

# Improving Child Care Assistance Policies and Practices

For more information on action to improve child care policy, regulation and funding, please visit [www.ececonsortium.org](http://www.ececonsortium.org)

The federal Child Care and Development Block Grant law directs states to establish child care assistance policies. The Early Care and Education Consortium recommends these improvements to child care assistance:

Require providers to be licensed by the state in order to participate in the CCDBG program.

Encourage states to pay a higher reimbursement rate for higher quality care.

Require States Plans to describe a plan to move to payment at the 75<sup>th</sup> percentile of a current market rate survey.

Establish a twelve-month eligibility determination period that is in effect regardless of a change in parent income or work status during that year. This would reduce state costs in administration, ensure continuity of care for young children, which is crucial in child development and crucial for working parents' employment status, and ensure reliability for provider program budgets.

Establish a higher exit eligibility level that allows families to stay on child care assistance even if their incomes grow to exceed the initial eligibility cut-off. This would ensure working parents are able to accept increases in wages without fear of immediately losing child care assistance

Ensure that payment practices for child care providers reflect generally accepted payment policies that providers use for their private pay parents.


- States should be encouraged to pay based on enrollment, not only attendance, as the private pay market is required to do
- States should be required to make payment within 45 days of delivery of service
- States should permit "prospective payment," that is, a child can attend child care and the parent can go to work and the provider is assured payment while an eligibility case is being reviewed.

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In states that pay a reimbursement rate lower than the federally-recommended 75<sup>th</sup> percentile of the market rate, require states to *allow* providers to charge an amount above the copayment (not to exceed the rate charged to private-pay parents).

- Currently, some states allow this practice and others specifically prohibit the practice.
- This could incent states to move toward reimbursement at the 75<sup>th</sup> percentile over time.
- This will support providers in their efforts in continuous quality improvement. ECEC members report that the number one thing holding back quality is low reimbursement rates.

Require states to maintain a waiting list of those eligible for and seeking child care assistance and to report the number of families and children on the list annually to the U.S. Department of Health and Human Services. Current law requires states to report on the numbers served. States should also be required to report on how many are turned away.

Please visit [www.ececonsortium.org](http://www.ececonsortium.org) for the status and details of CCDBG Reauthorization in Congress, regulations from the Department of Health and Human Services, and state action.