



**ANNOUNCEMENT: S-09 #15**  
**ANNOUNCEMENT: ELS/KS-09 #45**  
**OFFICE OF CHILD DEVELOPMENT & EARLY LEARNING**  
**BUREAU OF SUBSIDIZED CHILD CARE SERVICES**  
**BUREAU OF EARLY LEARNING SERVICES**

**ISSUE DATE:** October 23, 2009  
**EFFECTIVE DATE:** July 1, 2009  
**SUNSET DATE:** On-Going

<b>SUBJECT:</b>	Keystone STARS Tiered Reimbursement
<b>TO:</b>	Child Care Information Services Directors, Regional Key Directors and Managers
<b>FROM:</b>	Harriet Dichter Deputy Secretary, Office of Child Development & Early Learning

*Harriet Dichter*

**PURPOSE:**

This Announcement is to advise Child Care Information Services (CCIS) agencies and Regional Keys about the new amounts for tiered reimbursement. The Office of Child Development and Early Learning (OCDEL) will enhance tiered reimbursement by adding an additional amount to the daily subsidized child care rate for Keystone STARS providers with a STAR rating of two and above. Tiered reimbursement amounts increase with the number of STARS awarded to a facility. The additional amount to the daily rate rewards Keystone STARS providers for their achievement of STARS two and above, provides higher reimbursement to providers at higher STAR levels, and encourages child care providers to participate in Keystone STARS and to continue to strive for increased quality in their early learning programs.

The funds to increase the tiered reimbursement amounts were made available through Federal funds acquired through the American Recovery and Reinvestment Act. The increase will be retroactive to July 1, 2009. Providers will see the increase in the tiered reimbursement amount in their payments for the November service month.

This Announcement replaces Announcements S-08-#06 and ELS/KS-08 #15.

**BACKGROUND:**

The Keystone STARS program promotes quality standards for staff education, professional development, the early learning environment and business management. As early learning programs earn higher STARS ratings, they are improving the quality of the early education each child receives. The Keystone STARS supports make it possible for child care programs to improve quality without drastically increasing cost to parents. Although STARS programs whose enrollment includes at least 5% subsidy children receive support grants and merit awards, this financial assistance does not fully cover the increased cost of higher quality education and care they provide. By paying a tiered reimbursement for higher STARS levels, OCDEL will continue to support and encourage continuous quality improvement in early education.

**DISCUSSION:**

Child care centers, group child care homes and family child care homes that have a Keystone STARS rating of two and above will receive a daily add-on amount to their current subsidized payment rate. The amount of the add-on will be based on the provider's STARS rating and unit of care (full-time or part-time).

The new daily add-on amounts per child are as follows:

Daily Increase for:	STAR 2	STAR 3	STAR 4
Full-time	\$0.70	\$2.20	\$3.00
Part-time	\$0.30	\$0.95	\$1.30

The add-on amount indicated above includes all provider types and all care levels. The additional daily amount may in some circumstances, increase provider rates to an amount that exceeds the Maximum Child Care Allowance.

The increased add-on amounts will be updated in PELICAN Child Care works. The appropriate add-on amounts and the lump-sum amount retroactive to July 1, 2009, will be reflected in the November service month payment for providers with a STARS rating of two or above.

**NEXT STEPS:**

- 1) Review this Announcement with appropriate staff.
- 2) CCISs will notify providers using the attached provider letter. The letter may be included in the October Attendance Invoice.
- 3) Regional Keys will notify providers in accordance with ELS/KS-08 #28 regarding verification of communication.
- 4) OCDEL will post the Keystone STARS Awards FY 2009-2010 document to the PA Keys website at [www.pakeys.org](http://www.pakeys.org).

<p>Comments and Questions Regarding this Announcement Should be Directed to Your Subsidy Coordinator or for Regional Keys, Ms. Tammi Beers-Franklin at (717) 346-3197.</p>
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