

## **B1: Provider Experiences with the Subsidy System: What We Know and Need to Know to Improve Quality and Supply of Subsidized Care**

Wednesday, February 7, 2018

2:30 p.m. – 3:45 p.m. | Washington I

### **1. Descriptive Information**

<p><b>B1: Provider Experiences with the Subsidy System: What We Know and Need to Know to Improve Quality and Supply of Subsidized Care</b></p> <p>This interactive discussion addresses what we know – and what we <i>need</i> to know – about providers’ experiences with the subsidy system. The first panelist will present a brief overview of research findings on providers’ experiences with the subsidy system. The facilitator will then engage the panel in a discussion of the following questions:</p> <ul style="list-style-type: none"><li>• What does “provider-friendly” policy look like?</li><li>• What are the challenges to states to implement “provider-friendly” policy? What tools are available within CCDBG reauthorization to support providers?</li><li>• What are some of the study design and data challenges and opportunities for studying provider experiences with the subsidy system and the impact of CCDBG on provider supply and quality?</li><li>• What are the key questions that need to be addressed to inform future research on providers?</li></ul> <p>Audience participation will be encouraged particularly to create a list of panel/audience-generated questions to inform future research. These questions will be shared with the CCEEPRC community after the conference.</p>	<p><b>Facilitator</b> <b>Pam Joshi for Julia Henly</b>, University of Chicago</p> <p><b>Panelists</b> <b>Pam Joshi</b>, Brandeis University <b>Jocelyn Bowne</b>, Massachusetts Department of Early Education and Care <b>Melanie Brizzi</b>, Child Care State Capacity Building Center, ICF <b>Monica Rohacek for Gina Adams</b>, Urban Institute <b>Rena Hallam</b>, University of Delaware <b>Teresa Derrick-Mills</b>, Urban Institute</p> <p><b>Scribe</b> <b>J.R. Sayoc</b>, ICF</p>
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### **2. Documents Available on Website** (Please list any electronic documents or web links used during the session.)

The session organizers conducted an informal survey of CCEEPRC members to identify 1) provider-based research and 2) research questions of interest. These survey results were briefly presented. The main focus of this session was a roundtable discussion with audience participation.

### **3. Brief Summary of Presentations**

- **Summary of Presentation #1:**
  - Survey questions
    - Experiences with subsidies and willingness to participate
    - Experiences with subsidies and participation in quality improvement
    - Experiences with subsidies that vary across different types of providers
    - 3 most pressing research questions
  - Subsidy participation:
    - National
      - NCESE: Is subsidy use more right for centers than home based providers?
    - State

- Oregon: Large family child care homes are more likely to participate vs small family child care (FCC) and centers
- Subsidy participation in Massachusetts
  - Centers more likely to participate
  - Higher gap between subsidy reimbursement and private pay, less like to participate
- Why do providers enter subsidy system?
  - Subsidy policy
    - Reimbursement rates
  - Subsidy system- implementation practices
    - Accurate notification
    - Accurate payments and paperwork
    - Ease of communication
  - Providers of local markets
- Subsidy participation and interaction with quality improvement efforts
  - Type of provides
    - Family and friends network (FFN) providers are often not eligible to participate in QRIS can't be studied
    - Some FCC providers find QRIS helpful and some do not
- Subsidy participation variation across provider type
  - Differs for FCC provider vs informal care providers
    - Home-based providers may not have staff or have time to be on phone finding out about QRIS
- Pressing Research Questions
  - Provider recruitment
    - How providers make decisions to participate in subsidybased on cost and benefits?
  - Effects of CCDBG act of 2014
  - Funding financial stability and child care market
    - Effective way to support supply due to market challenges
  - Engagement in quality initiatives
    - How can FFN and FCC be engaged in quality improvement efforts?

#### **4. Brief Summary of Discussion**

##### **Roundtable discussion**

What does provider friendly policy look like?

- i. Doing no harm to providers – support providers as a business
  1. Policies that can help produce steady revenue streams - Help providers rely on subsidies as a consistent source of revenue
  2. Policies to alleviate administrative burden
    - a. What a provider has to do to receive payments for new child and payments each month?
    - b. Administrative practices can take away from time with children and PD
  3. Do no harm towards supporting providers to service more families
    - a. Special technical assistance and training, requirements for FNN care
  4. Different providers have different motivations
    - a. Some providers will participate no matter how burdensome subsidy systems are
      - i. Their driving mission is to support vulnerable families and rely on subsidy system
    - b. Some providers will only join if subsidy is and easy enough to manage

