



State Early Childhood Development Coordinating Council (SECDCC)

Feb. 19, 2025

Agenda

- Welcome and Introductions
- Interim State Superintendent of Education Remarks
- HealthCare4ChildCare Update
- Findings from Early Childhood Educator Pay Equity Fund Research
- Department of Health Care Finance Update
- Announcement and Public Comments
- Wrap Up



Welcome and Introductions



Interim State Superintendent of Education Remarks



HealthCare4ChildCare Update



The State Early Childhood Development Coordinating Council

February 19, 2025

HealthCare4ChildCare Through DC Health Link

Eliza Navarro Bangit, J.D.

DC Health Benefit Exchange Authority





Agenda

- Overview
- Enrollment
- Wait List



Overview

HealthCare4ChildCare (HC4CC) through DC Health Link helps OSSE licensed child development facilities provide affordable health insurance for their employees.

Free & lower premiums started January 1, 2023.



HC4CC Current Enrollment

- HC4CC covers 1,967 people – 1,607 employees and 360 dependents.
- HC4CC covers 220 facilities (157 employers).
 - More than 8 in 10 eligible facilities are enrolled.
- Since January 2023, HC4CC has helped 2,414 people and 231 facilities.



HC4CC Has High Participation

82% of likely eligible facilities are enrolled in HC4CC.

HBX identified 268 facilities that are eligible for group coverage and to date have enrolled **220** into HC4CC group coverage (82%).

Background data: There are 432 currently licensed early child development facilities but not all are eligible for HC4CC group coverage. Some have more than 100 employees (FTEs) and do not qualify due to their size. Some do not have any employees and to qualify for group coverage a facility must have an employee, e.g., employ contractors. Also, some facilities have employees but those workers have other coverage such as Medicare, Medicaid, or group coverage through a spouse.



HC4CC District Small Businesses Enrolled By Ward (January 1, 2025)

Ward	# of OSSE Licensed District Businesses	# of Eligible District Businesses*	# of District Businesses Enrolled in HC4CC	% of Eligible District Businesses Enrolled in HC4CC
Ward 1	38	23	20	87%
Ward 2	48	26	20	77%
Ward 3	40	31	28	90%
Ward 4	88	55	50	91%
Ward 5	60	39	28	72%
Ward 6	53	37	31	84%
Ward 7	46	23	16	70%
Ward 8	59	34	27	79%
Total	432	268	220	82%

**69 OSSE-licensed facilities have more than 100 FTEs and thus do not qualify for HC4CC group coverage because of their size. Additionally, we have confirmed through individualized outreach that 83 facilities have employees who all have other coverage, e.g., Medicare, Medicaid, or group coverage through a spouse. Finally, 12 facilities do not have employees and do not qualify for group coverage.*



HC4CC Local \$1 Spending = \$1+ in Premium Benefit

100% of HC4CC funding pays for premiums

The cost of administering HC4CC is absorbed by HBX.

GROUP COVERAGE

For every HC4CC \$1 spent on group coverage, the District gets \$1.31 in premium value due to contributions from employers.

Employers contribute what they are able toward premium. These employers can't afford full price and if it wasn't for HC4CC funding paying a portion of the premium, the employers wouldn't be contributing and employer dollars would not be part of financing health insurance.

INDIVIDUAL & FAMILY COVERAGE

For every HC4CC \$1 spent on individual coverage, the District gets \$1.29 in premium value due to APTCs from the federal government.

Federal monthly lower premium (with premium tax credits) is available for residents and families covered in individual and family plans.



HC4CC FY2025 Funding \$12 Million

- Workers, dependents, and facilities currently covered can stay covered and won't lose their HC4CC health insurance.
- Workers and their dependents who are DC residents can continue to enroll in HC4CC Individual & Family plans.



HC4CC Wait List

- Developed a policy for a Wait List (Fall 2024).
- HC4CC Advisory Council and OSSE provided valuable feedback (Fall 2024).
- Sent emails to HC4CC-enrolled facilities and facilities not enrolled in HC4CC to inform them about the wait list (Fall 2024).
- HC4CC Advisory Council advised that currently covered facilities should hear from DC Health Link how they are impacted, and in this case, they are not as long as they stay covered.
- Waitlist in effect starting January 1, 2025.
- Current Wait Listed Facilities: 0



How the Wait List works: Who is Not Subject to the HC4CC Wait List

- Qualified workers who are DC residents, including workers losing Medicaid.
- New or existing employees of currently enrolled facilities:
 1. New hires.
 2. Existing employees who didn't enroll before but now want to enroll.
- Currently enrolled employers opening a new location. Employees in the new location are eligible to be added to the existing group coverage.



How the Wait List Works: Wait List Applies to Facilities Not Currently Enrolled in HC4CC

Priority status on wait list:

1. New ownership of a facility that is currently enrolled (*Fact-based analysis*)
2. Facilities licensed as a home or expanded home.
3. Facilities located in Wards 1, 4, 5, 7, or 8.
4. Facilities that participate in the Child Care Subsidy Program.
5. Facilities that deliver full day care to children ages 0-5.
6. All other facilities that deliver full day care and do not fall into any of the above categories.
7. All other facilities that do not fall into any of the above categories.

*A scoring system may be developed depending on demand.



Findings from Early Childhood Educator Pay Equity Fund Research

Wednesday, February 19, 2025

Learning from the FY24 Implementation of the Early Childhood Educator Pay Equity Fund

Presentation for the February 2025 SECDCC Meeting



**Child Care Policy
Research Partnership**



Child Care Policy Research Partnership

2019 and 2022 Child Care Policy Research Partnership Grants

Phase 1 (2019-2024)

- Pandemic shifted focus to issues of workforce turnover and well-being
- Launch of DC's Early Childhood Educator Pay Equity Fund in 2022 offered opportunity to gather parents' and providers' perspectives during planned data collections

Phase 2 (2022-2026)

- Implementation study of Pay Equity Fund
- Mixed-methods, community-engaged approach

This project is supported by grant funding from the Administration for Children and Families (ACF) of the US Department of Health and Human Services (HHS) (Grant No. 90YE0284) for the District of Columbia Child Care Policy Research Partnership Study, totaling \$1.6 million with 100 percent funded by ACF/HHS. The contents and views expressed are those of the authors and do not necessarily represent the official views of, nor an endorsement by, ACF/HHS or the US Government. The views should not be attributed to the Urban Institute, its trustees, or its funders. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples

Project team and partners

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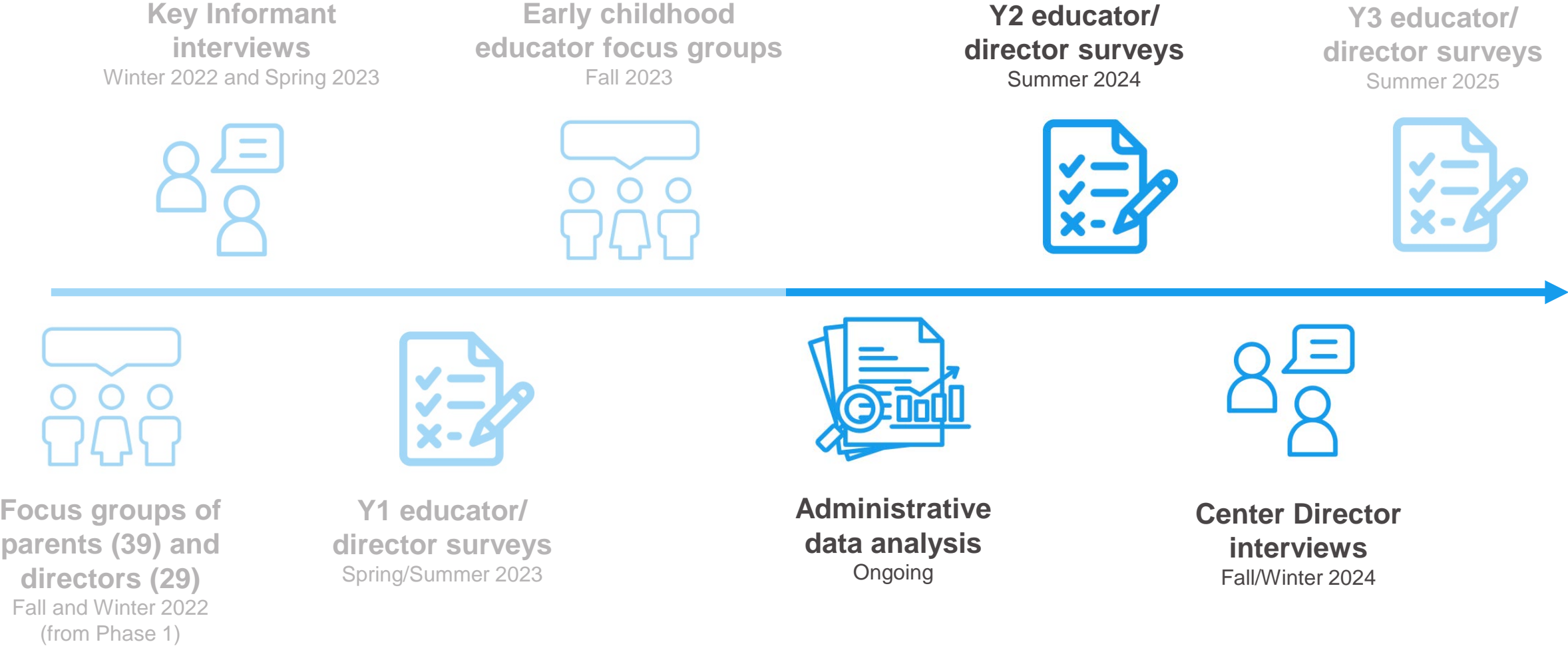
District of Columbia Office of the State Superintendent of Education (OSSE), Division of Early Learning (DEL)

Kathryn Kigera, Director of Quality Initiatives

Sara Mead, Deputy Superintendent of Early Learning

Hannah Matthews, Director of Policy, Planning, and Research

Project overview



Today's goals

- Share new findings from the FY24 implementation of the Pay Equity Fund:
 - **Opportunities** and **benefits** from receiving funding from the FY24 Pay Equity Fund
 - **Challenges, concerns**, and potential **unintended consequences** of participating in the FY24 Pay Equity Fund
- Learn about ongoing and future evidence needs

Our findings to date are published at our project's webpage:



Opportunities in Participating in the FY24 Pay Equity Fund

Directors believed the Pay Equity Fund was an opportunity to **support teacher compensation, recruitment, and retention**

“We want to be able to offer competitive pay and hire qualified teachers, and this was a huge factor.”

