



## Rate Reform Tool Kit

### What is Rate Reform?

[Rate Reform](#) in California's developmental services system means changing the way the state pays for services. The goal is to make sure that the payment system is fair, supports providing high-quality care, and that it helps people get the services they need. Payments are made by the Department of Developmental Services (DDS) through regional centers to all service providers. The payments are reimbursements for services provided to individuals with intellectual and developmental disabilities (I/DD) and families.

Rate reform work began in 2019 after the Legislature required the delivery of a Rate Study regarding how services are provided and paid statewide. Rate Reform adjustments began in 2021-22 and the 2024-25 Budget Act set the full rate reform implementation date to January 1, 2025. A timeline of rate reform can be found [here](#).

### Where can I find more information about the development of the rate models?

All the source documents used to develop the rate models are available on the [HMA-Burns & Associates website](#). A link to these documents can also be on [the DDS Rate Study Background webpage](#). This includes the [Rate Study](#) submitted to the legislature on March 15, 2019, responses to [public comments](#), data collection methods, and recorded [briefing sessions](#).

### Where can I find the current rate models and rates?

Complete rate models by regional center can be found on the Rate Reform website under [Rate Models and Rates](#). This page will provide you with detailed information by service code for the full rate breakdown which includes rate assumptions as well as a summary of rates for each service code by regional center. Providers are encouraged to work with their regional center to determine their current and future rate(s).

### Where will I be able to find copies of the Rate Reform guidance?

All guidance and updates to Rate Reform will be found on the Rate Reform website under [Rate Reform Directives and Updates](#). They will also be available on the [Department's Regional Center Directives](#) page as they are released.

## What is the timeline now through implementation?

Activity	Responsible	Description	When
<b>Determine applicable service description</b>	Regional centers and service providers	Determine which updated service description most closely describes the services currently being delivered	<i>Beginning upon release of <a href="#">directives</a> for each service category</i>
<b>Program modifications</b>	Service providers	Programmatic modifications as needed to meet any new requirements for the service	<i>Beginning January 1, 2025, timeline varies by service category</i>
<b>Service code changes</b>	Regional centers	Change to service code and subcode combinations within the rate reform set, updating vendorizations as needed	<i>Beginning January 1, 2025, timeline varies by service category</i>
<b>Rate adjustments and billing unit changes</b>	Regional centers	<b><i>Service providers with rates less than 90% of the rate model</i></b> adjust rates to 90% of the rate model, with the remaining 10% attainable as a quality incentive payment	<i>Effective January 1, 2025</i>
		<b><i>Service providers with rates that are above 90% and less than 100% of the rate model</i></b> remain the same (held harmless), with the remaining percentage attainable as a quality incentive payment	<i>Effective January 1, 2025 through June 30, 2026</i>
		<b><i>Rates that are above 90% of the rate model and have been held harmless</i></b> will be adjusted to equal the rates of other providers of the same service in the region	<i>Beginning July 1, 2026</i>
<b>IPPs or IFSPs and Service Authorizations</b>	Regional centers and service providers	Meetings with planning teams as needed to update the Individual Program Plan (IPP) or Individual Family Service Plan (IFSP) and service authorizations if there will be changes in service delivery or location	<i>Beginning January 1, 2025, and completed by June 30, 2026</i>

## How is Rate Reform related to QIP and the Provider Directory?

There are several programs and projects happening at DDS that are part of the Rate Reform stages, including the [Quality Incentive Program](#) (QIP). Through QIP, providers can earn up to 10 percent of their rate based on the quality of the service(s) they provide. The QIP has several different measures, each related to different types of services. Measures are ways to evaluate the quality of services carried out by providers. The following areas for QIP measures were determined through the QIP's public workgroup process: Prevention and Wellness; Employment; Informed Choice and Satisfaction; Workforce Capacity; Early Intervention; and Service Access.

A foundational measure, called the [Provider Directory](#), has been added to the QIP. The Provider Directory will compile and provide accurate statewide information for the first time about service providers.

Participation in the Provider Directory is the only QIP measure that will be used in 2024-25 and 2025-26 for establishing whether a provider will receive the quality incentive portion of the rate model for their service(s).

## If I am unable to attend a Rate Reform Training, how can I access the information that was presented?

The information presented during the scheduled trainings will be available on the DDS Rate Reform website under [meetings](#). This will include the PowerPoint presentation, recording of the training, and a list of upcoming trainings you may register for. [FAQs](#) will also be updated on an ongoing basis to incorporate questions asked during the trainings.

## Websites and Links

- Rate Reform Website: <https://www.dds.ca.gov/rc/vendor-provider/rate-reform/>
- Rate Reform Directives: <https://www.dds.ca.gov/rc/vendor-provider/rate-reform/directives-updates/>
- Training Schedule & Recordings: <https://www.dds.ca.gov/rc/vendor-provider/rate-reform/meetings/>
- FAQs: <https://www.dds.ca.gov/rc/vendor-provider/rate-reform/rate-model-implementation-frequently-asked-questions/>
- Provider Directory: <https://www.dds.ca.gov/initiatives/provider-directory/>
- QIP: <https://www.dds.ca.gov/rc/vendor-provider/quality-incentive-program/>

