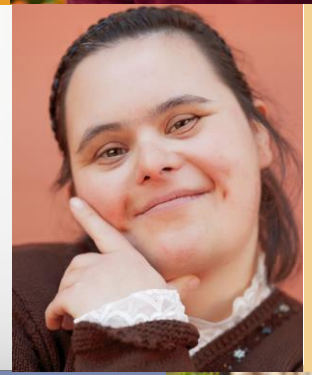
RATE REFORM:
EARLY START SERVICES AND SPECIALIZED THERAPEUTIC SERVICES

November, 2024

Department of Developmental Services



HOUSEKEEPING

Interpretación en español: haga clic en el globo blanco en la parte inferior de la pantalla con la etiqueta "Interpretation." Luego haga clic en “Spanish” y seleccione "Mute original audio.”

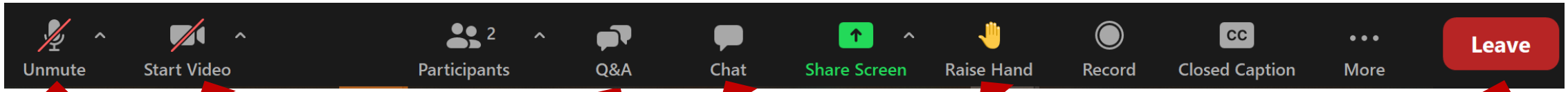
ASL interpreters have been “Spotlighted” and live closed captioning is active

This meeting is being recorded

Materials are available at: Rate Study Implementation - CA Department of Developmental Services

Answers to frequently asked questions are available at: https://www.dds.ca.gov/rc/vendor-provider/rate-study-implementation/rate-model-implementation-frequently-asked-questions/

ZOOM TIPS



Unmute mic only when it's your turn to speak

Turn your webcam on/off

All attendees can type questions/ comments in the Q&A

Chat is disabled for attendees

Live Q&A is disabled

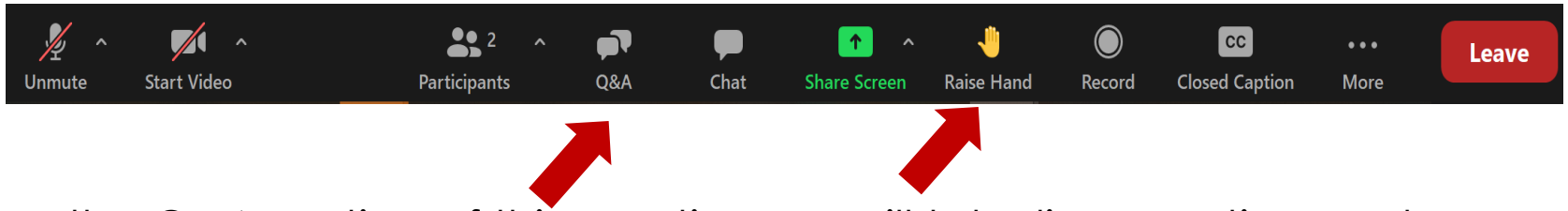
Leave the webinar at the end of the meeting

- For attendees, your video and microphone will not be available
- You will only see/hear DDS staff and presenters on screen

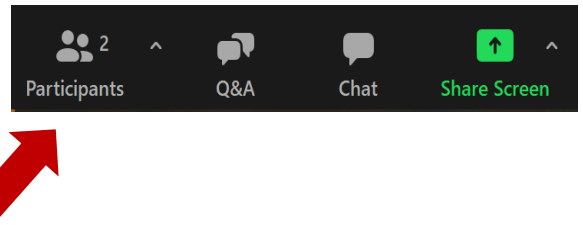
- Features will vary based on the version of Zoom and device you are using
- Some Zoom features are not available for telephone-only participants

