

School Readiness Market Rate and Payment Rate Overview

Presented by: Michele Watson
Early Learning Coalition Board Meeting
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Definition of Terms

- **Market Rate**—the rate set by a child care facility that is charged to the general public for unsubsidized care. CCR&R agencies collect these rates annually and trained specialists enter the rates into the EFS database for use in the referral process and the prevailing market rate calculation.
- **Collection of Data**- Child Care Providers in all counties of Florida are surveyed and demographic, program, and rate information is submitted to OEL.
- Results are compiled and published in the Market Rate Reports by Florida's Office of Early Learning.
- **Outliers** - For quality assurance purposes, full-time or part-time rates above \$300.00 and full-time rates less than \$50.00 and part-time rates less than \$25.00 are excluded from calculations.

Definition of Terms (cont.)

- **Prevailing Market Rate**—Until HB 7165 the Prevailing Market Rate was defined as the 75th percentile of a reasonable frequency distribution of market rates in a predetermined geographic market.
- The new definition "**Average Market Rate**" means the biennially determined average of the market rate by program care level and provider type in a predetermined geographic market

Definition of Terms (cont.)

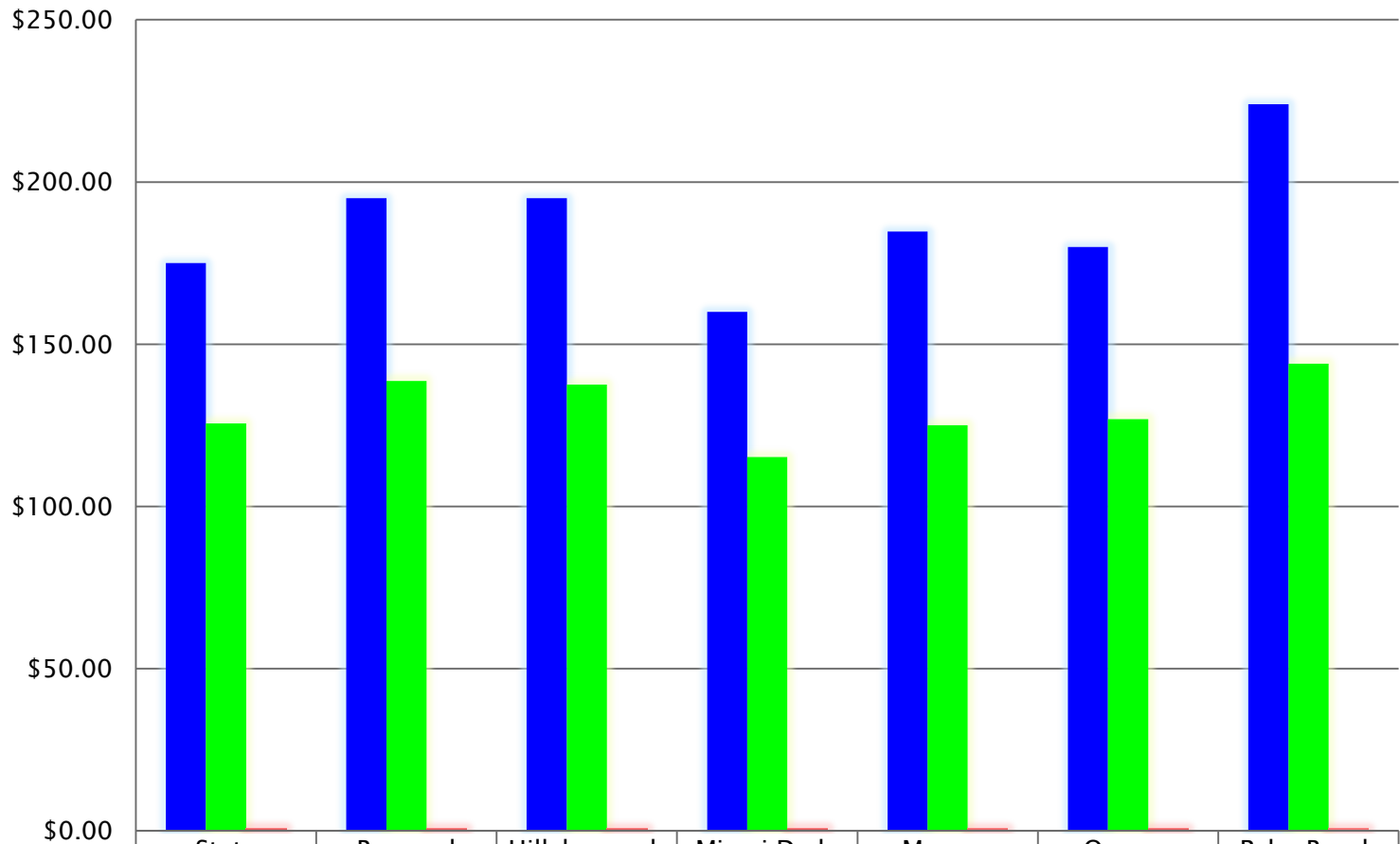
- **Provider Reimbursement Rate**—the maximum rate of payment established by each coalition for reimbursing child care facilities participating in the School Readiness program.
- Prior to the passage of HB 7165 Florida Statute stated that. “The Office of Early Learning must consider the access of eligible children to the school readiness program, as demonstrated in part by waiting lists, before approving a proposed increase in payment rates submitted by an early learning coalition.”

