



Child Development
and Early Education
HEALTH AND HUMAN SERVICES

Pat McCrory
Governor

Richard O. Brajer
Secretary

Pamela L. Shue
Director

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #10-16

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

SUBJECT: Changes to Subsidized Child Care Assistance Program Policy

ATTENTION: Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: November 21, 2016

EFFECTIVE DATE: Upon Implementation of NC FAST

The purpose of this Administrative Letter is to communicate changes to the Subsidized Child Care Assistance Program policy regarding

- (1) Waiting List and Waiting List Surveys.
- (2) Provider Participation Requirements
- (3) Calculating the Daily Rate
- (4) Timeline for Completing Redeterminations
- (5) Smart Start Enhancements
- (6) Changing Rates in the NC FAST Provider Portal

Waiting List and Waiting List Surveys

1. General Information:

In accordance with Chapter 22, VI.

"The LPA has the option to:

- A. Determine policies for prioritizing the placement of children in care when there are insufficient funds to serve all eligible families (such as child care to support protective services, Work First families or serving children with special needs) (Chapter 10: Waiting List Policies).
- B. Determine policies for reducing services when child care funding is not available, such as termination of part-time child care services, etc. (Chapter 10: Waiting List Policies).

Nothing ComparesSM

C. Determine how often the waiting lists are reviewed and updated (Chapter 10: Waiting List Policies).

D. Establish a time frame for contacting a family once a parent's name is reached on the waiting list, notifying them in writing that they may come in to apply for services."

2. Policies:

New policy requires the Local Purchasing Agency (LPA) to be responsible for managing and prioritizing waiting list information within NC FAST while NC FAST is responsible for maintaining waiting list information including Waiting List Surveys. The Waiting List Survey will be conducted twice per year during the months of March and September. The LPA will allow fourteen (14) calendar days for recipients to respond.

3. Procedures

Waiting List Surveys will be generated through a batch from NC FAST and mailed to families. Parents will have fourteen (14) calendar days to complete the survey and return it to the LPA. If the survey is not returned, the family will be removed from the waiting list. Once the survey is received by DSS, the DSS worker will enter the information into NC FAST and NC FAST will calculate the results. A report of the results will be available to DCDEE.

Through NC FAST, the LPA will establish a time frame for contacting a family once their name is reached on the waiting list. The child care worker will notify the family in writing informing them that they may come in to apply for services. Counties will determine how often the waiting lists are reviewed and updated through NC FAST.

The LPA will determine policies for prioritizing the placement of children in care when there are insufficient funds to serve all eligible families (such as child care to support protective services, Work First families or serving children with special needs).

The waiting List Survey will be conducted two (2) times per year through NC FAST.

Provider Participation Requirements

1. General Information

In accordance with Chapter 16. II. "Child care providers must enroll in the SCC Program through the local purchasing agency (LPA). The purpose of the provider enrollment process is to



determine if the provider selected by the parent is operating legally and to collect rate information from the provider in order for the provider to be approved for payment.

The enrollment process begins at the county level and results in the issuance of an Approval Notice for each provider. The Approval Notice serves as notification to the LPA that the provider is eligible to receive state and federal subsidy funds for child care. In order to receive an Approval Notice, the program must meet the applicable licensing requirements for the age groups of children in care. The Approval Notice is generated by the Division of Child Development (DCD) and can be accessed in the SCC Reimbursement System that is maintained by DCD. The information on the Approval Notice includes the same information that is printed on the License or Notice of Compliance.”

2. Policies:

New policy requires all providers who wish to participate in the Subsidized Child Care Assistance Program (SCCAP) to use the NC FAST Provider Portal to:

- 1) Enroll in the Subsidized Child Care Assistance Program. Providers will need to log in and complete initial NC FAST Provider Portal enrollment prior to receiving any payment.
- 2) Accept or reject children into their care. Vouchers will no longer be on paper, but will be sent electronically via the NC FAST Provider Portal for providers to accept or reject. Providers will also sign these vouchers electronically using an e-signature.
- 3) Record and submit attendance rosters.
- 4) Review and sign the Annual Provider Agreement.
- 5) Update private paying rates for services.