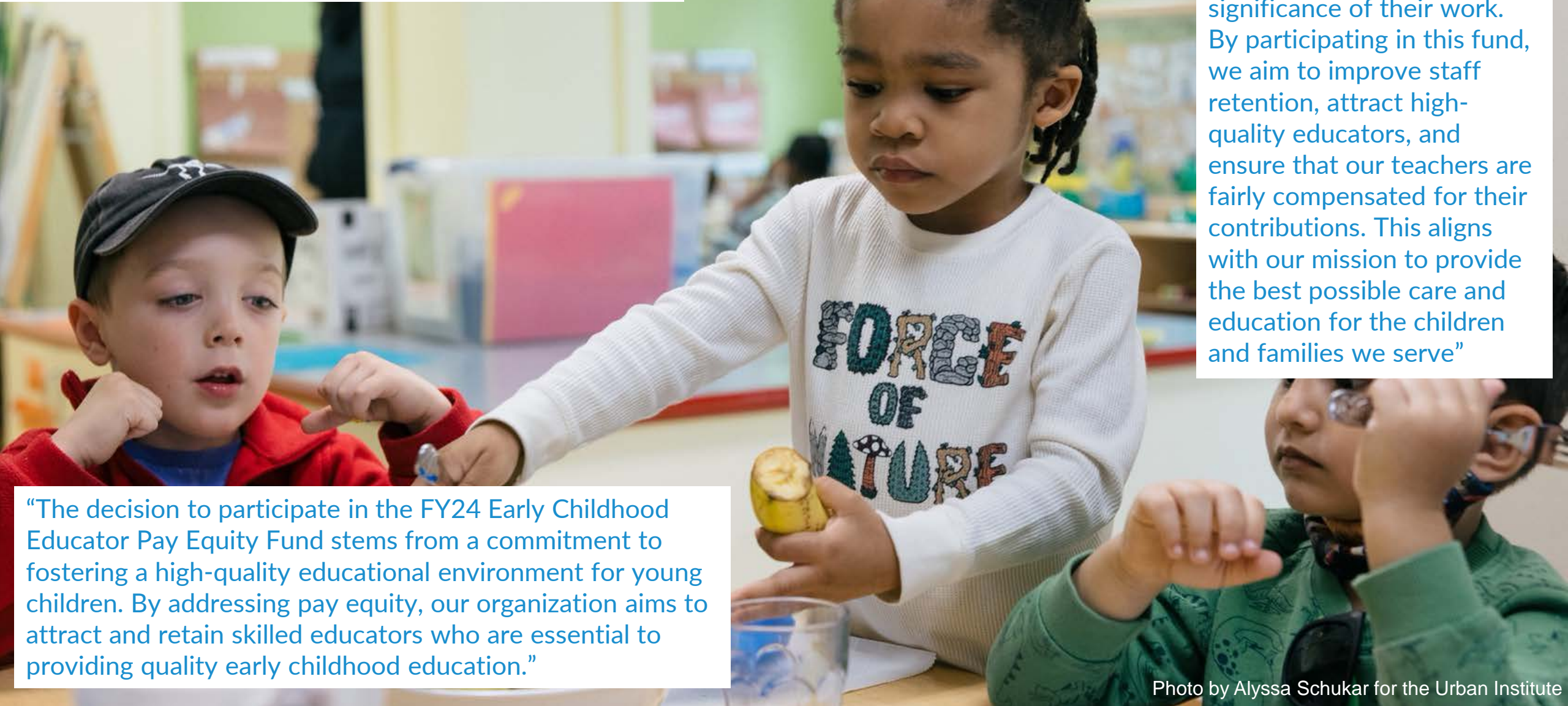
“The goal was to help recruit better staff, reduce turnover, and become competitive for high-performing staff.”

“The Early Childhood Educator Pay Equity Fund has created significant opportunities for our facility by allowing us to offer competitive salaries to our educators, which has improved staff retention and morale. It has also enhanced our ability to attract qualified, passionate teachers who are committed to providing high-quality care and education.”



Photo by Alyssa Schukar for the Urban Institute

Directors described the Pay Equity Fund as an opportunity to improve children's experiences



“Early childhood educators play a vital role in shaping young minds, and their pay should reflect the significance of their work. By participating in this fund, we aim to improve staff retention, attract high-quality educators, and ensure that our teachers are fairly compensated for their contributions. This aligns with our mission to provide the best possible care and education for the children and families we serve”

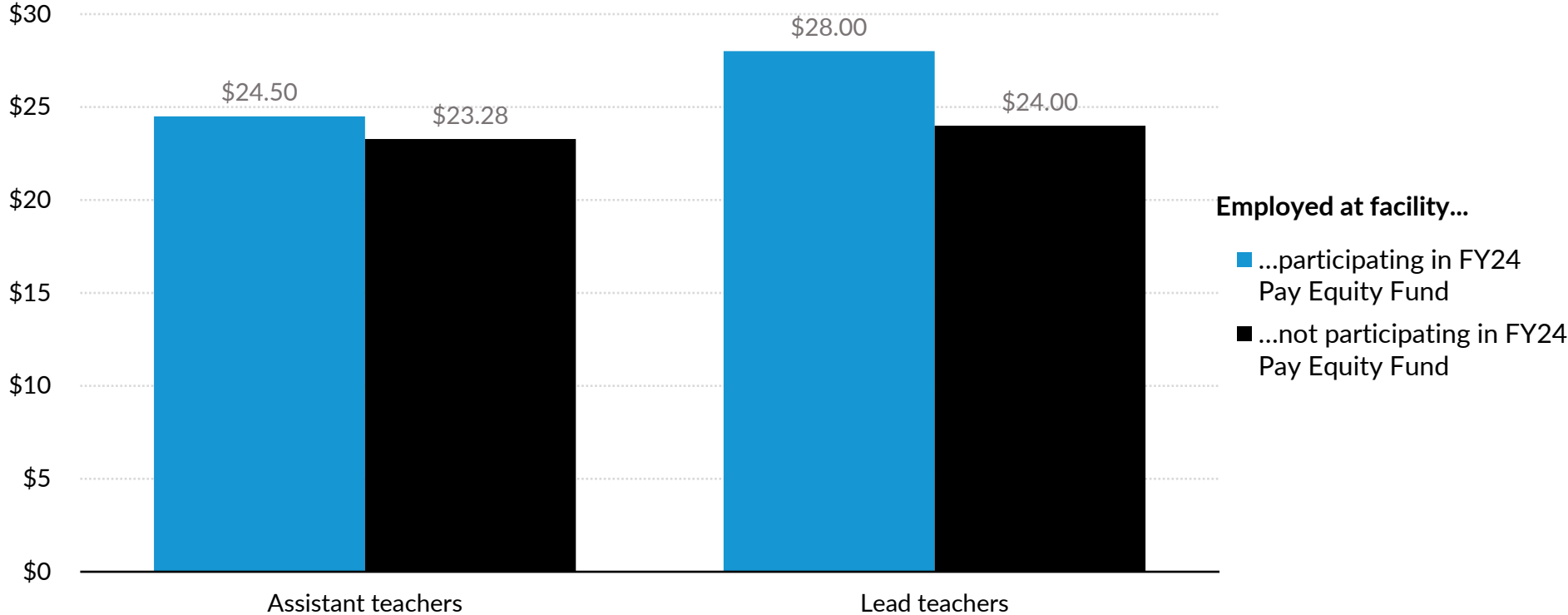
“The decision to participate in the FY24 Early Childhood Educator Pay Equity Fund stems from a commitment to fostering a high-quality educational environment for young children. By addressing pay equity, our organization aims to attract and retain skilled educators who are essential to providing quality early childhood education.”

