

**State/Territory Plan  
2022 - 2024**

**4.5 Establish Affordable Co-Payments**

**4.5.2 Does the Lead Agency choose the option to allow providers to charge families additional amounts above the required co-payment in instances where the provider's price exceeds the subsidy payment (98.45(b)(5))?**

State/Territory	i. Provide the rationale for the Lead Agency's policy to allow providers to charge families additional amounts above the required co-payment.	ii. Provide data (including data on the size and frequency of such amounts) on the extent to which CCDF providers charge additional amounts to families.	iii. Describe the Lead Agency's analysis of the interaction between the additional amounts charged to families with the required family co-payment and the ability of current subsidy payment rates to provide access to care without additional fees.
Alabama	The Lead Agency allows the providers to charge families additional amounts above the copayment as a means of equal access for families' choice of providers.	Of CCDF providers, 46% charge more than the state's reimbursement rate, while the remaining charge the same or less. The state average charge for full-time care is \$144 per week and the state average reimbursement is \$120 per week for full-time care. The difference between the rates is \$24 per week per child. However 60% of families participating in the program have no copay. The state's copay begins at \$18 which is little difference between the average cost of the amount charged over the state's reimbursement rate.	The Lead Agency has determined that the additional amounts charged to families in consideration of the average overage paid by the family is not priority at this time. Since the majority of families served do not pay a co-pay and over 50% of CCDF providers rates at or below the state's reimbursement rate; the overage is a minimum cost to families.
Alaska	The Child Care Program Office requires child care assistance program participating providers to have established rates for their services. Each provider sets their own rates based on their business need. The CCPO certifies 99% of all children participating in the CCAP are in licensed child care thereby ensuring equal access to quality care and affordability.	The Child Care Program Office will collect more data to support why we allow providers to continue this practice in preparation for the next plan cycle.	The family's co-payment is not connected to the provider's charges. Alaska updated the <i>Family Income and Contribution Schedule</i> and the <i>Child Care Assistance Program Rate Schedule</i> effective October 31, 2019 which resulted in many families experiencing a decrease in their co-payment amount.
American Samoa	<i>Some providers charge fees for additional services such as transportation, late pick-ups, etc. Parents are informed of these fees before selecting a provider so they can make an informed decision knowing that these additional costs may not be covered through the American Samoa Child Care Program.</i>	<i>Providers who offer pick-up and drop-off services charge an average of \$20 for the first child and \$10 for every additional child per month. Providers who charge a late fee to parents who do not show on time charge an average of \$5 for every 10 minutes the parent is late. However, the providers report that they are flexible and offer allowances for parents who are late due to circumstances beyond their control as long as the provider is informed in advance so they can coordinate their schedules or that of staff members who will wait with the child.</i>	<i>Co-payments are not applied in American Samoa.</i>

Arizona	<p>Since the CCDF requirements are higher than the state child care licensing standards, regulating the rates providers charge subsidized families is seen as a disincentive and would likely decrease the access to care options for CCDF subsidized families.</p> <p>It is required that providers complete the Provider/Parent/Guardian's Agreement for Child Care Charges Provider/Parent/Guardian's Agreement for Child Care Charges form with the parent to ensure that it is clearly understood what additional charges the parent is responsible for paying.</p>	Arizona does not collect information on additional amounts charged by the provider.	It is required that providers complete the Provider/Parent/Guardian's Agreement for Child Care Charges Provider/Parent/Guardian's Agreement for Child Care Charges form with the parent to ensure that it is clearly understood what additional charges the parent is responsible for paying.
Arkansas	<p>DCCECE allows child care providers to charge a maximum of 15% over the designated subsidy payment rate. However, a provider CANNOT charge a family receiving CCDF subsidy a higher daily rate than private pay families. • Example: \$33.50 (Subsidy Payment) X 1.15 = \$38.53, the provider may charge the family an additional \$5.03 per day</p> <p>If a provider gives a discount to private pay families for enrolling more than one child the same will apply to children receiving subsidy (DCCECE will pay the base subsidy rate, but the family cannot be charged an additional rate if a discount rate structure is in place for private pay families).</p>	Example: \$33.50 (Subsidy Payment) X 1.15 = \$38.53, the provider may charge the family an additional \$5.03 per day. However, if the provider's private pay rate is only \$35.00 per day the provider may only charge the family \$1.50 per day as they CANNOT charge a CCDF family more than the Private pay.	DCCECE has set the rates for Better Beginnings Level 1 and 2 at the 75th percentile. The additional payment would allow parents to choose higher quality care in the top 25th percentile. However for Better Beginnings level 3 DCCECE is paying above 100% of the market rate and these additional charges should not apply.
California	The reimbursement rate ceiling is set at the 75th percentile allowing families access to 75 percent of the market at no additional cost. However, families may choose higher rate providers, and must pay the difference between the ceiling and the rate the provider charges.	The lead agency does not collect this data.	It is statutory requirement that the CDE only pays to the reimbursement ceiling.
Colorado			
Connecticut			
Delaware	In Delaware, providers can become a POC Plus provider. This option was made available to providers to incentivize them to become childcare subsidy providers. This in turn provides low income families equal access to higher quality childcare programs.	Currently the Lead Agency does not have such data. However, the agency now tracks all new providers who opt to become POC Plus to ensure accurate data and monitor the distribution of traditional versus POC Plus slots..	The Lead Agency does not collect this type of data.
District of Columbia			
Florida	The state does not currently have a policy to address providers charging parents additional amounts above the required co-payment and it is not addressed in state statute and rule. Providers around the state have different practices on what they charge the parents. This has not hindered access to a large variety of care. All contracted SR Providers must inform parents prior to enrollment of any amount the provider charges in addition to the co-payment. Providers are required to indicate in their statewide contract if they do charge parents the difference.	Of the 6,965 total CCDF providers, 5,394 (85%) providers charge a differential to families. The OEL is in the process of making changes in the <i>School Readiness Provider Contract</i> and data system in order to capture data on size and frequency of these amounts.	Currently OEL determines if a differential is being charged and can see the difference between the private pay rate and the subsidy rate; however, OEL is unable to conduct an analysis until future enhancements to the system is completed.

