

## INITIAL STATEMENT OF REASONS

### Title 17, California Code of Regulations Division 2, Department of Developmental Services Chapter 3 - Community Services

#### **(a) Description of the Public Problem, Administrative Requirement or Other Condition or Circumstance the Regulations are Intended to Address**

Currently, the Department offers voucher services to consumers and/or to their families. The federal government is requiring the use of a financial management service provider when participating in the funding of voucher services. These voucher 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, 58543 of Title 17, California Code of Regulations (CCR) and add new sections 58883, 58884, 58886, 58887, and 58888 in order to give regional centers authority to vendor family members and consumers for Participant-Directed Services. These amendments will be consistent with federal requirements, and assure continuation of federal financial participation funding.

#### **Specific Purpose and Rationale for Necessity**

##### **Section 50604. Service Provider Record Maintenance Requirements.**

##### **Section 50604(d)(3)(E) as amended**

##### Specific Purpose

This proposal will add the Participant-Directed Services as a type of vendored service required to maintain records pursuant to the current regulations.

##### Rationale for Necessity

This amendment is necessary in order to add Participant-Directed Services to comply with current vendor requirements.

##### **Section 54355. Vouchers.**

##### **Section 54355(i)**

##### Specific Purpose

This proposal will amend the current section to add new subsection (i) which will require vendored consumers and/or family members receiving voucher services funded with federal financial participation through Medicaid programs be vendored as Employers or

Co-Employers in conjunction with an FMS Fiscal/Employer Agent (F/EA) or FMS Co-Employer, effective October 1, 2011, or use another vendored service provider.

#### Rationale for Necessity

This amendment is necessary to allow consumers and/or their family members to procure their own services. This amendment complies with federal requirements.

### **Section 58543. Standard Rate Schedule.**

#### **Section 58543(a) as amended**

#### Specific Purpose

This proposal will amend the current section to add Participant-Directed Services - Transportation to be an applicable service for the Standard rate schedule.

#### Rationale for Necessity

This amendment is needed in order to include the Participant-Directed Services - Transportation, the new service code, and the rate-setting methodology in the Standard Rate Schedule.

### **Section 58883. Meaning of Words.**

#### Specific Purpose

This proposal of new section 58883 is needed to effectuate the usual meaning of words, specifically “may” and “shall.”

#### Rationale for Necessity

This section is needed to clarify the Meaning of Words.

### **Section 58884. Definitions.**

#### Specific Purpose

This proposal of new section 58884 will add new definitions for the Participant-Directed Services. The section also reinstates definitions currently existing within CCR, Title 17, as applicable to this section.

#### Rationale for Necessity

This section is needed to clarify the meaning of the new and existing definitions related to the implementation of Participant-Directed and FMS.

## **Section 58886. General Requirements for Participant-Directed Services**

### Specific Purpose

This proposal of new section 58886 will list the vouchers services to be available as Participant-Directed Services and describe the general requirements for consumers and/or their family members when acting as Employer or Co-Employer for Participant-Directed Services. This section will also allow for the “grandfathering in” of existing voucher vendors to the new Participant-Directed Services by September 30, 2011.

### Rationale for Necessity

This section is needed to include basic guidelines and requirements for Employers or Co-Employers and the allowed services and the new service codes related to the Participant-Directed Services. This complies with federal requirements.

## **Section 58887. Service Components for Participant-Directed Services**

### Specific Purpose

This proposal of new section 58887 will add service components, responsibilities, and service codes for the FMS Co-Employer and FMS F/EA in the use of Participant-Directed Services.

### Rationale for Necessity

This section is needed to include basic guidelines and requirements for vendors of FMS Co-Employer and FMS F/EA, including descriptions of the duties, related new service codes for FMS vendors, the FMS F/EA and FMS Co-Employer, and basic payment parameters.

## **Section 58888. General Provisions for Rate-Setting and Reimbursements**

### Specific Purpose

This proposal of new section 58888 will add basic provisions for rate-setting and reimbursements for the Participant-Directed Services and the FMS, including rates for the new service codes.

### Rationale for Necessity

This section is needed to include general provisions for rate-setting and reimbursements for the Participant-Directed Services and the FMS Co-Employer and FMS F/EA, including rates for the new service codes.