Photo by Alyssa Schukar for the Urban Institute

Early Educator Compensation

Early educators at facilities participating in the FY24 Pay Equity Fund report higher wages

Median wages

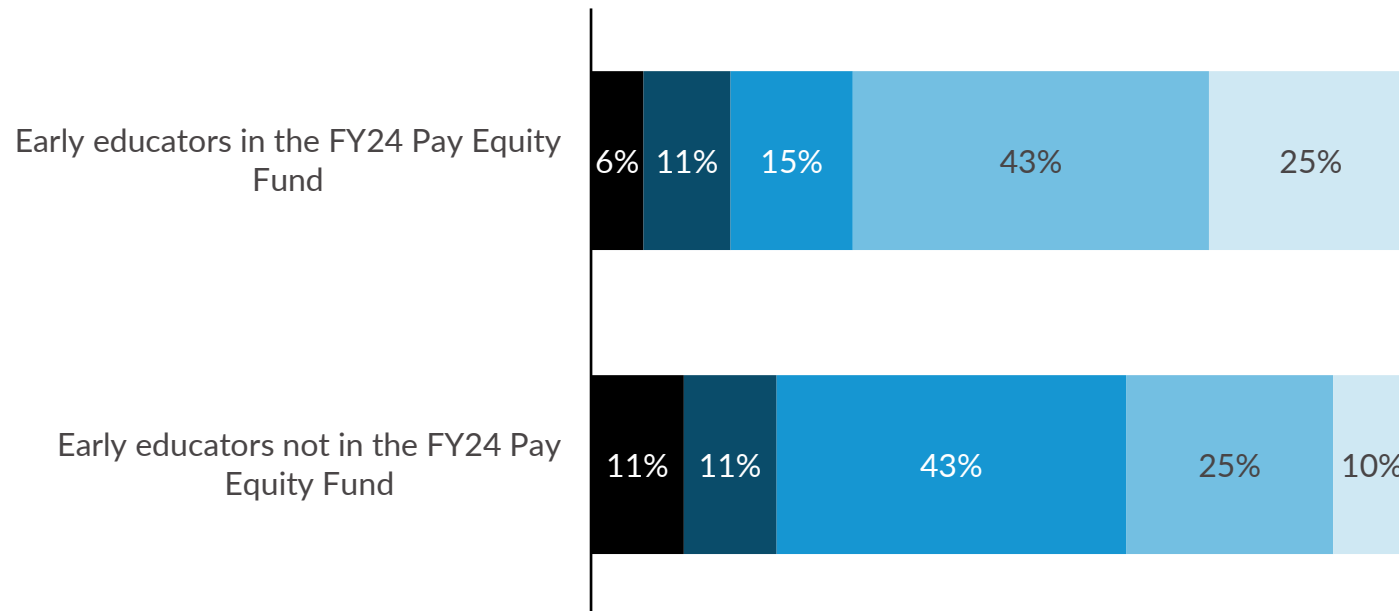


Source: Urban Institute analysis of workforce survey data.

Notes: Based on responses from 1901 educators in 2023 and 1115 educators in 2023. Analysis weights applied to account for survey non-response.

Early educators in the Pay Equity Fund were more satisfied with their pay

■ Very dissatisfied ■ Dissatisfied ■ Neither satisfied nor dissatisfied ■ Satisfied ■ Very satisfied



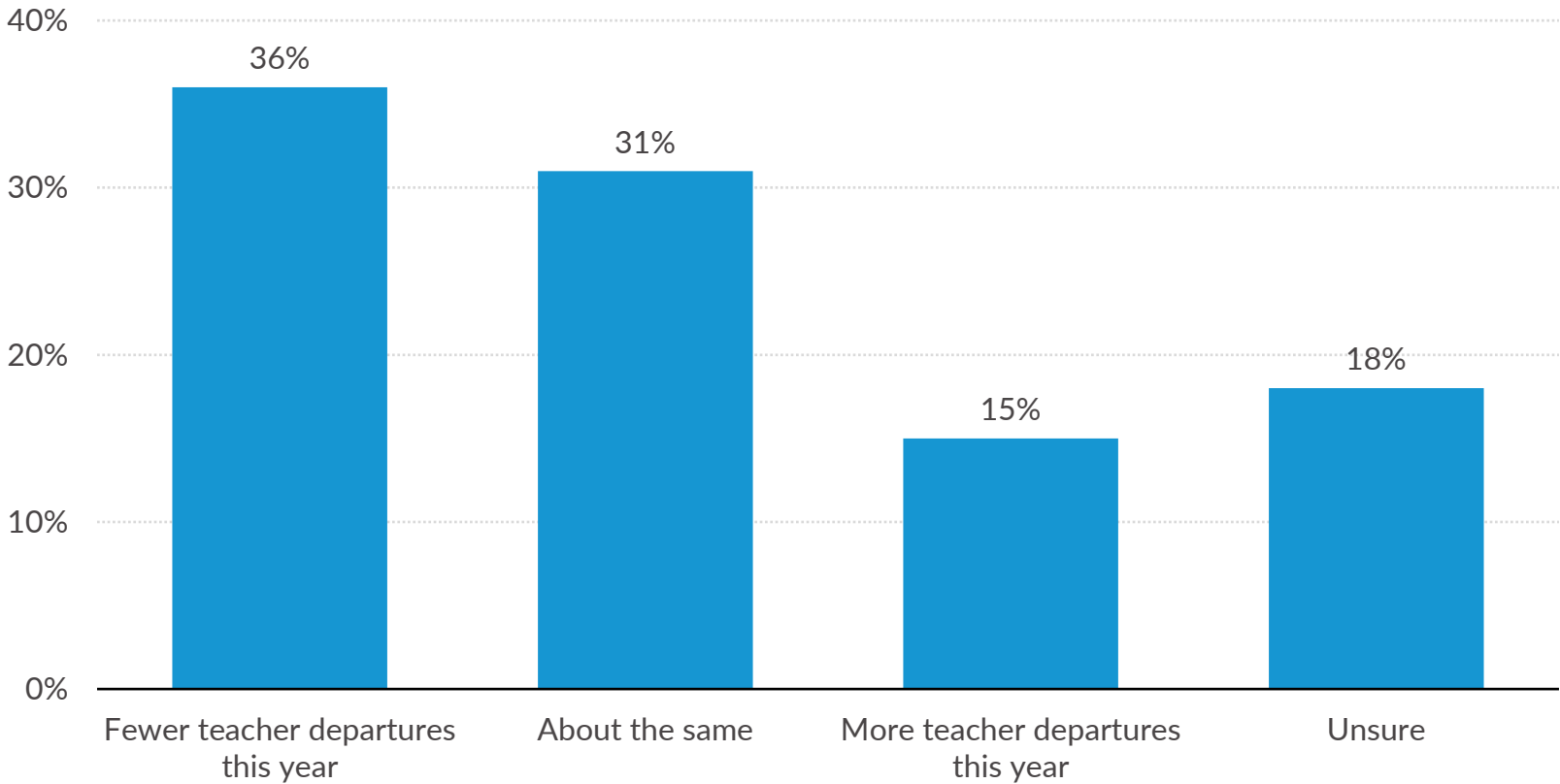
“They offer opportunities for professional growth and a competitive salary. This seems to me personally to be what motivates us the most and it is a very satisfying profession in every sense.”

“I didn't know they were giving this help, but I'm thankful, it helps me a lot.”

Hiring and Retention

Directors reported experiencing fewer teacher “departures relative to the prior year

Share of directors



Director perspectives:

- 63% agree or strongly agree that **their educators are less likely to quit** because of their facility’s participation (40% strongly agree)
- 71% agree or strongly agree that **it is easier to retain their best educators** because of their facility’s participation (41% strongly agree)

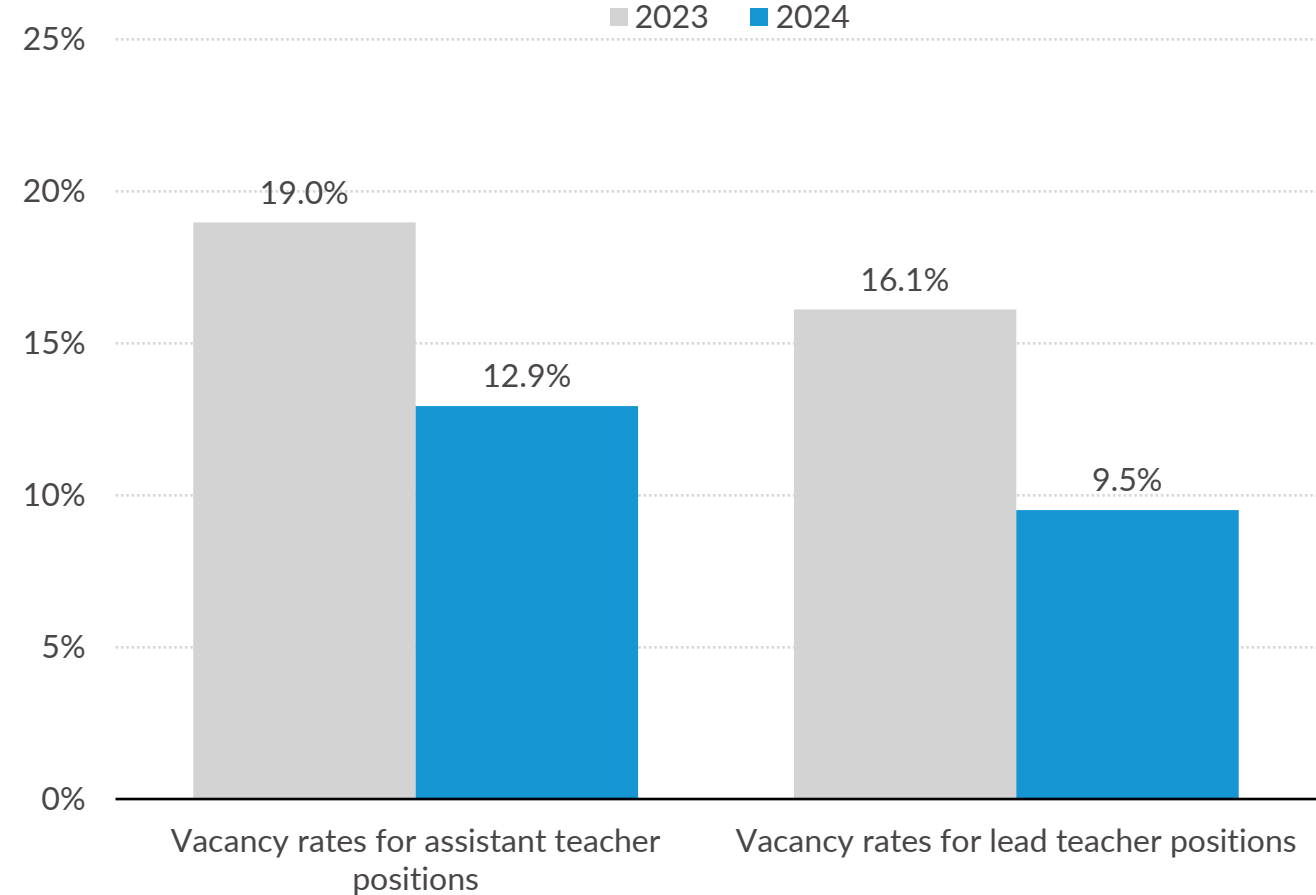
“Benefits to this programs are endless, the retention I’ve kept went up to 98% in the past 6 months.”