What are Payments Based on...

- Coalitions define provider reimbursement rates locally to meet the needs of the community within the current available budget.
- State law does not set a minimum threshold for provider reimbursement rates.
- Coalitions cannot reimburse a provider at a rate higher than the provider's private pay rate.
- Until the passage of HB7165 “**tiered reimbursement**” was not allowed with the exception of payment of a Gold Seal Differential.

Reimbursement Rates compared to Prevailing Market Rates Centers, Non Gold Seal, Full Time

Infant



■ 75th Percentile

■ Average Reimbursement Rate

■ Percent of 75th Percentile

State

Broward

Hillsborough

Miami-Dade

Monroe

Orange

Palm Beach

\$175.00

\$195.00

\$195.00

\$160.00

\$184.73

\$180.00

\$224.01

\$125.60

\$138.65

\$137.54

\$115.19

\$125.00

\$126.88

\$143.96

71.77%

71.10%

70.53%

71.99%

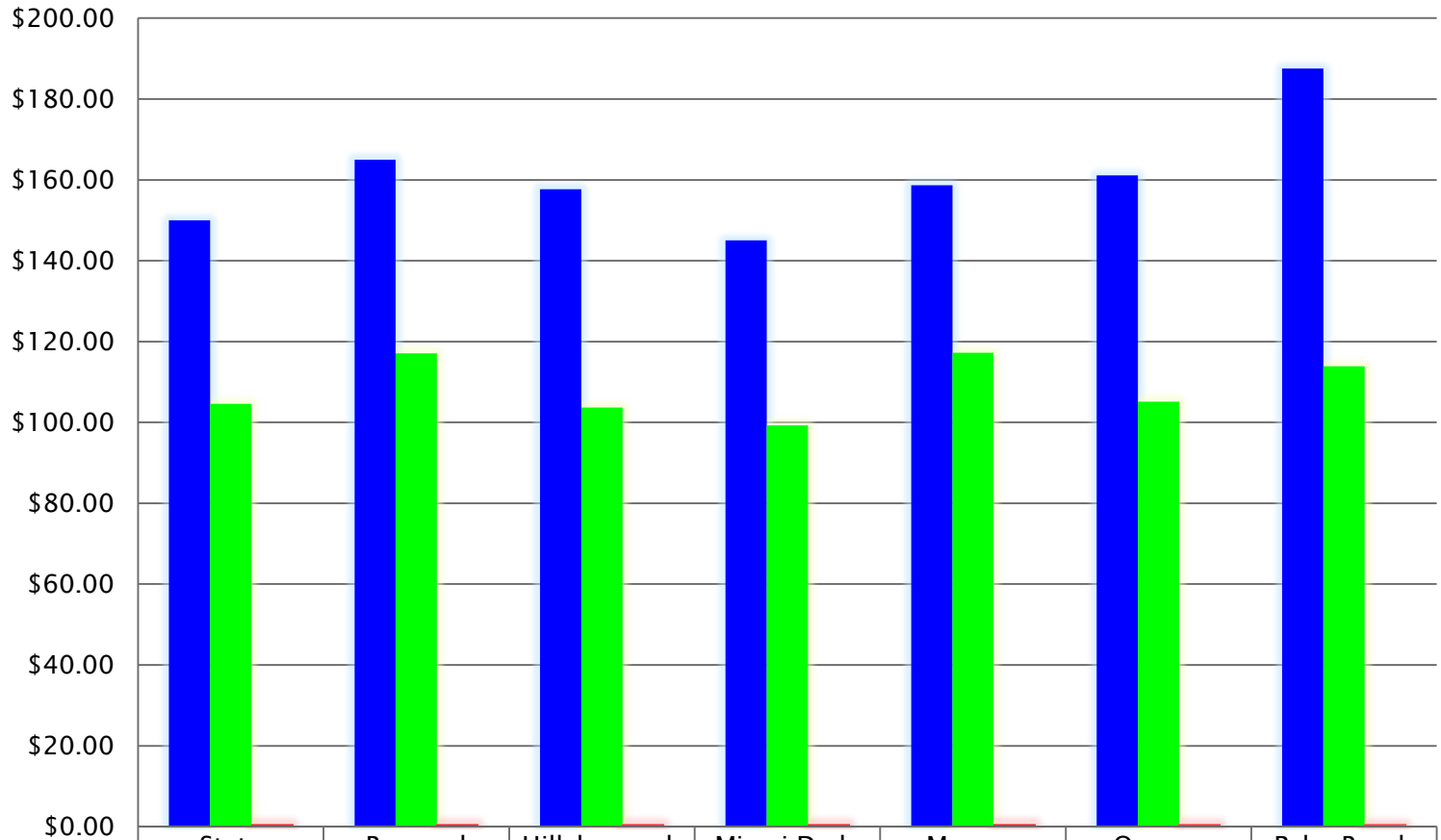
67.67%

70.49%

64.26%

Reimbursement Rates compared to Prevailing Market Rates Centers, Non Gold Seal, Full Time