PROVIDING COMMENTS

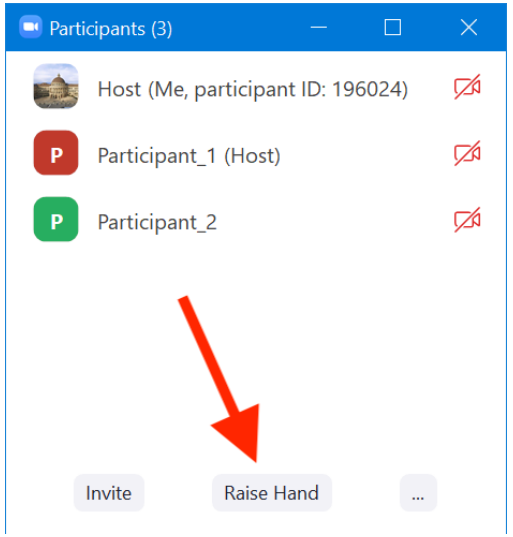
Please use "Q&A" for your questions and comments; if you prefer, you may send your questions/comments to ratesquestions@dds.ca.gov



During the Q&A portion of this meeting we will take live questions – please use "Raise Hand" to comment



You may need to click on "Participants" and a new window will open where you can "Raise Hand"



Questions not answered live will be used for an FAQ document on rate adjustment implementation

PURPOSE OF TODAY'S PRESENTATION

- Provide background and current information about Rate Reform
- Highlight the information provided in the Early Start and Specialized Therapeutic Services Directive

WHAT RATE REFORM MEANS FOR YOU

Individuals and families

- Children and families receiving services should ***not*** experience differences in the services they receive, how these services are delivered, or who is delivering these services
- The service code may change, but not the service itself

Vendors

- Rate reform does not require changes to how services are provided
- With the standardization of payment rates and billing practices, vendors ***may*** be required to change service codes, subcodes, and/or billing units
- Payment rates may increase, depending on a vendor's current rate compared to the benchmark rate model
  - Receiving full benchmark rate may require meeting Quality Incentive Program measures
  - No vendor will receive a rate decrease through the hold harmless period (June 30, 2026)

WHAT RATE REFORM MEANS FOR YOU

Regional Centers

- Verify and implement the rates identified in the Phase 3 workbook for each vendor
  - Work with vendors to affirm which updated service description and service code and/ or sub-code most closely match the services being delivered
- Work with individuals and families to explain updated service descriptions as part of each person's IPP or IFSP process
- With the standardization of payment rates:
  - Will no longer need to negotiate rates vendor-by-vendor
  - Will no longer need to make minimum wage and other adjustments for individual vendors

BACKGROUND ON THE RATE STUDY

OVERVIEW – RATE STUDY HISTORY AND IMPLEMENTATION

- In 2017 and 2018, the Department of Developmental Services and its contractor conducted a comprehensive rate study
  - Initial recommendations were published in February 2019 and finalized in January 2020
    - Study evaluated payment rates as well as service definitions, billing rules, and related issues
  - The Legislature directed DDS to implement rate study recommendations in phases

- Phases 1 and 2 included partial implementation of recommended rate increases
  - These phases did not include implementation of other rate study recommendations (such as standardization of service codes)

- The third and final phase of rate reform implementation begins January 1, 2025
  - Phase 3 fully implements the recommended rates
  - Phase 3 also includes implementation of recommendations to standardize service requirements, payment structures, and billing policies

OVERVIEW–MAJOR ELEMENTS OF PHASE 3 OF RATE REFORM IMPLEMENTATION

- Full implementation of recommended payment rates
  - **Vendors providing the same service in the same region will be paid the same amount**
  - If a vendor is currently paid a rate higher than the proposed rate, they will be held-harmless from a reduction through June 30, 2026 (no rates were reduced in Phases 1 and 2 either)

- Implementation of the Quality Incentive Program (QIP)
  - **Benchmark rates divided between a base rate (90 percent) and the QIP amount (10 percent)**
  - Vendors must complete the required steps to be listed in the provider directory by November 29, 2024, to meet QIP measure requirements for January 1, 2025, implementation

OVERVIEW–MAJOR ELEMENTS OF PHASE 3 OF RATE REFORM IMPLEMENTATION

Implementation of these element will occur by March 31, 2025, based on DDS determined timelines