Source: Urban Institute analysis of workforce survey data.

Notes: Based on responses from 102 directors participating in the Pay Equity Fund. Analysis weights applied to account for survey non-response.

Directors also reported lower vacancy rates relative to the prior year

Share of directors



Director perspectives:

- 56% agree or strongly agree that **it has become easier to attract qualified educators** because of their facility’s participation (32% strongly agree)

Note: We defined vacancy rates as:

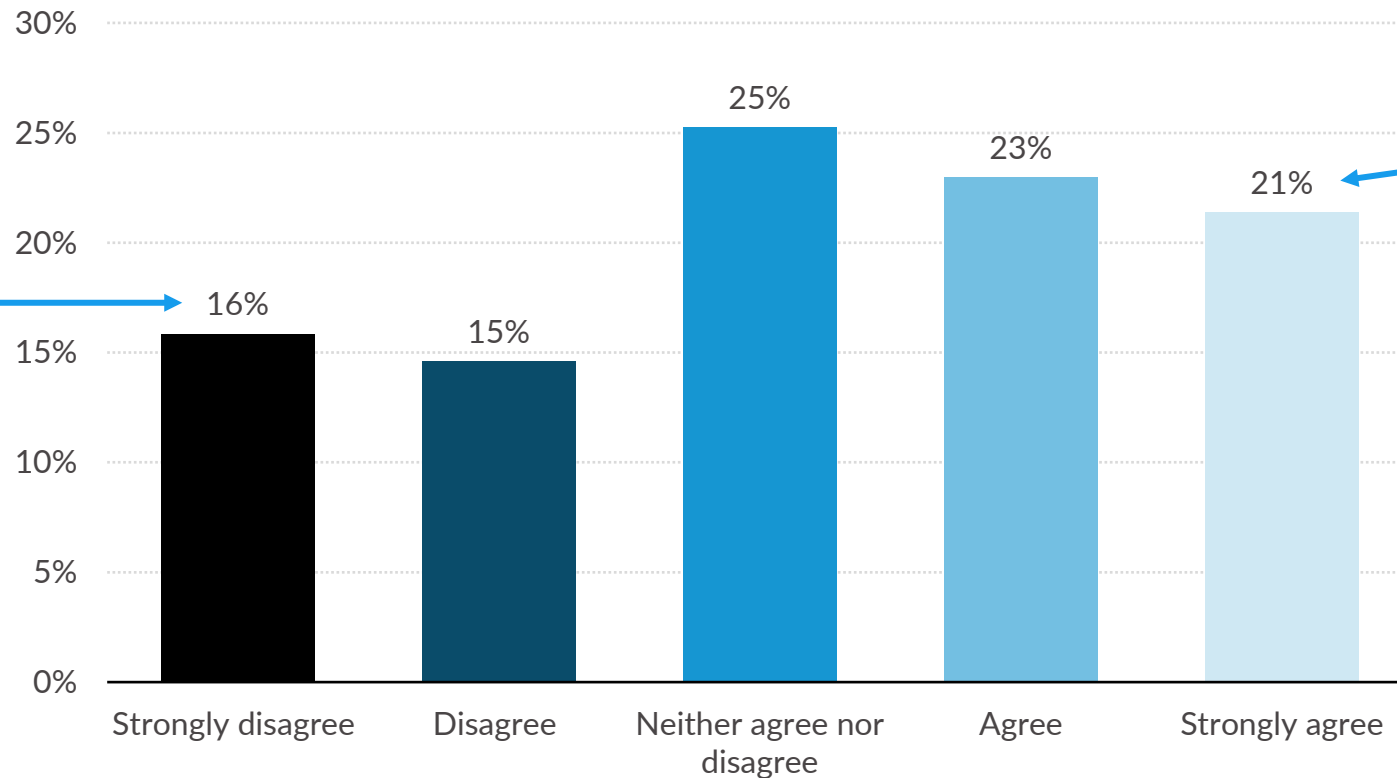
$$\frac{\# \text{ unfilled positions}}{\# \text{ currently filled positions} + \# \text{ unfilled positions}}$$

Source: Urban Institute analysis of workforce survey data.

Notes: Based on responses from 102 directors participating in the Pay Equity Fund. Analysis weights applied to account for survey non-response.

Many directors link the FY24 Pay Equity Fund to fewer teacher absences

Share of directors



“The challenges with staff absences has not changed, especially with the increased salaries.”

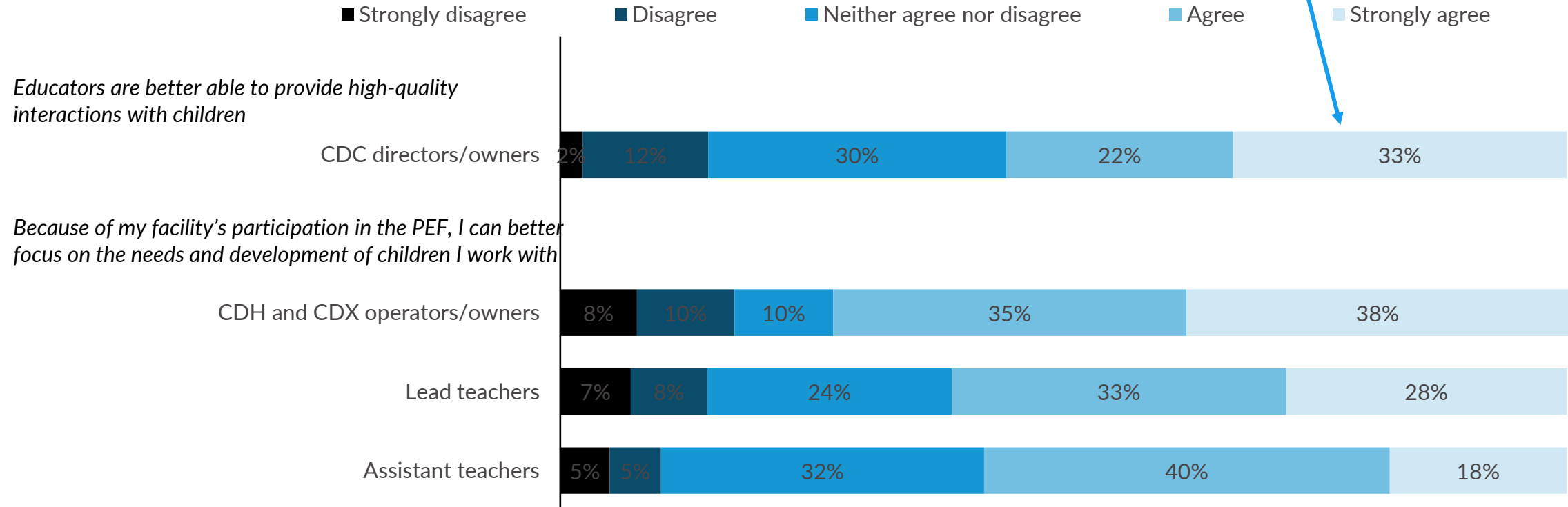
“We did initially experience more absences during the period in which pay equity payments were provided quarterly. The absences coincided with the payments. That’s improved markedly now that the funds are included in their hourly pay.”

Because of my center's participation in the FY24 Pay Equity Fund, there have been fewer unexpected educator absences at my facility.