Georgia	<p>In the past, surveys have indicated that as many as 72 percent of child care subsidy providers charged families some or all of the difference between their published rate and the amount provided by the Lead Agency. Available data suggests that 68 percent of families may pay on average approximately \$22 a week in addition to their family copay. The Lead agency must strike a balance in this area. Prohibiting providers from charging additional fees might result in fewer providers participating meaning there would be less access for families in parts of the state. In response to the pandemic, the Lead Agency will begin, in May 2021, using Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds to pay the family co-pay and the fee differential that may be charged to families. This policy change will not only support families in covering the cost of care but should also increase the number of providers willing to participate in the program because they will be guaranteed their full rate. Currently, the Lead Agency plans to implement this policy through September 30, 2022; however, the Lead Agency will continue to explore ways to increase families' access to high quality child care by limiting their financial burden even after the policy expires.</p>	<p>In the 2016 market rate survey, 72 percent of providers reported that they charge families the difference between the stated rate and the subsidy amount (including family fee). Seventy-nine percent of providers reported charging families a registration fee. In a separate survey distributed by the Lead Agency in fall 2016, providers were asked the specific amount families pay. Seventeen percent (n=108) reported that the fee differential was \$51 or more a week; 42 percent (n=266) reported that it was between \$21 and \$50 a week; and 22 percent (n=138) reported that it was between \$1 and \$20 a week, while 17 percent (n=108) reported not charging a fee differential. More recent analysis of child care subsidy scholarship data revealed that 68 percent of families may pay on average approximately \$22 a week in addition to their family copay.</p>	<p>Data and surveys have helped the Lead Agency understand the potential cost incurred by families in addition to program required co-pays. The Lead Agency understands that a family's ability to pay additional fees may also impact their access to their desired provider. The Lead Agency is committed to paying child care subsidy providers in a way that allows the greatest number of families the greatest degree of access while also ensuring long-term financial sustainability. As with other areas of policy, the Lead Agency will continuously work to balance competing factors. In response to the pandemic, the Lead Agency will begin using Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds in May 2021 to pay the family co-pay and the fee differential that may be charged to families. This policy change will not only support families in covering the cost of care but should also increase the number of providers willing to participate in the program because they will be guaranteed their full rate. Currently, the Lead Agency plans to implement this policy through September 30, 2022; however, the Lead Agency will continue to explore ways to increase families' access to high quality child care by limiting their financial burden even after the policy expires.</p>
Guam	<p>The Lead Agency does not impose a limit on how much private child care providers can charge families since these providers must be able to charge the price that allows them to be able to operate. Parental choice allows families to select a provider that best suits their needs.</p>	<p>The Lead Agency currently does not have this data.</p>	<p>The Lead Agency currently does not have this data.</p>
Hawaii	<p>The Department does not impose a limit on how much private child care business can charge families, since the child care provider must be able to charge the cost that allows the provider to remain operational. The family chooses the child care provider that best suits the needs of the family and the child. In addition, allowing child care providers to charge full rates opened more options for families accessing subsidies and greater participation in the subsidy program from child care providers.</p> <p>The payment rates allow families receiving subsidies to access all care types at a majority of the licensed and registered child care facilities and homes throughout the state.</p>	<p>The Department does not currently have the data on the extent to which child care providers charge additional amounts above the required co-payment.</p>	<p>The Department does not currently have the data on the extent to which child care providers charge additional amounts above the required co-payment.</p>

