

PROVIDER LETTER

Dear Provider:

In July 2009 OCDEL enhanced tiered reimbursement by adding additional amounts to the daily subsidized child care rate for Keystone STARS providers with a STAR rating of two or above. Since then, OCDEL has seen an increase in the use of Keystone STARS facilities within the subsidy program. The Fiscal Year 2011-2012 state budget does not contain an increase for tiered reimbursement. Increased use of Keystone STARS along with no additional funding requires OCDEL to decrease the amount of the tiered add-on rate for facilities with two, three and four STARS. OCDEL will continue to support and encourage continuous quality improvement in early education, but at a lower tiered reimbursement rate.

Child care centers, group child care homes and family child care homes that have a Keystone STARS rating of two and above receive a daily add-on amount to their subsidized payment rate. The amount of the add-on is based on the provider's STAR 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 new daily add-on amounts per child are as follows.

Daily Amount for:	STAR 2	STAR 3	STAR 4
Full-time	\$0.60	\$1.85	\$2.50
Part-time	\$0.25	\$0.85	\$1.15

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 change in add-on amounts will be effective July 1, 2011, pending final passage of the State Budget.

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

Sincerely,

CCIS of _____