- Standardization of service codes and subcodes
  - This may include staff qualifications
    - **Providers will align to the service code(s) that reflect the staff delivering the services, which may include a change in service code** (but services themselves should not change)

- Standardization of billing units
  - The rate study generally recommended that **Infant Development Program and Specialized Therapeutic Services be paid on an hourly basis**
    - Vendors with different rate types (e.g., session) will be transitioned to the applicable hourly rate

OVERVIEW – CHANGES TO RATE-SETTING PROCESSES

Rate reform makes significant changes to how vendor rates are established for services in rate reform

- ***Elimination of median rates and rate negotiations***
  - A key goal of rate reform is the standardization of rates; vendors providing the same service in the same area will be paid the same rate
  - Vendors will be paid based on the published fee schedule

- ***Elimination of vendor-by-vendor adjustments for minimum wage and other factors***
  - With a standard fee schedule, rate adjustments will be made at the same time for all vendors; individual vendors will not need to submit requests
  - None of the rate models assume that staff earn the minimum wage (that is, at full implementation, vendors will have sufficient funding to pay above minimum wage)

PHASE 3 RATE INCREASES – DETERMINATION OF RATES

- Represents final phase of implementation
  - All vendors (except those held-harmless) move to the applicable benchmark rate, standardizing rates across vendors, a key goal of the rate study

- Calculation of rate increases
  - **Posted rates effective January 2025** that include updates for minimum wage and most recent IRS mileage.
  - **Quality Incentive Program** applies, so rates will be set at 90 percent of the benchmark rate with the ability to earn the remaining 10 percent
    - **Hold-harmless is based on full benchmark rate** (for example, if a vendor's current rate is 95 percent of the benchmark, their base rate will remain 95 percent of the benchmark rate with the ability to earn the remaining 5 percent through the QIP)

- Most vendors will transition to the benchmark rates effective January 1, 2025, because they are already aligned with the appropriate service code and billing unit

PHASE 3 RATE INCREASES – TRANSITIONAL RATES FOR CERTAIN VENDORS

- **Vendors with 'blended' rates or with a billing unit that differs from the benchmark rate model will receive a transitional rate** to provide time to adjust service plans and authorizations
  - Blended rates: rates based on more than one benchmark rate model (such as a behavioral service vendor with a rate that covers two levels of staff that will be moved to different rates)
  - Differing billing unit: rates based on a billing unit that differs from the benchmark rate model (such as behavioral services billed per session when the benchmark rate uses an hourly unit)

- **Transitional period will run through March 31, 2025**
  - Regional Centers need to update service plans and authorizations to ensure vendors can bill based on the applicable benchmark rates

- Transitional **rate calculations will use the same methodology** as in Phases 1 and 2
  - Weighting of blended rates based on previously reported data for mix of services (for example, the percentage of services billed by each level of staff)
  - Adjusting rates for different billing units based on previously reported data for services (for example, number of hours per session)

HOLD HARMLESS – BACKGROUND

- Vendors with rates the exceed the applicable benchmark rate will continue to be **held harmless (no rate reduction) through June 30, 2026**
  - If a vendor's rate exceeds 100 percent of the total benchmark rate, its rate will remain unchanged and they will not earn any additional amount through the QIP
  - If a vendor's rate is between 90 and 100 percent of the total benchmark rate, its rate will remain unchanged and their potential QIP amount will be the difference between this rate and 100 percent of the total benchmark rate

- **After June 30, 2026, rates will be adjusted** to the applicable benchmark rate model

Alignment and Acknowledgement

- Regional centers and service providers are expected to review Directives and affirm which updated service description most closely matches the services being delivered

- Once identified, the standardized Enclosure B form will be completed by Regional Centers and vendors to acknowledge the service description, requirements that will need to be met, subcode combination(s), and rate(s) established by the rate model

EARLY START SERVICES

- Effective January 1, 2025, vendors providing Early Start services will follow the guidance provided in DDS Directive dated November 19, 2024.

