

It is the responsibility of the provider to inform the LPA of any change in the child's status, such as a reduction in the number of hours attending or extended absence due to illness. If the change results in a reduction in the supplemental payment amount, the provider must complete a revised Child With Special Needs Additional Expense Documentation Form ([DCD-0454A](#)).

It is the responsibility of the child care staff to maintain on-going communication with the coordinator from the Children's Developmental Services Agency, local education agency, local management entity, or local public health department to assure that the child continues to meet the definition of a child with special needs and requires child care services.

IV. REVISIONS IN RATES

A. Rate Change Limitations

Providers are responsible for reporting changes (including both increases and decreases) in their private paying rates to the LPA. Changes in rates may be submitted to the LPA on the Private Paying Rates and Other Fees form ([DCD-0458](#)) or on a document that is dated and signed by the provider indicating charges to private paying parents and the effective date of the rates. The LPA staff will determine the allowable rate to enter into the SCC Reimbursement System by comparing the provider's private paying rate to the applicable star market rate and using whichever is lower. The LPA staff will need to make decisions about whether or not rate changes can be processed based on the policy stated below.

1. Limit on Number of Subsidy Rate Increases

A provider can only receive an increase in their subsidy payment rate once a year unless the increase in rates is the result of a provider receiving a higher star rated license. The time period for measuring the year is a calendar year (January through December). This means that if a change in a provider's private paying rate(s) is processed anytime this calendar year, then the earliest the next increase in private paying rates can be made effective for subsidy is the next January. If a provider only changes one (1) rate for a particular age group, that is considered the rate increase for the year. Providers should not submit rate increases more than three (3) months prior to the effective date.

If a provider receives a star rated license that is higher than the current license level, she may submit and receive an additional increase in subsidy rates up to the applicable market rate, if the charge to the

private paying parents increases as a result of achieving this higher star license level. If the LPA already has on file a rate or rates which could not be paid previously due to market rate limits for the lower star rated license, those rates may be processed up to the market rates for the higher star rated license.

A provider must report increases in private paying rates at least 30 days before the rates can become effective for the subsidy payment. Upon receipt of the rate increase information, the LPA must stamp the rate form with the date the form is received to track the 30 day notice. Changes in subsidy payment rates can only become effective on the first day of a month.

The purpose of the 30 day notice of increase in rates is to allow time for the processing of the increase in rates and also allow the LPA staff time to calculate the impact the increase will have on their subsidy allocation. The LPA has the option to reduce the time period of a notice of rate change or to waive the notice. If the LPA intends to exercise the option to waive the 30 day notice, the circumstances in which the option will be applied must be described in local policy. Refer to [Chapter 22: Local Policy Options](#) for information regarding local policies.

2. Rate Decreases

Occasionally a provider reports a rate incorrectly or decreases rates that they had previously implemented. Since a provider cannot be paid a rate for children receiving subsidies that is higher than the rate charged for private paying children, corrections of subsidy payments must be processed immediately when the decrease occurs.

Therefore, the provider must report any decreases or corrections in private paying rates when they occur. If a reduction in a private paying rate is reported to the LPA after it has become effective, corrections must be made in the SCC Reimbursement System back to the date the higher rate was originally processed for subsidy and was not in effect for private paying families. If a provider's private paying rate decreased during a month and not the first day of a month, the decrease will be effective for the subsidy payment the first day of the month following the decrease.

3. Adding a Rate

If a provider extends her child care program to serve additional ages and shifts for which she had not previously reported a rate, these are not considered increases but an extension of a program. Therefore,

these rates should be submitted to and processed by the LPA. The effective date the rate will be added or established for the subsidy payment will be the date the rate is received by the LPA in the county in which the facility is located. Therefore, it is important that a provider submits private paying rates for program changes prior to the change in their program.

NOTE: School-age rates and care: Some providers, even though licensed to serve children through school-age, do not offer school-age care in their licensed facility, but offer school-age care in a room or building which is not licensed. **In order for a child receiving subsidies to be served by the school-age program, the program must be licensed.** The provider cannot legally report a rate for school-age care for their licensed program and then serve the school-age child with the children in the unregulated program. If subsidy funds are used for unregulated school-age care, repayment must be made.

If a provider owns two (2) or more facilities located on the same property and merges the licenses into one (1) license and if a rate increases, the rate would be processed based on the policy as stated for increases. If the provider extended the program and none of the buildings had previously offered the extended services, then the effective date would be the date the added rate is received by the LPA.

NOTE: If the provider was not already licensed to provide care for infant and toddlers, the LPA would not be able to pay for the younger age children until the license has been changed by the Regulatory Services Section. The effective date would be based on the date the rates are received but cannot be before the effective date of the license.