

DEPARTMENT OF DEVELOPMENTAL SERVICES

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August 3, 2016

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

**SUBJECT: HOME AND COMMUNITY-BASED SERVICES REGULATIONS –
PROVIDER FUNDING FOR COMPLIANCE ACTIVITIES**

Background

In January 2014, the federal Centers for Medicare & Medicaid Services issued final regulations, or rules, for Home and Community-Based Services (HCBS)¹. The rules require that HCBS programs funded through Medicaid - called Medi-Cal in California - provide people with disabilities full access to the benefits of community living and offer services and supports in settings that are integrated in the community. This could include opportunities to seek employment in competitive and integrated settings, control personal resources, and engage in the community to the same degree as individuals who do not receive regional center services. The HCBS rules focus on the nature and quality of individuals' experiences and not just the buildings where the services are delivered.

In recognition that some service providers may need to take steps towards modifying their services, the 2016 Budget Act (SB 826, Chapter 23, Statutes of 2016) contains \$15 million to fund changes that will be necessary for providers to come into compliance with the HCBS rules by March 2019. As described below, service providers will apply for funds through the regional centers and all submitted proposals will be forwarded to the Department of Developmental Services (DDS). Regional centers can make recommendations for funding based on local priorities, although final approval will be made by DDS. Projects that require multiple years to complete and additional funding, or result in meeting some, but not all, of the HCBS rules, will be considered.

Eligible providers

Providers of services in settings identified in the California Statewide Transition Plan² (Enclosure A) that are not in compliance with the HCBS rules may be eligible for funding.

Application process

The funding application process includes the following:

¹ <https://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Home-and-Community-Based-Services/Home-and-Community-Based-Services.html> ² <http://www.dhcs.ca.gov/services/ltc/Pages/HCBSStatewideTransitionPlan.aspx>

Step 1 – By October 1, 2016, service providers need to submit the following to the regional center to be considered for initial project approval:

- A completed provider compliance evaluation (Enclosure B) of the vendored setting, service or support that identifies and describes which HCBS setting requirements are not being met; and,
- A completed concept proposal (Enclosure C) that includes:
 - Vendor name, primary regional center, vendor number, service type/code, and number of consumers being served by the vendor;
 - A brief narrative/description of the project, identifying which HCBS setting requirements are not being met, describe how the funding would permit compliance, and justify the requested funding;
 - A brief description of any barriers to compliance with the HCBS rules and/or project implementation;
 - An estimated budget for the project identifying all major costs;
 - Requested 2016-17 funding; and,
 - An estimated timeline for the project.

Step 2 – By November 30, 2016, regional centers must submit all completed concept proposals and evaluations to DDS, along with any funding recommendations and the basis for the recommendations. DDS may request additional information from providers or regional centers, as necessary.

Step 3 – By February 2017, DDS will notify regional centers of the concept proposals selected for funding.

Step 4 – Proposals selected by DDS will require the following additional information to receive final project approval by April 30, 2017:

- An executed service agreement/contract between the regional center and the service provider;
- For projects involving the purchase of equipment or the modification of a structure, three quotes for the proposed service may be required;
- A budget for the project identifying each cost with a brief description;
- A project timeline identifying key milestones.

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DDS will hold two one-hour webinars to review this process and answer questions. These optional webinars are scheduled on Monday, August 15, from 9:30 a.m. - 10:30 a.m., and on Thursday, August 18, from 3:30 p.m. - 4:30 p.m. To register, follow the instructions found at <http://www.dds.ca.gov/HCBS/>.

We look forward to collectively working through this process as we move towards meeting the HCBS rules. If you have any questions regarding this letter, please contact Julie Souliere at (916) 654-2273, or Julie.Souliere@dds.ca.gov.

Sincerely,

Original signed by

BRIAN WINFIELD
Acting Deputy Director
Community Services 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
Jim Knight, Department of Developmental Services