

**REGULATED PROVIDER AGREEMENT**  
**APPENDIX A - RULES FOR PARTICIPATION IN THE SUBSIDIZED CHILD CARE**  
**PROGRAM**

**A. PROVIDER INFORMATION UPDATE**

The Child Care Information Services (CCIS) will obtain identifying information about the provider and collect rate information the first time the provider has contact with the CCIS. The provider will update this information at intervals established by the Office of Child Development and Early Learning (OCDEL). In order to participate in the subsidized child care program, all regulated providers must have a Provider Agreement (Agreement) and must provide the information requested by the CCIS, including the rate information found in Appendix C-1, at intervals established by OCDEL. Failure to provide the information requested by the CCIS at intervals established by OCDEL may result in the termination of the Agreement.

As part of the information requested by the CCIS, the provider will be asked to report the weekly full-time and part-time published rate, where applicable, according to the following definitions:

- The **weekly full-time rate** is the rate the provider charges parents/caretakers for five or more hours of child care daily, five days per week.
- The **weekly part-time rate** is the rate the provider charges parents/caretakers for up to four hours and 59 minutes (**not five hours**) of child care daily, five days per week.

Weekly private pay rates (full-time and part-time) are converted to a daily rate by dividing by five, which is called a Converted Payment Rate (CPR).

OCDEL or the CCIS will authorize changes to the payment rate based on funding available for the program.

**B. ENROLLMENT**

1. The CCIS will determine the enrollment date for any subsidy-eligible child. Payment is made effective on the first day the child attends following the date authorized by the CCIS on a form prescribed by OCDEL.
2. The provider must submit an invoice to the CCIS for any authorized subsidy-eligible child in order to receive payment for that child. See Section D, "Submitting an Invoice for Payment".
3. The provider may not transfer a subsidy-eligible child to another site or provider without prior written authorization from the CCIS.

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### **C. PAYMENT**

The CCIS's daily payment for regulated providers is up to the Converted Payment Rate (CPR) or the Maximum Child Care Allowance (MCCA), whichever is less, minus the parent/caretaker co-payment. Tiered reimbursement, which is an add-on to the payment rate for quality may be added to this amount.

#### **1. Types of Payment Rates**

There are three types of payment rates: standard payment rates, blended payment rates, and Keystone STARS add-on rates. Payment rate details and example calculations are provided in Appendix F – Payment Rate Calculations.

#### **2. Additional Fees**

- a. If the provider's CPR is higher than the MCCA, the provider may charge the parent/caretaker the difference.
- b. The CCIS will not pay the provider for any charges in excess of the daily payment rate.
- c. Any payment the provider receives from the parent/caretaker must first be applied to the family's weekly co-payment assessed by the CCIS.

#### **3. Co-payment**

- a. The co-payment covers all the days of the week for which the CCIS authorizes child care.
- b. The full co-payment amount is due to the provider regardless of the number of days of care a child receives in a week.
- c. It is the provider's responsibility to collect the co-payment on a weekly basis and report any unpaid co-payment to the CCIS. The co-payment is delinquent if it is not paid by the last day of the service week. The provider must report a delinquent co-payment to the CCIS on the business day following the day the co-payment becomes delinquent.
- d. When the parent/caretaker incurs a delinquent payment, and the parent/caretaker makes a payment to the provider, the provider must apply the payment toward the co-payment due for the current week of care. The provider must then apply any remainder of the payment toward the delinquent amount. The provider must notify the CCIS when the delinquent co-payment is resolved.

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**Note:** If the provider has additional outstanding charges with the parent/caretaker (such as transportation fees), the provider must work out a separate arrangement with the parent/caretaker. Any payment that the parent/caretaker makes to the provider must be first applied to cover all delinquent and current co-payments. This includes payment for more than 25 days of absence.

### **4. Absences**

The CCIS will pay the provider for five consecutive days of absence. On the sixth consecutive day of absence the provider must report the absences to the CCIS. The CCIS will notify the parent/caretaker that the eligibility for subsidized child care will be terminated on a specific date unless the child returns to care prior to that date.

The CCIS will pay for a maximum of 25 days of absence during the State's fiscal year (July 1 – June 30) for each child. Children funded through the Food Stamp /Supplemental Nutrition Assistance Program are not subject to the 25 days absence limit. This is a cumulative number per child, regardless of provider transfers during the fiscal year. If a child's absences exceed 25 days, the parent/caretaker is responsible to pay the provider for all additional absences. The parent/caretaker is responsible to pay the provider's verified published daily rate for each day of absence starting with the 26th absence in addition to the weekly co-payment. Suspended days and provider closed days are not considered days of absence.