Quality and Impacts on Children and Families

The Pay Equity Fund supports program quality and educators' interactions with children

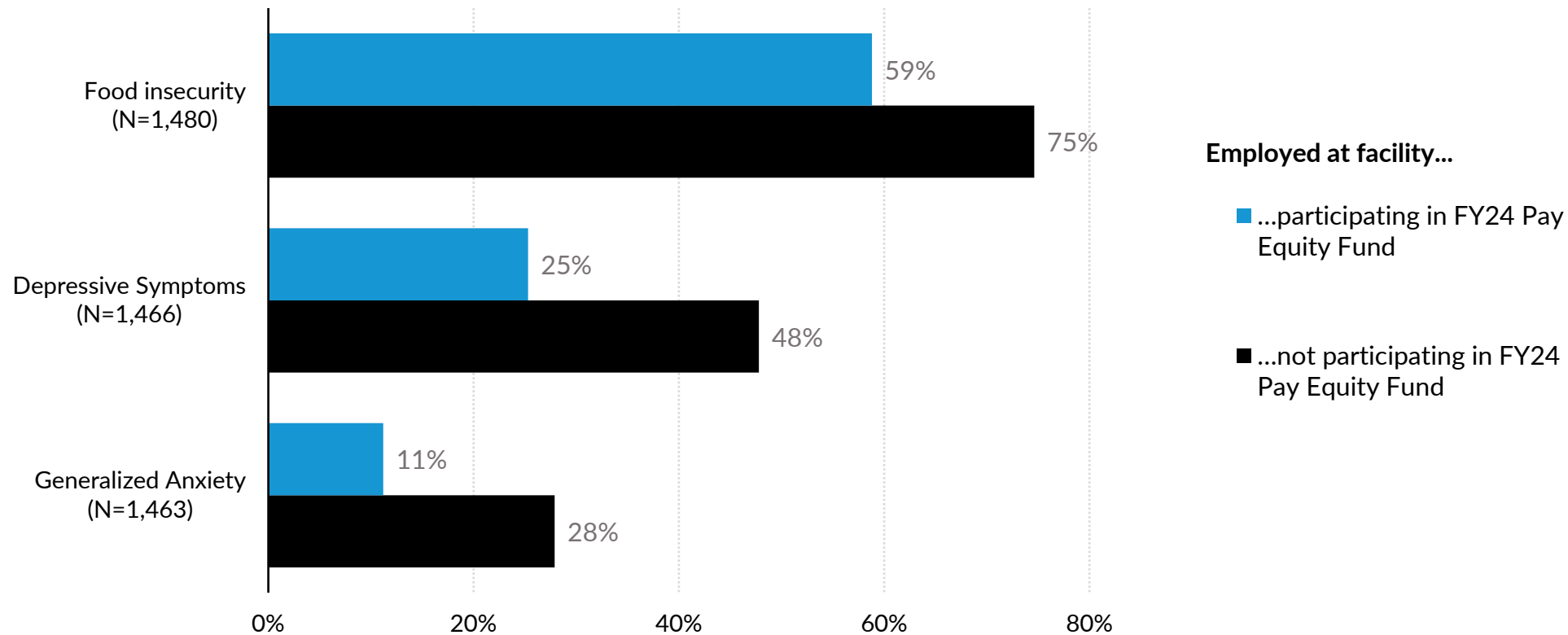
"I think there has been an increase in quality of care, improved sense of confidence and validation of the teachers."
 – Center director



Source: Urban Institute analysis of workforce survey data.

Notes: Based on responses from 87 directors, 31 home educators, and 854 educators. Analysis weights applied to account for survey non-response.

Educators have greater financial security and improved wellbeing outcomes under the Pay Equity Fund



Source: Urban Institute analysis of workforce survey data.

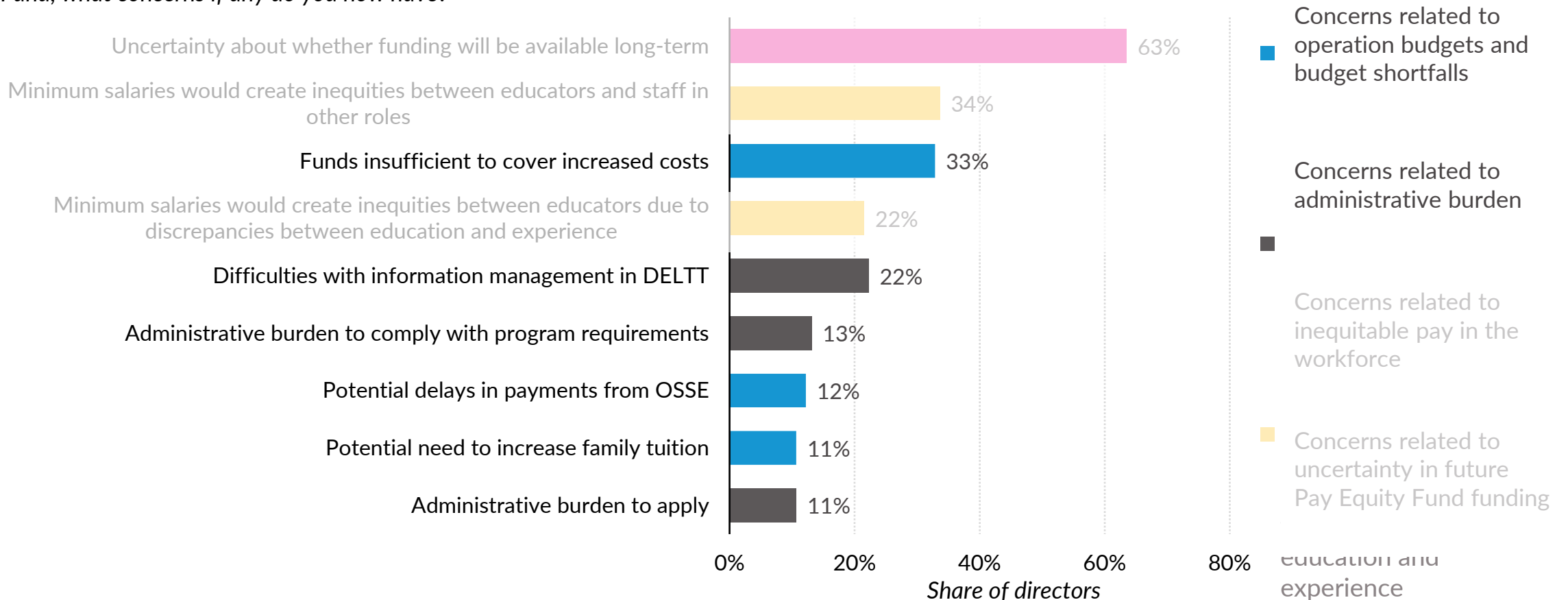
Notes: Based on responses from 1267 educators. Analysis weights applied to account for survey non-response. Food insecurity was measured using the 3-item USDA screener. Depressive symptoms were measured using the CES-D 7-item screener. Generalized Anxiety was measured using the Generalized Anxiety Disorder 2-item screener.

FY24 Implementation Lessons

Challenges, Concerns, and Unintended Consequences

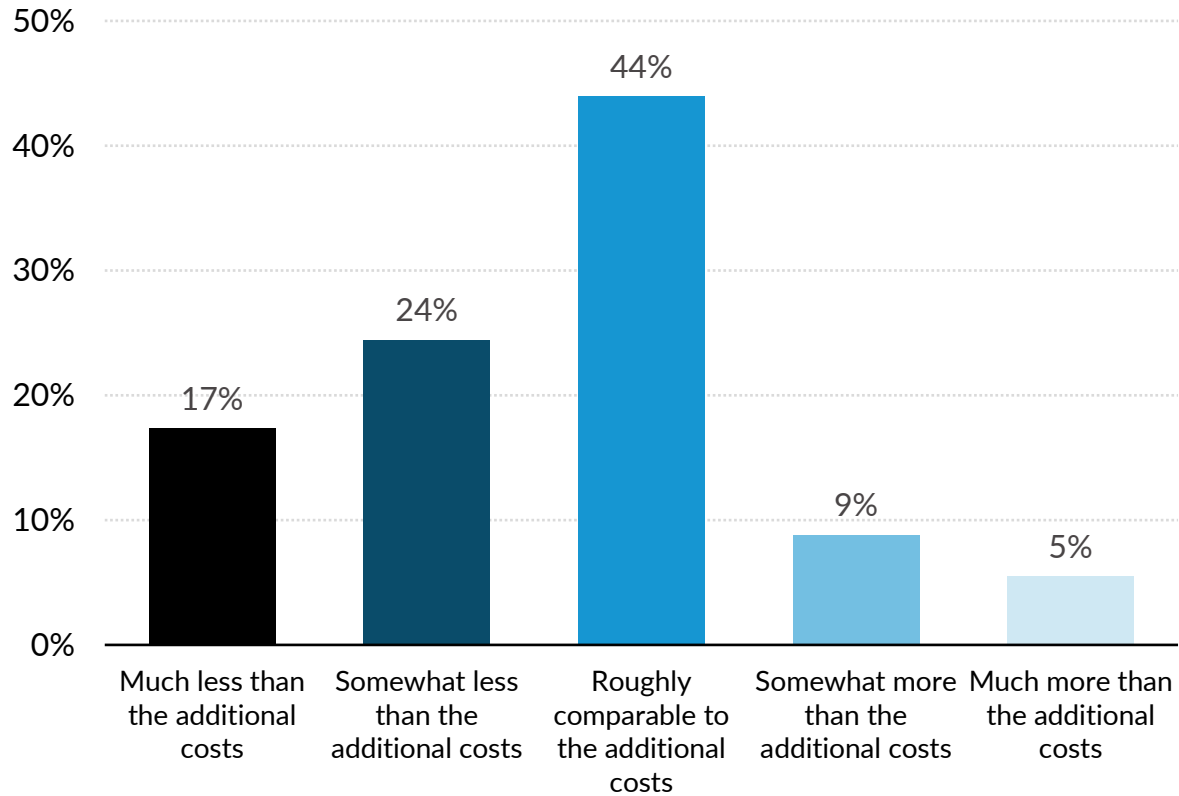
Concerns specific to FY24 implementation...

