

**State/Territory Plan
2022 - 2024**

4.3 Establish Adequate Payment Rates

4.3.3 Lead Agencies can choose to establish tiered rates, differential rates, or add-ons on top of their base rates as a way to increase payment rates for targeted needs (i.e., a higher rate for special needs children as both an incentive for providers to serve children with special needs and as a way to cover the higher costs to the provider to provide care for special needs children). Lead Agencies may pay providers more than their private pay rates as an incentive or to cover costs for higher quality care (81 FR, p. 67514).

State/Territory	4.3.3 Yes - c: Differential rate for children with special needs, as defined by the state/territory. Describe:
Alabama	
Alaska	Child care providers providing care to a child with a diagnosed special need may receive supplemental payments (add-ons) through the Alaska Inclusive Child Care Program (Alaska IN!). Alaska IN! is applicable to all provider types participating in the Child Care Assistance Program. The supplemental payment is the child care provider's actual cost associated with providing the additional services specific to the child's special need. The cost is reimbursed based on percentage increments of the cost of care authorized for the child not to exceed 100% of the cost of care authorized.
American Samoa	<i>The subsidy rate for children with special needs who were not enrolled in school pre-COVID was \$650/ month, post-COVID that rate is now \$975/ month. While the subsidy rate for children with special needs who were enrolled in school pre-COVID was \$195/ month, post-COVID that rate is now \$293/ month.</i>
Arizona	An enhanced child care rate is paid to selected quality identified programs that serve children with special child care needs. These programs may provide additional staffing, materials, equipment, curriculum, schedules, environments, family involvement, and program evaluation that ensure each child's capabilities and needs are met. The special needs rates were based on the market rate survey, which incorporated questions regarding access to child care, including the extent to which providers cared for children with special needs.
Arkansas	Reimbursement rates are increased by up to 50% of the tiered reimbursement rate, depending on the needs of the child. The MRS was used to set all of Arkansas's tiered reimbursement rates.

California	When early learning and care and developmental services are provided to a child with exceptional needs, the contractor shall multiply the lesser of the RMR ceiling or the provider rate, whichever is lower, by only one of the following: 1) 1.2, when the child has an exceptional need as defined in <i>EDC</i> , Section 8208(1), and 2) 1.5, when the child is severely disabled as defined in Education Code Section 8208(x).
Colorado	County departments of human services may opt to pay higher rates for children with special needs. For special needs care, counties may pay up to 200% of the base rate for that provider type and quality level (as determined under tiered reimbursement), as long as it does not exceed the private pay rate charged by that provider for that type of care. Each county determines the percentage of the regular rate they will pay for children with special needs based on local need and available funding.
Connecticut	Connecticut's Child Care Subsidy Program, Care 4 Kids pays a differential payments to ensure increased access to care for children with special needs, as defined in current regulation. Providers serving children with special needs receive rates that are 25% above the Care4Kids payment rates.
Delaware	Providers who care for children with special needs are reimbursed at a higher rate. The Lead Agency also contracts with Children and Families First, a private agency, to administer the Capacity Grant. Programs who serve children with special needs, children who need care during non-traditional hours, children who are English language learners and children who are infant/toddler age can apply for this grant opportunity. Through this grant, providers can expand and/or enhance services with financial incentives and technical support.
District of Columbia	The Lead Agency has established an "infant and toddler special needs" and "preschool and school aged special needs" rate for full- and part-time care at each quality designation (e.g. developing, progressing, quality, high-quality, preliminary) that are higher than the standard rates paid at each age and designation.
Florida	The amount of subsidy shall be consistent with the rates for special needs child care established by DCF. A special needs rate may be negotiated up to 20 percent above the licensed center infant payment rate. The special needs rates may not exceed the private pay rate for licensed center infant care receiving the same services. This rate differential is locally determined and helps ensure that providers who accept children with special needs are able to make the appropriate modifications necessary to meet each child's unique circumstances. To justify this rate, a provider must show that they are providing care above and beyond ADA requirements for child care facilities.
Georgia	The Lead Agency will pay a child care provider's full published rate for care provided.
Guam	The Lead Agency intends to provide higher payment/reimbursement rates for childcare providers who have a behavior interventionist/someone trained by a behavioral interventionist on staff.
Hawaii	
Idaho	