Idaho	When defining policies for families and providers, we review balancing both continuity for children with policies that are fair to providers. The decision to allow additional rate above the required co-payment is a combination of both levers. Ensuring families have choice and access, while also allowing child care businesses to identify their costs as such to promote and provide quality care. Providers and advocacy groups continue to support the practice of allowing child care providers to charge above the Local Market Rate, as demonstrated in comments provided as feedback to this plan. Families participating with the Idaho Child Care Program (ICCP) continue to access every type of child care provider, including high quality providers participating in Idaho's QRIS program and NAEYC accreditation. Ongoing Market Rate updates continue to ensure that ICCP participating providers will maintain their participation with ICCP, and families will continue to be able to access Idaho's best child care choices.	42% of the 8,850 payment records reviewed for a given month showed that providers charged above the current local market rate. Idaho recognized this and will continue to work toward incremental improvements to reimbursement rates as cost allows.	Idaho will work to analyze and or collect additional data to inform future practices.
Illinois	Illinois allows non-site contracted providers to charge parents the difference between their private pay rates and the State's maximum rate. This was done to give parents a wider choice of child care providers.	Illinois' 2018 MRS reported that 23.7% of centers charge the difference between their private pay rates and the State's maximum rate to families, while 11.9% of homes charge the difference between these rates.	The Lead Agency has not conducted such an analysis; however, there is anecdotal evidence that not allowing providers to charge families additional fees beyond the required family co-payment could constrain access to care at current subsidy payment rates, while allowing providers to charge families additional fees could provide greater access to care.
Indiana	When the CCDF eligible child care provider's charges are greater than the CCDF Reimbursement Rate, the maximum subsidy will not exceed the established CCDF Reimbursement Rate determined by the CCDF Eligible Provider's category and the age of the eligible child. In these situations, the Applicant and Co-Applicant must assume responsibility for the additional cost of care also called an "overage". A CCDF Eligible Provider may be willing to accept a lower rate of reimbursement. This would be an agreement between the CCDF eligible provider and the Applicant or Co-Applicant.	Approximately 48% of the entire population of children currently receiving direct CCDF services have at least one active voucher with a positive overage amount. The average overage amount per child for that 48% is currently \$30.09.	The Lead Agency estimates that, for all active, non-OMW children, there are approximately ~\$256.2 M in subsidy obligations and ~\$24.9 M in calculated overages across each active child's current subsidy period. After calculating how many weeks' worth of obligations were applied to each child, the Lead Agency determined the average weekly subsidy to be \$150.81 for all these kids. Finally, after dividing the ~\$24.9 M in overages by 53 weeks' worth of this average amount, The Lead Agency determined that the currently active child count would need to drop by roughly 3,115 kids to eliminate overages altogether, which would reduce the overall population that could be supported with CCDF subsidy as a result (by roughly 10%).  In an effort to minimize the number and amount of overages, all CCDF subsidy payments have been increased by 20% to reflect increased pandemic-related costs. These increased payments will remain in effect until new rates are established.
Iowa			

Kansas	<p>Kansas allows provider to charge families up to their full private pay rate and encourages families to negotiate with providers regarding their terms of payment, including the rate charged and frequency of payment. (Terms of payment are to be included in the parent/provider contract used by all licensed providers.) This encourages increased provider participation in the subsidy program, thereby providing families with more choices in deciding which provider is best for their needs. This also ensures that families are fully informed of private pay child care practices, including the real cost of child care so that it is no surprise if/when they are able to increase their income beyond DCF eligibility standards</p>	<p>Within our current Market Rate Analysis child care providers who participate in the DCF subsidy program were asked if they charge families receiving child care assistance the same as private pay families. Just over 82.1% of child care centers and 92.5% of family child care providers reported charging families the same amount whether they received child care assistance or not. No provider reported charging families receiving child care assistance more than private pay families. Providers were asked if they charge families additional fees. Eight hundred twelve (812) providers responded, and of those, Of the 220 child care centers responding, 62.3% reported charging additional fees, but only 23.3% of the 592 family child care providers responding reported charging additional fees. Of the 274 providers who responded as to the type of fee charged, the top three for both types of providers were late pick-up fees, late payment fees and enrollment/registration fees. Other fees charged include early drop-off, activity, supply, credit card processing, transportation, curriculum and "other" fees. Some providers reported charging enrollment/registration fees annually while others only charged those fees once upon initial admission. Most of the other fees are charged only as the situation occurs.</p>	<p>Kansas allows providers to charge families up to their full private pay rate and encourages families to negotiate with providers regarding their terms of payment, including the rate charged and frequency of payment. This also includes any additional fees a provider may charge. (Terms of payment are to be included in the parent/provider contract used by all licensed providers.) This encourages increased provider participation in the subsidy program, thereby providing families with more choices in deciding which provider is best for their needs. This also ensures that families are fully informed of private pay child care practices, including the real cost of child care so that it is no surprise if/when they are able to increase their income beyond DCF eligibility standards. Because DCF does not share a family's co-payment amount (family share deduction) or their benefit amount, providers do not know the dollar amount of child care assistance a family receives unless the family chooses to share that information with them. However, since the majority of providers responding to the most recent market rate survey indicated that they charge families the same as their private pay amount, and since DCF benefit rates effective 10-1-21 average at the 85th percentile according to the current market rate analysis, it can be deduced that 85% or more of child care providers are charging families an amount that is equal to or less than the sum of their benefit amount plus their copayment amount. This would not include any additional fees. With the 10-1-20 change to issuing benefits in full and part-time blocks, Kansas expects that fewer families will have to pay more than their benefit amount plus their co-payment (family share deduction) amount towards their child care expenses. Again, any additional fees would not be included. These two factors should also lessen the concerns some providers have over families being able to pay the amounts they owe, and may encourage additional providers to participate in the program.</p>
Kentucky	<p>The provider understands and agrees that the cabinet shall reimburse the lesser amount of: (a) the customary and usual rate that is charged to the public, less the family co-pay, or (b) the state maximum payment rate, less the family co-pay. Providers may NOT charge families receiving CCAP benefits more than the rate charged to parents whose children do not receive CCAP benefits. The Lead Agency allows providers to charge an overage in order to increase the number of providers who participate in the CCAP program. This increases access and availability for families seeking subsidized child care</p>	N/A	<p>The Lead Agency uses current MRS data to identify the gaps between the private pay rates and the subsidy rates. We have identified the need to increase rates in some areas. The fiscal impact analysis has been conducted and the state will be making regulatory changes to address these concerns.</p>

