DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-8 SACRAMENTO, CA 95814 TTY (916) 654-2054 (For the Hearing Impaired) (916) 654-1954



December 16, 2019

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: RATE INCREASES EFFECTIVE JANUARY 1, 2020

The purpose of this correspondence is to provide information on upcoming rate increases, effective January 1, 2020. Due to the implementation of Senate Bill (SB) 81 (Chapter 28, Statutes of 2019), the service codes specified in Enclosure A and further described below will receive a percentage-based rate increase. Additionally, due to an increase in the State's minimum wage under SB 3, many vendors will either receive, or be eligible to request, a rate increase if necessary to adjust employees' pay to comply with the new minimum wage.

Rate Increases Pursuant to SB 81

SB 81 provided the Department of Developmental Services (Department) with time-limited funding in state general funds and associated federal funds to provide applicable vendors with a rate increase, effective January 1, 2020 through December 31, 2021. These rate increases are contingent upon approval from the Centers for Medicare and Medicaid Services for matching federal funds. Once the approval has been obtained, the Department will notify regional centers. The rate increases shall be suspended at the end of the effective period unless certain conditions, as specified in SB 81, apply.

Pursuant to Welfare and Institutions (W&I) Code section 4691.12, the rate increases only apply to:

- Rates set by the Department;
- Rates set through negotiation between the regional centers and service providers;
- Rates paid for supported employment services, as specified in W&I Code section 4860(a) and (b); and,
- Vouchered community-based services, as specified in W&I Code section 4688.21(c)(7).

As previously mentioned, Enclosure A contains a chart with specified service codes receiving a rate increase under SB 81. These rate increases will be applied as a percentage to provider rates in effect on December 31, 2019, less the amount of the time-limited 2.1 percent rate increase (bridge funding) authorized in the Budget Act of 2018 (Chapter 29), if applicable. It is important to note that the rate increases <u>do not</u> apply to providers with usual and customary rates or rates set by other entities, even if a provider's service code is included in Enclosure A.

Regional Center Executive Directors December 16, 2019 Page two

2020 Minimum Wage Rate Increase

In addition to the rate increases provided under SB 81, effective January 1, 2020, in accordance with SB 3, the minimum wage in California will increase from \$12.00 to \$13.00 per hour for employers with 26 or more employees and from \$11.00 to \$12.00 per hour for employers with 25 or fewer employees.

As authorized by the current state budget and W&I Code sections 4681.6(b), 4691.6(f) and (g), and 4691.9(b), many vendors will either receive, or be eligible to request, a rate increase if necessary to adjust employees' pay to comply with the new minimum wage.

Providers with Rates Set by the Department

The changes in W&I Code referenced above allow Community-Based Day Programs, In-Home Respite Agencies, and Work Activity Programs to submit rate adjustment requests to the Department due to the increase in minimum wage. To request a rate adjustment, providers of these services must submit to the Department information on only those costs necessary to increase an employee's actual hourly wage to the new minimum wage rate and associated mandated employer costs (e.g., Social Security, Medicare, and Workers' Compensation). Vendors must submit actual wage and mandated employer cost information for affected employees only and total program units of service provided for the period of July, August, and September 2019, or an applicable period of up to three (3) months from January through December 2019. The Department will provide regional centers with a copy of letters sent to their vendors in response to rate adjustment requests.

Vendors may begin submitting requests to the Department, with a copy to the vendoring regional center. However, all rate adjustment requests should be received by the Department no later than March 1, 2020. General information about the increase in minimum wage, as well as detailed instructions and a workbook for submitting rate adjustment requests to the Department, can be found at the following website: www.dds.ca.gov/minwage/.

Providers with Rates Set through Negotiation by the Regional Centers

Statute allows regional centers to negotiate rate adjustments with providers in order to pay employees no less than the minimum wage effective January 1, 2020. The rate adjustment must be specific to the unit of service that is affected by the new minimum wage and shall only include those costs necessary to increase an employee's actual hourly wage to the new minimum wage rate and associated mandated employer costs (e.g., Social Security, Medicare, and Workers' Compensation). Regional centers may use a worksheet similar to the one developed by the Department referenced above to assist in processing negotiated rate adjustment requests, and must maintain documentation on the process for granting any rate adjustment associated with minimum wage. Vendors should submit rate adjustment requests to the vendoring regional center by March 1, 2020.

