



## Alternative Payment Program

Children learning, parents earning, communities growing!

December 20th, 2023

### Fiscal Year 2023-24 Program Update #7- Changes Effective January 2024

#### What is happening?

Based on new state laws, Senate Bill (SB) and Assembly Bill (AB) 116, signed by Governor Newsom several policy changes will take effect in 2024. This update explains some of those changes. CDA will be releasing additional Program Updates with additional changes in January 2024.

#### Cost of Care Plus Rate Payments (Welfare Institutions Code (WIC) 10277.1 and 10277.2)

Pursuant to SB 140 and an agreement between the state and Child Care Providers United (CCPU) investments have been made to supplement subsidized child care reimbursements. Effective January 2024 all child care providers will receive a monthly, per-child payment in addition to their regular child care reimbursement. This additional payment is intended to supplement child care providers subsidized child care reimbursements.

Beginning with the **service month of December 2023** CDA will automatically apply the per-child Cost of Care Plus Rate Payment when processing each child's attendance record. Child care providers do not need to take any action to receive the Cost of Care Plus Rate Payments. These payments will continue through the service month of May 2025 with final payments to be made for active providers who submit timely attendance records in June 2025.

The Cost of Care Plus Rate Payments will be reflected on each provider's Explanation of Payment (EOP) that can be found in the CareConnect Provider portal.

The per-child rates are:

- License-exempt Family, Friend, or Neighbor (FFN) \$112.00 per child
- Family Child Home Provider and Child Care Centers \$160.00 per child

#### Definitions of Part-Time and Full-Time Care (WIC Section 10213.5)

Definitions for part-time care and full-time care have changed and are as follows:

- **Part-time care** is defined as child care certified for **fewer than 25 hours per week**. The part-time [Regional Market Rate Ceiling](#) (RMRC) will be authorized when a child is approved for care **less than 25 hours per week**.
- **Full-time care** is defined as child care certified for **25 or more hours per week**. The full-time [Regional Market Rate Ceiling](#) (RMRC) will be authorized when a child is approved for care **for 25 or more hours per week**.



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Effective with the **service month of March 2024** CDA will reimburse child care providers based on these new definitions. CDA staff will begin to issue new child care certificates to parents and child care providers in **January 2024** to those families that the new definitions impact. Child care providers are **not** required to change their hours of operation or rate sheets.

### Reimbursement Rate Categories (WIC Section 10228)

How a family's maximum [Regional Market Rate Ceiling](#) (RMRC) is selected has changed. If a licensed child care provider's reimbursement rate category could be interpreted as either **full-time weekly or full-time monthly** and CDA cannot determine a single rate category from the provider's rate sheet, CDA will select the applicable RMRC that results in the **higher reimbursement**. Currently this is the weekly RMRC.

In cases where a provider only **has a monthly rate**, CDA will be required to select the monthly RMRC when authorizing child care services. Child care providers may see a reduction in their reimbursement if they only have a monthly rate category and families may be responsible for any possible co-payments to the child care provider.

CDA staff will begin to issue new child care certificates to parents and child care providers in **January 2024** for those child care providers it has been determined only have a monthly rate category.

### Fluctuating Income (10271.6)

**Effective January 1, 2024** if a family has fluctuating income, the family is only required to submit 2 months of income prior to their certification or recertification. The family may choose to provide up to 12 months of income if the additional income provided would have a positive impact on the family's eligibility determination and/or reduce any applicable family fees.

If you have any questions regarding this program update, please contact your Specialist at [\(619\) 427-4411](tel:6194274411).