In order to access the NC FAST Provider Portal, providers must do the following:

- 1) Create an NCID. Providers must create and maintain a Business NCID. The provider's Business NCID will be the secure username and password used to access information specific to their facility, such as vouchers and attendance tracking. In order to finalize access, the Provider must contact the local county Department of Social Services (DSS) / Local Purchasing Agency (LPA) to verify the Provider's identity and have the Business NCID linked to the Provider's account—if multiple staff members from the facility will use the Provider Portal, each must have a unique



Business NCID, and it is requested that NCIDs for each staff member be provided to the LPA at one time. This process is designed to ensure that all Business NCIDs are linked to the appropriate accounts in NC FAST and that a Provider's Business NCID and account is linked correctly.

- 2) Enroll in Direct Deposit. Providers will need to have a bank account and are required to enroll with the direct deposit processor. NC FAST will use direct deposit to make payments to Providers for Subsidized Child Care Assistance. All payments will be made through direct deposit once per month, while payments from County funds will remain under the discretion of the County. When NC FAST begins making payments to Providers through direct deposit, it will provide payment details to the Providers' banks, and also display them in the NC FAST Provider Portal.
- 3) Review and sign the provider agreement.

3. Procedures:

NCID:

Providers may designate more than one individual to use the Provider Portal on behalf of their facility. It will be important to determine who will be designated to perform the above activities. To create a Business NCID, go to the North Carolina Identity Management (NCID) website at <https://ncid.nc.gov>. Each person who creates a Business NCID must have a valid email address. After completing the NCID process, the provider must then enroll in the NC FAST Provider Portal by entering the following information regarding the facility:

- Services (ages of children served)
- Shifts offered (first, second, third)
- Days worked (holidays, inclement weather days, and teacher workdays)
- Private pay rates
- Review display of approved subsidy rates and Annual Provider Agreement

Direct Deposit:

FIS is the current direct deposit processor. Providers will be able to follow a simple process in order to enroll. The process will include:

- 1) On the website, www.ebtedge.com, providers will download a direct deposit contract.
- 2) Providers will complete the contract, attaching valid IRS information and a voided check (for checking account) or deposit slip (for savings account).



- 3) Providers will then mail or fax the contract to FIS. FIS should be able to work with any bank that follows standard Automated Clearing House practices – most banks follow these practices.

Calculating the Daily Rate

1. General Information

In accordance with Chapter 20 section II. C. "Daily rates are used to determine the amount of payment when: (1) Payment is based on attendance; (2) The child enrolls after the first of the month or the service is terminated during the month; (3) The child receives both part-time and full-time care during the month; e.g., a school-age child in a year-round school who normally receives before and/or after-school care also receives full-time care on days when school is not in session; or (4) The child is authorized to attend on a *per diem* basis. The provider's appropriate daily rate is multiplied by the number of days in the service month that the child attends."

2. Policies

It has been determined that an average month has 21.67 days. This average number of days is used to calculate the daily rate. The daily rate for provider rates is calculated based on the following formula:

$$\text{Daily Rate} = \text{Monthly Approved Rate} / 21.67.$$

3. Procedures

To calculate the daily rate, divide the Monthly Approved Rate by 21.67 and round the daily rate to the nearest cent.

Timeline for Completing Redeterminations

1. General Information

In accordance with Chapter 11 Section V. C. "When the review process has been completed and it is determined that the individual is eligible for another twelve months, the new eligibility period normally starts on the date after the previous period ended. LPA staff may choose to conduct the reviews early if the parent is in the agency. The following examples are provided for guidance.

If the parent/responsible adult comes to the LPA on 11/17/02 to report a change, and her eligibility period ends on 12/30/02, the eligibility review may be done on 11/17/02 to prevent the



parent from having to return to the agency. The period of eligibility becomes 12/31/02-12/30/03 since the eligibility review was done forty-five calendar days or less prior to the expiration date.