- As with all services, Regional Centers are responsible for verifying appropriate service codes and subcodes, any previously reported service levels used for unit conversions, and achievement of Quality Incentive Program measures

- Individuals are not expected to experience differences in how the services are delivered, when they are delivered, or who they work with

PART 1: EARLY START SERVICES

BENCHMARK RATE CHANGE FOR SPECIALIZED THERAPEUTIC SERVICES (116)

- Phases 1 and 2a of rate reform implementation:
  - The Infant Development Program rate models (with the productivity adjustment for interdisciplinary team coordination) were used as the benchmark for all 116 vendors
  - Infant Development Program rate models were used for service code 805 vendors

BENCHMARK RATE CHANGE FOR SPECIALIZED THERAPEUTIC SERVICES (116)

- Phase 2b and Phase 3 of rate reform implementation
  - Specialized services delivered to young children as part of a broad Infant Development Program offering program curriculum and components as defined in Title 17, section 56764 would be vendored and billed through service code 805
  - Service code 116 will be retained and used for services delivered to young children when the vendor is not part of a broader Infant Development Program
    - Benchmark rates will be based on the Specialized Therapeutic Service rate models rather than the Infant Development Program rate models
  - The result of this change will be a lower benchmark rate for vendors that are not part of a broader Infant Development Program
    - Hold harmless through June 30, 2026, will be applied based on the Phase 2a rate

BENCHMARK RATE CHANGE FOR SPECIALIZED THERAPEUTIC SERVICES (116)

		Base Model (805)	Base Model (116)
	Unit of Service	Hour	Hour
Direct Care Staff Wages and Benefits	- Percent of Direct Care Staff Working Full-Time	100%	100%
	- Direct Care Staff Hourly Wage	$57.85	$57.85
	- Employee Benefit Rate (as a percent of wages)	13.07%	13.07%
	- Workers' Compensation Rate (as a percent of wages)	2.82%	2.82%
	Hourly Staff Cost Before Productivity Adj. (wages + benefits)	$67.04	$67.04
	Productivity Adjustments		
	Total Hours	40.00	40.00
	- Travel Time Between Individuals	4.91	4.91
	- Recordkeeping and Reporting	3.34	3.34
	- Supervision and Other Employer Time	0.45	0.45
	- Missed Appointments (not redirected to other tasks)	0.89	0.89
	- Collateral contacts (not billable)	2.68	2.68
	- Interdisciplinary team case reviews/planning	1.34	
	- Training	0.48	0.48
	- Paid Time Off	3.85	3.85
	"Billable" Hours	22.06	23.40
	Productivity Factor	1.81	1.71
	Staff Cost After Productivity Adj. per Billable Hour	**$121.34**	**$114.64**

- The only difference between the Infant Development Program rate model for therapists and the Specialized Therapeutic Services rate model is a productivity adjustment for interdisciplinary team case reviews and planning
  - Results in a higher staff cost per billable hour to account for non-billable time (and a somewhat higher overall rate) for Infant Development Program services

EARLY START SPECIALIZED THERAPEUTIC SERVICES (116)

- **Definition Overview:** Early Start Specialized Therapeutic Services (116) are defined as a service provided by an individual provider or a provider group, to individuals birth to 36 months

  - Occupational Therapist
  - Occupational Therapist Assistant
  - Physical Therapist
  - Physical Therapist Assistant
  - Speech Language Pathologist
  - Speech Language Pathologist Asst.
  - Audiologist
  - Dentist
  - Dental Hygienist
  - Family Therapist
  - Physician
  - Psychologist
  - Registered Dietician
  - Registered Nurse
  - Licensed Vocational Nurse
  - Social Worker
  - Respiratory Therapist

EARLY START SPECIALIZED THERAPEUTIC SERVICES (116)

- Provider requirements
  - Vendors and service providers operating as an agency that provide a specialized service are now included
    - For example, a practice that provides Occupational Therapy with OTs and COTAs
  - Providers must possess the license, certification and/or credential as required by the State of California to practice in the field being offered
  - Providers are required to have at least one year of experience working with individuals with developmental disabilities

