



**ANNOUNCEMENT: S-06 #03  
CHILD DEVELOPMENT OFFICE  
BUREAU OF SUBSIDIZED CHILD CARE SERVICES**

**ISSUE DATE: April 10, 2006  
EFFECTIVE DATE: July 1, 2006**

<b>SUBJECT:</b>	<b>2006 Market Rate Survey/ Subsidy Provider Rate Collection, Updates to Provider Agreement and Provider Profile Update</b>
<b>TO:</b>	<b>Child Care Information Services Agencies</b>
<b>FROM:</b>	<b>Harriet Dichter</b> <i>Harriet Dichter</i> <b>Deputy Secretary, Office of Child Development</b>

**PURPOSE:**

The purpose of this Announcement is to advise Child Care Information Services (CCIS) agencies of the following:

- The Department of Public Welfare (DPW) will conduct a 2006 Market Rate Survey in conjunction with the annual collection of subsidized child care provider's reported rates. Attached is a revised survey that combines the Market Rate Survey with the Provider Agreement Appendix C-1. All providers, whether or not they participate in the subsidized child care program, are expected to complete and return the survey to the CCIS by May 5, 2006. CCISs should conduct a follow-up contact with providers who have not returned the survey by May 5, 2006, in order to encourage provider participation.
- Each CCIS must offer providers assistance with completing the Market Rate Survey. CCISs may decide to conduct provider meetings or may opt to give individualized assistance to providers who request help with the survey.
- The Provider Profile Update must be mailed to all regulated providers. Providers are expected to review, update and return their Provider Profile Update along with the survey to the CCIS by May 5, 2006. CCISs should conduct a follow-up contact with providers who do not return the Provider Profile Update in order to encourage them to do so.
- The CCIS must collect the regulated subsidy provider's closed days by mailing the Provider Agreement Appendix B, Provider's Closed Days, to regulated providers who participate in the subsidized child care program. Providers must return Appendix B to the CCIS by May 5, 2006.
- The payment policy for nontraditional hours of care has been revised, effective July 1, 2006. The Provider Agreement has been revised to reflect the change.
- The payment policy for care level roll-over has been revised, effective July 1, 2006. CCMIS will be modified to reflect the revised payment policy beginning July 1, 2006.

This Announcement contains the following attachments:

- Letter to all regulated child care providers explaining the Market Rate Survey/Provider Agreement Appendix C-1 survey and Provider Profile Update

- CCIS Desk Guide for conducting the Market Rate Survey/Provider Agreement Appendix C-1 survey
- Copy of the 2006 Market Rate Survey/2006-07 Provider Agreement, Appendix C-1
- Scenarios to provide examples of how to complete the 2006 Market Rate Survey/ Provider Agreement Appendix C-1
- Market Rate Survey: Frequently Asked Questions
- Letter to regulated providers who participate in the subsidized child care program, which gives information about revised subsidized child care payment policies
- Copy of Provider Agreement Appendix B, Provider's Closed Days
- Two revised pages for the Provider Agreement, Appendix A, Pages 2 of 7 and 3 of 7
- Rate Guide instructions and Rate Guide Spreadsheets to determine daily rates for Provider Agreement and CCMIS

## **BACKGROUND:**

### **Market Rate Survey/Provider Agreement Appendix C-1**

The federal government requires DPW to conduct a Market Rate Survey every two years. The purpose of the survey is to help DPW plan for future rate increases. DPW also collects rate information annually for providers who participate in the subsidized child care program. Combining the Market Rate Survey with the annual subsidy/provider rate collection process will allow DPW to have access to more recent market rate information and will create little additional work for the CCIS agencies.

### **Provider Profile Update**

CCIS agencies print and mail the Provider Profile Update to all regulated providers annually. Providers can make corrections and revisions directly onto the Update. The information is used to provide parents with information and referral services. There is no change to this process.

### **Provider Agreement, Appendix J, Provider's Closed Days**

CCIS agencies collect a list of closed days annually from regulated providers who participate in the subsidized child care program. DPW will pay for up to 15 closed days per year as long as private pay parents are also charged for the closed days. There is no change to this process.

### **Payment for Nontraditional Hours of Care**

DPW pays an additional 25 percent daily add-on for care provided during nontraditional hours, which are defined as hours of care that occur between 6:00 PM and 6:00 AM Monday through Friday and/or any time on Saturday or Sunday. Effective July 1, 2006, DPW will return to the previous policy of paying the 25 percent add-on only when more than five hours of full-time care or more than three hours to less than five hours of part-time care is provided between the hours of 6:00 PM and 6:00 AM, or when care is provided anytime on a Saturday or a Sunday. We have provided replacement pages for Appendix A of the Provider Agreement reflecting this change.

### **Care Level Roll-Over**

Currently, a child's care level changes the first of the month two months after the month in which the child was born. For example, a child turns one year old on July 10; DPW continues to pay the infant rate until September 1 when the child's care level becomes young toddler. Effective July 1, 2006, CCMIS will be modified to begin paying the new care level rate on the first of the

month following the child's birthday. In the example above we will pay the young toddler rate beginning August 1, 2006.

### **DISCUSSION:**

We will not conduct separate mailings for subsidy and nonsubsidy participating providers. CCIS agencies may mail the full packet of information to all providers. We have included a separate attachment for regulated providers who participate in the subsidized child care program; providers who do not participate in the subsidy program can disregard the attachment. Providers must return all required information to the CCIS by May 5, 2006.

We recommend CCIS agencies hold provider meetings to explain the Market Rate Survey; however, CCISs may opt to offer individualized help to providers if the CCIS determines that time does not allow for adequate preparation and provider notification of group meetings. The Pennsylvania Child Care Association (PACCA) has again volunteered to help providers who have questions about how to complete the survey. PACCA volunteers can be reached toll-free at 888-296-1917.

We need the regulated subsidy provider's signature on the Market Rate Survey/ Provider Agreement Appendix C-1, so we cannot offer the option of responding to the Market Rate Survey on-line this year. The CCIS should enter provider rates into CCMIS as in the past. There is no additional database for the CCIS to enter Market Rate Survey rates. DPW will be able to collect the revised rates directly from CCMIS after the CCIS has entered them into the system.

The CCIS should follow past procedures for entering closed days and the Provider Profile Update changes into CCMIS. Regulated subsidy providers who do not report their rates or closed days to the CCIS will continue to have the same rates and closed days they reported last year.

The return to previous payment policies regarding nontraditional rates and care level roll-over reflects our continued efforts to align our policies with the Office of Income Maintenance. These policies also allow us to continue to serve as many children as possible in the subsidized child care program.

### **NEXT STEPS:**

- 1) The CCIS must mail the packets to all providers no later than April 14, 2006.
- 2) Providers must return all information to the CCIS by May 5, 2006.
- 3) The CCIS will enter information from the Market Rate Survey/Provider Agreement Appendix C-1 into CCMIS by June 8, 2006. **NOTE:** Fiscal year roll-over occurs on the weekend of June 10-11. All rates and closures must be in CCMIS by fiscal year roll-over.
- 4) The CCIS must enter closed days for subsidy providers into CCMIS by June 8, 2006.
- 5) The CCIS will begin to follow revised payment policies for nontraditional care and care level roll-over on July 1, 2006. The CCIS must insert the revised pages of Appendix A and destroy the old pages of Appendix A in all Provider Agreements entered into from July 1, 2006 onward.
- 6) The CCIS will enter updated information from the Provider Profile Update in CCMIS by September 1, 2006.
- 7) Direct questions to your Subsidy Coordinator.