



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Child Development and Early  
Education

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**ANNA CARTER** • Director

## **SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #04-18**

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

SUBJECT: Implementation of 2018 Market Rates

ATTENTION: Child Care Coordinators, Supervisors and Managers  
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: August 1, 2018

### **Changes Effective October 1, 2018**

During the recent legislative session, the General Assembly directed the Division to implement new market rates for children **three through five** years of age in three-, four-, and five-star rated child care centers and homes in **tier three counties**. For purposes of this market rate increase, **tier three counties** have the same designations as those established by the N.C. Department of Commerce's **2015** County Tier Designations. Please click this [link](#) for tier designations for the purposes of this market rate increase.

In addition, a decision was made to increase market rates to the one hundredth percentile for children **birth through five** years of age in three-, four-, and five-star rated child care centers and homes in **tier one and tier two counties**. For purposes of this market rate increase, **tier one and tier two counties** have the same designations as those established by the N.C. Department of Commerce's **2018** County Tier Designations. Please click this [link](#) for tier designations for the purposes of this market rate increase.

These market rate changes are based upon the data from the 2015 Market Rate Study. The new rates are effective October 1, 2018, as specified by the General Assembly in Session Law 2018-5, the budget bill for 2018-2019. A copy of the new market rate tables for each type of care and star level for each county is attached.

### **Market Rate Implementation**

We would suggest that you review the new market rate tables provided by DCDEE to identify which market rates by type of facility, star rated license level, and age group have changed in your county. Remember that the increase during the Market Rate implementation process does not affect the limit of one rate increase per calendar year for facilities eligible for these market rate increases.

The following are steps that child care providers will need to follow to implement the revised market rates:

- As of August 1, 2018, providers can enter updated private pay rates through the NC FAST Provider Portal using "Market Increase" as the reason for the change.
- In order for new rates to become effective October 1, 2018, providers must submit rate changes through the NC FAST Provider Portal no later than August 31, 2018.

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION**

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- Rates entered into the NC FAST Provider Portal after August 31, 2018 will be effective the first day of the month following a 30-calendar day notice of the rate change.
- Providers will be able to enter new rates into the NC FAST Provider Portal with "Market Increase" as the reason through December 31, 2018.

In addition, Approval Notices will be updated to reflect the revised market rates. Approval Notices in the NC FAST Provider Portal will reflect the October 1, 2017 market rates until October 2, 2018, at which time a new approval notice will be available reflecting the new October 1, 2018 market rates and revised approved subsidy rates.

Providers will be informed through email about the new market rates, as well as the steps they need to take in order to access the updated rates for their program. Including this news in any communication that you do with providers will be helpful as well. We will also be distributing through our partner network and asking for them to share within their communication systems as well.

Please share this information with other child care and reimbursement staff in your agency. If you have questions regarding your county's market rates, please address those questions to [DCDEE.Subsidy.Policy.Help@dhhs.nc.gov](mailto:DCDEE.Subsidy.Policy.Help@dhhs.nc.gov).

Sincerely,



Anna Carter

AC/LD  
Attachments