Toddler



■ 75th Percentile

■ Average Reimbursement Rate

■ Percent of 75th Percentile

State

Broward

Hillsborough

Miami-Dade

Monroe

Orange

Palm Beach

\$150.00

\$165.00

\$157.70

\$145.00

\$158.69

\$161.13

\$187.50

\$104.60

\$117.10

\$103.66

\$99.28

\$117.22

\$105.16

\$113.85

69.73%

70.97%

65.82%

68.47%

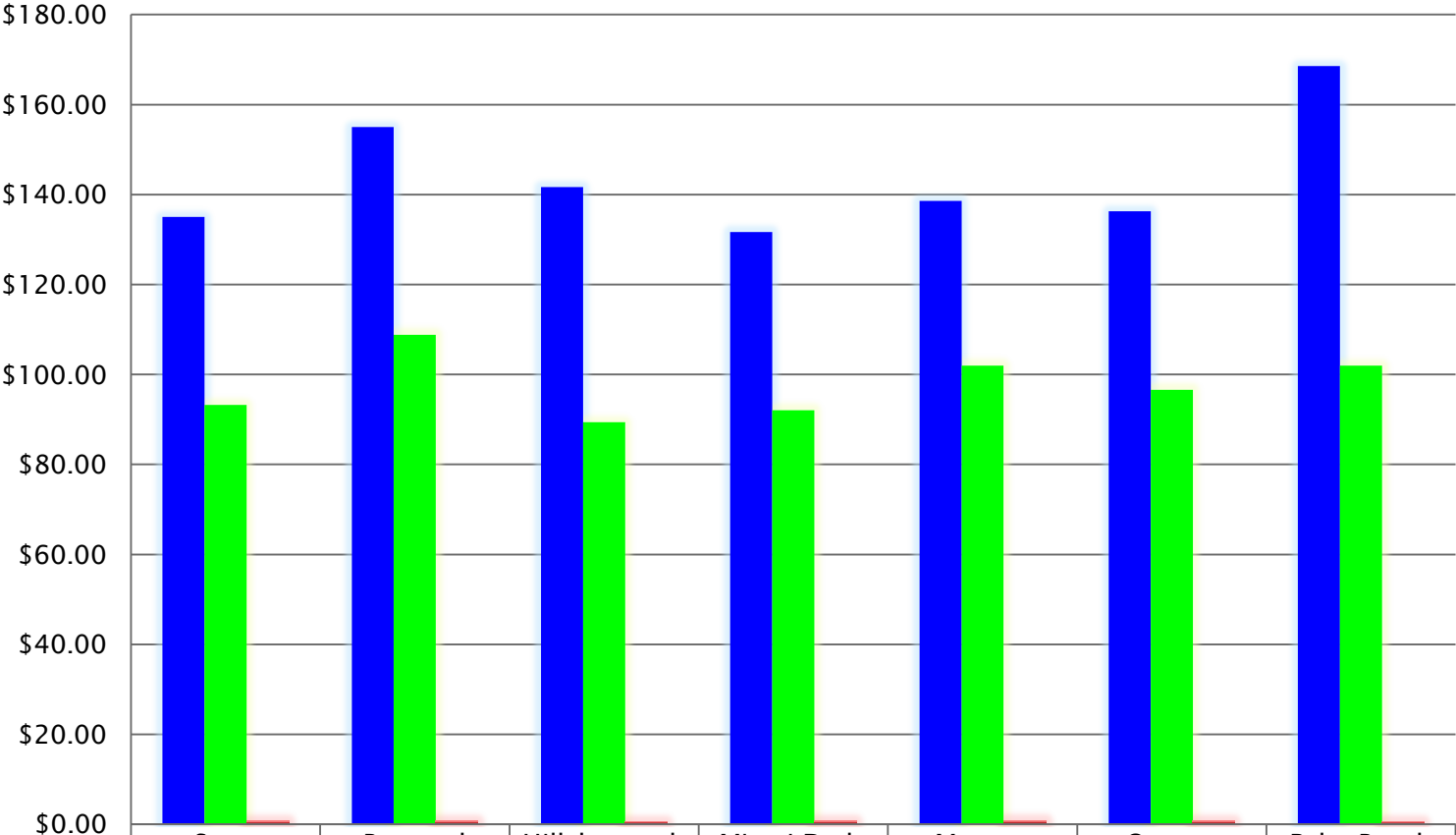
73.87%

65.26%

60.72%

Reimbursement Rates compared to Prevailing Market Rates Centers, Non Gold Seal, Full Time

