

**Announcement
ELRC #24-04**



Pennsylvania
**Office of Child Development
and Early Learning**

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

Issue Date: December 9, 2024

Effective Date: January 1, 2025

Expiration Date: N/A

Subject: Increase to Child Care Works (CCW) Base Payment Rates for Department of Human Services (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:

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PURPOSE

To announce an increase to base rates paid by DHS to certified child care providers participating in CCW. Base payment rates are also known as the Maximum Child Care Allowance (MCCA).

This Announcement replaces ELRC Announcement 23 #01- Increase to Child Care Works Base Payment Rates.

BACKGROUND

The CCDBG Act requires Lead Agencies to certify that rates are sufficient to ensure eligible children have equal access to child care services. The benchmark for equal access established by the Administration for Children and Families Office of Child Care (ACF OCC) is the 75th percentile of the current child care market. OCC considers payment rates set at the 75th percentile or higher as providing equal access.

The Commonwealth of Pennsylvania recognizes the importance of increasing access to high quality child care in economically marginalized communities. Increasing the CCW

base rates incentivizes additional provider participation in CCW and helps child care providers who participate in the program enhance services, invest in staff development, compensation, and promote overall quality of their child care program.

Effective January 1, 2025, the subsidy base rates, also known as the Maximum Child Care Allowance (MCCA) will be increased to the 75th percentile.

DISCUSSION

Effective **January 1, 2025**, OCDEL is implementing increases to the MCCA rates. The new MCCA chart is posted online at pakeys.org/elrc-24-04.

OCDEL's established CCW fee structure pays providers either their private-pay rate or the established Maximum Child Care Allowance (MCCA). Payments will reflect the lower rate of the two, ensuring alignment with established standards and policy.

Beginning **January 1, 2025**, if a certified child care provider's private-pay rates remain higher than the newly published MCCA, participating DHS-certified providers will not need to submit an updated Appendix C-1. The new MCAA rates will automatically be applied.

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

DHS certified child care providers who intend to update their private-pay rates, 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). Providers are encouraged to submit rate changes prior to January 31, 2025. If received after this date, the updated rate will become effective the first of the month following the date the verification was received by the ELRC.

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 (preferred):** 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.

Processing Rate Updates

Upon receipt of Appendix C-1 and the required verification, the ELRC will do the following:

1. Enter and/or verify the DHS certified child care providers' published rates into PELICAN CCW;
2. Use "January 1, 2025" as the effective date if verification is received by January 31, 2025;
3. Convert the rates and save as "*Converted Payment Rates*"; and
4. Generate and send "*Appendix C-2 ELRC Subsidized Child Care Provider Payment Rates*" to the DHS certified child care provider.

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 either 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 agreements 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 January 31, 2025, 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 January 1, 2025, if verification is received by January 31, 2025.
 - 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.