

# 2018 CCAP Rate Increase

## Frequently Asked Questions

### General Overview

The Division of Child Care has proposed **new Maximum Payment Rates effective December 1, 2018**. This guide will help answer questions you may have regarding the rate change. If you still have questions, please feel free to contact The Division of Child Care at 502.564.2524.

### Where can I see the new rates?

The updated DCC-300 Kentucky Child Care Maximum Payment Rate Chart is available on the Division of Child Care website at: <https://chfs.ky.gov/agencies/dcbs/dcc>

### How do I apply for the new state maximum rates?

**To apply for the increased payment rates, you need to submit a new DCC 94B. The DCC 94B is available here:** <https://chfs.ky.gov/agencies/dcbs/dcc/Documents/dcc94b.doc>

Completed DCC 94Bs should be submitted by mail to: Division of Child Care, 275 East Main St. 3C-F, Frankfort, KY 40621 or by email to: [CHFS.DCBSDCCTechnicalAssistance@ky.gov](mailto:CHFS.DCBSDCCTechnicalAssistance@ky.gov). If you do not want to adjust your payment rates, no action is required.

Remember that **CCAP families may not be charged higher rates than families not receiving CCAP**. Please ensure your CCAP payment rates do not exceed the rates you are charging non-CCAP families.

### Why did I receive a Notice of Change?

Notices of Change for all active CCAP recipients were issued to providers in late November in anticipation of the increase. In order to ensure that CCAP recipients will not be charged a higher rate than families not receiving CCAP, providers who have set rates through a prior DCC 94B did not see an automatic increase in rates. A Notice of Change does not have to be signed and returned to DCBS. If you received a new Certificate with a signature line on the base of the form, that must be signed by the applicant and the provider and submitted to your local DCBS office by fax or in person.

### When will the new rates go into effect?

The rate change is effective December 1, 2018. However, in order to ensure that CCAP recipients will not be charged a higher rate than families not receiving CCAP, providers who have set rates through a prior DCC 94B did not see an automatic increase in rates. Rate changes requested through a new 94B will go into effect the 1<sup>st</sup> of the month after the DCC 94B is filed. (I.e. A 94B received on December 4<sup>th</sup> will have an effective date of January 1).

### Can I submit comments on the administrative regulation?

Public comments may be submitted through January 31, 2019. If requested, a public hearing will be held on January 21, 2019, at 9:00 a.m. in Suites A & B, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing must notify the agency in writing by January 14, 2019, five (5) workdays prior to the hearing, of their intent to attend.

CONTACT PERSON: Chase Coffey, Executive Administrative Assistant, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, KY 40621; Phone: 502-564-6746; Fax: 502-564-7091; [CHFSregs@ky.gov](mailto:CHFSregs@ky.gov)

## Why didn't every county/age group/provider type receive an increase?

Rates were set to match the 40<sup>th</sup> percentile of the market rate for each individual county and age group served using the 2017 Market Rate Study (<https://www.kentuckypartnership.org/products/mrs>). Most counties saw an increase to at least some of the age groups served in their county. Any rates which were already set above the 40<sup>th</sup> percentile of the market rate did not see an increase.

Type I, Type II, and Certified providers in Bullitt, Gallatin, Grant, Oldham, Pendleton, Scott, and Woodford already qualified for payments at or above the 40<sup>th</sup> percentile for all ages served and therefore did not receive an increase. Type II centers in Bell, Boyd, Greenup, Mason, Perry, and Pike counties also already had maximum payments at or above the 40<sup>th</sup> percentile and did not qualify for an increase.

Registered provider rates are not set according to market rate, but intended to supplement family, friend, and neighbor care. Registered providers will not receive an increase in rates at this time.

## How was the amount of the increase determined?

The Division of Child Care was allocated 42 million additional dollars through the Child Care Development Block Grant (CCDBG). DCC conducted a fiscal analysis of implementing funding increases and new initiatives based on Cabinet priorities and stakeholder input. The analysis examined the following areas:

- Raising reimbursement rates for licensed and certified providers to better align with market rates. Rates were examined at the 35<sup>th</sup>, 40<sup>th</sup>, 45<sup>th</sup>, and 50<sup>th</sup> percentiles.
- Increasing percent FPL for discontinuance at redetermination. Analysis was conducted on discontinuance at 185 and 200 percent FPL.
- Covering the \$25 administrative portion of background checks.
- Waiving the work requirement for students enrolled in post-secondary education, technical skill training, or SNAP E&T.
- Shifting child care expenses for foster care to CCDF funding source to better align with other states and support.

The fiscal analysis revealed that all of the above items were feasible within the \$42M allocation budget. The 40<sup>th</sup> percentile of the market rate was selected in order to offer a significant rate increase to the large majority of providers in the state while also implementing the additional requests of Cabinet leadership and child care stakeholders.

## Are there other ways for me to supplement CCAP payment rates?

The Subsidy Enrollment Award through Kentucky All STARS was specifically designed to incentivize providers to serve CCAP children in high quality centers and to serve as a supplement to CCAP reimbursement rates through a different funding source. Under the new state maximum rates, providers who serve CCAP children and participate in Kentucky All STARS at a Level 3 can increase their monthly subsidy payments by 5-7%. Programs participating at a level 5 can increase their monthly income by as much as 13%. If you would like to speak with someone on how to increase your rating in Kentucky All STARS, you can find your quality coach here:

<https://www.kentuckypartnership.org/about/map>

## Who can answer my questions?

All questions can be directed to the Division of Child Care:

<https://chfs.ky.gov/agencies/dcbs/dcc/>

(502) 564-2524 phone

(502) 564-3464 fax