Regional Center Executive Directors December 16, 2019 Page three

By April 30, 2020, regional centers must provide the Department information on all rate adjustments negotiated with vendors. The Department will follow up with regional centers on the process for reporting the needed information.

<u>Calculating Rates for Providers Receiving Rate Increases Effective January 1, 2020</u> Enclosure B provides step-by-step instructions on how to determine a provider's new rate effective January 1, 2020. When applicable, some providers may be eligible to receive both the SB 81 and 2020 minimum wage rate increases.

Providers with Other Rates

Rates updated as applicable for the following services, effective January 1, 2020, are as follows:

- In-Home Respite Worker (service code 864)
 - o The new rate, effective January 1, 2020, is \$17.03 per consumer hour.
- Voucher and Participant-Directed Respite (service codes 420 and 465)
 - o The new rate, effective January 1, 2020, is \$17.03 per consumer hour.
- Participant-Directed Community-Based Training Services (service code 475)
 - o The new rate, effective January 1, 2020, is \$16.22 per consumer hour.
- Non-Mobile Supplemental Staffing (Reimbursement pursuant to Title 17, California Code of Regulations section 57530)
 - o The new rate for service codes 505 and 525 is \$1.56 per consumer hour.
 - o The new rate for service codes 510 and 515 is \$1.68 per consumer hour.

Rate Schedules

Enclosed are updated rate schedules, effective January 1, 2020, reflecting all applicable rate increases:

- Enclosure C Alternative Residential Model (ARM) Rates
- Enclosure D Community-Based Day Program and In-Home Respite Agency Rates
- Enclosure E Work Activity and Supported Employment Rates

Notification to Providers

The Department will notify applicable community-based day programs and in-home respite agencies of their new rates with the supplemental and/or minimum wage rate increases; regional centers will also receive this information so that provider rates can be adjusted. Regional centers will need to notify the community care facilities and all other applicable service providers of the new rates and make the necessary rate adjustments.

Regional Center Executive Directors December 16, 2019 Page four

If you have any questions regarding this correspondence, please contact Yasir Ali, Chief, Rates and Fiscal Support Section, at (916) 654-2302 or vasir.ali@dds.ca.gov.

Sincerely,

Original signed by

JIM KNIGHT Deputy Director Federal Programs Division

Enclosures

cc: Regional Center Administrators
Regional Center Chief Counselors
Regional Center Community Services Directors
Association of Regional Center Agencies
Nancy Bargmann, Department of Developmental Services
John Doyle, Department of Developmental Services
Brian Winfield, Department of Developmental Services
LeeAnn Christian, Department of Developmental Services
Mike Sakamoto, Department of Developmental Services

Department of Developmental Services Rate Increases

Effective January 1, 2020*

(Each rate increase is applied to service provider rate amount as of December 31, 2019)