Louisiana	<b>Rates vary across the state based on Type III Early Learning Centers, School Child Care Centers, Family Child Care Providers, In-Home Providers and Military Child Care Centers. Allowing providers to charge the additional amount above the required co-payment and CCAP subsidy allows families to choose the right provider for their children. In addition, rates are paid at the highest rate regardless of the amount the provider charges.</b>	<b>The state maximum daily rate for infants is \$35.65, however the average daily rate a CCDF eligible provider charges for infants per day is \$29.68 based upon the 2020 market rate survey. If a family chooses a provider that charges above the maximum state rate, they are responsible for the difference of the payment and any applicable copays.</b>	<b>Based on the 2020 Market Rate the state maximum rate is now above the 75th percentile, vastly increasing the child care options for families. However, if a family prefers one of the few providers charging more than the state maximum rate, the additional cost should be minimal compared to the prior rates.</b>
Maine			
Maryland	Maryland's currently reimburses at minimum the 60th percentile per payment region of the April 2019 MRS, which is more adequate for covering the full cost of care for more licensed child care providers across Maryland. Because child care is a private business, Maryland does not regulate the amount child care providers are allowed to charge families above the assigned copay. Maryland believes that limiting the amount that providers can charge would reduce the number of quality child care options for families eligible for CCS services, due to child care providers declining to accept payment that is below the cost of care.	MSDE does not collect this information. However, based upon the MRS, Maryland reimburses at minimum the 60th percentile per payment region. Our current data system does not have the ability to determine this information at this time. Currently, MSDE is preparing a Request for Proposal (RFP) to modernize our data system to include this data.	Maryland's analysis as indicated in the Market Rate Survey (MRS) summary found at <a href="https://earlychildhood.marylandpublicschools.org/system/fil">https://earlychildhood.marylandpublicschools.org/system/fil</a> indicates the provider reimbursement rates need to increase and parental copays need to decrease in order to allow more parents access to higher quality child care and to access providers with rates above the child care scholarship rate.
Massachusetts			
Michigan	Michigan does not require providers to accept subsidy children. Due to Michigan's low reimbursement rates, it would be cost prohibitive for providers to not charge families and could significantly reduce the number of subsidy providers. By waiving co-payments for those choosing high quality care, we are minimizing parental cost. Additionally, while not completely sufficient, we expect the part-time/full-time reimbursement structure change to help close the gap between state subsidy reimbursement rates and the amounts providers charge.	When the CDC reimbursement rate does not cover the full price of a child's care, a provider may charge parents directly for the remaining balance or a portion of the balance. In addition to most providers charging families the differences between the actual price and the subsidy rate, 9% charge those families a portion of the difference, and 10% indicated that decisions about whether to charge a co-pay and/or the amount of the co-pay are made on a case-by-case basis. Only 19% of providers indicated that they do not charge families receiving subsidies anything beyond the amount covered by the subsidy.	Rates, co-pay collection, and timing issues were cited by providers as the most challenging aspects of accepting the subsidy. Providers most frequently cited the length of time it takes a family and the provider to receive notices of changes to eligibility, current reimbursement rates, and challenges collecting co-pays from families. Many providers find that rates per hour paid by CDC are below their rates, that billable hours allowed by CDC are below actual hours of care provided, or both, many parents are left with a substantial financial liability after subsidies have been paid. While not completely sufficient, we expect to continue to work to change the part-time/full-time reimbursement structure change to help close the gap between state subsidy reimbursement rates and the amounts providers charge.

Minnesota	<p>We advocate for parents having full choice of the available child care market. Not allowing providers to charge the difference could have the unintended consequence of reducing the pool of providers willing to care for children receiving subsidies. Parents are informed they may need to pay the difference between their provider's price and what the Child Care Assistance Program can pay, in addition to their copayment fee. Parents who also receive early learning scholarships are able to use the scholarship to pay the difference. Some providers do waive the difference. The department assesses the difference between maximum rates and child care prices that are higher than the applicable maximum rates.</p> <p>Based on the 2018 market rate survey and the September 2020 maximum rates, when prices are higher than the maximum rate the difference between that price and the maximum is around 11 percent, on average. The increase to maximum rates in September 2020 reduces the difference parents are required to pay. Given the high use of licensed care, this policy does not appear to be a barrier for most families to access licensed child care.</p>	<p>The state collected data in summer 2018, after the 2018 MRS data collection was completed. Of 7,582 providers surveyed, just over 25 percent, or 2,013 providers, provided some response. Providers were asked, "If you are not paid in full by CCAP, do you charge parents the difference between the CCAP payment and your price, in addition to the parent's copay?"</p> <p>The results were as follows:  Yes, the parent pays the full difference or part of the difference: 1,046 providers (77 percent)  No, I take the lower payment: 270 providers (20 percent)  No, another person pays the difference: 31 providers (2 percent)  No, the parent uses their Early Learning Scholarship to pay the difference: 160 providers (12 percent )  The percentages above total more than 100 percent because respondents could mark more than one answer.</p> <p>Providers were also asked "If you are not paid in full by CCAP, how much of the difference, if any, do you charge in addition to the parent's copay?"</p> <p>The responses were as follows:  286 (21 percent) charge none of the difference  80 (6 percent) charge some of the difference.  860 (64 percent) charge all of the difference  120 (9 percent) charge a varying amount.</p> <p>Respondents who indicated that the amount they charge varies were given the opportunity to describe that variation in a comment field. The most frequent comments stated that the variation depends on either the family's individual circumstances or ability to pay, the number of children in the family and their ages, or the number of hours the child is in care. Other providers indicated that they only charge additional fees that CCAP does not cover (e.g., activity fees, field trip fees, snack fees, and/or registration fees beyond what CCAP covers.</p>	<p>Maximum rates increased September 21, 2020. The percent of provider prices from the most recent MRS which are fully covered by the new maximum rates increased about 15 percentage points. More provider prices are fully covered leading to fewer additional fees charged and more affordable care for families receiving CCAP.</p>
Mississippi	<p>The provider shall not charge parents any cost over the assigned co-payment fee unless the cost for child care to the general public is higher than the amount paid by the Child Care Payment Program. The Lead Agency modified market rates to pay providers at the 75th-percentile of the highest paying providers in the state in an attempt to ensure that families can access care at a minimum financial burden.</p>	<p>Providers are required to submit their published tuition rates to the Lead Agency annually at renewal, although they may be updated at any time.</p>	<p>Data collected on tuition rates vs subsidy reimbursement rates is evaluated by the Lead Agency and considered during rate setting in an effort to support affordability of a range of providers.</p>