Now that your facility is receiving funds through FY24 Pay Equity Fund, what concerns if any do you now have?



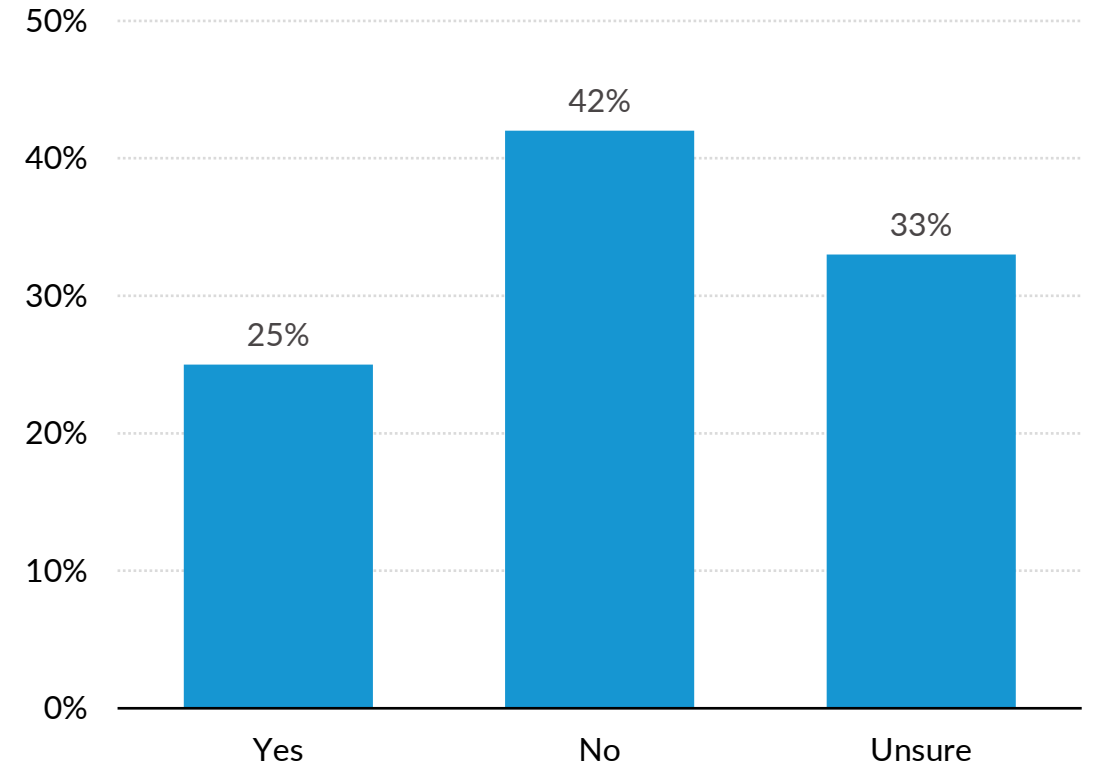
Some directors experienced budget shortfalls, with payments insufficient to meet increased operating costs

Share of directors



How have the payments your center(s) received compared to additional costs required to implement minimum salaries?

Share of directors

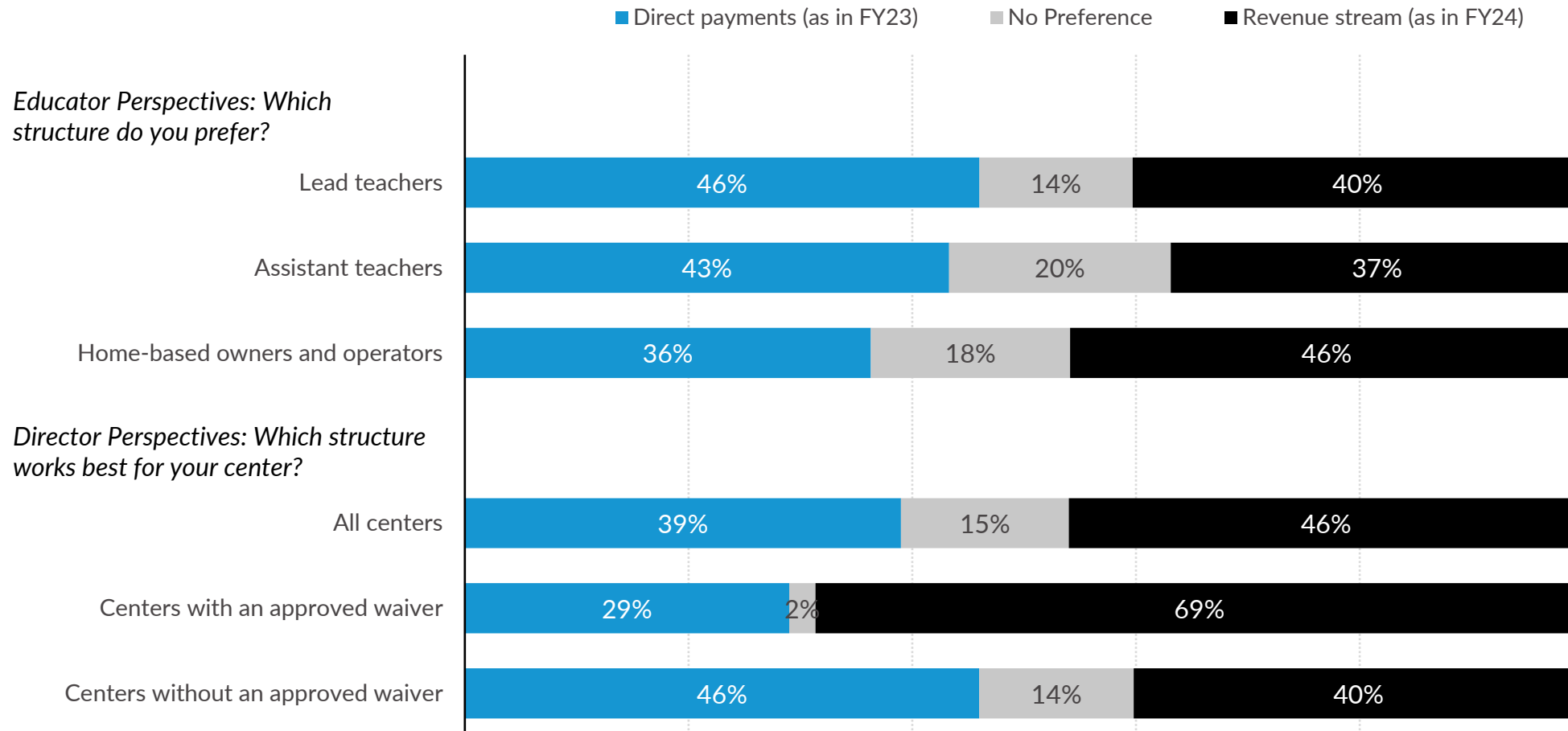


Has participation in the FY24 Pay Equity Fund resulted in a budget shortfall or financial deficit, even after OSSE increased the funding formula?

Administrative burden, in their words...

- *[The administrative enhancement] barely covers the cost of the time it takes to make sure DELLT is right, plus payroll, plus the constant questions from teachers.*
- *The challenges have been meeting minimum salaries while we wait six months to have approval to pay the staff members. **The fund did not retro pay for a staff member** from their hire date. Meaning a business had to carry that burden.*
- *An unforeseen challenge has been the **additional administrative workload required to manage and track the fund's implementation**. Despite this, the overall impact has been highly beneficial to our center.*
- *There is a lot of admin work that has to be done. When the teachers received the money directly, they had very minimal to do and seemingly less challenges and hurdles. However, I know that incorporating the wage supplements into their payroll and having taxes deducted with each paycheck, rather than potentially owing taxes, is much better in the long run.*

Overall, directors and home providers favored FY24 implementation, while early educators favored FY22-23



