DATE: January 16, 2015

TO: ALL INTERESTED PARTIES

SUBJECT: HOME AND COMMUNITY-BASED SERVICES REGULATIONS

The federal Centers for Medicare and Medicaid Services (CMS) published final regulations in early 2014 that enhance the quality of Home and Community-Based Services (HCBS) and provide additional protections to individuals receiving these services under the Medicaid program (Medi-Cal in California). The regulations are consistent with the long-standing principles of the Lanterman Developmental Disabilities Services Act (Lanterman Act) for community integration and participation. The State of California is embarking on a multi-year process to implement the specific requirements of the federal regulations.

The California Department of Health Care Services began by developing a Statewide Transition Plan that addresses how California will move forward with implementation for all of its eight waiver programs and two State Plan programs affected by the home and community-based settings requirements. The final version of the HCBS Statewide Transition Plan, submitted to CMS on December 19, 2014, is posted at www.dhcs.ca.gov/services/ltc/Pages/HCBSStatewideTransitionPlan.aspx, and includes a timeline that identifies the key phases of implementation. Full compliance with the regulations must be accomplished by March 17, 2019.

The Department of Developmental Services (DDS) is proceeding with its own focused process to implement the new federal regulations. With the involvement of stakeholders through a DDS HCBS Advisory Group, DDS will develop a transition plan and timeline specifically for the developmental disabilities service system, which will define the activities, processes and changes that are needed to achieve and maintain compliance with the CMS home and community-based settings requirements. The DDS HCBS Advisory Group is in the process of being established and will begin its work in February 2015. The Advisory Group will be supported by workgroups that will be formed to provide greater focus and analysis on topics that are identified for in-depth evaluation.

We are in the very initial stages of addressing the new requirements for home and community-based settings, which will impact both residential and non-residential services. (Refer to the Final HCBS Statewide Transition Plan, page 5, for a listing of HCBS Waiver provider types, and page 12 for an initial listing of settings that will be

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assessed for meeting the requirements.) While the regulations provide clear objectives for achieving full community integration and participation, many questions arise when applying the requirements to existing systems of services. As we move forward with implementation, greater clarity will be gained through communicating with CMS, reviewing the experiences of other states, and receiving guidance and feedback from the DDS HCBS Advisory Group.

Some programs or services may need to be redesigned if they are to qualify for continued Medicaid funding for HCBS; however, it will take time to fully evaluate the nature and specifics of needed changes and, as necessary, receive authorization and/or funding from the State Legislature. DDS will proceed carefully and thoughtfully toward complying with the new federal requirements to ensure that the Lanterman Act service system is both preserved and enhanced in the process.

We are committed to keeping all interested parties informed about and involved with this important undertaking. An overview of the home and community-based settings requirements and related information is enclosed. DDS has also established a page on its website that will be devoted to information and updates about implementation of the HCBS regulations. It can be found at www.dds.ca.gov/hcbs.

Sincerely,

SANTI J. ROGERS
Director

Enclosure