Missouri	The Lead Agency allows child care providers to charge income-eligible families an additional amount above the required sliding fee as long as the total amount collected (e.g., the reimbursement rate paid by the Lead Agency plus the sliding fee plus any additional amount) does not exceed the provider's normal rate for non-CCDF families. The Lead Agency recognizes that child care providers are small business owners and, as such, are entitled to set their rates accordingly. The subsidy reimbursement is not intended to cover the entire rate as set by the provider, but should be set at a level that is affordable to eligible families. Additionally, by allowing providers to charge an additional amount above the sliding fee, families have the opportunity to access higher quality, and a wider variety, of care. Note: the Lead Agency is examining this issue through the collection and analysis of data that will inform child care providers how to better ensure affordability of child care to subsidy eligible families.	The Lead Agency does not currently collect data that indicates which providers charge additional amounts above the required sliding fee and how often additional amounts are charged; however, a question about additional amounts charged to families will be included in the next Market Rate Survey in 2022.	The Lead Agency does not currently collect data to support an analysis of the interaction between the additional amounts charged to families with the required family co-payment and the ability of current subsidy payment rates to provide access to care with additional fees. The Lead Agency has secured a contract for a full Market Rate Survey in 2022 and subsequent rate analysis to obtain the necessary data and ensure the agency is promoting affordability and access for families.
Montana	Parents are responsible for any costs, including co-payments, not covered by the Best Beginnings Child Care Scholarship or additional fees that a provider may charge. A child care provider is allowed to charge a family on the Best Beginnings Child Care Scholarship additional fees as long as the child care provider charges the same fees to a private pay family. The Lead Agency will pay for reasonable, mandatory registration fees that the provider charges to parents. A mandatory registration fee is paid only once, annually, for registering a child in a child care facility. The fee must be the usual and customary rates charged to all families. The registration fee reimbursement is only available to registered family or group and licensed child care center programs.	Providers participating in the Scholarship program submit rate data to ECSB this includes any annual fees they charge families. The provider can invoice for this amount on an annual basis.	By covering the provider fees, ECSB removes fees as a possible barrier to access.
Nebraska			
Nevada	Due to limited child care capacity in the state of Nevada. If we were to stop allowing this practice, we would not have enough providers. We are in the process of enrolling all of our child care providers into the QRIS, which we are hoping will remedy this issue.	The CCDP is aware that the majority of providers who receive CCDF dollars do charge rates that are in excess of their reimbursement rate; however, as more providers enroll in QRIS, we anticipate the amount of centers charging in excess of the current reimbursement rate will significantly decrease.	As CCDP enrolls each of our licensed providers into Nevada's mandatory QRIS, we have determined that due to the significant increase in the reimbursement rate based on star levels, we will see a significant decrease in providers charging families an additional fee.
New Hampshire			
New Jersey	<u>The rationale to allow providers to charge families above the state reimbursement rates is to allow families greater parental choice and provider selection options.</u>	This is a question that has been added to the MRS and we will have data at a later date.	<u>This is a question that has been added to the MRS and we will have data at a later date.</u>
New Mexico	N/A	N/A	N/A



