Janet T. Mills Governor

Sara Gagné-Holmes Commissioner



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March 14, 2025

Senator Ingwersen, Chair Representative Meyer, Chair Members, Joint Standing Committee on Health and Human Services 100 State House Station Augusta, ME 04333-0100

Re: LD 561 – An Act to Ensure Subsidy Reimbursements for Certain Child Care Providers

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services,

Thank you for the opportunity to share in information in support of LD 561, *An Act to Ensure Subsidy Reimbursements for Certain Child Care Providers*.

This bill would require the Department to reimburse child care providers under the Child Care Affordability Program (CCAP) based on generally accepted payment practices, which includes paying providers based on enrollment instead of the current practice which pays providers based on the attendance of each individual child.

Payments to providers based on enrollment, prospective payments, reduced co-pays, and child care slot contracts are new requirements under the Child Care Development Block Grant (CCDBG) and OCFS will be implementing payments based on enrollment this year. OCFS supports this bill since it aligns with the State's General Fund investment in CCAP. The forthcoming Baxter child care management system is being developed to pay providers based on enrollment and to meet other federal requirements. That system will go live later this year.

OCFS urges the Committee to vote ought to pass on LD 561.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

Bobbi L. Johnson, LMSW Director Office of Child and Family Services Maine Department of Health and Human Services