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GAVIN NEWSOM  
GOVERNOR

October 3, 2024

P-2024-Intermediate Care Facilities-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: UPDATE - INTERMEDIATE CARE FACILITIES LAG FUNDING

Previously, the Department of Developmental Services (Department) 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 letter is to provide updates to the lag funding availability.

ICF/DDs continue to report success in receiving ongoing lag funding payments as they transition to managed care. To continue to provide assistance to homes, the Department is extending the availability of lag funding for services provided through June 30, 2025. This is an extension from December 31, 2024. An updated lag funding agreement is enclosed.

We understand the scope of these efforts reach many people and want to continue to thank each and everyone of you 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. If you have any questions regarding this letter, please contact me at [jim.knight@dds.ca.gov](mailto:jim.knight@dds.ca.gov).

Sincerely,

*Original Signed by:*

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  
Pete Cervinka, Department of Developmental Services  
Michi Gates, Department of Developmental Services  
Carla Castañeda, Department of Developmental Services