

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9
SACRAMENTO, CA 95814
TTY (916) 654-2054 (For the Hearing Impaired)
(916) 654-1954



November 27, 2018

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: MINIMUM WAGE INCREASE

Effective January 1, 2019, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase from \$11.00 to \$12.00 per hour for employers with 26 or more employees and from \$10.50 to \$11.00 per hour for employers with 25 or fewer employees. As authorized by the current State budget and Welfare & Institutions (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. This letter contains information on the types of vendors that are affected and what process will be used to make necessary rate adjustments.

**Providers with Rates set by the Department of Developmental Services
(Department):**

The changes in the 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 2018, or an applicable period of up to three (3) months from January through December 2018. The Department will provide regional centers a copy of all letters sent to service providers 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 must be received by the Department no later than March 1, 2019.

“Building Partnerships, Supporting Choices”

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 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, 2019. 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, 2019.

By April 30, 2019, 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.

Providers with other rates:

- Alternative Residential Model (ARM) rates/respite facilities: The ARM rates, effective January 1, 2019, for community care facilities, are enclosed. These rates also affect respite facilities (service code 869).
- In-Home Respite Worker (service code 864): The new rate, effective January 1, 2019, is \$15.74 per consumer hour.
- Voucher and Participant-Directed Respite (service codes 420 and 465): The new rate, effective January 1, 2019, is \$15.74 per consumer hour.
- Non-Mobile Supplemental Staffing: Pursuant to Title 17, Section 57530 of the California Code of Regulations, the supplemental reimbursement rate for Community-Based Day Programs will increase to \$1.44 per consumer hour.

Regional Center Executive Directors
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If you have any questions regarding this letter, please contact Yasir Ali, Chief, Rates and Fiscal Support Section, at (916) 654-2302.

Sincerely,

Original signed by:

JIM KNIGHT
Assistant Deputy Director
Community Services Division

Enclosure

cc: Regional Center Community Services Directors
Regional Center Administrators
Regional Center Chief Counselors
Association of Regional Center Agencies

DEPARTMENT OF DEVELOPMENTAL SERVICES
COMMUNITY CARE FACILITY RATES
FOUR OR LESS BEDS PER FACILITY
EFFECTIVE JANUARY 1, 2019

| Service Level | Monthly Payment Rate Per Consumer Effective 1/01/2018 ¹ | Monthly Payment Rate Per Consumer Effective 1/01/2019 ² |
|---------------|---|---|
| 1 | \$1,039.37 | \$1,058.37 |
| 2-Owner | \$3,478 | \$3,674 |
| 2-Staff | \$3,839 | \$4,035 |
| 3-Owner | \$3,524 | \$3,725 |
| 3-Staff | \$3,994 | \$4,195 |
| 4A | \$4,636 | \$4,847 |
| 4B | \$4,913 | \$5,140 |
| 4C | \$5,186 | \$5,429 |
| 4D | \$5,534 | \$5,793 |
| 4E | \$5,885 | \$6,165 |
| 4F | \$6,249 | \$6,550 |
| 4G | \$6,686 | \$7,008 |
| 4H | \$7,139 | \$7,488 |
| 4I | \$7,784 | \$8,170 |

The Personal and Incidental (P&I) expenses effective with the January 1, 2019, SSI/SSP payment standard increased from \$134.00 to \$136.00.

¹ Includes the SSI/SSP pass through effective January 1, 2018.

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

**DEPARTMENT OF DEVELOPMENTAL SERVICES
COMMUNITY CARE FACILITY RATES
FIVE OR MORE BEDS PER FACILITY
EFFECTIVE JANUARY 1, 2019**

| Service Level | Monthly Payment Rate Per Consumer Effective 1/01/2018 ¹ | Monthly Payment Rate Per Consumer Effective 1/01/2019 ² |
|---------------|---|---|
| 1 | \$1,039.37 | \$1,058.37 |
| 2-Owner | \$2,456 | \$2,586 |
| 2-Staff | \$2,716 | \$2,846 |
| 3-Owner | \$2,873 | \$3,040 |
| 3-Staff | \$3,210 | \$3,377 |
| 4A | \$3,709 | \$3,887 |
| 4B | \$3,965 | \$4,159 |
| 4C | \$4,218 | \$4,428 |
| 4D | \$4,525 | \$4,751 |
| 4E | \$4,855 | \$5,102 |
| 4F | \$5,193 | \$5,461 |
| 4G | \$5,583 | \$5,872 |
| 4H | \$6,005 | \$6,320 |
| 4I | \$6,601 | \$6,953 |

The Personal and Incidental (P&I) expenses effective with the January 1, 2019, SSI/SSP payment standard increased from \$134.00 to \$136.00.

¹ Includes the SSI/SSP pass through effective January 1, 2018.

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

DEPARTMENT OF DEVELOPMENTAL SERVICES
 COMMUNITY CARE FACILITY (CCF) RATES
 FIVE OR MORE BEDS PER FACILITY
 EFFECTIVE JANUARY 1, 2019¹

CCF RATES FOR VENDORS FORFEITING ABX2 1 INCREASE

| Service Level | Monthly Payment Rate Per Consumer Effective 10/2/2018 ² | Monthly Payment Rate Per Consumer Effective 1/1/2019 ³ |
|---------------|---|--|
| 1 | \$1,039.37 | \$1,058.37 |
| 2-Owner | \$2,294 | \$2,424 |
| 2-Staff | \$2,536 | \$2,666 |
| 3-Owner | \$2,684 | \$2,851 |
| 3-Staff | \$2,998 | \$3,165 |
| 4A | \$3,463 | \$3,641 |
| 4B | \$3,702 | \$3,896 |
| 4C | \$3,939 | \$4,149 |
| 4D | \$4,226 | \$4,452 |
| 4E | \$4,534 | \$4,781 |
| 4F | \$4,850 | \$5,118 |
| 4G | \$5,214 | \$5,503 |
| 4H | \$5,609 | \$5,924 |
| 4I | \$6,166 | \$6,518 |

The Personal and Incidental (P&I) expenses effective with the January 1, 2019, SSI/SSP payment standard increased from \$134.00 to \$136.00.

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, 2018.

³ Includes the SSI/SSP pass through effective January 1, 2019.