- Support provided under service code 116 by credentialed behavioral specialists will transition to the service code that aligns with the provider's professional licensure or certification, such as:
  - Behavior Analyst (612)
  - Associate Behavior Analyst (613)
  - Behavior Management Assistant (615)
  - Behavior Technician-Paraprofessional (616)
  - Behavior Management Consultant (620)

EARLY START SPECIALIZED THERAPEUTIC SERVICES (116)

- **Billing unit:** Hour

- **Rate variations:**
  - Professional and Assistant
  - Location of the service: home/ community and clinic/ office
  - Staffing ratio, ranging from one to one to one to three

INFANT DEVELOPMENT PROGRAMS (805)

- **Definition Overview:** Infant Development Programs (805) are provided to children under five years old through a program consisting of:
  - Early Intervention Specialist (EIS), Early Intervention Assistant (EIA) and/or Early Invention Technician(EIT) services, and/or
  - Any combination of the following specialized services:
    - Occupational Therapist
    - Occupational Therapist Asst.
    - Physical Therapist
    - Physical Therapist Assistant
    - Speech Language Pathologist
    - Speech Language Asst.
    - Audiologist
    - Family Therapist
    - Psychologist
    - Registered Dietician
    - Registered Nurse
    - Licensed Vocational Nurse
    - Social Worker
  - Programs shall focus on family engagement and coaching as part of the services provided, including interagency consultation and training with other involved professionals

INFANT DEVELOPMENT PROGRAMS (805) – PROVIDER REQUIREMENTS

- An **Early Intervention Specialist** is a qualified professional that provides core IFSP services, supervises Early Intervention Assistant(s) and Early Intervention Technician(s), and may have an administrative role
  - Early Intervention Specialists must:
    - Possess a minimum of a bachelor's degree in early childhood development, education, or related field, or equivalent professional experience
      - One year of professional experience in early intervention may be considered equivalent to one year of education, with four years considered equivalent to a bachelor's degree
      - The Department of Developmental Services (Department) in the future may revisit with stakeholders whether additional qualifications or credentials should be required.

INFANT DEVELOPMENT PROGRAMS (805) – PROVIDER REQUIREMENTS

- An **Early Intervention Assistant** is a qualified paraprofessional that provides core IFSP services under the supervision of an Early Intervention Specialist or licensed therapist
  - Early Intervention Assistants must possess a minimum* of either:
    - An associate degree plus a Community College Early Intervention Assistant Certificate
    - An associate degree in child development or related field plus equivalent of an associate teacher California Child Development permit (12 units) plus coursework to meet EIA competencies, including supervised fieldwork in early intervention
    - One year of professional experience in early intervention may be considered equivalent to one year of education, with two years considered equivalent to an associate's degree
- An **Early Intervention Technician** is a qualified paraprofessional that provides core IFSP services under the supervision of an Early Intervention Specialist or licensed therapist
  - Early Intervention Technicians must possess a minimum of a high school diploma plus at least one year of experience of supervised fieldwork in early intervention or 12 units of coursework in child development or related field

INFANT DEVELOPMENT PROGRAMS (805)

- Provider Requirements
  - Providers must possess the license, certification and/or credential as required by the State of California to practice in the field being offered
  - Providers are required to have at least one year of experience working with individuals with developmental disabilities

- **Billing unit:** Hour

- **Rate variations:**
  - Qualification of the direct service provider
  - Location of the service, home/ community and clinic/ office
  - Staffing ratio, ranging from one to one to one to three

PART 2: SPECIALIZED THERAPEUTIC SERVICES

SPECIALIZED THERAPEUTIC SERVICES

- Effective January 1, 2025, current vendors providing Specialized Therapeutic Services will follow the guidance provided in DDS Directive dated November 19, 2024

- As with all services, Regional Centers are responsible for verifying appropriate service code and subcode, any previously reported service levels used for unit conversions, and achievement of Quality Incentive Program measure

