

RATE REFORM: ADULT DAY SERVICES

November, 2024



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

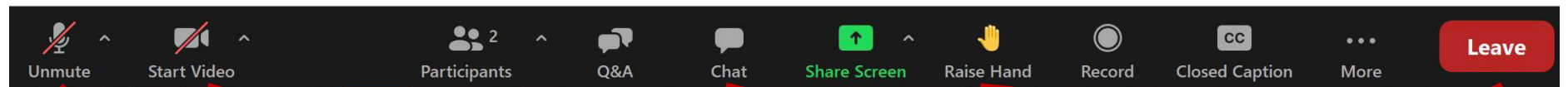


Materials are available at: [Rate Study Implementation - CA Department of Developmental Services](#)



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



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

Chat is disabled for attendees

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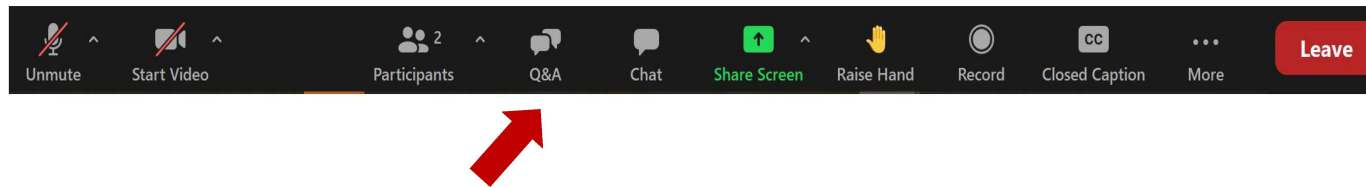
- For attendees, your video and microphone will not be available
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- Features will vary based on the version of Zoom and device you are using
- Some Zoom features are not available for telephone-only participants

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



Questions and question themes 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 Adult Day Services Directive

BACKGROUND ON THE RATE STUDY

WHAT RATE REFORM MEANS FOR YOU

Individuals

Individuals 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
 - Some costs currently billed separately will be bundled into the service rate
- 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 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 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

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)
 - Recommended **rates are divided between a base rate (90%) and the QIP amount (10%)**
 - 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 this element will occur by March 31, 2025, based on DDS determined timelines

- Standardization of service codes and subcodes
 - For medical and behavioral day services, this includes staff training requirements
 - **Vendors that do not plan to meet service or staff requirements will be transitioned to a different service code** (but services themselves should not change)
- Standardization of billing units
 - **Adult Day Service providers that currently have a daily rate, and new providers, may temporarily bill services for each individual with a daily rate** based on an authorized ratio of employee to supported individual
 - This will continue until further notice and at least through December 31, 2025
 - If the provider is providing a different type of service to an individual on the same day as day services, day services should be billed using an hourly rate.
 - Providers that currently have an hourly rate will continue to bill services hourly for each individual with a rate based on an authorized ratio of employee to supported individual

OVERVIEW – CHANGES TO RATE-SETTING PROCESSES

Rate reform makes significant changes to how vendor rates are established for in services 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
 - **The rates effective January 1, 2025** include updates for minimum wage, most recent IRS mileage rate
 - **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 vendor with a rate that covers two program types that will be moved to different rates)
- **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 service type)

HOLD HARMLESS – BACKGROUND

- **Vendors with rates that 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

ADULT DAY SERVICES

COMMUNITY INTEGRATION/ TRAINING RPOGRAM (055) COMMUNITY ACTIVITIES SUPPORT SERVICES (063)

- **Service code consolidation:** Community Integration/ Training (055) and Community Activities Support Services (063) do not continue as distinct types of service in rate reform
- These services are likely included in other service descriptions and will transition to the corresponding code that best fits the services being provided, either a day service code or services described in other directives, by March 31, 2025
 - Employment services are described in the Department's directive dated 11/25/2024
- Continued and new use of this service code for services that do not align anywhere else will require Department approval using the exemption process described in the Department's 10/30/2024 letter.
 - Current providers may continue using this service code through the 2025 transition to a new service code, and do not need to request an exemption.

ACTIVITY CENTER (505) ADULT DEVELOPMENTAL CENTER (510) BEHAVIOR MANAGEMENT PROGRAM (515)

- **Service code consolidation:** Activity Center (505), Adult Developmental Center (510) and Behavior Management Program (515) do not continue as distinct types of service in rate reform
- These services are likely included in other service descriptions and will transition to the corresponding code that best fits the services being provided, which is likely a new or continuing day service code, by March 31, 2025
 - Current providers may continue using this service code through the 2025 transition to a new service code, and do not need to request an exemption

DAY SERVICES (531)

- **Definition Overview:** Day Services offer a range of services to help individuals develop skills and integrate into the community
 - The day service program is not designed to meet the needs of individuals with significant behavioral or medical needs
- Provider requirements
 - Day Services programs shall meet the requirements, standards, and qualifications in Title 17 of the CCR for article 2 for [Standards for All Community-Based Day Programs](#), article 3 for [Additional Standards for Adult Day Programs](#) as well as the components of this service description

DAY SERVICES (531)

- **Billing unit:** Hour
 - Providers that currently have a daily rate, and new providers, may temporarily bill services for each individual with a daily rate based on an authorized ratio of employee to supported individual
 - This will continue until further notice and at least through December 31, 2025
 - If the provider is providing a different type of service to an individual on the same day as day services, day services should be billed using an hourly rate
 - Providers that currently have an hourly rate will continue to bill services hourly for each individual with a rate based on an authorized ratio of employee to supported individual
- **Rate variations:**
 - Staffing ratio, ranging from one to two to one to ten
 - If additional staffing is required, providers should use supplemental staffing (110)