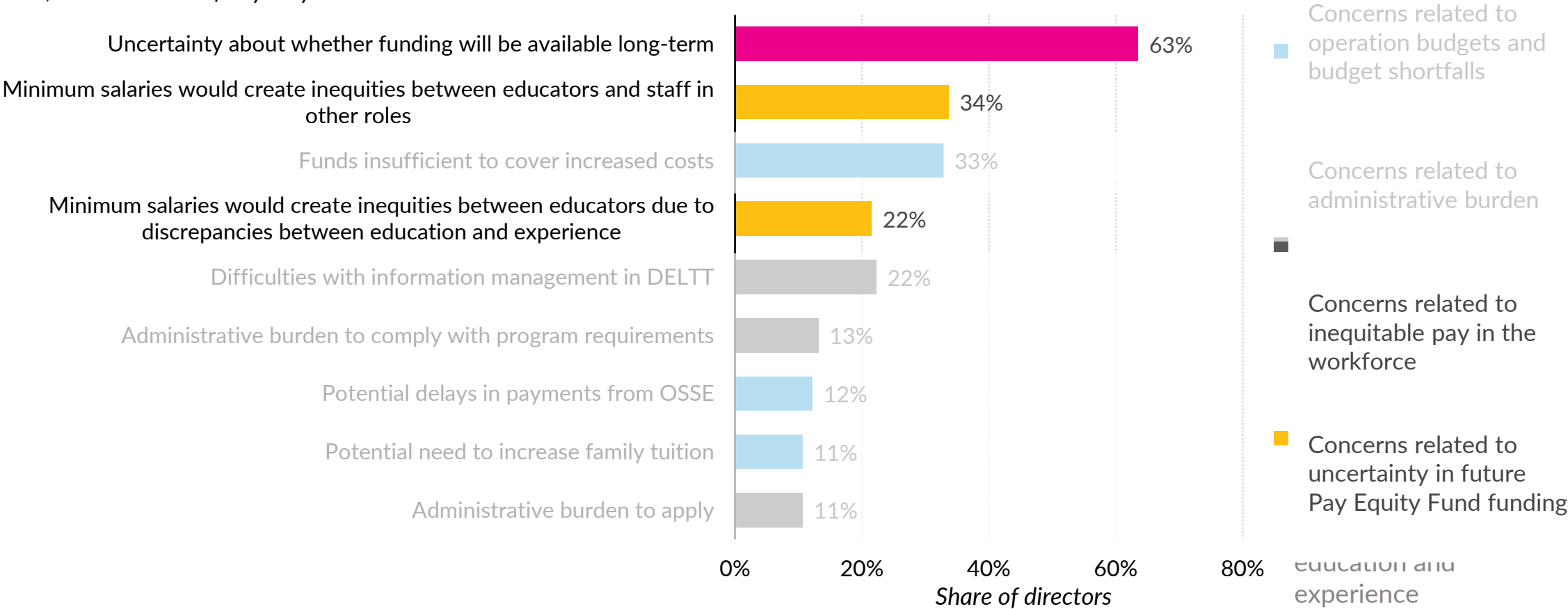
51% of directors said the FY24 structure was **better for achieving pay equity**, compared to 38% who said FY23 was better.

Perennial Implementation Lessons

Challenges, Concerns, and Unintended Consequences

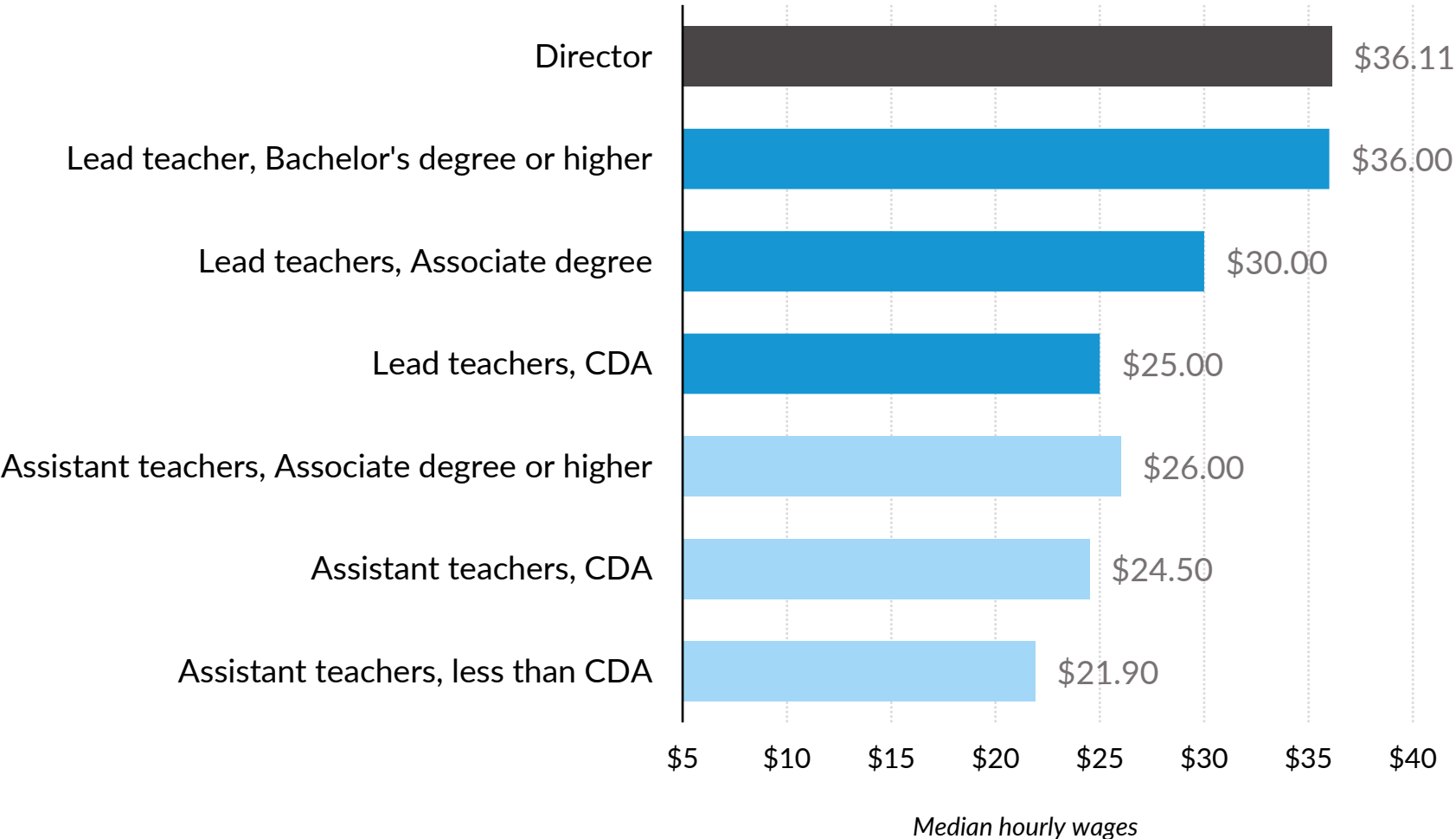
Perennial implementation concerns persisted in FY24

Now that your facility is receiving funds through FY24 Pay Equity Fund, what concerns if any do you now have?



Directors are facing compressed wages

Staff among CDCs participating in Pay Equity Fund



23% of directors report educators **now make about as much** as they do, and 24% say educators **now make more** than they do.

“The Pay Equity Fund has greatly increased our ability to recruit and retain wonderful educators. They feel more valued and are better able to care for their families and perform their jobs effectively. However, it is also greatly compressed wages, and we have not been able to increase administrative wages to be on par with wages for our educators.”

- Center Director

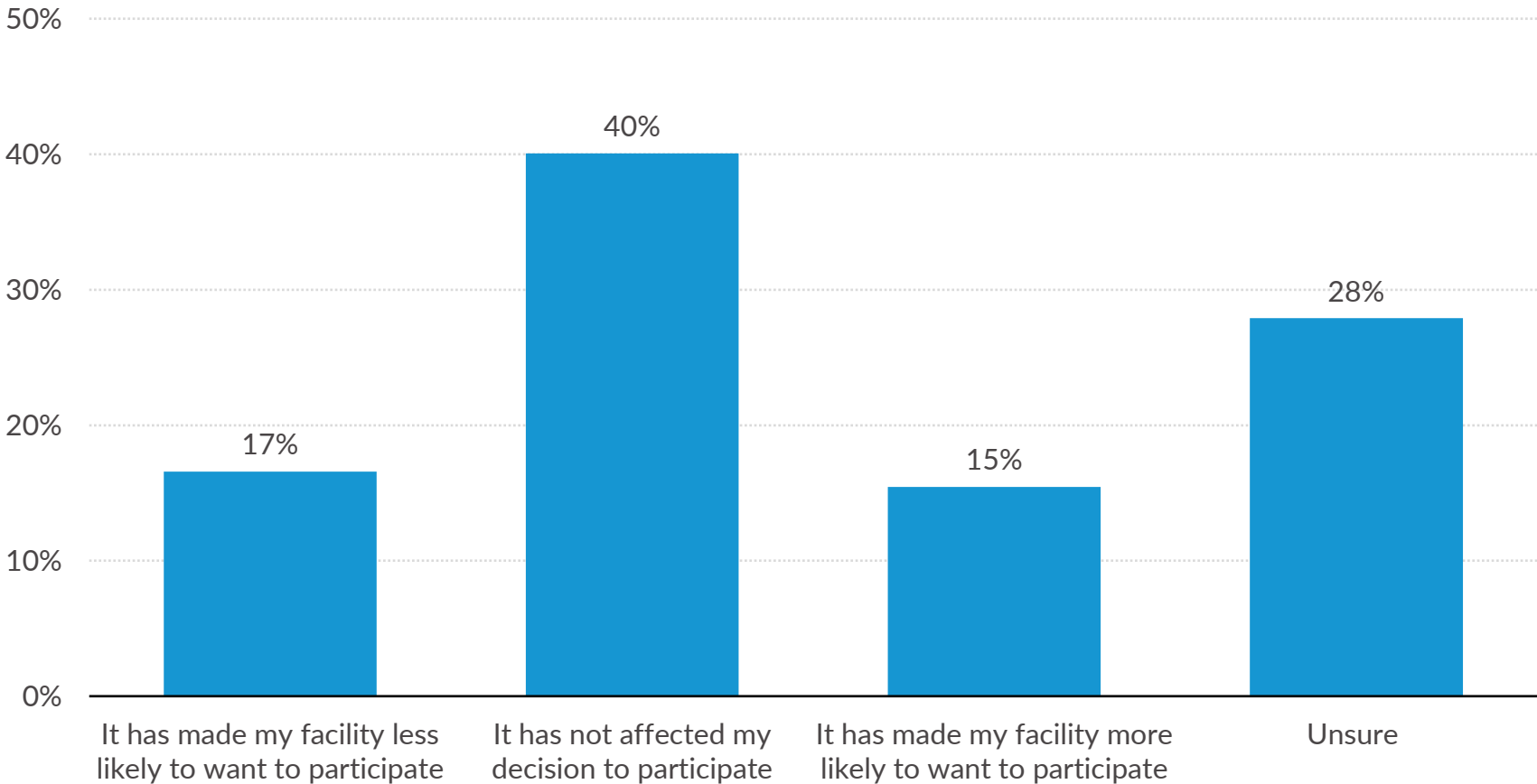
Source: Urban Institute analysis of workforce survey data.
 Notes: Based on responses from 87 directors and 854 educators. Analysis weights applied to account for survey non-response.

