



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

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SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #07-17

TO: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies

SUBJECT: Implementation of 2017 Market Rates

ATTENTION: Child Care Coordinators, Supervisors and Managers
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: August 14, 2017

Change Effective October 1, 2017

During the recent legislative session, a decision was made to implement new market rates for school-aged children in three-, four-, and five-star-rated child care centers and homes in Tier One and Tier Two counties. In addition, new market rates will also be implemented for children birth through two years of age in three-, four-, and five-star-rated child care centers and homes in Tier Three counties. These market rate changes are based upon the data from the 2015 Market Rate Study. The new rates are effective October 1, 2017, as specified by the General Assembly in Session Law 2017-57, the budget bill for 2017-2018. A copy of the new market rate tables for each type of care and star level for each county is attached. For purposes of determining tier designation, counties shall have the same designations as those established by the N.C. Department of Commerce's 2015 County Tier Designations. Counties may determine their tier designation by referring to https://www.nccommerce.com/research-publications/incentive-reports/2015-county-tier-designations?udt_10737_param_orderby=Tier_x0020_Designation&udt_10737_param_direction=ascending.

Market Rate Implementation

Prior to issuing payments in November 2017 for October 2017 services, Local Purchasing Agency staff must determine which payments must be revised. The increase during the Market Rate implementation process does not affect the limit of one rate increase per calendar year for these facilities.

The following are steps for implementing the revised market rates in your county.

- Review the new market rate tables provided by DCDEE to identify which market rates by type of facility, star rated license level, and age group have changed in your county.
- Have the relevant providers enter updated private pay rates using the NC FAST Provider Portal. If the provider has already enrolled, changes should be entered using "Market Increase" as the reason for the change. Providers that have not enrolled using the NC FAST Provider Portal by August 15, 2017 should enroll using their new private pay rates.

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In order for new provider rates to become effective October 1, 2017, providers must submit rate changes through the NC FAST Provider Portal no later than August 31, 2017.

In addition, Approval Notices will be updated to reflect the revised market rates. Approval Notices on the NC FAST Provider Portal will reflect the October 1, 2016 market rates until October 2, 2017, at which time a new approval notice will be available reflecting the new October 1, 2017 market rates and revised approved subsidy rates. A flyer which you may use in mailing to facilities is enclosed to help you inform relevant providers about the implementation of the new market rates. The flyer is also available on the Division's website at <http://ncchildcare.nc.gov> under *What's New*. **Please do not send the flyer to providers who are not affected by the revised market rates.**

Please share this information with other child care and reimbursement staff in your agency. If you have questions regarding your county's market rates, please address those questions to DCDEE.Subsidy.Policy.Help@dhhs.nc.gov.

Sincerely,



Anna Carter, Director

AC/EE
Attachment

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