441—170.4(237A) Elements of service provision.

170.4(1) *Fees.* Fees for services received will be charged to clients according to the schedules in this subrule, except that fees will not be charged to clients receiving services without regard to income.

a. Sliding fee schedule.

(1) For families whose eligibility is established in subparagraphs 170.2(1)*"a"*(1) and *"a"*(2), the child care assistance and child care assistance plus programs fee schedule, dated July 2026, found on the department's website is effective for eligibility determinations made on or after July 1, 2026. The fee is a per-unit charge that is applied to the child in the family who receives the largest number of units of service. The fee will be charged for only one child in the family, regardless of how many children receive assistance.

(2) For families whose eligibility is established in subparagraph 170.2(1)*"a"*(3), the child care assistance exit program fee schedule, dated July 2026, found on the department's website is effective for eligibility determinations made on or after July 1, 2026. The fee is a percentage of the cost of child care for each child in the family who receives service.

b. Collection. The provider will collect fees from clients and maintain records of fees collected. These records will be available for audit by the department.

c. Inability of client to pay fees. Child care assistance may be continued without a fee, or with a reduced fee, when a client reports in writing the inability to pay the assessed fee due to the existence of one or more of the conditions set forth below. Before reducing the fee, the department will assess the case to verify that the condition exists and to determine whether a reduced fee can be charged. The reduced fee will then be charged for the remainder of the certification period. Reduced fees may be justified by:

(1) Extensive medical bills for which there is no payment through insurance coverage or other assistance.

(2) Shelter costs that exceed 30 percent of the household income.

(3) Utility costs not including the cost of a telephone that exceed 15 percent of the household income.

170.4(2) *Method of provision.* Parents shall be allowed to exercise their choice for in-home care, except when the parent meets the need for service under subparagraph 170.2(2)*"d"*(3), as long as the conditions in paragraph 170.4(7)*"d"* are met. When the child meets the need for service under subparagraph 170.2(2)*"d"*(3), parents shall be allowed to exercise their choice of licensed, registered, or non-registered child care provider, except when the department determines it is not in the best interest of the child. The provider must meet one of the applicable requirements set forth in this subrule.

a. Licensed child care center. A child care center shall be licensed by the department to meet the requirements set forth in 441—Chapter 109 and shall have a current Certificate of License form.

b. Registered child development home. A child development home shall meet the requirements for registration set forth in 441—Chapter 110 and shall have a current Certificate of Child Care Home Registration form.

c. Non-registered child care home. A non-registered child care home shall have an approved Payment Application form and a current Child Care Assistance Provider Agreement with the department. Non-registered child care homes are required to meet minimum health and safety standards as set forth in 441—Chapter 110.

d. In-home care. In-home providers who provide care for the child in the family home must sign the Payment Application for Non-registered Providers and Child Care Assistance Provider Agreement forms. In-home providers must meet the following components as set forth in:

(1) 441—paragraph 110.10(1)*"a,"* professional development for preservice training;

(2) 441—paragraph 110.10(1)*"b,"* professional development for mandatory reporting of child abuse;

(3) 441—paragraph 110.10(1)*"c,"* professional development for first-aid and cardiopulmonary resuscitation (CPR) training; and

(4) 441—subrule 110.11(3), record checks.

e. Out-of-state provider. A child care provider who is not located in Iowa may be selected by the parent so long as the out-of-state child care provider verifies that the provider meets the licensing requirements to be a provider in the state in which the provider operates.

170.4(3) *Components of service program.* Every child eligible for child care services will receive supervision, food services, and programs and activities, and may receive transportation.

170.4(4) *Payment.* The department will make payment for child care provided to an eligible family when the family reports their choice of provider to the department and the provider has an approved Child Care Assistance Provider Agreement form on file.

a. Rate of payment. The rate of payment for child care services, except for in-home care, which will be paid in accordance with paragraph 170.4(4)*"d,"* will be the actual rate charged by the provider for a private individual, not to exceed the maximum rates applicable to the provider type and age group as shown below.

(1) Half-day rates are calculated by dividing the provider's weekly rate from the Child Care Assistance Provider Agreement form by five to get the daily rate and then dividing this daily amount by two to get the half-day rate.

(2) To be eligible for the special-needs rate, the parent must submit documentation to the department that the child needing services has been assessed by a qualified professional and meets the definition for a "special needs child," and the provider must submit documentation to the department of the support being provided based on the description of the child's special needs, including adaptive equipment, more careful supervision, or special staff training.