Illinois	Site administered contracted providers may receive a 20% add-on to their payment rate for children who have a demonstrated disability. The additional funds are used by the provider for supports such as the purchase of adaptive equipment and securing specialized training for the caregiver. This differential rate was established when the site-administered contracts were first created.
Indiana	Reimbursement to child care providers caring for children with special needs may exceed the market rate by 10%. This determination is made by the Automated Intake System (AIS) based upon the provider's charges as recorded by the Eligibility Specialist.
Iowa	Providers caring for a child with special needs that are documented have a maximum rate that is 1.5 times whatever rate the provider is eligible for based on their QRS rating.
Kansas	Parents of children with a physical, emotional or mental disability may request an enhanced benefit rate for child care services. Documentation of the child's disability and/or special need must be provided by a skilled professional. Additional information must be provided by the care provider indicating the type of enhanced child care being provided to the child and what type of education and/or training the provider possesses in order to provide the care needed. If approved, that rate is \$6.00 per hour, regardless of the child's age or child care setting is used to calculate child care benefits for the family. In Kansas, child care benefits are calculated separately for each child. Benefits are determined by a combination of factors: the age of the child; the numbers of hours of care each month the child needs; the family's family share, the child care provider's standard rate; and DCF maximum rates. Benefits for each child are automatically put into the parent's EBT (Electronic Benefit Transfer) account at the start of each month. All child care benefits are put into a single child care account for that household. Providers may charge parents for their child's slot, (full or part time) and/or absent days, if this is consistent with the provider's stated private pay policy. Parents are responsible for their family share amount and any additional charges agreed upon between themselves and their child's providers. Kansas' system of issuing benefits to parents and parent's being responsible for payment to provider's based upon their provider's individual payment practice mirrors private pay. One benefit of this system allows for providers to be paid in advance if this practice is consistent with their private pay families.
Kentucky	Licensed, certified, or registered child care providers may receive an additional one (1)dollar per day to serve a child with special needs
Louisiana	The Lead Agency pays a differential rate for children requiring special needs care. According to BESE Bulletin 139, Special Needs Child Care is defined as the following: for the purpose of CCAP daily rates, child care for a child through age 17 who has a current individualized family services plan (IFSP) or individual education plan (IEP) in accordance with the Individuals with Disabilities Education Act (IDEA) or who receives supplemental security income (SSI). Incentive payments up to 26 percent higher than the regular rates can be allowed for special needs child care.
Maine	

Maryland	For a child with a disability/special needs, the payment rates of Regulation 13A.14.06.11 apply except if the service provider offers documentation that the cost for caring for the child exceeds the reasonable accommodation definition. In that case, the additional cost may be approved but may not exceed the annual allocated amount up to 15% above the rates set out in §§C and D of the regulation; or if the requested amount exceeds 15%, a recommendation must be submitted to the central Child Care Scholarship branch for approval of a higher payment not to exceed the annual allocated amount.
Massachusetts	
Michigan	
Minnesota	<p>Special Needs Rates are established on an as-needed basis for individual children, separately from the standard hour base rates. Special Needs Rates are approved by the Department of Human Services and are based on the child's needs, the provider's description of services and the provider's related costs. Children with an approved Special Needs Rate may be paid at a higher rate than what the center charges for private, full-paying clients without special needs but must never be greater than what the provider would charge for similar services provided to a child with a disability paying privately.</p> <p>A rating scale is used to determine the maximum Special Needs Rate that may be paid, based on one of three levels of need in relationship to the standard county maximum rate for that provider type and age of the child. Level one is 1.75 times the standard county maximum rate. Level two is 2.5 times the standard county maximum rate. Level three is 3.0 times the standard county maximum rate. In addition, CCAP policies allows counties to establish higher at-risk rates to certain providers caring for children defined as special needs due to inclusion in at-risk populations. When four or more providers offer the same type of care for the same specified special needs population, the 75th percentile is calculated in the geographic area. Counties identify the special needs rates that are paid in their biennial Child Care Fund Plan.</p>
Mississippi	The Lead Agency established a separate base market rate for children with special needs. The market rate for children with special needs was estimated using data collected from the MRS. The MRS included questions specific to the cost of care for providers to offer services to children with special needs. Following federal guidelines for determining equal access to child care services for providers receiving child care subsidies, the 75th-percentile of the distribution was used to estimate the full time and part time monthly market rates for children with special needs (see http://www.mdhs.ms.gov/wp-content/uploads/2018/05/Market-Rate-Survey-FINAL-1.pdf). The base monthly market rates for special needs children are: (1) \$394 for full-time licensed center-based licensed care, (2) \$260 for part-time licensed center-based licensed care, (3) \$367 for full-time licensed FCC care, and (4) \$187 for part-time licensed FCC care.
Missouri	The Lead Agency has a 25% rate differential for special needs children. The rate differential is based on the MRS and is subject to appropriation.
Montana	

