

**Subsidized Child Care Assistance Program Policy Manual**  
Chapter 6. Serving Children with Special Needs

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REVISED 9/29/2023

### **I. CHAPTER OVERVIEW**

Subsidized child care assistance can be provided to eligible children with special needs when care is needed to support the recipient's education/training, employment, to support child protective services, the developmental needs for the child or to support child welfare services. The family of a child with special needs must meet the applicable income guidelines based on the reason care is needed.

### **II. DEFINITION OF SPECIAL NEEDS**

Children with special needs are determined by the Division of Public Health, or Children's Developmental Service Agency. Children with special needs are defined as children who have developmental delays, an established condition, or development that is atypical. If the applicant/recipient indicates that the child has not been evaluated and the child care social worker believes the child may have special needs, the child care social worker should encourage the applicant/recipient to have the child evaluated. Families may be referred to the local agency under the auspices of the following state agencies which are responsible for overseeing that children with special needs are identified and assessed:

- The Early Intervention Branch in the Women's and Children's Health Section of the Division of Public Health (DPH) of the Department of Health and Human Services for children under age three (3).
- The Exceptional Children Division in the Department of Public Instruction (DPI) for children age (3) and over.

The regional Children's Developmental Services Agency (CDSA) and local education agency (LEA) staff are responsible for referrals of children for eligibility assessments. Although the CDSA and LEA are the primary resources for making referrals on behalf of children with special needs, the local management entity (LME) may make referrals when children have a specific diagnosis such as traumatic brain injury or

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chronic disease such as cystic fibrosis. After the evaluation of a child's needs are completed, families are involved in making decisions about how the child can best be served. An Individualized Family Service Plan (IFSP) is developed for children with special needs birth to age three (3) and an Individualized Education Program (IEP) for children over the age of three (3). The 504 plan is developed for children who have a physical or mental health disability that limits one or more major life functions. The Person-Centered Plan (PCP) enables individuals with disabilities or otherwise requiring support to increase their personal self-determination and improve their own independence. The definitions and criteria for pre-school children with disabilities are included in Special Needs Reference Material.

Although children may have been identified as having a special need through DPH's Infant-Toddler Program or DPI's Preschool Program, applicant/recipients have the right to refuse services under these programs. However, if the applicant/recipient refuses these services, children may still receive community-based services through the Children Service Coordination Program in the local public health department. Child Service Coordinators in the local public health department may also make referrals for supplemental payments for children with special needs. Refer to the Instruction pages in (DCDEE-0093), (DCDEE-0094), (DCDEE-0454A) and (DCDEE-0454B).

DSS/LPA's must conduct an annual review of the referring agency's documentation determining the level of care for a child with special needs. Subsidized child care assistance is available for children with special needs ages birth through age 17.

### **III. PRIORITY FOR ASSISTANCE**

Child Care and Development Fund (CCDF) regulations require that states give priority to children with special needs who need child care assistance. To meet this requirement, the Division of Child Development and Early Education establishes a portion of the agency's total allocation

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as a set-aside for this purpose. The set-aside amount is a minimum; however, counties can set aside an amount greater than the minimum.

Counties must include in their local policy whether the county will or will not add to their 4% set-aside. It is the county's option to maintain a separate waiting list for vulnerable populations.

### **IV. DOCUMENTATION REQUIREMENTS**

When child care providers request reimbursement for the provision of subsidy assistance for a child with special needs, the child care worker must enter evidence in NC FAST. Forms used as verification of special needs:

- IEP–Individualized Education Plan
- IFSP–Individualized Family Service Plan
- PCP–Person-Centered Plan
- Section 504–Reasonable Accommodation
- DCD–0093 Referral for Child Care

The verification is the documentation of the evidence in NC FAST. The case record must include the current service delivery page of the IFSP, IEP, 504 Plan or PCP. The case worker must upload the evidence in NC FAST or keep a hard copy in the case file.

### **V. SUBSIDY POLICY AND SUPPLEMENTAL PAYMENTS**

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

Providing care for children with special needs may involve additional costs to the provider and may impact the rate charged. Such costs may include specialized equipment necessary for communication, mobility, and self-help; certified teacher time devoted to one-on-one instruction; clerical and other administrative staff time necessary for special record

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requirements; and psychologists and other diagnostic personnel.

Subsidized child care funds are used to pay the rate charged for child care assistance and cannot be used to purchase specialized therapies, such as occupational and speech therapy, or educational services that are paid with local mental health or local education agency funds.

Providers requesting supplemental payments to be used for hiring staff must also include documentation showing the required qualifications of hired staff. Attachment 1: The Supplemental Payment Fact Sheet includes a list of those qualifications that are accepted. This Fact Sheet is to be used when requesting Supplemental Payments.

### **A. Certified Developmental Day Centers**

The additional costs involved in providing care for children with special needs are accounted for in the approved payment rates for certified developmental day centers. To pay the approved rate for the certified developmental day center, the rate must appear on the provider's Approval Notice, and the child with special needs must have the appropriate documentation described in Section IV above. Certified Developmental Day Centers are not eligible to receive Supplemental Payments for children with special needs.

### **B. Inclusive Child Care Facilities**

Because of such factors as recipient choice, federal and state legislation, and the many benefits for both children with special needs and those who are typically developing, more and more children with special needs are being served in inclusive child care settings. These are programs which include children with special needs in a setting that primarily serves children who are typically developing. The DSS/LPA may pay a supplemental payment above the child care facility's approved rate for an individual child with special needs who are being mainstreamed into a family child

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care home and center which serve primarily typically developing children if additional costs are incurred and there are no other funds available. Funding for supplemental payments for these children should initially come from the special needs set aside.

### **VI. REDETERMINATION OF CHILDREN WITH SPECIAL NEEDS**

All appropriate forms must be renewed annually for Special Needs documentation for children in Certified Developmental Day Centers or for children in inclusive child care settings when the provider has been approved for a supplemental payment.

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For additional information on policy described in this chapter, please refer to:

### **SCCA Manual:**

Chapter 10: Waiting List Policies.

Chapter 11: Responding to Eligibility Changes and Redetermination

Chapter 17: Payment Rates

Attachment 1 Supplemental Payment Fact Sheet

### **NC FAST Job Aids:**

SCCA - Child Care Special Needs Evidence

SCCA - Special Need Supplemental Payment Evidence

SCCA- Tasks Reference Guide