



Child Development
and Early Education
HEALTH AND HUMAN SERVICES

Pat McCrory
Governor

Richard O. Brajer
Secretary

Pamela L. Shue
Director

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #07-16

TO: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies

SUBJECT: Changes to Subsidized Child Care Assistance Program Policy

ATTENTION: Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: August 22, 2016

EFFECTIVE DATE: September 1, 2016

The purpose of this Administrative Letter is to communicate changes to the Subsidized Child Care Assistance Program policy regarding Out of State Providers.

Out of State Providers

1. General Information:

In accordance with Chapter 16, VI. Enrolling an Out of State Provider

- A. Sometimes it may be necessary for a child to receive child care services from a provider in another state. Examples might include:
1. A child is in custody of the county department of social services and lives with a relative in another state.
 2. A parent commutes to an employment location which is in another state and requests child care near the employment location.
- B. If a parent/responsible adult is eligible for Subsidized Child Care Assistance and selects an arrangement outside of North Carolina, the following steps must be taken in order to approve the provider for payment:
1. The Local Purchasing Agency (LPA) contacts the other state's licensing or regulatory office to determine if the provider is operating legally. Information regarding the appropriate state agency to contact can be found on the website of



Department of Health and Human Services | Division of Child Development and Early Education
820 South Boylan Avenue, Raleigh, NC 27603 (Physical Address) | 2201 Mail Service Center, Raleigh, NC 27699-2200 (Mailing Address)
919 527 6335 T | 1 800 859 0829 (Toll Free - In State Only)

The National Resource Center for Health and Safety in Child Care and Early Education <http://nrckids.org/default/index.cfm/StateRegs/>. The web site includes a list of all the states, the licensing regulations for each state, and a state contact person.

The information received is documented and placed in the case file. Subsidized Child Care payments can only be made in legal arrangements. The LPA requests that the provider complete:

- a) An Application for Enrollment to be a Provider of Subsidized Child Care (DCD-0451).
- b) Private Paying Rates and Other Fees form (DCD-0458).
- c) Child Care Provider Agreement (DCD- 0452).
- d) Local policies, if applicable.

NOTE: The Application for Enrollment (DCD-0451) is not submitted to the Division of Child Development and Early Education (DCDEE) since Approval Notices are not issued for out-of-state providers.

2. A Child Care Voucher (DCD-0446) is issued by the LPA for the child and the voucher must be signed by the provider. Attendance reports must be completed and submitted to the LPA by the provider.
3. If the payment will be made as a vendor payment, the LPA assigns a facility ID# for providers in the same manner as they would for other providers who are not required to have an Approval Notice.
4. Out-of-state providers are identified by the letter "X" as the fourth digit of the facility ID# in order to claim reimbursement through the Subsidized Child Care Reimbursement System (SCCRS). The maximum subsidy payment for the out-of-state provider is the private paying rate of the provider or the one star market rate for the county that is making the payment, whichever is lower.

New Child Care and Development Fund (CCDF) Requirements:

All child care providers receiving CCDF funds must be approved based on the qualifications of the child care provider and the provider must meet all licensing requirements. Providers must be licensed and have criminal background checks, monitoring visits, and compliance history. All should be verified by the LPA.

2. Policies:

The LPA is responsible for maintaining provider information within SCCRS while the provider is responsible for maintaining their information via the North Carolina Families Accessing Services through Technology (NC FAST) Provider Portal.

When providers request contracting as an Out of State Provider, the LPA must verify all data bases such as monitoring compliance history and complaints. Copies of each verification/certificates, must be on file with DCDEE. All provider inspections must be done annually. Payments will be made after the submission of all



required documents to DCDEE. Out of State Providers will be paid at the 1 star market rate or private paying rate whichever is lowest.

3. Procedures for SCCRS

1. The LPA requests that the provider complete:

- a. An Application for Enrollment to be a Provider of Subsidized Child Care (DCD- 0451).
- b. Private Paying Rates and Other Fees form (DCD-0458).
- c. Child Care Provider Agreement (DCD- 0452).
- d. Local policies, if applicable.

NOTE: The Application for Enrollment (DCD-0451) is not submitted to DCDEE since Approval Notices are not issued for out-of-state providers.

2. A Child Care Voucher (DCD-0446) is issued by the LPA for the child and the voucher must be signed by the provider. Attendance reports must be completed and submitted to the LPA by the provider.

3. If the payment will be made as a vendor payment, the LPA assigns a facility ID#.

4. Out-of-state providers are identified by the letter "X" as the fourth digit of the facility ID# in order to claim reimbursement through the SCCRS. The maximum subsidy payment for the out-of-state provider is the private paying rate of the provider or the one star market rate for the county that is making the payment, whichever is lower.

