

October 7, 2024

D-2024-Rate Reform-012

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: RATE SETTING FOR FAMILY HOME AGENCIES (SERVICE CODE 904)

This letter provides an update on rate reform for Family Home Agencies (FHAs), which use service code 904.

Rate Structure for FHA

Effective July 1, 2023, the maximum rate of reimbursement for FHAs became the Community Care Facilities (CCF) rate for four beds or fewer, pursuant to amendments to Welfare and Institutions (W&I) Code section 4689.1(e)(7). As such, regional centers are reminded of their authority to continue aligning FHA rates with updates to the CCF rate schedule found on the “2024 Rates by Regional Center” [webpage](#).

Rate Reform

As part of continued rate reform efforts pursuant to [W&I Code section 4519.10](#), FHA rates must align with the updated CCF rate structure (Service Levels 2-6) beginning on January 1, 2025.

While these rate alignments described above are in effect, the Department will engage the community to update FHA rate models with an innovative rate structure to advance these services.

This letter should be shared within applicable regional center personnel and service provider networks. Information about rate reform such as background, statute, and regulations, can be found on the Department’s website at <http://www.dds.ca.gov/rc/vendor-provider/rate-reform>. Providers, individuals, and/or their families should contact their regional center for any questions. Questions from regional centers may be directed 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 Services Directors
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