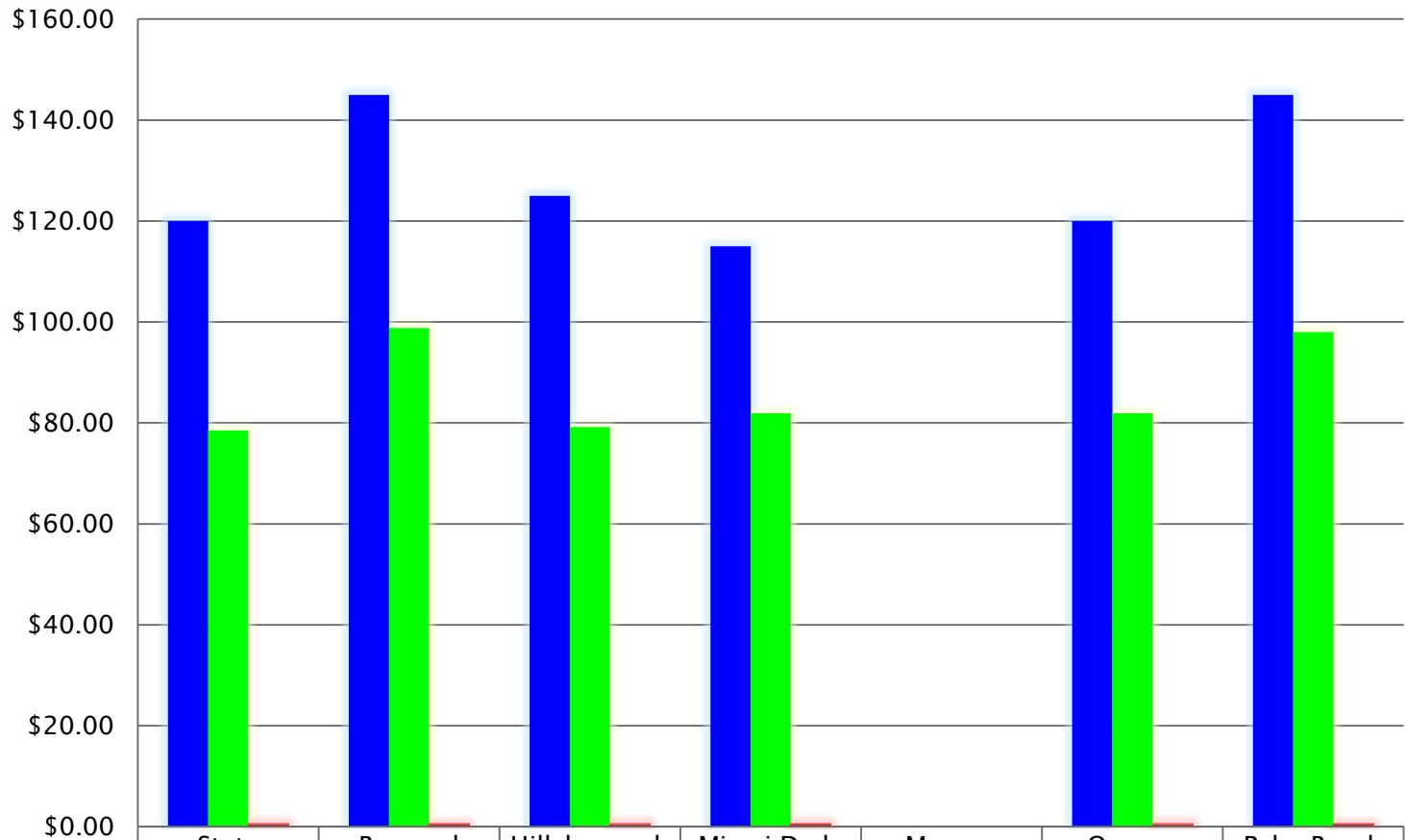
Preschool



■ 75th Percentile	\$135.00	\$155.00	\$141.67	\$131.67	\$138.57	\$136.25	\$168.53
■ Average Reimbursement Rate	\$93.20	\$108.82	\$89.36	\$92.07	\$101.99	\$96.62	\$101.97
■ Percent of 75th Percentile	69.04%	70.21%	63.08%	69.92%	73.60%	70.91%	60.51%

Reimbursement Rates compared to Prevailing Market Rates Centers, Non Gold Seal, Full Time

School Age



■ 75th Percentile

■ Average Reimbursement Rate

■ Percent of 75th Percentile

State

Broward

Hillsborough

Miami-Dade

Monroe

Orange

Palm Beach

\$120.00

\$145.00

\$125.00

\$115.00

\$0.00

\$120.00

\$145.00

\$78.51

\$98.81

\$79.17

\$81.91

\$0.00

\$81.88

\$97.97

65.43%

68.41%

63.34%

71.23%

0.00%

62.23%

67.57%

What the Data Shows

- Coalitions have made local decisions based on their enrollments, available providers, wait lists, and quality expenditures.
- Provider Reimbursement Rates vary greatly across the state with no single methodology for calculation.
- Provider Reimbursement Rates do not take into account varying levels of available quality within a geographic market.

Next Steps

- Complete a detailed analysis by zip code of current School Readiness providers to determine their private pay rate in comparison with the coalition Reimbursement Rate and number of School Readiness children served.
- Work with Dr. Abby Thorman to determine the impact of any tiered reimbursement plan on Miami-Dade and Monroe County.
- Provide findings and recommendations to the Board at the December 5th Board Meeting.