

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Rule making related to child care assistance provider reimbursement rates

The Human Services Department hereby amends Chapter 170, “Child Care Services,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 234.6 and 2021 Iowa Acts, House File 891.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 234.6 and 45 CFR Part 98.

Purpose and Summary

The Department is revising the child care assistance provider reimbursement rate ceiling tables. This is being done to comply with federal requirements (45 CFR Part 98) that states must use the most recent market rate survey in establishing child care reimbursement rates. Iowa’s most recent market rate survey was conducted in December 2020.

Reimbursement rates for providers of child care assistance are increased to at least the 50th percentile of the 2020 market rate for child care providers.

The base rates for the Quality Rating System (QRS) bonuses reflect increased child care provider reimbursement rates. The base rates are updated to the 50th percentile and the QRS highest rates to the 75th percentile of the 2020 survey. Previously, the highest rates had been at the 75th percentile based on the 2017 market rate survey.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on June 30, 2021, as **ARC 5732C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Council on Human Services on August 12, 2021.

Fiscal Impact

Increasing the maximum provider rates as shown in the rate tables is estimated to cost \$13,355,730 per year. This cost is expected to be funded by federal Child Care Development Fund (CCDF) funds carried forward until SFY25, when it is anticipated that the balance of CCDF funds will be fully expended.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on November 1, 2021.

The following rule-making action is adopted:

Amend paragraph **170.4(7)“a”** as follows:

a. Rate of payment. The rate of payment for child care services, except for in-home care which shall be paid in accordance with 170.4(7) “d,” shall be the actual rate charged by the provider for a private individual, not to exceed the maximum rates shown below. When a provider does not have a half-day rate in effect, a rate is established by dividing the provider’s declared full-day rate by 2. When a provider has neither a half-day nor a full-day rate, a rate is established by multiplying the provider’s declared hourly rate by 4.5. Payment shall not exceed the rate applicable to the provider type and age group as shown in the tables below. To be eligible for the special needs rate, the provider must submit documentation to the child’s service worker that the child needing services has been assessed by a qualified professional and meets the definition for “child with special needs,” and a description of the child’s special needs, including, but not limited to, adaptive equipment, more careful supervision, or special staff training.

Table 1								
Half-Day Rate Ceilings for (Licensed Center)								
	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$17.00 \$19.30	\$51.94	\$19.75 \$20.50	\$51.94	\$20.50 \$21.50	\$51.94	\$21.90 \$23.21	\$51.94
Preschool	\$14.75 \$17.00	\$30.43	\$15.50 \$18.00	\$30.43	\$16.40 \$18.98	\$30.43	\$18.69 \$20.00	\$30.43
School Age	\$12.18 \$13.50	\$30.34	\$12.50 \$14.75	\$30.34	\$13.50 \$15.00	\$30.34	\$15.00 \$16.00	\$30.34

Table 2								
Half-Day Rate Ceilings for (Child Development Home A/B)								
	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$12.98	\$19.47	\$13.50	\$20.25	\$13.75	\$20.63	\$14.00	\$21.00
Preschool	\$12.50	\$18.75	\$12.75	\$19.13	\$13.00	\$19.50	\$13.75	\$20.63
School Age	\$10.82	\$16.23	\$11.25	\$16.88	\$12.00	\$18.00	\$12.50	\$18.75

Table 3 Half-Day Rate Ceilings for (Child Development Home C)								
Age Group	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$13.00	\$19.50	\$14.00	\$21.00	\$14.50	\$21.75	\$15.00	\$22.50
	<u>\$14.00</u>	<u>\$21.00</u>	<u>\$14.50</u>	<u>\$21.75</u>	<u>\$15.00</u>	<u>\$22.50</u>	<u>\$15.25</u>	<u>\$22.88</u>
Preschool	\$12.50	\$18.75	\$13.00	\$19.50	\$13.50	\$20.25	\$15.00	\$22.50
	<u>\$13.75</u>	<u>\$20.63</u>	<u>\$14.50</u>	<u>\$21.75</u>	<u>\$14.75</u>	<u>\$22.13</u>		
School Age	\$11.25	\$16.88	\$12.00	\$18.00	\$12.50	\$18.75	\$14.00	\$21.00
			<u>\$12.50</u>	<u>\$18.75</u>	<u>\$13.00</u>	<u>\$19.50</u>	<u>\$14.50</u>	<u>\$21.75</u>

Table 4 Half-Day Rate Ceilings for Child Care Home (Not Registered)		
Age Group	Basic	Special Needs
Infant and Toddler	\$8.49 <u>\$12.98</u>	\$12.29 <u>\$19.47</u>
Preschool	\$7.49 <u>\$12.50</u>	\$10.79 <u>\$18.75</u>
School Age	\$7.36 <u>\$10.82</u>	\$11.04 <u>\$16.23</u>

The following definitions apply in the use of the rate tables:
(1) to (9) No change.

[Filed 8/12/21, effective 11/1/21]

[Published 9/8/21]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/8/21.