Directors hold nuanced views on their own fair pay and job commitment

- 54% of directors said they were **satisfied with their pay**
- 73% say they would **still choose to be in the same role** if they could decide all over again
- But 45% of directors said they **do not agree at all that they are paid what they should for the credentials required for their job**

How do providers view participation in the Pay Equity Fund in light of funding uncertainties?

Share of directors



“We are deeply concerned about the future of the pay equity. If eliminated, it will have a detrimental effect on the teacher’s morale and our ability to recruit qualified teachers.”

“Center directors have faced significant challenges with the uncertainty surrounding the pay equity fund. I hope the funding continues and provides sufficient compensation for all early childhood educators.”

Our Next Steps

Planned dissemination

- **Fact sheets will be released in late March** that cover:
 - Impacts of the Pay Equity Fund on staffing and retention
 - Impacts of the Pay Equity Fund on perceived child care quality and Capital Quality designations
 - Wellbeing and professionalism of the early education workforce
- Brief/blog post documenting **learnings from FY24 implementation and impact**



Recruiting Program Directors!!

Who? Center directors and child development home/expanded home operators

What? 1-hour Zoom interview about Pay Equity Fund, HealthCare4ChildCare, program sustainability, and experiences as program director

When? February - March 2025

\$60 gift card!



Thank you!

For questions or follow-ups, please contact us:

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Heather Sandstrom (Hsandstrom@urban.org)

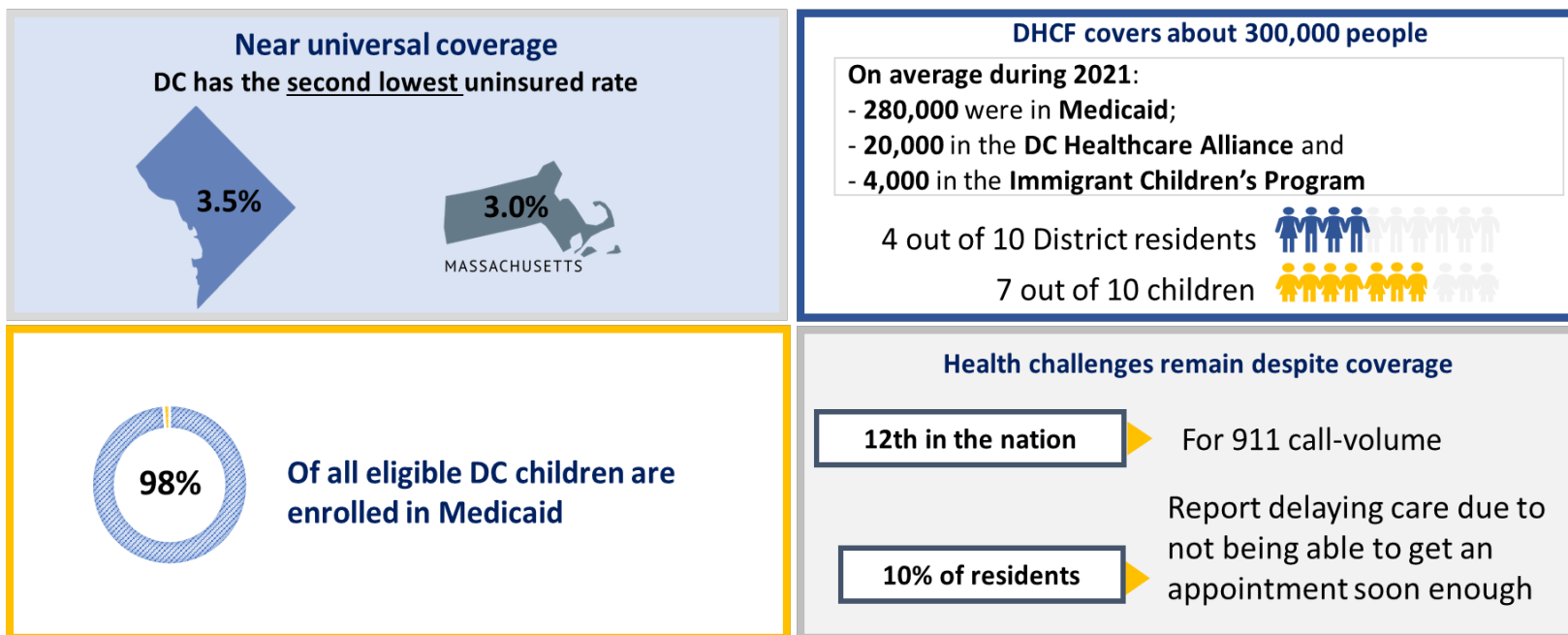




Department of Health Care Finance Updates



Medicaid plays a key role in the District's health care delivery system by providing coverage to 40% of all District residents



*Source: U.S. Census Bureau, 2019 American Community Survey 1-year estimates; DHCF Medicaid Management Information System (MMIS) data extracted in November 2021; Haley et al., "Progress in Children's Coverage Continued to Stall Out in 2018," Urban Institute, October 2020.



Serving Children through the Health Care System in the District of Columbia

DC MEDICAID DELIVERY SYSTEM	
<p>Managed Care Program</p> <ul style="list-style-type: none"> • AmerigroupDC • AmeriHealth Caritas DC • HSCSN • MedStar Family Choice <div style="border: 1px solid #1a3a7a; padding: 5px; text-align: center; margin-top: 10px;">>90% of Medicaid Children</div>	<p>Fee-for-service Program (“Straight Medicaid”)</p> <ul style="list-style-type: none"> • Children with disabilities not residing in an institution • Children residing in LTC facilities • DYRS-linked children • Children under custody of CFSA (foster care/ adopted) <div style="border: 1px solid #1a3a7a; padding: 5px; text-align: center; margin-top: 10px;">10% of Medicaid Children</div>
<p>Medicaid Provider types serving children in DC:</p> <ul style="list-style-type: none"> • FQHCs (e.g. Unity, Mary’s Center, Community of Hope) • Facility-based (e.g. Children’s National, Howard University, Georgetown) <ul style="list-style-type: none"> • Provider practice groups 	



EPSDT Medicaid Benefit for Children

Early and Periodic Screening, Diagnostic, and Treatment



Access

- State duty to inform families of benefit and services their children are entitled to and provide assistance so that children can receive the services they need



Screenings and Education

- Assessments (and documentation) of physical, developmental and behavioral health in pediatric primary care visits
- Health education and counseling to parents



Diagnosis and Treatment

- When screenings/visits uncover health concerns, EPSDT requires coverage of services needed to diagnose and treat the concerns
- Medically necessary services must be covered as long as they fall in the federal categories of Medicaid services, and regardless of whether they are in the individual State's Medicaid Plan



D.C. Children Enrolled in Medicaid Receiving Well-Child Visits



CMS 416	FY' 19 DC	FY' 20 DC	FY' 21 DC	FY '22 DC	FY '23 DC	FY23 US
Participant Ratio (0-20yrs)	63%	50%	54%	53%	50%	51%
Under 1 yrs old	92%	88%	92%	86%	83%	91%
1-2 yrs old	78%	74%	71%	75%	74%	78%
3-5 yrs old	68%	52%	55%	56%	55%	63%
6-9 yrs old	62%	45%	54%	51%	46%	48%
10-14 yrs old	63%	47%	54%	52%	49%	49%
15-18 yrs old	55%	43%	48%	47%	46%	40%
19-20 yrs old	34%	25%	27%	25%	24%	19%

CMS Form 416, Annual EPSDT Participation Report, DC Submission of FYs 19-23/CMS National FY23



Contact Info for DCHS

- **Department Of Health Care Finance**
441 4th Street, NW 9th Floor South, Washington, D.C. 20001
Main Number (202) 442-5988 * Fax (202) 722-5686
<http://dhcf.dc.gov/>
www.dchealthcheck.net (Pediatric Provider Training website)

- **Division of Children's Health Services email: dchs@dc.gov**
 - Colleen Sonosky, Associate Director – 202-442-5913, colleen.sonosky@dc.gov



Announcements and Public Comment



Wrap Up and Next Steps