

COVID-19 Essential Workers—Allowing Providers to Charge the Difference Discussion Paper

1 Background

2 On March 24, 2020, the Texas Workforce Commission’s (TWC) three-member Commission
3 approved expanding the state’s definition of Protective Services Child Care to include children
4 of COVID-19 Frontline Essential Workers.

5 TWC Child Care Services rule §809.21 requires Local Workforce Development Boards (Boards)
6 to reimburse providers at the Board’s maximum reimbursement rate or at the provider’s
7 published rate—whichever is lower.

8 Additionally, in accordance with §809.13(c)(11), Boards may have a local policy to allow
9 providers to charge the difference between their published rate and the Board’s maximum rate—
10 there is no statewide policy.

11 Furthermore, §809.92(c) prohibits providers from charging the difference between the provider’s
12 published rate and the amount of the Board’s reimbursement rate to parents who are exempt
13 from the parent share of cost based on protective services eligibility.

14 Issue

15 Private-pay parents whose children are enrolled with a child care provider may qualify for
16 COVID-19 Frontline Essential Worker child care. If the provider’s published rate is higher than
17 the Board’s maximum rate, then the provider will receive less revenue if the private-pay parents
18 qualify for subsidies.

19 Decision Point

20 Staff seeks direction on allowing providers to charge the difference to families that were
21 previously private-pay and continue to be served by the provider as COVID-19 Frontline
22 Essential Workers through the approval of the following waivers:

- 23 • Waiving §809.92(c) to allow providers to charge the difference to protective services
24 families that qualify as COVID-19 Frontline Essential Workers
- 25 • Waiving §809.13(c)(11) to allow for a statewide policy for providers charging the difference
26 for COVID-19 Frontline Essential Workers who were previously private-pay