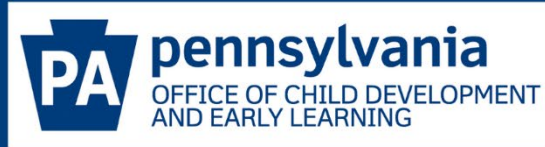


# ANNOUNCEMENT ELRC 23-01



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

**Issue Date:** February 21, 2023

**Effective Date:** March 1, 2023

**End Date:** N/A

**Subject:** Increase to Child Care Works Base Payment Rates for DHS Certified Providers

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

**From:**

A handwritten signature in black ink that reads 'Shante' A. Brown'.

Shante' Brown  
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 #11 Increase to Child Care Works Base Payment Rates.

## BACKGROUND

The 2019 Market Rate Survey (MRS) revealed that Pennsylvania's subsidy rates hovered around the 25th percentile. In response, subsidy base rates were regionalized and increased to the 40th percentile floor in March 2021.

Base subsidy rates were increased to the 60th percentile floor in January 2022.

Results of the 2022 MRS indicate that the increased costs associated with COVID to operate a child care program and 40 - year high inflation caused percentile ranks to decrease significantly.

The 2022 MRS will be released in February 2023. In response, subsidy base rates will be increased to maintain the 60th percentile floor effective March 1, 2023.

## DISCUSSION

Effective **March 1, 2023**, OCDEL is implementing increases to the MCCA rates. The new MCCA chart is posted online [here](#).

OCDEL established a fee structure policy to pay all DHS certified child care 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 **March 1, 2023**, 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 March invoices which occurs in April.

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 March 31, 2023.

### 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 "March 1, 2023" as the effective date if verification is received by March 31, 2023;
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.

## 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*" (**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 March 31, 2023, to receive the updated rate.
  - d. Direct any questions to your ELRC.
  
2. 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 March 1, 2023, if verification is received by March 31, 2023.
  - c. Generate and send **all** DHS certified child care providers "*Appendix C-2 ELRC Subsidized Child Care Provider Payment Rates.*"
  - d. Direct any question to your program representative.