New York	<p>When a provider's private pay rate exceeds the maximum child care subsidy payment rate, families are expected to pay the difference. However, OCFS developed policies and practices so that this is not an issue for most families. First, OCFS set payment rates that are sufficient to ensure equal access to child care services for eligible children, comparable to those provided to children whose parents are not eligible to receive assistance under any federal or state child care programs. Maximum child care subsidy payment rates are calculated at the 69th percentile of the rates submitted as part of the most recent market rate survey. This allows families access to 7 out of 10 licensed and registered child care providers in their communities.</p> <p>After families are determined eligible for child care subsidies, the LDSS must offer families the choice to enroll the child with a provider that has a contract with the LDSS or an eligible provider that they select. Many children in licensed and registered child care receive a child care subsidy through a provider with a contract with the LDSS. These contracts usually include a provision that the provider accepts the contracted subsidy payment rate as the rate, even if their private pay rate exceeds the child care subsidy rate. Additionally, it has been our experience that legally-exempt in-home and family child care providers accept payment up to market rate as full payment and do not charge the family an additional amount above the market rate. Finally, at LDSS option, accredited providers, who are more likely to have rates that exceed child care subsidy reimbursement rates, may receive subsidy payment rates making it less likely that the provider's rates will exceed subsidy payment rates up to 15 percent higher than the regular market rates.</p>	<p>Based on available data, very few CCDF providers charge families additional amounts above the child care subsidy payments that providers received from the local department of social services (LDSS). According to New York's 2017-18 Market Rate Survey (MRS), 69% of licensed and registered child care providers had one or more children with child care subsidies enrolled in their program. Of those, most CCDF providers reported that they had a contract with the LDSS. Providers with contracts would accept the contracted subsidy payment rate, even if their private pay rates exceeded the child care subsidy payment rate. Among providers with subsidized children in care who did not have a contract with the LDSS, 35% reported that they would charge families above the child care subsidy.</p>	<p>Data are not available on the interaction between required family co-payments, additional amounts charged by providers and current subsidy payment rates. However, the available data suggests that current maximum subsidy payment rates are sufficient to provide access to care without additional fees for most families. Maximum child care subsidy payment rates are calculated at the 69th percentile of the 2017-18 Market Rate Survey (MRS), allowing families to access roughly 7 out of 10 providers.</p>
North Carolina	<p>Subsidized Child Care Services Manual Chapter 8 IV.B.4. "Should a parent/responsible adult choose a provider who charges more than the rate the LPA is allowed to pay, the parent/responsible adult may pay the difference between the provider's charge and the rate paid by the LPA. The parent /responsible adult may not be required to pay the difference; however, if the parent/responsible adult is unable or unwilling to pay the difference in this situation, another provider must be selected by the parent/responsible adult." There are sufficient alternative options the parents/responsible adults could select in this situation.</p>	<p>This information is not currently collected.</p>	<p>Analysis has not been completed because the information is not collected.</p>

North Dakota	The Lead Agency does not mandate the rates child care providers choose and allows providers to charge and collect payment from families above the state max rate. This policy gives families a better range of providers to choose from. The Lead Agency sets payment rates at the 75th percentile of the most recent MRS to help ensure families can afford and have access to child care. Co-payments are charged per family for each month in which services are provided. Co-payments are applied to the first payment request received in a month and are applied to each subsequent payment in that month until there is no remaining co-payment amount. Co-payment amounts are capped at 7% for the highest income families with co-payment percentages decreasing based on lower incomes.	Data from 2020 was pulled for a 10-month period. An average of 2714 payment requests were submitted monthly with an average of 1249, or 46% of them requesting more than the state rate of the child they were requesting payment for.	Parents may have a cost associated with their care above subsidy rates. This is called an overage amount and is negotiated between the parent and provider. The Lead Agency does cover registration fees necessary to obtain or maintain care. Co-payments are currently waived for all families allowing families greater access to child care than what is currently represented. The average monthly amount that providers were requesting over the state max rate was \$110.
Northern Mariana Islands	Providers generally follow the CCDF base rate to charge CCDF parents. Although CCDF allows providers to charge CCDF families additional amounts, more often than not these are not collected from CCDF families, or discounted, or pro-rated.	Based on submitted provider contracts to the CCDF Office, providers charge range between \$50 to \$100 for registrations. Providers often waive these registration fees for CCDF families as help or assistance to the families.	The CCDF Office has not received any negative comments from CCDF parents regarding additional charges imposed by their providers. The comments often received by the office is that additional charges have been "waived"
Ohio			
Oklahoma			
Oregon	Allowing providers to charge full rates opened more options for families accessing subsidies and greater participation in the subsidy program from child care providers. Oregon's current child care subsidy rates provide access for families to a full range of provider choices.	Per the 2020 Oregon Child Care Market Price Study: Supplemental Findings 66% of Facilities had rates that were equal to or less than the ODHS licensed rate maximums. 1239 licensed facilities statewide charged a rate equal to or less than the state maximums and 629 facilities charged a rate that was higher than the state maximum rates.	Parents may have a cost associated with their care above subsidy rates. This is called an overage amount and is negotiated between the parent and provider. Oregon does cover registration fees necessary to obtain or maintain care. During the COVID-19 state of emergency child care copayments were waived for all families allowing families greater access to child care than what is currently represented in the Market Price Study.