Service Code	Rate Increase
017 - Crisis Team - Evaluation & Behavior Modification	8.20%
025 - Tutor Services – Group	8.20%
028 - Socialization Training Program	8.20%
048 - Client/Parent Support Behavior Intervention Training	8.20%
055 - Community Integration Training Program	8.20%
062 - Personal Assistance	8.20%
063 - Community Activities Support Services	8.20%
073 - Parent Coordinator Supported Living Prog	6.30%
091 - In-Home/Mobile Day Program	8.20%
093 - Parent-Coordinated Personal Assist Service	8.20%
094 - Creative Arts Program	8.20%
108 - Parenting Support Services	8.20%
109 - Program Support Group-Residential	8.20%
110 - Program Support Group-Day Service	8.20%
111 - Program Support Group-Other Services	8.20%
113 - DSS Licensed-Specialized Residential Facility	8.20%
420 - Voucher Respite	8.20%
465 - Participant-Directed Respite Services	8.20%
475 - Participant Directed Community-Based Training Services/ Adults	8.20%
510 - Adult Development Center	8.20%
515 - Behavior Management Program	8.20%
605 - Adaptive Skills Trainer	3.90%
612 - Behavior Analyst	8.20%
613 - Associate Behavior Analyst	8.20%
615 - Behavior Management Assistant	8.20%
616 - Behavior Technician - Paraprofessional	8.20%
635 - Independent Living Specialist	2.40%
645 - Mobility Training Services Agency	8.20%
650 - Mobility Training Service Specialist	8.20%
860 - Homemaker Services	8.20%
862 - In-Home Respite Services Agency	8.20%
864 - In-Home Respite Worker	8.20%
875 - Transportation Company	8.20%
880 - Transportation-Additional Component	8.20%
882 - Transportation-Assistant	8.20%
896 - Supported Living Services	8.20%
904 - Family Home Agency	8.20%
905 - Residential Facility Serving Adults-Owner Operated	8.20%
910 - Residential Facility Serving Children - Owner Operated	8.20%
915 - Residential Facility Serving Adults - Staff Operated	8.20%
920 - Residential Facility Serving Children-Staff Operated	8.20%
950 - Supported Employment-Group	8.20%
952 - Supported Employment-Individual	7.60%

^{*}Time-limited funding to provide rate increases for specified services effective January 1, 2020 through December 31, 2021, contingent upon federal approval of matching federal funds. The rate increases shall be suspended at the end of this period unless certain conditions, specified in SB 81, apply.

Calculating Service Provider Rates Effective January 1, 2020

When calculating provider rates effective January 1, 2020, each applicable rate increase must be calculated separately and then summed together. Below is an example of an Adult Development Center with a service rate of \$64.38 per day in effect on December 31, 2019, that includes \$1.32 as a result of the 2.1 percent bridge funding rate increase. This example assumes the provider will be receiving an 8.2 percent rate increase due to the implementation of Senate Bill (SB) 81 and an increase of \$0.83 for minimum wage, effective January 1, 2020. However, when calculating a rate for a provider who did not receive the bridge funding increase or is only receiving one of the two upcoming rate increases effective January 1, 2020, please refer to the instructions in each step on how to proceed.

If the provider received bridge funding rate increase, begin at Step 1. If not, proceed to Step 2.

Step 1: Remove the amount of the bridge funding rate increase from the provider's rate in effect on December 31, 2019.

\$64.38 (Current Rate) - \$1.32 (Bridge Funding Rate Increase Amount) = \$63.06

Step 2: To calculate the SB 81 rate increase, multiply the provider's rate without bridge funding from Step 1 by the rate increase percentage applicable to the provider's service code in Enclosure A and round to two decimal places.

\$63.06 (Calculated Rate from Step 1) \times 8.2% (SB 81 Rate Increase %) = \$5.17

Step 3: Add the SB 81 rate increase calculated in Step 2 to the provider's rate without bridge funding from Step 1.

\$63.06 (Calculated Rate from Step 1) + \$5.17 (SB 81 Rate Increase) = \$68.23

If the provider received bridge funding rate increase, continue to Step 4. If the provider did not receive bridge funding but is receiving a minimum wage rate increase, proceed to Step 5. If neither of these increases apply to the provider, the rate calculation is complete.

Step 4: Add back the bridge funding amount to the new calculated rate in Step 3 that includes SB 81 rate increase. Note that the bridge funding rate increase is only available until April 30, 2020, hence Step 4 no longer applies after this date.

\$68.23 (Calculated Rate from Step 3) + \$1.32 (Bridge Funding Increase) = \$69.55

If the provider is receiving a minimum wage rate increase, continue to Step 5. If not, the rate calculation is complete.

Step 5: Add the amount calculated for the State minimum wage increase to the calculated rate in Step 4.

