

**DEPARTMENT OF DEVELOPMENTAL SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
Release Date: August 19, 2022**

**PROPOSED AMENDMENTS TO HOME AND COMMUNITY BASED SERVICES
(HCBS) 1915(c) WAIVER FOR THE DEVELOPMENTALLY DISABLED**
[\(https://www.dds.ca.gov/initiatives/hcbs/\)](https://www.dds.ca.gov/initiatives/hcbs/)

This notice provides information of public interest that the Department of Health Care Services (DHCS) intends to submit a Home and Community Based Services Waiver (HCBS) amendment for federal approval. This is an amendment to the California Medicaid 1915(c) Developmental Disabilities Waiver to implement rate changes funded in the 2022-23 budget act and informed by the 2019 service provider rate study.

Under the Lanterman Developmental Disabilities Services Act (Lanterman Act), Welfare & Institutions (W&I) Code section 4500 et seq., people with developmental disabilities, as defined in W&I Code section 4512(a), are eligible to receive services and supports that meet their individual needs and choices. The Department of Developmental Services (DDS) administers the Lanterman Act.

Pursuant to Welfare and Institutions Code [Section 4519.8](#), the Department of Developmental Services (DDS) submitted a rate study to the Legislature in March 2019. The rate study included proposed rate models and payment methodologies for services. The rate models were developed for specific services that include specific assumptions related to the various costs associated with delivering each service, including direct care worker wages, benefits, and 'productivity' (i.e., billable time); staffing ratios; mileage; facility expenses; and agency program support and administration. The rate study covered services with rates established under the median rate, cost statement, the Alternative Residential Model, as well as rates set in statute or regulation.

The California Budget Act of 2022 (SB-154) provided funding to begin the second phase of implementation of the rate models as described in the 2019 Rate Study in order to address the sustainability, quality, and transparency of community-based services for individuals with developmental disabilities. This proposed HCBS Waiver amendment provides rate increases effective January 1, 2023 for specified service providers as described in Appendix I of the proposed amendment. These changes will not result in any rate decreases.

The aggregate fiscal impact of this amendment is estimated to be \$188,531,000 in waiver year 5.

Full implementation of the rate models will occur by July 1, 2025. Subsequent HCBS waiver amendments will be submitted to address these changes.

All proposed HCBS Waiver amendments are subject to approval by the Centers for Medicare and Medicaid Services (CMS).

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DHCS plans to submit the proposed waiver amendment to CMS by October 1, 2022 for a proposed effective date of January 1, 2023.

A copy of the proposed waiver amendment will be posted at <https://www.dds.ca.gov/initiatives/hcbs/>. You may also request a copy of the proposed amendment by writing to the mailing or email addresses listed below, or by visiting your local regional center.

Comments will be accepted for 30 days from the release date. Any written comments concerning this notice, or the proposed waiver amendment may be sent to:

Department of Developmental Services
Federal Programs Division
Attn: Jonathan Hill
1215 O Street
Sacramento, California 95814

Comments may also be e-mailed to federal.programs@dds.ca.gov. Please indicate 'HCBS Waiver' in the subject line or message.

A copy of submitted public comments may be requested in writing at the mailing or email addresses above.