



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

500 Summer St. NE, E-15

Salem, OR 97301

Voice: 503-945-5600

Fax: 503-581-6198

February 23, 2022

The Honorable Senator Lew Frederick, Co-Chair
The Honorable Representative Susan McLain, Co-Chair
The Honorable Senator Michael Dembrow, Member
The Honorable Senator Chuck Thomsen, Member
The Honorable Representative Teresa Alonso Leon, Member
The Honorable Representative Bobby Levy, Member
The Honorable Representative E. Werner Reschke, Member
The Honorable Representative Ricki Ruiz, Member

Joint Committee On Ways and Means Subcommittee On Education
900 Court Street NE
Salem, OR 97301-4048

Re: Follow up on HB 4005

Dear Chair Frederick, Chair McLain, and Members of the Committee,

Please accept this information in response to questions during the Joint Committee on Ways and Means Subcommittee hearing on HB 4005. Following a presentation by ODHS on February 21, 2022, Representative Levy asked questions about Employee Related Day Care types and rates referenced in the presentation. Please find the department's response below.

There are two broad categories of child care providers: licensed or license-exempt; the latter is sometimes referred to as Family, Friend, and Neighbor providers. Child care provider rates for licensed providers are determined based on review of the March 2021 Oregon Child Care Market Price Study, which documents the amount each licensed provider type is charging for services. By increasing licensed home provider rates to the 90th percentile of the Market Price Study, subsidy payments would be paid at or above 90 percent of the average amount charged by each provider type in a geographically defined area. License-exempt providers are not a part of the Market Price Study as they do not charge the same way as licensed businesses do. Many license-exempt providers charge hourly rates or

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provide care to family members at a reduced rate. In order to support this provider base as well, HB 4005 would increase their rates by 18 percent over existing reimbursement rates.

Finally, regarding Representative Levy’s second question about enhanced versus unenhanced provider types: “Enhanced” refers to providers who are license-exempt and have taken additional courses that qualify them for a higher rate of payment, but who are still not required to be licensed. Certified centers are licensed, and standard centers and enhanced centers are license-exempt. Because of increased training requirements and certifications, licensed providers charge more than license-exempt providers, and subsidy rates reflect this difference. This is further explained by the table below:

Provider type	Definition	Licensed/License-exempt
FAM	Standard Family Provider	License-Exempt
NQC	Standard Center Provider	License-Exempt
QFM	Enhanced Family Provider	License-Exempt
QEC	Enhanced Center Provider	License-Exempt
RFM	Registered Family Provider	Licensed
CFM	Certified Family Provider	Licensed
CNT	Certified Center Provider	Licensed

ODHS thanks Representative Levy for the questions and would be happy to provide further information upon request.

For additional information please contact:
Roberto A. Gutierrez
Government Relations Unit Manager
roberto.gutierrez@dhsosha.state.or.us
971-317-1265