

SAMPLE LETTER TO PROVIDERS

Dear Provider:

This is to inform you that effective August 1, 2008, the Office of Child Development and Early Learning (OCDEL) will update the existing “tiered reimbursement” by adding an additional amount to the daily subsidized child care rate for Keystone STARS providers with a STARS rating of two and above. Tiered reimbursement amounts increase with the number of STARS awarded to a facility and rewards Keystone STARS providers for their participation and commitment to continuous quality improvement in early learning programs.

By paying a tiered reimbursement for higher STARS levels, OCDEL will continue to support and encourage continuous quality improvement in early education.

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). Providers must have a STARS rating of two or above to receive the add-on amount.

The daily add-on amounts per child are as follows with an effective date of August 1, 2008:

Daily Increase for:	STAR 2	STAR 3	STAR 4
Full-time	\$0.50	\$1.50	\$2.00
Part-time	\$0.25	\$0.75	\$1.00

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 STARS add-on amount is calculated at end of the process that determines a provider’s payment rate. If the child is receiving non-traditional care, the non-traditional rate is calculated first and then the STARS add-on amount is included with that rate. For example:

- Full-time standard daily subsidy payment rate is \$20.00
- Non-traditional add-on rate is: $\$20.00 \times 25\% = \5.00
- Non-traditional full-time daily rate is $\$20.00 + \$5.00 = \$25.00$
- For a STAR 4 provider, the full-time non-traditional daily rate would become $\$25.00 + \$2.00 = \$27.00$

Please feel free to call us at _____ if you have questions.

Sincerely,

CCIS of _____