Pennsylvania	<p>If a parent or caretaker selects a provider whose published rate exceeds the subsidy rate, which includes any quality tiered reimbursement, the provider may charge the parent or caretaker the difference between these two amounts, in addition to the weekly copayment. Providers cannot charge subsidy families more than they charge private pay families. This regulation was established to encourage providers who otherwise would not participate with the subsidized child care program because the reimbursement rates are lower, to serve subsidy families.</p>	<p>It is currently not required for providers to inform OCDEL if they charge families the difference between the subsidy payment rate and their private pay rates. Providers do have the option of indicating if they charge the difference between the subsidy payment rate and their private pay rate by entering the information in PSS or completing the information in a provider survey. If the provider completes the information, it is available to the public through <a href="http://www.fndchildcare.pa.com">www.fndchildcare.pa.com</a>. Families are able to search for providers who do not charge the difference. Data pulled from PSS indicates approximately five percent of providers charge the difference between the subsidy payment rate and their private pay rate.</p> <p>Effective July 1, 2021, the provider agreement will be updated to require providers to indicate whether they charge the difference between the subsidy payment rate and their published rates. Once OCDEL has good data on the providers that charge the difference, OCDEL will work on pulling data to determine amount and frequency of the difference. Providers will be required to update this information, at a minimum, on an annual basis.</p>	<p>OCDEL continues to work towards increasing the base payment rates. As these rates get closer to the 75th percentile, OCDEL may re-evaluate the regulation that allows providers to charge the difference between the subsidy payment rate and their private pay rates. Eliminating this regulation before our base payment rates are sufficient may reduce the number of providers who are willing to accept subsidy payments for CCW participating children and families.</p>
Puerto Rico	<p>To ensure parental choice for childcare service, ACUDEN gives them information about different providers to select from, according to their needs and within their established co-payment. If the parent selects any other provider who charges an additional amount above the rate and copayment and has the capacity to pay, she/he is allowed to choose it and assume the payment for the extra cost.</p>	N/A	<p>This information is not gathered because it has never been a significant one, since parents' selection is usually of providers that accept ACUDEN's rate. This information will be evaluated as part of the new market rate study to determine if it is meaningful for ACUDEN to consider developing alternatives to address the issue.</p>
Rhode Island			
South Carolina	<p>SC Voucher Program payment rates to providers have an established maximum. Providers may charge more but during the COVID-19 pandemic, the LA has encouraged providers to withhold from charging parents the difference for what we pay.</p>	<p>The LA's 2020 Market Rate Survey collected data on the size and frequency of additional amounts CCDF providers charge families for differences between their private-pay rates and SC Voucher payments. The average additional amounts charged weekly vary depending on the type and quality level of care, geographic location, child's age, and full-time or part-time enrollment as follows:  Additional amounts charged for full-time care of an infant under age 1 range from an average of \$25.47 in base Level C urban centers to an average of \$20 in Level C urban family child care homes. The average additional amounts charged weekly for a child age 2 range from \$22.53 in Level C urban centers to \$15.25 in Level C urban family child care homes. The average additional amounts charged for a child age 4 range from \$22.55 in Level C urban centers to \$25.20 in Level C urban family child care homes. The average additional amounts charged for a child age 6 range from \$22.78 in Level C urban centers to \$25 in Level C urban family child care homes.</p>	<p>With the proposed increase of SC Voucher subsidy payments to the 75th percentile of the 2020 market rate survey for the foundational quality Level C and incrementally increasing up to the 95th percentile for the highest quality level A+ effective 10/1/2021, the LA seeks to minimize the additional amounts charged to families by providers.</p>

South Dakota	The Lead Agency respects the child care providers' status as a private business and recognizes that restricting their ability to collect additional amounts above the required co-payment could limit the number of providers participating in the Child Care Assistance program, thereby compromising access for families; it could also limit the ability for the provider to provide special programming or transportation for children in their care. The Lead Agency continues to maintain Child Care Assistance reimbursement rates at the 75th percentile, and modifies the co-payment sliding fee scale to support families whenever possible.	In responses collected through the most recent Market Rate Survey, child care providers report that 20% of providers responded that all families on assistance have a difference to pay; 21% said almost all have a difference to pay; 13% of providers responded that about half of the families in their program on assistance have a difference to pay. In addition, 29% of providers indicated that less than half of the families on assistance have a difference to pay; and 17% of providers said no families have a difference to pay.	The Lead Agency continues to maintain Child Care Assistance reimbursement rates at the 75th percentile, and modifies the co-payment sliding fee scale to support families whenever possible.
Tennessee	This policy allows parents the most flexibility in choosing the care that will best meet their needs.	<p>The Lead Agency conducted a survey of providers in May 2021 to collect information about rates, barriers to participation, and information about any additional fees collected from parents. 356 providers participated in the survey. A large majority of respondents (84.9%) indicated they currently participate in the state's child care subsidy program. Almost half of these providers (48.5%) charge parents more than the program's required co-payments when their rates exceed the subsidy payment amount. The amount of the additional charges for the majority of respondents was less than \$50 and the most common frequency was weekly.</p> <p>Providers were also asked about fees that parents are required to pay in addition to tuition. Almost three out of four respondents (71.1%) reported that parents were responsible for additional fees beyond tuition. The most common fees were associated with punitive actions - for late pick-up (83.4%), late payment (77.9%), and for writing a bad check (68.8%). Approximately two out of three providers who charge additional fees (64.0%) charge a registration fee. (Starting October 1, 2019, the Lead Agency began covering registration fees as part of the child care payment assistance program.) Other fees included enrollment and application fees, supplies, field trips and other activities.</p>	Based upon the analysis during the previous plan cycle, the Lead Agency increased to the subsidized child care payment rates to reduce the charges to families served.
Texas	TWC Child Care Services rule <a href="#">§809.13(c)(11)</a> states that Boards must develop a policy relating to providers charging the difference between their published rate and the Board's reimbursement rate. This policy is decided upon at the local level and is based on the needs of the local workforce development area in regard to child care provider capacity. Allowing Boards to make this decision locally allows more parental choice and access for families regarding child care options.	<p>Out of the 28 Boards, 7 Boards have opted to allow providers to charge the difference between their published rate and the reimbursement rate to families. TWC will work with these Boards to understand the size and frequency of those amounts:</p> <ul style="list-style-type: none"> <li>- Texoma</li> <li>- Brazos Valley</li> <li>- Deep East</li> <li>- Heart of Texas</li> <li>- Central Texas</li> <li>- Alamo</li> <li>- Permian Basin</li> </ul>	TWC is analyzing the parent share of costs across Boards as a percentage of family income. As part of this analysis, TWC will pay particular attention to the 7 Boards that allow providers to charge the difference. TWC will use the findings to inform any actions in order to better support parental choice and equal access.