BEHAVIORAL DAY SERVICES (532)

- **Definition Overview:** Behavioral Day Services offer a range of services to help individuals develop skills and integrate into the community that require a behavior plan to address behaviors that require additional support
 - Services are provided with staffing ratios of 1:2 and 1:3 only
 - Services shall include community integration and training in natural environments as determined by individual abilities and support needs

BEHAVIORAL DAY SERVICES (532)

- Provider requirements
 - Behavioral Day Services programs shall meet the requirements, standards, and qualifications in Title 17 of the CCR for article 2 for Standards for All Community-Based Day Programs, article 3 for Additional Standards for Adult Day Programs as well as the components of the service description
 - A Board-Certified Behavior Analyst (BCBA) or a Behavior Management Consultant as defined by Title 17 of the CCR section 54342(a)(13) is required at least 2 hours per person per month or averaged semi-annually, and can be prorated based on an individual's part-time attendance. This staffing must be in place by December 31, 2025
 - Direct service staff are required to attend specific training in Applied Behavior Analysis, complete a competency assessment, and be supervised by a BCBA
 - While not required to be Registered Behavior Technicians (RBT), direct service staff are required to attend specified behavior focused trainings as outlined in the Behavior Analytic Certification Board RBT 40-Hour Training Requirements
 - New staff must be complete the training within 12 months of hire and training for existing staff must be completed by June 30, 2026

BEHAVIORAL DAY SERVICES (532)

- **Billing unit:** Hour
 - Providers that currently have a daily rate, and new providers, may temporarily bill services for each individual with a daily rate based on an authorized ratio of employee to supported individual
 - This will continue until further notice and at least through December 31, 2025
 - If the provider is providing a different type of service to an individual on the same day as day services, day services should be billed using an hourly rate
 - Providers that currently have an hourly rate will continue to bill services hourly for each individual with a rate based on an authorized ratio of employee to supported individual
- **Rate variations:**
 - Staffing ratio, ranging from one to two to one to three

MEDICAL DAY SERVICES (533)

- **Definition Overview:** Medical Day Services offer a range of services for individuals develop skills and integrate into the community with support for health conditions such as those listed in Title 22 of the CCR section [80092](#) or others that require oversight from a licensed medical professional.
 - Individuals must have an objective which can be supported by the program
 - Services are provided with staffing ratios of 1:2 and 1:3 only

MEDICAL DAY SERVICES (533)

- Provider requirements
 - Day services programs shall meet the requirements, standards, and qualifications in Title 17 of the CCR for article 2 for Standards for All Community-Based Day Programs, article 3 for Additional Standards for Adult Day Programs as well as the components of this service description
 - A Licensed Vocational Nurse (LVN) or Licensed Psychiatric Technician (LPT) is required to provide supervision and training to direct service staff and administer medical services as needed.
 - An LVN or LPT must be available during all operating hours
 - The program must have oversight from Registered Nurse a minimum of 8 hours per month to provide assessments, develop and monitor health care plans, provide training and monitor medications. This staffing must be in place by December 31, 2025
 - While not required to be Certified Nursing Assistants (CNA), direct service staff will be required to complete 40 hours of specified healthcare trainings
 - New staff must complete the trainings within 12 months of hire and training for existing staff must be completed by June 30, 2026

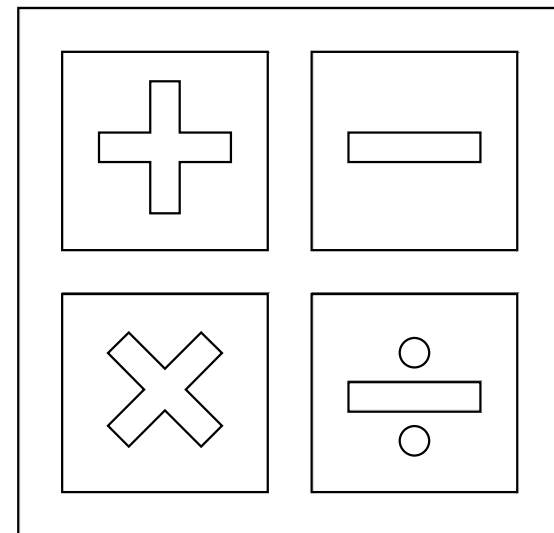
MEDICAL DAY SERVICES (533)

- **Billing unit:** Hour
 - Providers that currently have a daily rate, and new providers, may temporarily bill services for each individual with a daily rate based on an authorized ratio of employee to supported individual
 - This will continue until further notice and at least through December 31, 2025
 - If the provider is providing a different type of service to an individual on the same day as day services, day services should be billed using an hourly rate
 - Providers that currently have an hourly rate will continue to bill services hourly for each individual with a rate based on an authorized ratio of employee to supported individual
- **Rate variations:**
 - Staffing ratio, ranging from one to two to one to three

IN HOME DAY PROGRAM (091)

- **Definition Overview:** Day program services to individuals who are unable to attend day programs outside their homes, because of medical conditions that prevent travel to outside programs.
- There are no changes to provider requirements
- **Billing unit:** Hour
 - Providers that currently use a daily rate may temporarily bill services for each individual with a daily rate based on an authorized ratio of employee to supported individual
 - This will continue until further notice and at least through December 31, 2025
- **Rate variations:**
 - Staffing ratio, ranging from one to one to one to three

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 user 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, a separate record is created for each rate, e.g., 055 and 063
 - 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, 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 or daily basis, this field shows the average hours per billing unit
- Staffing Ratio
 - This field is a drop-down 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