



North Carolina Department of Health and Human Services
Division of Child Development and Early Education

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Governor

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Robert W. Kindsvatter
Director

SUBSIDIZED CHILD CARE SERVICES MANUAL~ CHANGE NOTICE # 4-14

TO: County Departments of Social Services
Other Local Purchasing Agencies

FROM: Robert W. Kindsvatter

DATE: November 4, 2014

RE: Implementation of 2015 Market Rates

During the 2014 legislative session, a decision was made to implement new market rates for 3 to 5 star licensed centers and homes based upon the data from the 2012-2013 Market Rate Survey. The new rates are effective January 1, 2015, as specified by the General Assembly in Senate Bill 744, the budget bill for 2014-15. A copy of the new market rate tables for each type of care is enclosed.

Market Rate Implementation

Prior to issuing payments in February 2015 for January 2015 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 3, 4 and 5 star facilities. Any 3 through 5 star facilities whose private paying rates are lower than the new market rates has the opportunity to submit new rates as well.

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.
- Compare the private paying rates that are on file or are submitted to the new market rates for all of these facilities.
- Determine the appropriate subsidy payment rate. The payment rate for children receiving subsidized child care is the private paying rate or the market rate for the appropriate age group and star rated license level for the facility, whichever is lower. If the private paying rate indicates that a facility can receive a higher subsidy payment, then the payment rate must be revised.

www.ncdhhs.gov • www.ncchildcare.nc.gov
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- Enter the new private paying rates for each facility in the Subsidized Child Care Reimbursement System (SCCRS)'s Rate Calculator for Entering Private Paying Rates. This is found as Option 5 in the Approval Notice menu.
- Provide notification of the newly approved subsidy rates to the facilities affected by increases in subsidy payment rates.

In addition, Approval Notices will be updated to reflect the revised market rates. A flyer which you may use in mailing to facilities is enclosed to help you inform providers about the implementation of the new market rates. The flyer is also available on the Divisions website at www.ncchildcare.gov under *What's New*.

Instructions for Maintenance of Subsidized Child Care Services Manual

Your agency must maintain at least one copy of the previous market rates for reference during single audits, state monitoring visits and fraud investigations.

Remove

Subsidized Child Care Market Rates for Child Care Centers and Family Child Care Homes, Effective 10/1/07, Appendix B

Insert

Subsidized Child care Market Rates for Child Care Centers and Family Child Care Homes, Effective 1/1/15, Appendix B

A copy of this **Change Notice** should be retained in your manual in **Appendix E**.

Your agency can print the Change Notice by accessing the on-line version at www.ncchildcare.gov under *What's New* or by accessing the on-line manual.

Please share this information with other child care and fiscal 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.

Enclosures

RWK/DL

cc: DCDEE Consultants
DCDEE Program Compliance Consultants