### **5. Changes to the CPR**

- a. The CCIS will implement requested rate increases only at intervals established by OCDEL, subject to the availability of funds and not to exceed the MCCA.
- b. When the provider reports an additional service not previously offered, rates for that service will become effective upon written notification from the CCIS.

### **6. Verifying the Provider's Reported Rate and its Relationship to the CPR**

- a. As part of the CCIS agency's rate verification process, the provider must make available to the CCIS the following documents or facsimiles that contain the information below:
  - A signed and dated copy of the service location's most current Published Rate(s), payment-related policies and operations schedule.
  - A copy of the OCDEL-approved Attendance Invoice.
  - A copy of the OCDEL attendance record or an equivalent form, for any child chosen as part of the sample. The document must be signed by the parent/caretaker.

- A copy of weekly payment records for all enrolled families. Weekly payment records must show the daily rate for child care. If a private-pay family does not make payment for the full private-pay rate because the private-pay rate is being supported by other funds, the source of those funds must be shown. The source of the other funds may be grant funds, foundation funds, parent/caretaker payments, and CCIS payments.
- b. The CCIS will ask the provider to explain how he or she calculated the weekly rates (full-time and part-time) as defined in this Agreement.
- c. The provider must be able to show OCDEL examples of private pay families paying at least the CPR without support of other funding or discounts. If no private pay families are enrolled, the CPR should be equal to or less than the MCCA.
- d. During the verification process, if the CCIS determines that the provider has been overpaid, the provider must reimburse the CCIS for the overpayment. This may result in a referral to the Office of Inspector General (OIG).

## **7. Closed Days**

- a. The subsidy program will pay for a maximum of 15 closed days per year from the period July 1 through June 30 for which the provider also charges private pay families.
- b. The provider must indicate those closed days before July 1 of each year at a time that the CCIS specifies.
- c. Providers who use Provider Self Service (PSS) may change or add closed days throughout the year. Emergency closures can be added to the prior month up until the 5<sup>th</sup> day of the current month. To sign-up for PSS, access the following website: <https://www.pelican.state.pa.us/provider/>.
- d. Providers who do not use PSS will follow the rules below:
  - Once the provider identifies the closed days, those days cannot be changed. Since the provider cannot change closed days once submitted, the provider may want to limit the number of closed days declared at the beginning of the year. This will allow a couple of days that could be added in case of an emergency or unplanned closure later in the year.
  - If the provider lists fewer than 15 days, additional days may be added as follows:
    - The provider must notify the CCIS at least two weeks prior to adding a closed day.
    - The provider must notify the CCIS within three days of reopening the facility following an emergency or unplanned closure such as a snow day.

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### **D. SUBMITTING AN INVOICE FOR PAYMENT**

The provider must accurately complete attendance invoices each month and document all absences for children who are not in care. The invoice must be submitted to the CCIS monthly either online or on a form provided by OCDEL. The invoice must include the days of attendance and absence for each child. For a newly enrolled child, payment will begin on the first day the child attends. If the child is absent on the initial day of scheduled care, payment will not start until the child attends.

The CCIS may audit providers who utilize the No Change code on a regular basis when completing Attendance Invoices. Non-compliance with accurate completion of Attendance Invoices may lead to termination of the Agreement and referral to the OIG for fraud investigation.

The invoice is due to the CCIS by the fifth calendar day of the month following the month child care is provided. The CCIS will not make a payment for an individual child until the signed invoice is received.

The CCIS may terminate the Provider Agreement if more than two invoices are received by the CCIS following the 20th calendar day of the month following the month in which child care is provided and the CCIS has taken steps to work with the parent/caretaker's provider but was unable to resolve the problem.

The CCIS **will not make payment** on any invoice received more than 60 calendar days following the last day of the calendar month that child care is provided. Invoices for the months of May and June of the current fiscal year must be received by July 31<sup>st</sup>.

### **E. COLLECTION OF OVERPAYMENTS**

If the provider is overpaid by the CCIS for delivering child care, the provider must reimburse the CCIS for the amount that was overpaid. The CCIS may adjust the monthly payment to the provider to recoup any overpayment. The CCIS will explain the adjustment in writing to the provider.

### **F. LIMITATIONS**

A provider whose certificate of compliance has been removed by OCDEL for any reason other than voluntary non-renewal may not be permitted to enter into another Provider Agreement without approval from the Bureau of Subsidized Child Care Services. The provider must show proof that the conditions that led to the loss of the certificate of compliance have been resolved.