Procedures for NC FAST:

The LPA must notify the provider to obtain a business NCID (North Carolina Identity Management). The DCDEE Provider Manager must be given the provider's NCID in order to link the provider in NC FAST. Once the provider's NCID has been linked, the provider will be notified by the DCDEE Provider Manager and asked to complete enrollment via the Provider Portal. Upon completion of enrollment, the provider will receive information regarding how to complete the direct deposit setup required to receive payment. If the provider needs assistance with creating an NCID or setting up direct deposit, the provider should reference the Job Aids posted on the DCDEE website at http://ncchildcare.nc.gov/general/mb_NCFast.asp. The LPA must give the provider the Checklist of Enrollment and the Out of State Provider Information template. The LPA is to inform the provider to complete the first two columns of the Checklist of Enrollment form. The checklist requires the following information:

- a. License status with copy of license attached
- b. Expiration date of the license
- c. Identify if provider is a center or home
- d. Health & Safety Inspection Report (must be within the last 12 months) – attach copy of report
- e. Criminal Record Check or Qualification Letter of owner/director – attach copy

Both the checklist and the Out of State Provider information template must be submitted to the DCDEE Provider Manager along with copies of all supporting documentation. These documents may be scanned and sent via email to Kellie McCarthy, DCDEE Provider Manager at Kellie.McCarthy@dhhs.nc.gov. If documents are faxed, please fax it to 919-715-0976. Address the fax to Kellie McCarthy and state on the fax coversheet: "This fax contains information on out of state providers".



Once the DCDEE Provider Manager receives the checklist, it will be forwarded to the Regulatory Section of DCDEE. The information will then be entered into the regulatory data system. This information will transfer overnight to NC FAST. Once complete, the DCDEE Provider Manager will link the provider and become the owner in NC FAST.

The LPA must notify the DCDEE Provider Manager when a child leaves an out of state provider in order for the status of the facility to change from "active" to "terminated".

If you have questions about the information in this letter, or other Subsidized Child Care Assistance Program questions, please contact dcdee.subsidy.policy.help@dhhs.nc.gov to reach technical assistance and policy consultation.

Sincerely,



Pamela L. Shue, Ed. D

PS/DL

Attachments



Out of State Provider Information

Non-Department of Defense Providers only

* - required field

Provider Name (Facility Name)*	
Provider License # (Facility ID)*	
Provider Type* (Facility Type)	<input type="checkbox"/> Out of State Family Child Care Home <input type="checkbox"/> Out of State Summer Day Camp <input type="checkbox"/> Out of State Center
Status Type*	<input type="checkbox"/> Active <input type="checkbox"/> Terminated
Location Information	
Address*	
City*	
State*	
Zip Code + 4 Digits*	
Telephone #*	
Mailing Information	
Address	
City	
State	
Zip Code + 4 Digits	
Payment County*	

Out of State Provider Information

Non-Department of Defense Providers only

* - required field

Transportation	<input type="checkbox"/> Yes <input type="checkbox"/> No
Director Name (Admin Name)	
1st Shift Capacity (Permit cap 1)	
2nd Shift Capacity (Permit cap 2)	
3rd Shift Capacity (Permit cap 3)	
License Effective Date (Permit Date)	
From Age*	
Through Age*	
SCC Approved	<input type="checkbox"/> Yes <input type="checkbox"/> No
Provider Email (Facility Email)	
Primary Owner Information 1	
Name	
Telephone #	
Address	
City	

Out of State Provider Information

Non-Department of Defense Providers only

State	
Zip Code + 4 Digits	
Primary Owner Information 2	
Name	
Telephone #	
Address	
City	
State	
Zip Code + 4 Digits	

Attachment
Administrative Letter #07-16

Checklist for Enrollment of an Out of State Child Care Provider

Out-of-State Providers must have the following information prior to enrollment:

Name of Provider: _____

State of Residence: _____

Item Needed	County/LPA Validation Date	Comments	DCDEE Provider Manager Validation Date	Comments
License Status (licensed or license-exempt) <i>(attach copy of license)</i>				
Expiration Date of License				
Center or Home				
Health & Safety Inspection Report (within the last 12 months) <i>(attach copy of report)</i>				
Criminal Record Check or Qualification Letter (owner or director) <i>(attach copy of check/letter)</i>				

DSS/LPA should complete first 2 columns. Submit form and all supporting documentation to:
Kellie McCarthy, DCDEE Provider Data Manager
Email: Kellie.McCarthy@dhhs.nc.gov
Fax: 919-715-0976