

Child Care and Development Fund (CCDF) Rate Structure Changes Frequently Asked Questions (FAQ)

Background

The Child Care and Development Block Grant (CCDBG) Act of 2014 reauthorized the law governing the Child Care and Development Fund (CCDF) Program. Changes made with this reauthorization focused on **strengthening child care** to better support the **success of both parents and children** and emphasizing the importance of **high-quality child care**. With the reauthorization of the Block Grant in 2014, state Child Care Lead Agencies were required to adopt payment practices that reflect generally accepted payment practices of child care providers serving children who do not receive CCDF subsidies. To meet compliance, the Department of Health and Human Services (DHHS), the Lead Agency for Nebraska, restructured payments to reflect part-time or full-time basis rather than paying for hours of service or smaller increments of time. This helps to ensure equal access to high-quality child care programs for subsidy-eligible children by making subsidy practices comparable to child care services for children who are not eligible under CCDF.

Purpose

Beginning July 1, 2023, child care providers participating in the DHHS Child Care Subsidy Program will no longer bill Hour and Day units.

- Hour Units will be replaced with **Partial Day Units**, and Day Units will be replaced with **Full Day Units**.
- Any time a child attends **up to 4 hours and 59 minutes**, providers will now bill **1 Partial Day Unit**.
- Any time a child attends **between 5 hours to 9 hours and 59 minutes**, providers will now bill **1 Full Day Unit**.
- Any time a child attends **between 10 hours up to the maximum of 18 hours** in one day, providers will now bill **1 Full Day Unit AND 1 Partial Day Unit**.

Partial Day	Up to 4 hours, 59 minutes
Full Day	5 hours – 9 hours, 59 minutes
Partial Day + Full Day	10 hours – 18 hours

Frequently Asked Questions (FAQ)

1. Q: Will these changes affect the absent-day policies?

A: No, providers may still bill up to 5 absent days per month when a child would normally be in attendance. These absent days will be billed as 1 full day unit regardless of the number of hours the child would have attended.

2. Q: Will providers be receiving a letter outlining these changes?

A: All providers will receive a Rate Amendment Letter with these rate changes to inform them of the new rates for Partial Days and Full Days.

3. Q: What if my rates are less than the Child Care Subsidy rates? Will I still have to bill what my private pay rates are?

A: Yes, Nebraska State Statute requires that providers' Child Care Subsidy rates not exceed their private pay rates.

4. Q: What if my private pay rates are higher than the Child Care Subsidy 2023 rates?

A: Child Care Subsidy rates are currently set at the 75th percentile of the Market Rate Survey per Nebraska Revised State Statute 43-536. The Legislature intends to continue to pay child care providers at the seventy-fifth percentile in FY 2023-24 and FY 2024-25. Child Care Subsidy rates are the maximum rates for Child Care providers billing through the Child Care Subsidy Program.

5. Q: My program does not charge partial day private pay rates; how will I know what my private pay partial day rates are?

A: Your Resource Developer will calculate your partial day private pay rates based on your most recent daily and hourly private pay rates.

6. Q: With this change, will there be new attendance calendars?

A: Yes, new attendance calendars will be available before July 1 in electronic and paper versions. Attendance calendars will be separated from in-home care vs. all other facility types, including the new partial and full-day time frames.

7. Q: When will updated attendance calendars with built-in calculations be available for the new partial day/full day rates?

A: The Department of Health and Human Services (DHHS) is currently working on updates to these calendars. Once finalized, these will be sent out via e-mail and available on the public website at <https://dhhs.ne.gov/Pages/Child-Care-Providers.aspx>. Calendars will be updated and sent out before July 1, 2023.

8. Q: Is there a minimum amount of time per day to bill for a partial day? For example, 30 minutes?

A: No, there is no minimum amount of time to bill for a partial day. If the child attends at all in a day up to 4 hours and 59 minutes, this would be billed as 1 partial day unit.

9. Q: Will the Community Learning Centers (CLC) see a change in rates with these changes?

A: Community Learning Centers will follow the same Child Care Subsidy rates located on the 2023 Rate Chart that can be found at <https://dhhs.ne.gov/Pages/Child-Care-Providers.aspx>. Rates differ by facility type, age category, urban vs. rural, Step Up to Quality rating, and accreditation.

10. Q: I received a new authorization with new rates that do not look correct; what should I do to correct this?

A: If you receive rates or an authorization that does not look correct, please contact your assigned Resource Developer. If you need your Resource Developer's contact information, please e-mail DHHS.CCSubsidy@nebraska.gov or call the Child Care Subsidy Line at (402) 471-9152.

11. Q: Why are these changes occurring?

A: With the reauthorization of the Block Grant in 2014, state Child Care Lead Agencies were required to adopt payment practices that reflect generally accepted payment practices of child care providers serving children who do not receive CCDF subsidies. To meet compliance, DHHS (the Lead Agency for Nebraska) restructured payments to reflect part-time or full-time basis rather than paying for hours of service or smaller increments of time.

12. Q: Are families still authorized for a specific number of hours?

A: Yes, families will still be authorized up to a maximum number of hours based on their need for service. Attendance calendars should reflect the actual times the child is attending, not to exceed the maximum number of hours authorized per week.

13. Q: Is this change permanent or temporary?

A: This change is permanent for DHHS to meet federal compliance with the Child Care and Development Block Grant administered by the Office of Child Care (OCC).

14. Q: Will current authorizations in the Child Care Subsidy billing portal be changed from hours to partial days?

A: Yes, every active authorization as of July 1, 2023, will be updated to reflect these changes by July 1. If an active authorization is not showing partial days after July 1, 2023, please contact your Resource Developer to let them know.

15. Q: How do we determine that we are not overbilling with these new changes?

A: Attendance calendars should reflect the actual times the child is attending, not to exceed the maximum number of hours authorized per week. If the child attends up to 4 hours and 59 minutes in one day, that will be billed as 1 partial day unit. If the child attends between 5 hours and 9 hours and 59 minutes in one day, that will be billed as 1 full-day unit, and if the child attends between 10 hours and 18 hours in one day, that will be billed as 1 full-day and 1 partial-day unit. Although billing is for full and partial days, the children are still only attending the authorized amount of time. If attendance is tracked accurately, there should be no risk of overbilling.

16. Q: Can I still charge private pay parents by the hour?

A: Yes, you can charge private pay by the units chosen for your business.

17. Q: If a child attends 2 hours in a day, would that be a partial day?

A: Yes, up to 4 hours and 59 minutes in a day would be billed as 1 partial day unit.

18. Q: If a family is only approved for 20 hours per week, would the children be able to attend every day without exceeding the 20 hours per week?

A: Yes, if the children do not exceed the maximum authorized hours of 20 hours per week, they can attend the Child Care facility daily.