\$69.55 (Calculated Rate from Step 4) + \$0.83 (Calculated Minimum Wage Increase) = \$70.38 (New Rate)

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY RATES

FOUR OR LESS BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020

APPLIES TO PROVIDERS IN COUNTIES ON LIST A ON PAGE 7

Service Level	Monthly Payment Rate Per Consumer Effective 5/01/2019 ¹	Monthly Payment Rate Per Consumer Effective 1/01/2020 ²
1	\$1,058.37	\$1,069.37
2-Owner	\$3,729	\$4,140
2-Staff	\$4,098	\$4,538
3-Owner	\$3,781	\$4,201
3-Staff	\$4,261	\$4,719
4A	\$4,927	\$5,449
4B	\$5,226	\$5,788
4C	\$5,521	\$6,122
4D	\$5,892	\$6,539
4E	\$6,272	\$6,971
4F	\$6,665	\$7,416
4G	\$7,133	\$7,943
4H	\$7,623	\$8,499
41	\$8,319	\$9,288

¹ Includes the SSI/SSP pass through effective January 1, 2019.

² Includes the SSI/SSP pass through effective January 1, 2020.

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY RATES FIVE OR MORE BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020 APPLIES TO PROVIDERS IN COUNTIES ON LIST A ON PAGE 7

		_
Service Level	Monthly Payment Rate Per Consumer Effective 5/01/2019 ¹	Monthly Payment Rate Per Consumer Effective 1/01/2020 ²
1	\$1,058.37	\$1,069.37
2-Owner	\$2,618	\$2,873
2-Staff	\$2,884	\$3,161
3-Owner	\$3,082	\$3,412
3-Staff	\$3,426	\$3,783
4A	\$3,946	\$4,356
4B	\$4,224	\$4,672
4C	\$4,499	\$4,985
4D	\$4,829	\$5,358
4E	\$5,187	\$5,766
4F	\$5,553	\$6,182
4G	\$5,973	\$6,657
4H	\$6,430	\$7,176
41	\$7,077	\$7,912

¹ Includes the SSI/SSP pass through effective January 1, 2019.

² Includes the SSI/SSP pass through effective January 1, 2020.

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY (CCF) RATES FIVE OR MORE BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020

CCF RATES FOR VENDORS FORFEITING ABX2 1 INCREASE¹

APPLIES TO PROVIDERS IN COUNTIES ON LIST A ON PAGE 7

Service Level	Monthly Payment Rate Per Consumer Effective 5/01/2019 ²	Monthly Payment Rate Per Consumer Effective 1/01/2020 ³
1	\$1,058.37	\$1,069.37
2-Owner	\$2,453	\$2,695
2-Staff	\$2,700	\$2,962
3-Owner	\$2,889	\$3,203
3-Staff	\$3,209	\$3,549
4A	\$3,695	\$4,085
4B	\$3,956	\$4,383
4C	\$4,214	\$4,677
4D	\$4,523	\$5,027
4E	\$4,859	\$5,411
4F	\$5,203	\$5,804
4G	\$5,596	\$6,249
4H	\$6,026	\$6,740
41	\$6,633	\$7,433

¹ This rate schedule applies to service providers not in compliance with Assembly Bill X2 1 reporting requirement pursuant to Welfare & Institutions code, section 4691.10(b)(4).

² Includes the SSI/SSP pass through effective January 1, 2019.

³ Includes the SSI/SSP pass through effective January 1, 2020.

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY RATES FOUR OR LESS BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020

APPLIES TO PROVIDERS IN COUNTIES ON LIST B ON PAGE 7

Service Level	Monthly Payment Rate Per Consumer Effective 1/01/2019 ¹	Monthly Payment Rate Per Consumer Effective 1/01/2020 ²
1	\$1,058.37	\$1,069.37
2-Owner	\$3,674	\$4,085
2-Staff	\$4,035	\$4,475
3-Owner	\$3,725	\$4,145
3-Staff	\$4,195	\$4,653
4A	\$4,847	\$5,369
4B	\$5,140	\$5,702
4C	\$5,429	\$6,030
4D	\$5,793	\$6,440
4E	\$6,165	\$6,864
4F	\$6,550	\$7,301
4G	\$7,008	\$7,818
4H	\$7,488	\$8,364
41	\$8,170	\$9,139

¹ Includes the SSI/SSP pass through effective January 1, 2019.

