

When Is It Safe To Talk About Child Care Rates?

What do the following situations have in common?

- At a meeting with other providers, one provider starts discussing how much her program charges parents.
- In order to find out the going rate in her neighborhood, a provider calls another and asks what she charges parents.
- A provider association surveys its members about rates and shares the results at the next association meeting.

In all of the above situations, there is a probable violation of the federal antitrust law. What's going on?

Federal antitrust law is designed to encourage competition and discourage competitors from setting prices higher than they would be otherwise. When providers discuss rates at association meetings, this can easily be construed to be a discussion to raise rates. This is true even if there are no direct statements made encouraging providers to raise rates. Associations who operate their own referral service for parents can give parents who call rate information, but they cannot share this information with others in the association.

Under what circumstances can rate information be shared? Each of these three tests must be met:

- 1) The individual or organization *other than an association* must collect the rate information and make it readily available to the public, not just to one association.
- 2) The information must be communicated in such a way as to not allow anyone to identify the rates of any one program.
- 3) The sample of programs surveyed must be large enough so that no one can identify the rates of any one program.

Associations can share rate information collected by resource and referral agencies or by county agencies that use it to determine the subsidy rate for low-income parents. If an association wanted to know what the rates are for a small geographic area, they should have an independent organization do the survey and make sure that the results are widely distributed to the public.

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