

**TITLE 17, Division 2, Subchapters 2, 6, 18, and 22
DEPARTMENT OF DEVELOPMENTAL SERVICES**

NOTICE OF PROPOSED RULEMAKING

Financial Management Services-Participant-Directed Services

The Department of Developmental Services (Department) proposes to amend Title 17, California Code of Regulations (CCR), Division 2, Chapter 1, Subchapter 6: Service Provider Record Maintenance Requirements, Chapter 3, Subchapter 2: Vouchers; Chapter 3, Subchapter 18: Standard Rate Schedule, by amending sections 50604, 54355, and 58543. Additionally, the Department proposes to add, to Division 2, a new Subchapter 22: Financial Management Services-Participant-Directed Services, new sections, 58883, 58884, 58886, 58887, and 58888.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action of the Department. The written comment period closes at 5:00 p.m. on November 7, 2011. Please submit any written comments to the Department's contact person designated below by 5:00 p.m. on November 7, 2011. In addition, the Department will receive both oral and written comments at the public hearing.

PUBLIC HEARING

One public hearing to receive oral and written comments is scheduled as follows:

November 7, 2011, at 9:30 a.m. – 11:30 a.m., end of testimony, at 1600 Ninth Street, Sacramento, California, 95814, Bateson Building, Room 360.

AUTHORITY AND REFERENCE

Authority: Sections 4405, 4648(a), 4648.12(c)(1)(B), 4688.21, 4690, 4690.1, and 4690.2, Welfare and Institutions Code; and Section 11152, Government Code.

Reference: Sections 4631, 4648(a), 4648.12(c), 4690, 4690.1, Welfare and Institutions Code; 42 U.S.C. Section 1396n(c) (section 1915(c) of the Social Security Act.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Currently, the Department offers voucher services to consumers and/or their families. The federal government is requiring the use of a financial management service (FMS) provider when participating in the funding of voucher services for respite, day care, nursing, and transportation. These services, along with the new Community-based Training Program for Adults, will be known as Participant-

Directed Services. The Department proposes to amend Sections 50604, 54355 and 58543, and add Sections 58883, 58884, 58886, 58887 and 58888 of Title 17, of the CCR, to add Participant-Directed Services and FMS for eligible participants. Regional centers may vendor providers as an FMS to carry out the responsibilities such as: assisting a family member or adult consumer in verifying worker eligibility status; collecting and processing timesheets of workers; processing payroll, withholdings, filing and payment of applicable federal, state and local employment-related taxes and insurance; performing billing payments and reimbursements as authorized; and maintaining all source documentation related to the authorized service(s). New service codes will be added to existing service codes to identify when these services are used in conjunction with the FMS and the rates of reimbursement for these services.

EFFECT ON SMALL BUSINESS

The Department has determined that the proposed regulations will not adversely affect small businesses. The proposed regulations do not change any current business requirements for financial management services.

LOCAL MANDATE AND FISCAL IMPACT DETERMINATIONS

The Department has determined that the proposed regulatory action does not impose: 1) a mandate on local agencies or school districts, 2) significant costs or savings to any state agency, 3) costs to any local agency or school district that must be reimbursed in accordance with Government Code sections 17500 through 17630, 4) other nondiscretionary costs or savings imposed on local agencies, or 5) costs or savings in federal funding to the state.

ECONOMIC IMPACT AND BUSINESS ASSESSMENT

Based on the Department's findings it is anticipated that the proposed action will have no economic effect on the creation of new jobs and new businesses within the state, nor on the expansion of businesses currently doing business within the State of California. The Department has also determined this proposed action will not eliminate jobs or existing businesses.

The Department has determined that the proposed regulations will not have: 1) a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states, or 2) a significant effect on housing cost. The Department is not aware of any cost impact that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

ALTERNATIVES CONSIDERED

The Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be

as effective and less burdensome to affected private persons than the proposed action.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period or at the public hearing.

CONTACT PERSONS

General and substantive inquiries concerning the proposed action may be directed to:

Department of Developmental Services
Community Rate Section
1600 Ninth Street, Room 310
Sacramento, CA 95814
Attention: Jeffrey Greer
Phone: (916) 654-2201 Facsimile: (916) 654-1578
E-mail Address: jeff.greer@dds.ca.gov

If the above person is unavailable, you may also contact Greg Saul, Branch Manager, Program Operations Branch at (916) 653-3749.

AVAILABILITY OF RULEMAKING DOCUMENTS

The Department has prepared and has copies ready for public review, an Initial Statement of Reasons for the proposed regulations, all the information upon which the proposed regulations are based, and the exact text of the proposed regulations.

Copies of the Notice, Initial Statement of Reasons and text of the proposed regulations will be made available through the Department's website at www.dds.ca.gov. All other public records, reports, documentation or other material related to the proposed regulations will be contained in the rulemaking file and will be available for inspection and copying throughout the rulemaking process from the contact persons at the above address. Upon completion, the Final Statement of Reasons will be made available by either contacting the persons above or through the Department's website.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After close of the comment period the Department may adopt the proposed regulations as described in this notice. If the Department makes modifications that are sufficiently related to the originally proposed text, it will make the modified text, with changes clearly indicated, available for public comment at least 15 days before the Department adopts the regulations as revised. Requests for the modified text should be made to the contact person named above.