Utah	The Lead Agency allows providers to charge families additional amounts above the required copayment to meet the CCDF priority of ensuring access to child care for families and ensure parent choice in selecting a provider. This gives families access to more providers. They may have other resources such as a relative or employer willing to help pay the additional costs of care. Additionally, fewer providers may choose to take families receiving assistance if they are prohibited from charging additional amounts above the copayment. This restricts access to providers.	According to the Utah 2021 Market Rate Study, 80.8 percent of Center Licensed options and 75.7 percent of Family Licensed providers statewide report that they require payments in excess of the subsidy when a differential exists. Excess payments are less likely to be applied to families in rural areas.	Although the Lead Agency allows providers to charge additional fees beyond the co-payment, by setting the monthly full-time subsidy rate at the 80th percentile for children ages 0-23 months and the 75th percentile for all other age groups in licensed family and licensed center care, families are able to use the subsidy to access the majority of licensed providers throughout the state without having to pay excess fees.
Vermont	The rationale for this policy is to encourage the broadest array of regulated provider participation in CCFAP so that subsidized families have access to the same provider pool as non-subsidized families. It is part of a set of program policies intended to position the state subsidy system as a responsible participant in the child care market on behalf of assisted families. This policy recognizes evidence that indicates that most families in the United States cobble together multiple arrangements to meet their child care needs and enables subsidized families to utilize assistance to negotiate arrangements with child care providers in the marketplace with a level of flexibility that the alternative - requiring all participating providers to accept the state rate as full payment - would not provide. We believe that adopting a policy that does not allow providers to charge any additional amounts above the state rate would reduce the number of providers willing to accept assisted families and reduce access.	We do not have a consistent and reliable source of information to provide this data since these arrangements are negotiated between the provider and the families. The division has surveyed child care programs and found that approximately 50% of programs either do not charge families the additional amounts or discount the additional amounts. In 2013 the division surveyed programs and found that 58% of programs discounted the additional amounts, see the division's 2013 Co-Payment Survey - <a href="https://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Co-payment%20Survey.pdf">https://dcf.vermont.gov/sites/dcf/files/CDD/Reports/Co-payment%20Survey.pdf</a> . Additionally, in spring 2018 the division asked child care programs that received a state funded Early Care and Development Grants if funds were used to discount the additional amounts charged to families. While not all programs used the funds to discount the additional amounts, approximately 50% of programs receiving grants discounted or reduced additional amounts charged to families as a practice. See the March 2018 Early Care and Development Grant Report - <a href="https://dcf.vermont.gov/sites/dcf/files/CDD/Reports/ECDP_Grant_March_2018_Report.pdf">https://dcf.vermont.gov/sites/dcf/files/CDD/Reports/ECDP_Grant_March_2018_Report.pdf</a>	As part of our presentation of unfunded budget pressures to the legislature and legislative councils and committees, we model and present child care costs for representative Vermont families utilizing the subsidy program. We use different family sizes and configurations and vary age of children and type of care. This provides a clear picture of how subsidy payments and assigned co-payments interact with full child care rates and potentially constrain full access for families. We update these analyses annually. Strengthening Families Grants and Early Development Program Grants available to programs consistently serving subsidized children and families, are specifically designed to reduce these additional costs for families and mitigate the impact that this lost revenue may have on access and program quality.
Virgin Islands	N/A	N/A	N/A
Virginia	Preventing providers from charging subsidy families their market rate, resulting in family payments above and beyond the required copayment amount, may limit the number of providers that participate in the subsidy system. Allowing providers to charge families above the state payment rates ensures a wider range of providers for families to choose.	The 2018 Market Rate Survey had 802 subsidy center provider respondents; 322 (40%) stated they would charge subsidized families the difference between their private pay amount and the subsidy payment. Of the 422 2018 MRS respondents who were family home providers that accepted subsidy payments, 244 (58%) would charge the additional amount. More recent data is not yet available.	Using an extract of child care service records from April 2016 through March 2017, 4,147 child care center cases (40%) could expect to pay an additional amount for care above the subsidy payment and any co-payment amount. The median additional amount for center care is \$46 per case per month. For families served by family home providers, only 452 (6%) of the total cases would have been required to pay an amount above the subsidy payment and any co-payment amount. Family care cases could see a median additional amount of \$68 per month.
Washington			
West Virginia			

Wisconsin	Child care providers have costs that are passed on to private-pay parents and parents receiving Wisconsin Shares through the prices they charge. Any additional cost of care beyond the subsidy amount is passed on to the parent to cover the costs of delivering the child care. If Wisconsin did not allow the provider to charge for the full cost of care, this could limit the number of providers and thus the access available to parents.	N/A	The amounts listed above vary based on the co-payment sliding fee scale. Families with a lower income receive a higher subsidy amount which helps families reasonably access care. The Lead Agency, through the receipt of an federal ACF OPRE CCDBG grant is currently in the process of collecting data specific to family share requirements across the state.
Wyoming	The Department allows for parental choice when selecting a child care provider. Also, as the Department moves towards a more appropriate and sustainable long-term payment, we recognize the importance of allowing flexibility for providers to charge families an amount that appropriately covers the operating expenses of doing business.	Based on 2017 data, all providers who receive payments from CCDBG, it was calculated that 92.8% charge more than the State Maximum Rate with the average rate of full day (five (5) hours or more) rates at \$5.94 more than the state rate and part day (less than five (5) hours) \$3.33 more than the state rate	The Department recognizes the importance of providing care to eligible families without an additional fee. As the Department continues to strategize a more appropriate and sustainable long-term payment plan, the result may be higher fees charged to parents by some providers.