

January 3, 2025

D-2024-Rate Reform-015

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: MILEAGE CALCULATION FOR TRANSPORTATION SERVICES PROVIDERS

As part of continued rate reform efforts, and pursuant to the rate implementation timeline in [Welfare and Institutions Code \(WIC\) Section 4519.10](#), this letter provides direction to regional centers on how to calculate base mileage rates to determine eligibility for the hold harmless policy for Transportation Services (875) providers.

As described in the September 19, 2024 rate reform [overview letter](#), any provider with an existing rate as of January 1, 2023 that is more than 90 percent of the fully funded rate model, will not see a decrease in their rate through June 30, 2026. Beginning July 1, 2026, provider rates that have been held harmless then will be adjusted to equal the rates of other providers in the provider's service category and region. Providers whose January 1, 2023 rate is over 90 percent of the fully funded rate model but less than 100 percent of the fully funded rate model will have the opportunity to earn a quality incentive payment so that their total rate (base rate plus quality incentive payment) would equal the fully funded rate model.

For all providers of Transportation Services (regardless of their current billing unit), regional centers will guide providers to convert their current billing unit to the new "converted mileage rate" to determine whether hold-harmless applies. Providers will select a consecutive three-month period of time within the last 12 months (January 2024 – December 2024) that is most representative of their POS billing data and report the miles travelled across these three months. Regional centers will enter this information into the Phase 3 workbooks, as follows:

1. POS billing data (combined for all vehicles) from a period of three consecutive months that reflects typical billing during the last 12 months (January 2024-December 2024). Enter this number in column W.
2. Actual miles driven (combined for all vehicles) during that same three-month period. Enter this number in column X.

With this data, the converted mileage rate will be calculated as follows: POS total, divided by the Mileage total, which will populate in column Y and then be used to determine whether hold-harmless applies. If the converted rate is lower than the rate model rate, the provider's rate will increase to align with the rate model rate. If the converted rate is higher, the provider's current rate will remain unchanged through the hold-harmless period.

We appreciate you sharing this letter with involved regional center staff and provider network. If providers, individuals and/or their families have questions regarding this letter, they should contact their vendoring regional center. Questions from regional centers should be directed to [ratesquestions@dds.ca.gov](mailto: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  
Association of Regional Center Agencies  
Pete Cervinka, Department of Developmental Services  
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