If a parent/responsible adult is seen more than forty-five days prior to the expiration date, the period of eligibility must be changed. For example, the parent/responsible adult comes to the LPA on 5/09/03 to report a change. To prevent the parent/responsible adult from having to come back within the next six (6) weeks, because the period of eligibility ends on 6/28/03, the eligibility review can be done early and the period of eligibility is then changed to 5/09/03-5/08/04."

2. Policies

New policy requires redetermination not be initiated any earlier than forty-five (45) calendar days prior to the expiration of the recipient's certification period. Recipients will receive written notification of the expiration of their certification period. This written notification will also include a request that the recipient complete and sign a new application in order to complete eligibility redetermination. Written notifications will be mailed to the most recently reported home address.

If a recipient comes to the Local Purchasing Agency (LPA) more than forty-five (45) calendar days prior to the expiration of the certification period, child care workers should explain new policy and that redetermination shall not be initiated any earlier than forty-five (45) calendar days. Child care workers should refer to policies regarding annual redetermination.

3. Procedures

Written notifications will be generated in NC FAST and mailed to recipients on the fifteenth (15th) calendar day of the month prior to the expiration of the certification period. A recipient may come to the Local Purchasing Agency (LPA) up to forty-five (45) calendar days prior to the expiration of their certification period. If the recipient does not have a recertification form, the child care worker would print the recertification form and allow the recipient to complete and leave it at the LPA. Child care workers should refer to policies regarding annual redetermination in Administrative Letter #05-16.

Smart Start Enhancements

1. General Information:

Chapter 21, III, D., states "Providers may elect to meet higher licensing standards to earn a higher star rated license. All providers are paid the rate charged to private paying parents or the market rate for the applicable star rated license, whichever is lower. Providers who elect to meet



higher licensing standards for a 2 through 5 star rated license may be eligible to receive a Smart Start quality bonus payment or a Smart Start enhancement payment in those counties in which Smart Start funds are used for that purpose.

Local Smart Start partnerships may also approve the use of Smart Start funds to pay an enhancement. The enhancement is usually a dollar amount and not a percentage. The enhancement may be paid to child care providers for activities that increase the quality of care and is based on criteria determined by the local Smart Start partnership.

NOTE: Smart Start funds cannot be used for school-age children.”

2. Policies:

Smart Start enhancement payments will be paid through NC FAST based on the star level and the age of children for all providers that meet the criteria throughout the county. Enhancement payments are not prorated in NC FAST. Smart Start bonus payments will not be paid through NC FAST. Any Smart Start bonus payment that is to be paid will be administered through and paid by the local partnership.

3. Procedures:

Child care rates and star levels will be put into NC FAST and updated as changes occur. When providers qualify for a Smart Start enhancement payment, the enhancement payment will be paid through NCFast based on the star level and the age of children for all providers that meet the criteria throughout the county.

NOTE: Smart Start funds cannot be used for school-age children nor can they be used to pay for Child Protective Services (CPS) or Child Welfare Services (CWS).

Changing Rates in the NC FAST Provider Portal

1. General Information:

Chapter 21, IV. A. states “Providers are responsible for reporting changes (including both increases and decreases) in their private paying rates to the LPA. Changes in rates may be submitted to the LPA on the Private Paying Rates and Other Fees form (DCD- 0458) or on a document that is dated and signed by the provider indicating charges to private paying parents and the effective date of the rates. The LPA staff will determine the allowable rate to enter into



the SCC Reimbursement System by comparing the provider's private paying rate to the applicable star market rate and using whichever is lower."

2. Policies:

Corrections to rates entered by the provider in the NC FAST Provider Portal can only be made by the County Provider Manager at the provider's request. Only the rate that was entered incorrectly can be corrected.

3. Procedures

Providers will enter their rates into the NC FAST Provider Portal. Once rates are entered, providers will submit them. If an incorrect rate is entered and rates have been submitted, the provider cannot make corrections. The provider must contact their county's LPA Provider Manager to make any corrections that need to be made.

If you have questions about the information in this letter, or other Subsidized Child Care Assistance Program questions, please contact dcdee.subsidy.policy.help@dhs.nc.gov to reach technical assistance and policy consultation.

Sincerely,



Pamela L. Shue, Ed. D

