



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

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
ANNA CARTER • Director

May 9, 2019

Dear County Directors of Social Services and Local Purchasing Agencies

Letter Number: SCCA DCDL 2019 - #01

Attention: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies
Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

Subject: Provider Agreement & Recoupment of Overpayments

The purpose of this Dear County Director Letter is to communicate changes to the Subsidized Child Care Assistance Program (SCCAP) regarding Subsidized Child Care Rule 10A NCAC 10.0309 Correction of Overpayments and Underpayments. This rule specifies that an overpayment made to a provider as a result of an inadvertent error shall be recouped by withholding the amount overpaid from monies due to the provider for services provided in an amount not to exceed 20 percent of each payment to the provider.

The rule change removes the requirement of a signed and notarized Voluntary Repayment Agreement (VPA) to recoup overpayments from providers. In order to change procedures with subsidized child care providers regarding VPAs, the providers must be informed of the rule and procedural change. This will be completed by providers signing an addendum to the provider agreement. The addendum is attached. After a provider signs the attached addendum, a VPA will no longer be required prior to recouping an overpayment but the DSS/LPA is still required to notify providers when recoupment for overpayments will begin.

The rule change also makes recoupment of overpayments more standard at a 20 percent deduction rate. However, if a provider informs the DSS/LPA that the 20 percent deduction rate will cause a significant financial hardship, the provider is allowed to request a lesser deduction amount. In these situations, a notarized VPA would need to be completed as documentation and agreement between the provider and DSS/LPA.

DCDEE will communicate with providers via email about this rule and procedural change and will share the provider agreement addendum and provide instructions to return the addendum to their local DSS/LPA.

Each DSS/LPA should work with its providers to get the provider agreement addendum signed and returned to the DSS/LPA. The addendum should be kept as part of the provider's file at the DSS/LPA once returned to the agency. A notarized VPA is still required until the provider has signed the attached addendum and returned it to the DSS/LPA. Once the addendum is signed and returned, a notarized VPA for future overpayment withholdings is no longer necessary.

This provider agreement addendum will be incorporated into the full provider agreement in NC FAST later in the year before the annual reenrollment deadline.

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

Sincerely,

Anna Carter
AC/DL
Attachment

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

LOCATION: 333 Six Forks Rd • Raleigh, NC 27609
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Please return this signed form to your local DSS/LPA.

Provider Agreement Addendum

By signing below, I, _____ acknowledge and agree as follows:
[Provider's Printed Name]

34. I must repay any overpayment. I must report any overpayment to the LPA as soon as I learn of the overpayment. In addition, overpayments will be corrected by withholding money from future payments for services provided. When money is withheld from my future payments, I understand that I will be notified of the withholding and that the amount withheld will not be more than 20% of my monthly payment.

Provider signature: _____ Date: _____

Please return this signed form to your local DSS/LPA.

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