
By: **Delegate Heller**

Introduced and read first time: February 9, 1998

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Residential and Nonresidential Child Care Centers - Per Child**
3 **Rate-Settings**

4 FOR the purpose of requiring certain private residential or nonresidential child care
5 programs licensed by certain State agencies to establish a per child rates per
6 service, subject to the State's allowable cost policy; requiring certain residential
7 or nonresidential child care programs to submit their per child rate to the
8 Special Secretary for Children, Youth, and Families by a certain date; requiring
9 the Special Secretary to provide appropriate forms and instructions for the
10 submission of rates and changes in rates; requiring the Special Secretary to
11 publish the per child rates by a certain date; requiring certain residential or
12 nonresidential child care programs to submit their proposed rate changes within
13 a certain time frame before the rate changes take effect; authorizing the Special
14 Secretary to audit certain residential or nonresidential child care programs;
15 defining certain terms; and generally relating to the per child rates set by
16 certain residential or nonresidential child care programs.

17 BY adding to
18 Article 49D - Office for Children, Youth, and Families
19 Section 39 to be under the new subtitle "Child Care Programs"
20 Annotated Code of Maryland
21 (1994 Replacement Volume and 1997 Supplement)

22 Preamble

23 WHEREAS, The current practice of rate setting by the Governor's Office for
24 Children, Youth, and Families for rates paid to providers of private residential child
25 care programs has not produced a system to encourage efficiency and the
26 development of additional resources through payments to those providers; and

27 WHEREAS, A process for setting rates for certain nonresidential programs and
28 services for children has not been established; and

29 WHEREAS, Certain historic providers in the system are subject to rates below
30 cost, while certain new providers are funded at full cost; and

1 WHEREAS, Rates paid for services purchased pursuant to this subtitle should
2 be determined by competition in the private marketplace; and

3 WHEREAS, A system which permits competition in the marketplace will help to
4 ensure equity among providers and high-quality, cost-effective programs and
5 services and will permit providers of residential child care programs and
6 nonresidential children's programs to have the flexibility to respond quickly to the
7 changing needs of its purchasers; and

8 WHEREAS, The Special Secretary for Children, Youth, and Families should
9 establish a process sufficiently flexible to ensure that providers can meet the needs of
10 children and families referred to the providers; now, therefore,

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article 49D - Office for Children, Youth, and Families**

14 **CHILD CARE PROGRAMS.**

15 39.

16 (A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
17 INDICATED.

18 (1) "AGENCIES" MEANS THE DEPARTMENTS OF HEALTH AND MENTAL
19 HYGIENE, HUMAN RESOURCES, AND JUVENILE JUSTICE.

20 (2) "NONRESIDENTIAL CHILD CARE PROGRAM" MEANS A PROGRAM
21 THAT:

22 (I) PROVIDES SERVICES FOR CHILDREN IN A NONRESIDENTIAL
23 SETTING, DESIGNED TO ACHIEVE OBJECTIVES RELATED TO THE NEEDS OF THE
24 CHILDREN SERVED; AND

25 (II) IS LICENSED AND MAINTAINED BY THE DEPARTMENTS OF
26 HEALTH AND MENTAL HYGIENE, HUMAN RESOURCES, AND JUVENILE JUSTICE.

27 (3) "RESIDENTIAL CHILD CARE PROGRAM" MEANS A PROGRAM THAT:

28 (I) PROVIDES CARE FOR CHILDREN 24 HOURS A DAY WITHIN A
29 STRUCTURE OF SERVICES AND ACTIVITIES DESIGNED TO ACHIEVE OBJECTIVES
30 RELATED TO THE NEEDS OF THE CHILDREN SERVED; AND

31 (II) IS LICENSED AND MAINTAINED BY THE DEPARTMENTS OF
32 HEALTH AND MENTAL HYGIENE, HUMAN RESOURCES, AND JUVENILE JUSTICE.

33 (4) "SERVICES" MEANS FOOD, CLOTHING, SHELTER, EDUCATION, SOCIAL
34 SERVICES, HEALTH CARE, MENTAL HEALTH CARE, AND RECREATION.

1 (B) PRIVATE RESIDENTIAL OR NONRESIDENTIAL CHILD CARE PROGRAMS
2 LICENSED BY STATE AGENCIES SHALL ESTABLISH A PER CHILD RATE PER SERVICE,
3 SUBJECT TO THE STATE'S ALLOWABLE COST POLICY, AND CHARGE ALL PURCHASERS
4 THE SAME RATE.

5 (C) (1) RESIDENTIAL OR NONRESIDENTIAL CHILD CARE PROGRAMS SHALL
6 SUBMIT THEIR PER CHILD RATES TO THE SPECIAL SECRETARY FOR CHILDREN,
7 YOUTH, AND FAMILIES NO LATER THAN APRIL 1, 1999.

8 (2) THE SPECIAL SECRETARY SHALL PROVIDE APPROPRIATE FORMS
9 AND INSTRUCTIONS FOR THE SUBMISSION OF RATES UNDER THIS SUBSECTION.

10 (3) THE SPECIAL SECRETARY SHALL PUBLISH THE PER CHILD RATES NO
11 LATER THAN JUNE 15, 1999.

12 (D) (1) AFTER APRIL 1, 1999, RESIDENTIAL AND NONRESIDENTIAL CHILD
13 CARE PROGRAMS SHALL SUBMIT TO THE SPECIAL SECRETARY ANY CHANGES IN
14 THEIR PER CHILD RATES PER SERVICE.

15 (2) THE SPECIAL SECRETARY SHALL PROVIDE APPROPRIATE FORMS
16 AND INSTRUCTIONS FOR CHANGES IN RATES.

17 (3) RESIDENTIAL AND NONRESIDENTIAL CHILD CARE PROGRAMS SHALL
18 SUBMIT THEIR PROPOSED RATE CHANGES NO LATER THAN 3 MONTHS BEFORE THE
19 CHANGE IS SCHEDULED TO TAKE EFFECT.

20 (E) THE SPECIAL SECRETARY MAY REQUIRE AN AUDIT OF ANY RESIDENTIAL
21 OR NONRESIDENTIAL CHILD CARE PROGRAM.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 1998.