- Individuals are not expected to experience differences in how the services are delivered, when they are delivered, or who they work with

SPECIALIZED THERAPEUTIC SERVICES (115)

- All Specialized Therapeutic Services provided under service code 115 will transition to a new service code
  - All Specialized Therapeutic Services for children ages three years and older will transition to service code 117
  - Supports provided by credentialed behavioral specialists will transition to the 600 code that aligns with the providers professional licensure or certification
    - Behavior Analyst (612)
    - Associate Behavior Analyst (613)
    - Behavior Management Assistant (615)
    - Behavior Technician-Paraprofessional (616)
    - Behavior Management Consultant (620)

SPECIALIZED THERAPEUTIC SERVICES (117)

- **Definition Overview:** Specialized Therapeutic Services (117) are defined as specialized services provided by an individual provider or a provider group, to individuals ages 3 years and older
  - Providers must possess the license, certification and/or credential as required by the State of California to practice in the field being offered
    - Occupational Therapist
    - Occupational Therapist Assistant
    - Physical Therapist
    - Physical Therapist Assistant
    - Speech Language Pathologist
    - Speech Language Pathologist Asst.
    - Audiologist
    - Dentist
    - Dental Hygienist
    - Family Therapist
    - Physician
    - Psychologist
    - Registered Dietician
    - Registered Nurse
    - Licensed Vocational Nurse
    - Social Worker
    - Respiratory Therapist

SPECIALIZED THERAPEUTIC SERVICES (117)

- Provider requirements
  - Providers must possess the license, certification and/or credential as required by the State of California to practice in the field being offered
  - Providers are required to have at least one year of experience working with individuals with developmental disabilities

- Support provided under service code 117 by credentialed behavioral specialists will transition to the service code that aligns with the provider's professional licensure or certification, such as:
  - Behavior Analyst (612)
  - Associate Behavior Analyst (613)
  - Behavior Management Assistant (615)
  - Behavior Technician-Paraprofessional (616)
  - Behavior Management Consultant (620)

Behavioral services currently provided under 116 will transition to the 600 series code that aligns with the provider's professional licensure or certification

SPECIALIZED THERAPEUTIC SERVICES (117)

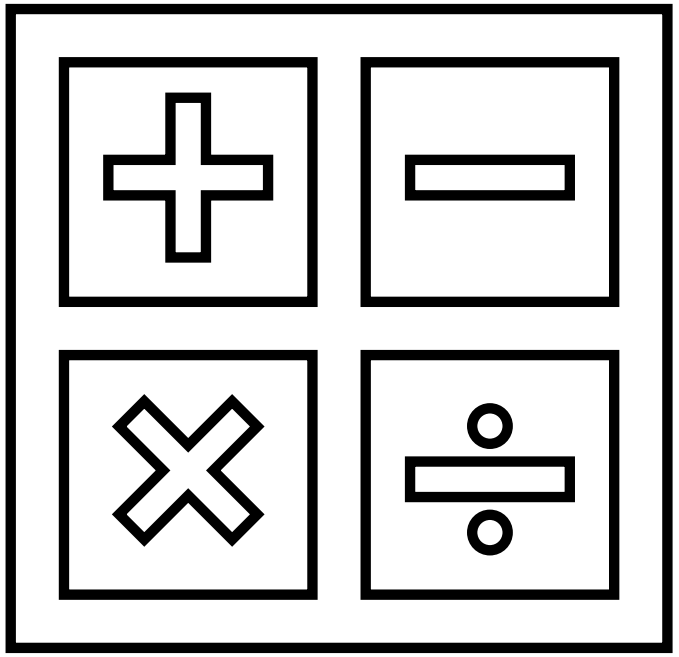
- **Billing unit:** Hour

- **Rate variations:**
  - Professional and Assistant
  - Location of the service: home/ community and clinic/ office
  - Staffing ratio, ranging from one to one to one to three

SPECIALIZED HEALTH, TREATMENT AND TRAINING SERVICES (103)

