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GAVIN NEWSOM
GOVERNOR

May 22, 2024

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: INTERMEDIATE CARE FACILITIES LAG FUNDING UPDATE

Previously, the Department of Developmental Services (DDS) issued requirements related to regional center payment assistance (often referred to as “lag funding”) for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD) homes during the transition to Medi-Cal managed care. The purpose of this correspondence is to provide updates to, and further guidance regarding the lag funding process.

Lag Funding extension

The Lag Funding Agreement distributed previously indicates lag funding is available for services provided through June 2024. To continue to provide support for ICF/DD residents and homes during this transition, lag funding will remain available for services provided from January 1, 2024, through December 31, 2024. An updated Lag Funding Agreement reflecting this change is enclosed.

Lag Repayment timeframe

The lag funding agreement includes the requirement for repayment to the regional center within 15 days of the ICF/DD home receiving payment from the applicable managed care plans (MCPs). To clarify, the 15-day timeframe begins when the home has received full payment from all applicable MCPs for all dates and residents applicable to each lag payment received from the regional center. Therefore, repayments to the regional center should be done on a flow basis as ICF/DD homes receive full payments from MCPs.

When making repayments to the regional center, ICF/DD homes only need to indicate which lag payment(s) is being repaid. Regional centers cannot require ICF/DD homes to submit remittance notices, invoice information or any other documentation from the MCP(s) of when MCP payments were made.

Clarification regarding “in collections”

The lag funding agreement states providers “*must not be in collections with any Regional Center and/or DDS for non-payment of any amounts.*” During this transition, ICF/DD homes that have entered into, and remain current with the terms of, a repayment agreement with the regional center or DDS, for any

outstanding amounts due, are not considered "in collections," and therefore are eligible to receive lag funding, assuming all other requirements are met.

Regional centers must distribute this information to all ICF/DD homes where consumers they serve reside, as well as provide any updates to regional center lag funding contacts so that ICF/DD homes have this information for communication purposes.

Thank you again for your continued partnership in support of ICF/DD residents and homes during this time. Assistance from regional centers is critical in effecting a smooth transition.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "Jim Knight". The signature is written in a cursive, slightly slanted style.

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JIM KNIGHT

Deputy Director

Administration Division

Enclosure

cc: Regional Center Administrators
Regional Center Directors of Consumer Services
Regional Center Community Service Directors
Association of Regional Center Agencies