- ii. What are the challenges to states to implement “provider- friendly” policy? What tools are available within CCDBG reauthorization to support providers?
  - a. CCDBG Act and final rule
  - b. Providers motivation and messaging to help professionalize the field
    - i. Be high quality and effective
    - ii. Includes some additional barriers to meeting requirements
  - c. Support the cost of quality with timely subsidy payments are great but
    - i. Barriers from the states perspective include
      - 1. State budgets
      - 2. Different agencies managing funds
        - a. Quality
        - b. Licensing
        - c. Etc.
  - d. Impacts of policies
    - i. 12 month eligibility impact on employment rates
  - e. Integrity and accountability
    - i. Important that program be seen to have integrity and accountability
- 2. Nature of state eligibility/data system themselves
  - a. IT systems are often old and inefficient
    - i. Expensive to replace
    - ii. Replacing is very difficult
  - b. Complexity of process in system
    - i. Multiple agencies are responsible for different parts
    - ii. Messaging is not consistent across agencies
    - iii. Communication can be challenging between agencies
      - 1. Agencies work in silos
  - c. Tension around funding
    - i. Hard to put money towards kids in programs
    - ii. CCDBG has provided space for states to address priorities
      - 1. Continuity of care

What are some of the study design and data challenges and opportunities for studying provider experience with the subsidy system and the impact of CCDBG on provider supply and quality?

- i. What is it like to a provider to be engaged in subsidy and quality?
  - 1. Subsidy system is hard to navigate
  - 2. Professional development can help
  - 3. Providers ability to engage across systems instead of with multiple individual systems would ease navigation such as between licensing, QRIS and subsidy
- ii. Factors affecting provider participation in CCDF voucher program
  - 1. Providers informal cost benefit analyses
  - 2. Individual provider characteristics
  - 3. Provider program characterizes
  - 4. Community characteristics
  - 5. Policy context
  - 6. CCDF policies and implementation practices

### **Open Q&A and Discussion**

How do these local support entities help providers, and what do they help them with? What range of supports do the provider look for?

- i. Local supports: family child care networks (quality improvement, paperwork support, food programs)

1. CCR&R: services that work with homebased providers
2. Associations
3. Unions for providers

Research study idea, how big a role does provider reimbursements rate play in relation to willingness to participate and participation

- i. CCDBG Requirement that providers costs gets taken into account
- ii. Report on Urban Institute on how market rates impact willingness to participate or not in subsidy
  1. Depends on the provider and alternate options for revenue
- iii. Georgia is paying for lower rates in subsidy
  1. When faced with the choice of raising reimbursement rates or keeping rates the same and increasing the numbers of children served on subsidy, providers chose to keep rates and increase subsidy enrollment

Comment: It's about kids not money; be cautious about what providers tell you they do vs what they do

What restriction might exist in the subsidy system that might act as barriers for providers to participate in shared services?

- Unaware of any barriers at the federal level
- No research about it at all, unsure if that is allowed?
  - At federal level money is paid for a service, use of money is up to the providers
  - Participation in shared services helpful in reducing amount of effort required by the providers
    - Often a natural collaboration among providers
      - Often not related to state but some shared services are

Comment: Two things, for more of a work around, we rely too much on surveys, stakeholder engagement. Love to see some support or work around to see impacts of policy changes or variations made. See some ethnography looking at who is able to access a system from a family, work in communities to see how that access is enacted.

Family friendly – need to define this; parents have different preferences; some families do not want to go to an agency, some families want remote assistance and other families want to interact with agency staff.

- Cost effective, providers are subjected to cost
- Who is helping the family and what does family friendly entail, how much help can be provided?
  - Differs by state
    - Providers want to help families with paperwork, doing a caseworker job
    - Some providers did not want to do the work of caseworkers

**5. Summary of Key issues raised** (facilitators are encouraged to spend the last 3-5 minutes of sessions summarizing the key issues raised during the session; bullets below are prompts for capturing the kinds of issues we're looking for)

**Summary of research questions generated from the session:**

1. What/ how local supports support providers – at system level? What is the range of the supports? Which providers are able to participate?
2. How big a role (how important) is reimbursement rate as compared to the other factors?
3. How to pull together market rate surveys and cost of providing care?
4. Do we consider willingness to participate in subsidy (vs participation)?
5. How do providers feel about payment rates vs volume served? Interactions with tiered reimbursement and quality? Also considering quantitatively, how do providers act?
6. Are there shared services that can facilitate meeting administrative requirements (e.g., reporting)? How can these work? Does participation in shared services reduce burden on providers? Are small centers at a disadvantage (diseconomies of scale)?
7. How can we capitalize on natural variation?

8. Which families can participate? How does this relate to what we are learning about providers?
9. What systems-level issues might underlie issues (family friendly and provider friendly can conflict – e.g., remote reassessment)?
10. How can supporting providers support families?