² Includes the SSI/SSP pass through effective January 1, 2020.

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY RATES

FIVE OR MORE BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020

APPLIES TO PROVIDERS IN COUNTIES ON LIST B ON PAGE 7

Service Level	Monthly Payment Rate Per Consumer Effective 1/01/2019 ¹	Monthly Payment Rate Per Consumer Effective 1/01/2020 ²
1	\$1,058.37	\$1,069.37
2-Owner	\$2,586	\$2,841
2-Staff	\$2,846	\$3,123
3-Owner	\$3,040	\$3,370
3-Staff	\$3,377	\$3,734
4A	\$3,887	\$4,297
4B	\$4,159	\$4,607
4C	\$4,428	\$4,914
4D	\$4,751	\$5,280
4E	\$5,102	\$5,681
4F	\$5,461	\$6,090
4G	\$5,872	\$6,556
4H	\$6,320	\$7,066
41	\$6,953	\$7,788

¹ Includes the SSI/SSP pass through effective January 1, 2019.

² Includes the SSI/SSP pass through effective January 1, 2020.

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY CARE FACILITY (CCF) RATES

FIVE OR MORE BEDS PER FACILITY EFFECTIVE JANUARY 1, 2020¹

CCF RATES FOR VENDORS FORFEITING ABX2 1 INCREASE

APPLIES TO PROVIDERS IN COUNTIES ON LIST B ON PAGE 7

Service Level	Monthly Payment Rate Per Consumer Effective 1/1/2019 ²	Monthly Payment Rate Per Consumer Effective 1/1/2020 ³
1	\$1,058.37	\$1,069.37
2-Owner	\$2,424	\$2,666
2-Staff	\$2,666	\$2,928
3-Owner	\$2,851	\$3,165
3-Staff	\$3,165	\$3,505
4A	\$3,641	\$4,031
4B	\$3,896	\$4,323
4C	\$4,149	\$4,612
4D	\$4,452	\$4,956
4E	\$4,781	\$5,333
4F	\$5,118	\$5,719
4G	\$5,503	\$6,156
4H	\$5,924	\$6,638
41	\$6,518	\$7,318

¹ This rate schedule applies to service providers not in compliance with Assembly Bill X2 1 reporting requirement pursuant to Welfare & Institutions code, section 4691.10(b)(4).

² Includes the SSI/SSP pass through effective January 1, 2019.

³ Includes the SSI/SSP pass through effective January 1, 2020.

List A:
Alameda
Contra Costa
El Dorado
Los Angeles
Marin
Monterey
Napa
Nevada
Orange
Placer
Sacramento
San Benito
San Bernardino
San Diego
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Stanislaus
Ventura
Yolo
Yuba

List B:
Alpine
Amador
Butte
Calaveras
Colusa
Del Norte
Fresno
Glenn
Humboldt
Imperial
Inyo
Kern
Kings
Lake
Lassen
Madera
Mariposa
Mendocino
Merced
Modoc
Mono
Plumas
Riverside
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Tulare
Tuolumne

