies to all counties, age groups, and star rated licenses (three-star – five-star), there are some rates that are not increasing at this time due to the implementation of rates at the 100<sup>th</sup> percentile. In 2018, the General Assembly permitted DCDEE to implement rates recommended in the 2015 Child Care Market Rate Study at the 100th percentile for children birth through five years of age in three-, four-, and five-star rated child care centers and homes in tier one and tier two counties. Many of those rates are higher than the rates recommended in the 2018 Market Rate Study. In these situations, the Division will hold providers harmless and not decrease any rates.

**Important: The new rates are effective October 31, 2022 and can be retroactive back to July 2022 Service Month.** Providers will have 90 calendar days from the effective date of October 31, 2022, 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 and will need to take the following steps in order to implement the revised market rates:

- As of October 31, 2022, providers can enter updated private pay rates through the NC FAST Provider Portal using “Market Increase” as the reason for the change.
- For providers enrolled in the NC FAST Provider Portal prior to July 1, 2022, the effective date for these market rate changes can be backdated to July 1, 2022.
- For providers enrolled in the NC FAST Provider Portal on or after July 1, 2022 who would like the effective date for these market rate changes to align with their enrollment date, these providers will need to work with their local DSS/LPA to implement the rates. The local DSS/LPA worker can edit rates through the application and provide the desired effective date as applicable.
- Providers will be able to enter new rates into the NC FAST Provider Portal with “Market Increase” as the reason through January 31, 2023.

In addition, Approval Notices will be updated to reflect the revised market rates. Approval Notices in the NC FAST Provider Portal will generate automatically, reflecting the new October 31, 2022 market rates and revised approved subsidy rates.

\*\*Rate increases made after 1/31/2023 will be considered the provider’s one regular private pay rate increase for the 2023 calendar year.

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

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION**

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