

October 16, 2024

C-2024-Rate Reform-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: MINIMUM WAGE AND MILEAGE RATE ADJUSTMENTS TO PROVIDER RATES

This letter provides information on changes to rate models that are retroactively effective to July 1, 2024. Pursuant to the state budget and Welfare and Institutions Code (W&I Code) section [4519.10](#), commencing July 1, 2024, rate models shall be updated to account for the current and any subsequent changes to the statewide minimum wage and the most current Internal Revenue Service (IRS) mileage rate.

Regional centers will receive a workbook from the Department of Developmental Services' (Department's) contractor, Health Management Associates, with updated rates for current providers with rate models impacted by the new minimum wage and IRS mileage rate. Wages used in the rate models for direct care staff and supervisors were increased to accommodate for wage growth due to the increase in California's minimum wage. Updated rates reflect the new 50 percent difference of the provider's rate that was effective March 31, 2022, and the updated benchmark rates. These updated rates are effective retroactively to July 1, 2024. Any increases received separately for minimum wage or sick leave should be added on after the calculation of the updated benchmark rate.

Regional centers will receive updated statewide and regional center-specific median rates impacted by the rate model changes mentioned above. The chart displays the statewide and your regional center-specific median rates effective July 1, 2024. Regional centers shall use these median rates when negotiating rates for new providers vendored on or after July 1, 2024.

Adult Community Care Facility (Residential), Children's Community Care Facilities, Community-Based Day Programs, In-Home Respite Agencies, Supported Employment Programs, and Other Rates schedules have been updated with an effective date of July 1, 2024, and can be found [here](#).

Additionally, the "Rates Only" worksheets on the Department website have been updated and can be found [here](#). Additions include the new benchmark rate as of July 1, 2024, adjusted for the current minimum wage and IRS Mileage. January 1, 2025 full implementation rates have also been updated to account for an upcoming change in

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minimum wage, effective January 1, 2025. Finalized versions of the complete rate models themselves will be posted by January 1, 2025.

If you have any questions, please direct them to ratesquestions@dds.ca.gov.

Sincerely,

Original Signed by:

DANA SIMON

Deputy Director

Waiver and Rates Division

cc: Regional Center Administrators
 Regional Center Directors of Consumer Services
 Regional Center Community Service Directors
 Association of Regional Center Agencies
 Pete Cervinka, Department of Developmental Services
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