

Indiana Family and Social Services Administration Office of Early Childhood and Out-of-School Learning

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The Office of Early Childhood and Out-of-School Learning would like to thank the providers and families that shared feedback regarding the new subsidy reimbursement rates. In response to the comments and questions received, the following FAQ's have been developed.

How can I find the subsidy reimbursement rate for my child care?

To check for a particular rate, please see the <u>Schedule of child care subsidy</u> reimbursement rates.

How were subsidy reimbursement rates set?

The rates set by OECOSL are the result of an Office of Child Care approved alternative rate methodology. The updated data used was collected from over 1,000 providers to produce rates that are reflective of the true cost of care. No changes were made to the methodology to reduce provider payments.

What is the difference between the new rates and the transitional rates?

Across all rate types, the decrease in new rates is approximately 16%. Nearly 60% of this decrease is due to the transitional rates set in 2023. In many cases, the transitional rates were not set at the true cost of care but rather remained at the increased rates providers received during the pandemic. The new rates reflect the approved methodology and actual cost data.

What is the effective date of the new rates?

The new rates are effective Oct. 5, 2025, and will apply to all current and future vouchers. The first payment reflecting these rates will be made to providers on Nov. 6, 2025.

How are providers reimbursed for enrollment and application fees?

An allowance for these fees has been added to the weekly reimbursement rate for all ages and provider types. Providers will not receive a separate payment for these fees.

Why have my rates changed more than the percentage change in the announcement? The percentages shared in the <u>rate announcement</u> were reflective of average changes that are seen across rate categories. Any single rate may differ from these averages.



What is my rate if I am not on Paths to Quality?

As with the transitional rates, providers not participating in PTQ and those at PTQ Level 1 are reimbursed at the same level.

What is the status of the CCDF Waitlist?

Currently, there are no plans to begin pulling children from the waitlist due to funding constraints. OECOSL continues to review budget data and will share periodic updates on the waitlist status.

What is a co-pay?

A co-pay is calculated based on income and years on program. The co-pay is collected by the provider.

What is an overage?

An overage is the difference between the provider rate and the subsidy reimbursement rate. The overage is collected by the provider.

What is the payment rate for special needs children?

Children with appropriately documented special needs are eligible to receive an additional 10% above the established reimbursement rates.