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY-BASED DAY PROGRAMS AND IN-HOME RESPITE AGENCIES

ALLOWABLE RANGE OF RATES and TEMPORARY PAYMENT RATES

Effective January 1, 2020

APPLIES TO PROVIDERS IN COUNTIES ON LIST A ON PAGE 3

Service Category	Staff Ratio	Lower Limit	Upper Limit	Temporary Payment Rate
	Daily Rate	s		
Activity Center (505)	1:8	\$29.34	\$51.31	\$39.80
	1:7	\$31.19	\$50.53	\$39.96
	1:6	\$35.75	\$62.08	\$49.31
Adult Dev. Center (510)	1:4	\$42.71	\$79.10	\$63.64
	1:3	\$53.68	\$81.79	\$69.55
Behavior Management (515)	1:3	\$59.04	\$98.64	\$85.56
	Hourly Rate	es		
Independent Living (520)	1:3	\$12.31	\$19.14	\$16.56
	1:2	\$20.20	\$26.24	\$23.90
	1:1	\$25.94	\$49.76	\$36.58
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Social Recreation (525)	1:10	\$14.35	\$27.06	\$17.90
Infant Development (805)	1:3	\$31.34	\$52.87	\$42.35
	1:2	\$46.58	\$80.56	\$64.71
	1:1	\$65.70	\$118.18	\$85.62
In-Home Respite (862)	1:1	\$22.75	\$31.45	\$27.25

DEPARTMENT OF DEVELOPMENTAL SERVICES COMMUNITY-BASED DAY PROGRAMS AND IN-HOME RESPITE AGENCIES

ALLOWABLE RANGE OF RATES and TEMPORARY PAYMENT RATES

Effective January 1, 2020

APPLIES TO PROVIDERS IN COUNTIES ON LIST B ON PAGE 3

Service Category	Staff Ratio	Lower Limit	Upper Limit	Temporary Payment Rate
	Daily Rate	S		
Activity Center (505)	1:8	\$28.74	\$50.25	\$38.98
	1:7	\$30.55	\$49.49	\$39.14
	1:6	\$35.01	\$60.80	\$48.30
Adult Dev. Center (510)	1:4	\$41.90	\$77.59	\$62.43
	1:3	\$52.66	\$80.23	\$68.23
Behavior Management (515)	1:3	\$57.92	\$96.76	\$83.93
Benavior Management (313)	Hourly Rate	'	ψ90.70	ψ03.93
Independent Living (520)	1:3	\$12.06	\$18.75	\$16.22
	1:2	\$19.78	\$25.70	\$23.41
	1:1	\$25.41	\$48.74	\$35.83
Cooled Decreation (E2E)	4.40	Ф4.4.ОЕ	\$20.50	Φ47.FΩ
Social Recreation (525)	1:10	\$14.05	\$26.50	\$17.53
Infant Development (805)	1:3	\$30.70	\$51.78	\$41.48
	1:2	\$45.62	\$78.90	\$63.38
	1:1	\$64.35	\$115.75	\$83.86
In-Home Respite (862)	1:1	\$22.32	\$30.85	\$26.73

List A:
Alameda
Contra Costa
El Dorado
Los Angeles
Marin
Monterey
Napa
Nevada
Orange
Placer
Sacramento
San Benito
San Bernardino
San Diego
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Stanislaus
Ventura
Yolo
Yuba

List B:		
Alpine		
Amador		
Butte		
Calaveras		
Colusa		
Del Norte		
Fresno		
Glenn		
Humboldt		
Imperial		
Inyo		
Kern		
Kings		
Lake		
Lassen		
Madera		
Mariposa		
Mendocino		
Merced		
Modoc		
Mono		
Plumas		
Riverside		
Shasta		
Sierra		
Siskiyou		
Sutter		
Tehama		
Trinity		
Tulare		
Tuolumne		

Work Activity Program (WAP) Service Code 954 Upper Limits for WAP Effective 7/1/2016

Small vendors:	0 to 30 consumers	\$62.19 per consumer per day
Medium vendors:	31 to 100 consumers	\$44.69 per consumer per day
Large vendors:	101 or more consumers	\$33.28 per consumer per day
Statewide average:	Temporary Rate	\$37.28 per consumer per day

Supported Employment Programs (SEP) Effective 1/1/2020

Service Code 950 - Supported Employment: Group

Pursuant to Welfare and Institutions Code 4860(a)(1) the hourly rate shall be \$39.57 effective January 1, 2020.

Service Code 952 - Supported Employment: Individual

Pursuant to Welfare and Institutions Code 4860(b) the hourly rate shall be \$39.35 effective January 1, 2020.