

DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
Release Date: August 19, 2022

PROPOSED STATE PLAN AMENDMENT OF HOME AND COMMUNITY BASED SERVICES 1915i STATE PLAN FOR THE DEVELOPMENTALLY DISABLED
[\(https://www.dds.ca.gov/initiatives/hcbs/\)](https://www.dds.ca.gov/initiatives/hcbs/)

This notice is to provide information of public interest about the submission of an amendment by the Department of Health Care Services (DHCS) to the Centers for Medicare & Medicaid Services (CMS) for the Home and Community Based Services (HCBS) 1915(i) State Plan 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 SPA amendment provides rate increases effective January 1, 2023 for specified service providers as described in the amendment. These changes will not result in any rate decreases.

DHCS estimates that the expenditures for this amendment will be \$26,477,000 in federal funds for federal fiscal year (FFY) 2022-23 and \$36,933,000 in federal funds for FFY 2023-24.

Per statute, subsequent incremental changes will occur until full implementation of the rate models, scheduled for July 1, 2025.

The proposed effective date of the amendment is January 1, 2023. All proposed SPAs are subject to approval by CMS.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of the proposed SPA # 22-0058 will be published at the following web addresses:

https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2021.aspx

<https://www.dds.ca.gov/initiatives/hcbs/>

If you would like to view a copy of the SPA when it becomes available, please visit your local regional center. You may also request a copy via the contact information listed below.

Written comments will be accepted for 30 days from the release date and may be submitted to the contact information listed below.

Mail to:

Department of Developmental Services

Attn: Jonathan Hill

1215 O Street

Sacramento, CA 95814

Email to:

Federal.Programs@dds.ca.gov

Please indicate SPA #22-0058 in the subject line or message.