Nebraska	The Lead Agency can increase rates for children with special needs up to 25% over the base rate.
Nevada	As part of Nevada's Pritzker Plan, CCDP is piloting differential rates for children with special needs along with support services including the Pyramid model and mental health services.
New Hampshire	
New Jersey	Special needs rates for all age groups and provider types.
New Mexico	N/A
New York	The special needs rate is currently up to the highest market rate in New York based on the amount of care provided, OCFS has convened a workgroup that is evaluating the current systems and supports in place for children with special needs. OCFS has completed research on how other states prioritize families that have a child with special needs and set reimbursement rates. OCFS continues to collaborate with legal advocates, child care councils, unions (CSEA and UFT), advocates for early childhood education, staff from not-for-profit child care centers, and pediatricians to review and revise, as applicable, its policies and rates for children with special needs in subsidized child care.
North Carolina	Rates for certified developmental day centers are established by a cost study rather than through the market rate survey. The cost study establishes a net cost determined after the program documents available revenues such as Medicaid, Early Intervention Funds, NC DPI payments or other. This net cost is used as the subsidy payment rate for children with special needs and typically developing children. When a child identified as having a special need is served in an inclusive child care setting and the provider incurs additional costs for the care of the child, a supplemental payment above the provider's approved rate may be requested and paid by the LPA. Funding for supplemental payments for these children should initially come from the special needs set-aside.
North Dakota	A child who meets the definition of disability and who is attending a Quality Rating Improvement System (QRIS) provider will be eligible to receive an additional 10% of the state max rate.
Northern Mariana Islands	
Ohio	Programs serving children with special needs get a 5% enhancement on top of the base rate. If a program needs to make adjustments to their service delivery model to serve a child with special needs (i.e. add an extra staff member in the room, decrease group size in the room, etc.), the program can submit documentation to request a 100% enhancement to their base rate for services provided to that child.
Oklahoma	To qualify for a special needs rate, the child must meet the DHS definition of a child with disabilities per OAC 340:40-7-3.1 In addition the child and provider must meet certification requirements indicating the child meets a certain level of care and the provider is capable of providing that level of care. A special needs rate, when approved, is paid in addition to the rate paid for a typically developing child of the same age.

Oregon	The infant rate is applied to older children requiring a higher than average level of care and the High Needs rate is applied after an assessment is completed by Inclusive Partners.
Pennsylvania	
Puerto Rico	N/A
Rhode Island	
South Carolina	LA uses a payment rate add-on that is \$20 more than rates for other children in a specific type of care when requested by providers to support their efforts to accommodate and care for children with special needs. The base rates are determined based on the use of the most recent MRS.
South Dakota	Providers caring for a child with special needs can be reimbursed up to a maximum rate of \$5.15 per hour regardless of the age of child or county in which care is provided. This amount is established each time reimbursement rates are increased in relation to the most recent Market Rate Survey. The current rate is increased by the statewide percentage increase which is calculated based on the final rate chart. In some instances, a higher rate for the care of a child with special needs can be established upon receipt of documentation required to complete the negotiation process.
Tennessee	
Texas	TWC Child Care Services rules provide for an inclusion rate of up to 190 percent of the reimbursement rate.
Utah	Children ages two and older with special needs are subsidized at the infant rate in the provider tier being used. Infants with special needs are subsidized at the infant rate of the next higher provider tier. For example, a 5-year old with special needs in a family licensed home setting will be paid at the family licensed home infant rate.
Vermont	Providers who care for children with special needs and have been approved as a specialized child care provider receive an additional amount based on the age of the child above the provider rate.
Virgin Islands	N/A
Virginia	Providers may be paid up to twice the Maximum Reimbursable Rate for children with special needs. This tiered rate was determined in consultation with the Guidance Advisory Committee as an appropriate level of reimbursement for children with special needs based on current provider payment rates in regions across the state. The special needs rate should be used when it is appropriate as determined by the local department in consultation with the parent, provider, and appropriate professional. Details of this consultation, and supporting documentation of the child's special needs, must be recorded in the case record. The evaluation by an appropriate professional must be provided in writing
Washington	Licensed centers, licensed family homes, and FFN providers are all eligible to receive an additional special needs rate. This rate varies based on the level of care required for the individual child and the type of provider providing the child care. There are two levels of Special Needs authorization that can occur for each given provider type. Level 1 is approved based on eligibility worker determination while Level 2 is determined by a special needs review panel.

West Virginia	Providers caring for children with special needs receive an additional \$3 per day/child.
Wisconsin	Wisconsin Shares provides eligible parents who have a child with a special need or disability with an increased EBT card benefit load available for the parent to initiate payment to the selected child care program that provides for services, materials, and/or equipment necessary to support the inclusive care of the child. The special needs rate is determined on a case-by-case basis. The parent must submit documentation of the special circumstances, and the child care provider must show justification for the differential rate. The differential rate will range from the standard maximum rate up to \$19.99 per hour.
Wyoming	Child care providers serving eligible children with special needs receive an additional \$250.00/month.