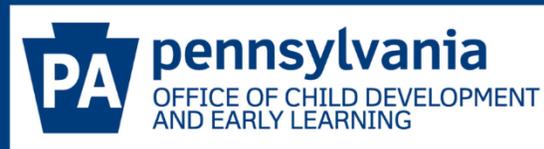


ANNOUNCEMENT ELRC 21-11



Pennsylvania Office of Child Development and Early Learning
Bureau of Early Learning Policy and Professional Development

Issue Date: Dec. 6, 2021

Effective Date: Jan. 1, 2022

End Date: N/A

Subject: Increase to Child Care Works Base Payment Rates

To: All DHS Certified Child Care Providers; Relative Providers; In-Home Providers; Early Learning Resource Centers (ELRCs); and The Office of Child Development and Early Learning (OCDEL) Early Learning Resource Center Program Representatives

From: Tracey Campanini 
Deputy Secretary, Office of Child Development & Early Learning

PURPOSE

To announce an increase to base rates paid by DHS to certified child care providers participating in Child Care Works (CCW). Base payment rates are also known as the Maximum Child Care Allowance (MCCA). This Announcement replaces ELRC Announcement 21 #02- Increase to Base Payment Rates for Child Care Providers.

BACKGROUND

On Oct. 18, 2021, the Wolf Administration announced changes to [Child Care Works](#) (CCW), Pennsylvania's subsidized child care program, that will decrease costs to families who qualify for subsidized care and add incentives for child care providers to participate in the program.

Pennsylvania received more than \$1 billion from the American Rescue Plan Act (ARPA) to support the commonwealth's child care industry.

Effective Jan. 1, 2022, OCDEL will implement another increase to CCW subsidy base rates. The initiative includes both an increase to the 60th percentile for subsidy base rates paid to DHS certified child care providers and an increase of \$1 per day for Relative Providers.

This change brings Pennsylvania closer to the federal government's recommendation of reimbursing child care providers at the 75th percentile.

DISCUSSION

Effective Jan.1, 2022, OCDEL is implementing increases to the MCCA rates. The new MCCA chart is posted online at

<https://www.dhs.pa.gov/Services/Children/Documents/Child%20Care%20Early%20Learning/CCW%20Rates%20effective%201-1-2022%20by%20Region.pdf>

OCDEL established a fee structure policy to pay all DHS certified child care, relative, and in-home providers serving subsidy children at the lower of two rates – the rate DHS certified child care providers charge private-pay families or the established MCCA.

Effective Jan. 1, 2022, if the DHS certified child care provider's private pay rates continue to be higher than the newly published MCCA, participating DHS certified child care providers will **not** have to submit a new Appendix C-1. The new rates will automatically be reflected in the payment for January invoices which occurs in February.

If DHS certified child care provider's private-pay rate is lower than the new MCCA, they will receive the lower of the two rates.

If a DHS certified child care provider wants to update their private-pay rates, they must communicate those changes to families and provide verification of the updated child care provider's private-pay rates to the Early Learning Resource Center (ELRC). The updated rate will become effective the first of the month following the date the verification was received by the ELRC, if submitted after Jan. 31, 2022.

Instructions for DHS Certified Child Care Providers Updating Private Pay Rates

There are two ways a DHS certified child care provider can update their private pay rates.

- **Option 1:** DHS Certified child care providers can enter their updated rates in Provider Self Service (PSS) and return "*Appendix C-1 ELRC Subsidized Child Care Provider Reported Rates*" along with the verification of the certified child care provider's published private-pay rates to the ELRC; **or**
- **Option 2:** DHS Certified child care providers can send "*Appendix C-1 ELRC Subsidized Child Care Provider Reported Rates*" along with the verification of their DHS certified child care provider's published private-pay rates directly to the ELRC to enter into PELICAN CCW.

When the DHS certified child care provider returns "*Appendix C-1 ELRC Subsidized Child Care Provider Reported Rates*" along with verification of the DHS certified child care provider's published private-pay rates, the ELRC will do the following:

1. Enter and/or verify the DHS certified child care providers' published rates into PELICAN CCW;

2. Use Jan. 1, 2022 as the effective date if verification is received by Jan. 31, 2022;
3. Convert the rates and save as “*Converted Payment Rates*”; and
4. Generate and send to the DHS certified child care provider the “*Appendix C-2 ELRC Subsidized Child Care Provider Payment Rates*.”

Once verified, ELRC staff will then convert the payment rates in the PELICAN CCW system, and the DHS certified child care provider will be paid based on the new private pay rates, or MCCA, whichever is the lower of the two rates.

The ELRC will **not** modify rates for any DHS certified child care provider who does **not** return Appendix (C-1) along with verification of the DHS certified child care provider’s published rates.

Instructions for Relative and In-Home Providers

The ELRC will not need to enter rates for relative or in-home providers. The ELRC will have to generate and send to both types of providers, “*Appendix B Subsidized Child Care Relative Provider Payment Rates*.”

NEXT STEPS

1. DHS Certified child care providers updating private pay rates
 - a. Update and communicate private pay rate changes on family agreement or contracts, website, and handbooks as applicable.
 - b. Complete “*Appendix C-1 - ELRC Subsidized Child Care Provider Reported Rates*,” FY 2021-22 (**DHS Certified Child Care Providers Only**).
 - c. Send the completed *Appendix C-1 - ELRC Subsidized Child Care Provider Reported Rates*, along with verification of the DHS certified child care provider’s published rates, to your ELRC by Jan. 31, 2022 to receive the updated rate.
 - d. Direct any questions to your ELRC.
2. Relative and in-home providers
 - a. Receive “*Appendix B Subsidized Child Care Relative Provider Payment Rates*” from ELRC.
3. ELRCs
 - a. Review and share this information with appropriate staff.
 - b. For any DHS certified child care providers returning completed “*Appendix C-1 - ELRC Subsidized Child Care Provider Reported Rates*” and their published rates, enter updated rates into PELICAN CCW and convert rates for all DHS certified child care providers with an effective date of Jan. 1, 2022, if verification is received by January 31, 2022.
 - c. Generate and send **all** DHS certified child care providers “*Appendix C-2 ELRC Subsidized Child Care Provider Payment Rates*.”

- d. Generate and send *Appendix B Subsidized Child Care Relative Provider Payment Rates*” to **all** Relative and In-Home Providers.
- e. Direct any question to your program representative.