- Specialized Health, Treatment and Training services (103) will not continue as a distinct type of service in rate reform
- Supports provided under 103 will transition to an appropriate service code based on the service delivered
- Specialized Health, Treatment, and Training Services providers with current rates above 90 percent of the rate model for the service to which they will align will be held harmless through June 30, 2026

WALK THROUGH OF NEW WORKBOOKS



PHASE 3 FULL IMPLEMENTATION WORKBOOKS

- The Phase 3 workbooks build on the previous rate adjustment workbooks
  - Relies on data (regarding current rates, supports being delivered, etc.) reported in the Phase 2 workbooks as of November 2024

- Sections of the Phase 3 workbooks
  - Vendor and rate details (e.g., vendor name and ID, vendoring and using Regional Center, billing unit, etc.)
  - Crosswalk to service code and subcode, which is based on previously reported data and which may differ from current codes
    - When two or more different types of supports were reported for a single rate (for example, a therapist and a therapist assistant), a separate record is created for each rate
  - Adjustments to baseline rates (for example, minimum wage adjustments, unbundled activities, and billing unit conversions)
  - Full implementation rate, divided between the base rate and QIP portion as applicable
  - Notation of whether a hold-harmless applies

PHASE 3 FULL IMPLEMENTATION WORKBOOKS

Information that needs to be verified and/ or entered by Regional Centers

- January 1, 2025 service (labeled 1/1/2025 Service)
  - Dropdown list with the possible service codes to which current vendorizations may transition and records the service code effective January 1, 2025
    - The designated service code is used to determine the appropriate benchmark rate
  - When more than one benchmark rate model applies to a single rate (e.g., staff with different qualifications billing under the same rate), separate records must be created for each
  - If 'Other Service' is selected, a brief description of the service must be provided
    - This information will be reviewed by DDS to determine whether there is an appropriate benchmark rate model

WORKBOOKS

Information that needs to be verified and/ or entered by Regional Centers

- 7/1/2024 Rate
  - Lists the rate effective July 1, 2024, based on previous rate increase calculations
- Corrected 7/1/2024
  - If the listed July 1, 2024 rate is incorrect, Regional Centers should correct it in this field
- Unbundled Amounts
  - Lists the unbundled amount associated with the base rate, if applicable
- Average Hours per Unit
  - For vendorizations currently reimbursed on something other than an hourly basis (e.g., session), this field shows the average hours per billing unit
- Staffing Ratio
  - This field is a drop down list that lists the staff to participant ratio
- Qualifies for QIP
  - This will be pre-populated based on provider directory data from DDS

RESOURCES

Websites and Links

- Rate Reform Website
- Rate Reform Directives
- Training Schedule & Recordings
- FAQs
- Provider Directory
- QIP

Dedicated email: ratesquestions@dds.ca.gov

QUESTIONS AND COMMENTS

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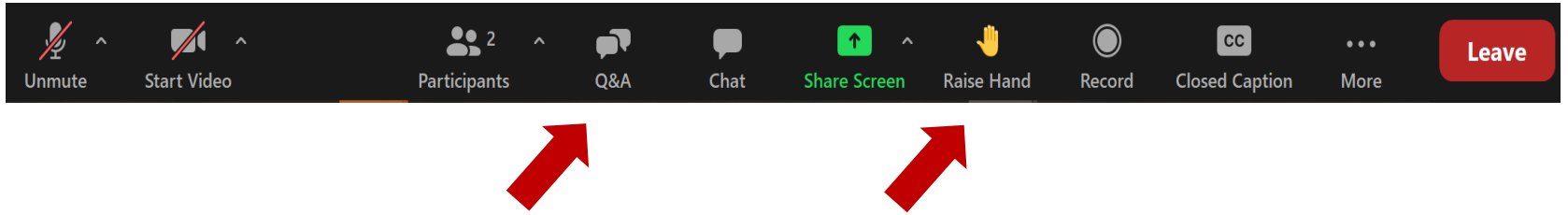

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