



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

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

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #04-22

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

SUBJECT: Implementation of 2022 Market Rates

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

ISSUE DATE: October 31, 2022

Changes Effective October 31, 2022

During the recent legislative session, the General Assembly directed the Division 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 as specified by the General Assembly in Session Law 2022-74. 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 100th 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.

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.

Market Rate Implementation

DCDEE suggests that providers 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 their county. Remember that the increase during the Market Rate implementation process does not affect the limit of one rate increase per calendar year for facilities eligible for these market rate increases.

Child care providers 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.

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

LOCATION: 333 East Six Forks Rd • Raleigh, NC 27609
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- 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.

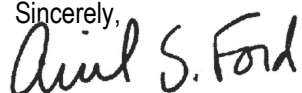
Local DSS/LPA workers will need to take the following steps in order to assist providers with implementing the revised market rates.

- If the provider has selected an effective date in the past (cannot select a date prior to July 1, 2022), NC FAST will process this change and create underpayments for the past service months.
- The local DSS/LPA worker must review and activate underpayments created as a result of the market rate changes. Providers will rely on workers completing this step to receive the increased market rates back to July 2022 service month.
- If the provider enrolled on or after July 1, 2022 and would like this market rate change to align with their enrollment date, local DSS/LPA workers must follow the steps outlined in the SCCA – Provider Manager: Provider Service Rate Management Job Aid to edit the rates on behalf of the provider in order to align the effective date with their enrollment date.

Providers will be informed through email about the new market rates, as well as the steps they need to take in order to access the updated rates for their program. Including this news in any communication that you do with providers will be helpful as well. We will also be distributing through our partner network and asking for them to share within their communication systems as well.

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,



Ariel Ford

AF/LD

Attachments