Table 1
Half-Day Rate Ceilings for (Licensed Center)

	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	$25.66	$51.94	$25.66	$51.94	$25.66	$51.94	$27.00	$51.94
Preschool	$19.50	$30.43	$20.25	$30.43	$21.50	$30.43	$22.97	$30.43
School Age	$16.50	$30.34	$17.10	$30.34	$17.50	$30.34	$18.50	$30.34

Table 2
Half-Day Rate Ceilings for (Child Development Home A/B)

	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	$16.63	$24.95	$16.63	$24.95	$16.63	$24.95	$17.50	$26.25
Preschool	$15.00	$22.50	$15.50	$23.25	$16.00	$24.00	$17.00	$25.50
School Age	$15.00	$22.50	$15.25	$22.88	$15.50	$23.25	$15.75	$23.63

Table 3
Half-Day Rate Ceilings for (Child Development Home C)

	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	$18.00	$27.00	$18.00	$27.00	$18.00	$27.00	$18.50	$27.75
Preschool	$16.28	$24.42	$17.00	$25.50	$17.50	$26.25	$18.50	$27.75
School Age	$15.00	$22.50	$15.75	$23.63	$16.44	$24.66	$17.50	$26.25

Table 4
Half-Day Rate Ceilings for Child Care Home (Not Registered)

Age Group	Basic	Special Needs
Infant and Toddler	$16.63	$24.95
Preschool	$15.00	$22.50
School Age	$15.00	$22.50

b. The following definitions apply in the use of the rate tables:

(1) "Licensed center" means those providers as detailed in 170.4(2)*"a."*

(2) "Child development home A/B" or "child development home C" means those providers as defined in paragraph 170.4(2)*"b."*

(3) Under age group, "infant and toddler" means age two weeks to three years.

(4) "Preschool" means three years to school age.

(5) "School age" means a child in attendance in full-day or half-day classes.

(6) A child care facility that is rated under the quality rating system will be paid according to the corresponding quality rating payment level in the tables above only during the period the rating is valid as defined in 441—Chapter 118. If the child care facility does not have a quality rating or its quality rating expires, the child care facility will be paid according to the "no quality rating" payment level. A child care facility whose quality rating has expired will not receive backdated payments once a new rating is awarded.

(7) For a child care facility rated "quality rating 5," if a renewal application is received before the current rating period expires, the child care facility will continue to be paid according to the "quality rating 5" payment level until a decision is made on the IQ4K application.

c. Payment for days of absence. Payment may be made to a child care provider for an individual child not in attendance at a child care facility or home not to exceed four days per calendar month providing that the child is regularly scheduled on those days and the provider also charges a private individual for days of absence.

d. Payment for in-home care. Payment may be made for in-home care when there are three or more children in a family who require child care services. The rate of payment for in-home care will be the state's minimum wage amount.

e. Limitations on payment. Payment will not be made for therapeutic services that are provided in the care setting and include but are not limited to services such as speech, hearing, physical and other therapies; individual or group counseling; therapeutic recreation; and crisis intervention. Payment will not be made for educational services that are provided in the care setting and include but are not limited to services such as private tutoring and homeschool instruction.

f. Review of the calculation of the rate of payment. Maximum rate ceilings cannot be appealed. A provider who is in disagreement with the calculation of the half-day rate as set forth in paragraph 170.4(4)*"a"* may request a review within 15 calendar days of notification of the rate in question. The department will provide a written response within 15 calendar days of receipt of the request for review.

g. Submission of claims. The department will issue payment when the provider submits correctly completed documentation of attendance and charges. The department will pay for no more than the number of units of service authorized in the notice of decision issued.

(1) Providers shall submit documentation of attendance and charges within six months of the care being provided. Submission of claims older than six months are subject to special review and may be rejected.

(2) The provider shall keep the attendance records for a period of five years after the billing date.

(3) Providers shall submit a claim in one of the following ways:

1. Using the Child Care Assistance Billing/Attendance form, or

2. Using an electronic request for payment submitted through the provider portal or other approved child care management system. Providers using an electronic method shall ensure attendance records include the child's name, the dates, the daily time in and time out entries for days the child was in care, and the signature of the parent or other designee certifying the attendance is accurate.

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