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D-2024-Rate Reform-007 REV3

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: RATE REFORM IMPLEMENTATION FOR EMPLOYMENT SERVICES

D-2024-Rate Reform-007 REV2, issued on January 17, 2025, hereby is revised, as displayed on pages 1, 2 and 3 in strikethroughs and underlined italics.

As part of continued rate reform [implementation](#), this letter provides direction regarding the following areas:

- Supported Employment - Group (service code 950)
- Supported Employment - Individual (service code 952)
- Work Activity Program (service code 954)

Beginning January 1, 2025, the service descriptions in this directive apply to all vendors of these services, along with the associated service and subcode combinations, rate models and billing units. This directive also may pertain to vendors currently providing these services under different service codes. Providers continue to be responsible for the requirements in Welfare and Institutions Code and Title 17 of the California Code of Regulations (CCR). However, this directive supersedes any conflict regarding service descriptions and rate-setting in those other sources.

Regional centers and service providers shall follow this directive to affirm which updated service description and any staffing requirements most closely match the services actually being delivered. The regional center shall verify the rate for each service and subcode combination in the rate workbook. Reimbursement for services beginning January 1, 2025, will be claimed using the provider's current service code with an updated rate, unless the form described below is completed prior to that date.

By ~~March 31, 2025~~ May 30, 2025, the Rate Reform Service Acknowledgement Form shall be completed by the regional center and service provider to acknowledge the service description, requirements that will need to be met, subcode combination(s), and the rate(s) established by the rate model. Please see Attachment A for the form and instructions, which includes attaching the rate workbook to the completed form. The rates for each type of service by regional center can be found [here](#). Providers with existing rates that are above 90 percent of the rate model for the service description to which they will align will maintain their existing rates (held harmless) until June 30, 2026. Providers with rates between 90 percent and 100 percent of the rate model will have the opportunity to earn 100 percent of the rate model through the [Quality Incentive Program](#) (QIP). Otherwise, upon completion of the Rate Reform Service Acknowledgement

Form, the new service and subcode combination and rate will be used.

Individuals receiving services should not experience differences in how their services are delivered, where they are delivered from, and who they work with as a result of this directive.

Individual Program Plans (IPPs) must identify the type and the amount of service needed. Therefore, some IPPs will need to be updated to properly identify the type of service being delivered. If the only change is service delivery by a different level of staff, or use of a new service and subcode combinations and their rates, the IPP does not need to be updated. These IPP updates should be done at the next scheduled IPP meeting, after which the regional center must update service authorizations. These IPP updates must occur no later than December 31, 2025. In these cases, billing for services to individuals pending an IPP update will continue under the current service code with an updated rate. Billing for services to individuals that do not need an IPP update will use the new service and subcode combination and their rate.

Vendors and service providers operating as an agency must provide services and bill based on the staffing qualifications of the employees providing the direct services. The services may be provided using independent service code and subcode combinations under one vendorization.

Supported Employment – Group (service code 950)

Service Description

Group supported employment services are provided by a single job coach to a group of individuals engaged in paid work that is integrated in the community. Supported employment vendors shall meet the definitions, requirements and standards in Title 17 of the CCR subchapter 21 for [Habilitation Services Program](#), as well as the new components listed below.

New Components

- *Services:*
 - All employment shall compensate each individual at least minimum wage for all time worked.
 - A vendor currently providing employment services under a different service code must be a non-profit organization to transition to Supported Employment for groups, pursuant to [Welfare and Institutions Code section 4857.1](#).
- *Billing:* ~~Providers will bill hourly for each individual with a rate based on an authorized ratio of staff to each individual, ranging from 1:3–1:8. Please refer to Attachment B for the established subcodes. The rates for each type of service by regional center can be found [here](#).~~
 - ~~This is a change from current billing based on the job-coach's hours. Providers will need to coordinate so that all~~

~~individuals in an employment group transition to the new billing at the same time.~~

No changes to the current billing method. Providers will continue to bill hourly based on a job coach's hours until further notice, and at least through December 31, 2025. This rate will be identical to the Supported Employment-Individual rate. Please refer to Attachment B for the established subcodes.

Supported Employment - Individual (service code 952)

Service Description

Supported employment services for individuals include job development and job coaching services to a single individual with developmental disabilities pursuing or engaged in competitive integrated employment.

- **Job Development** is individualized staff time to assist an individual with all activities involved in preparing for and securing competitive integrated employment. This may include services to identify the individual's interests, strengths, life experience, and preferred employment settings.
 - Staff providing services must be certified in Association of Community Rehabilitation Educators (ACRE) Customized Employment or Basic Employment, have a Certified Employment Support Professional (CESP) certification, or other similar certifications contingent upon Department approval. New staff must be certified within 12 months of hire. A QIP [measure](#) is available through June 30, 2025 that offsets the cost of this certification. Job Development required certification for existing staff must be completed by June 30, 2026.
 - Job development is intended to be a short-term service to identify appropriate employment and allows for up to 120 hours within a 12-month period. A regional center Executive Director may provide exceptions in extenuating circumstances if a need is identified by the planning team. If there is a need to exceed the recommended hours, the planning team should re-evaluate the services and goals related to the individual's employment.
- **Job Coaching** is individualized staff time for the training and support to an individual, after employment is secured, with maintaining employment and advancing in competitive integrated employment.

Supported employment vendors for individuals shall meet the definitions, requirements and standards in Title 17 of the CCR subchapter 21 for [Habilitation Services Program](#), as well as the new components listed below.

New Components

- *Services:*
 - Establishes Job Development and staff qualifications.
 - Job Development requires certification for existing staff that must be completed by June 30, 2026. New staff must be certified within 12 months of hire. Providers may proceed with and bill for Job Development services while staff certification is in progress.
 - A vendor currently providing employment services under a different service code must a non-profit organization to transition to Supported Employment for individuals, pursuant to [Welfare and Institutions Code section 4857.1](#).
- *Billing:* Providers will bill services hourly based on service delivered for either Job Development and Job Coaching. Please refer to Attachment B for the established subcodes.

Work Activity Program (service code 954)

Service Description

Work Activity Program vendors shall continue to meet the definitions, requirements and standards in Title 17 of the CCR subchapter 21 for [Habilitation Services Program](#), as well as the new components listed below.

New Components

- *Services:* All employment shall compensate each individual at least minimum wage for all time worked.
- *Billing:* Providers will bill services hourly for each individual with a rate based on an authorized ratio of staff to employees to supported individual, ranging from 1:4–1:35. Please refer to Attachment B for the established subcodes.

Next Steps

Regional centers and service providers must follow this directive to affirm which updated service description most closely matches the services actually being delivered, and follow the procedures described in this directive. If a provider's service does not fit into any of the updated service descriptions, or a provider or its staff do not meet the requirements of any of the updated service descriptions, the regional center and service provider shall refer to the exemption process described in the Department's October 30, 2024 [letter](#).

This letter should be shared with involved regional center personnel and the provider network. If providers, individuals and/or their families have questions regarding this letter, they should contact their regional center. Questions from regional centers should be directed to ratesquestions@dds.ca.gov.

Sincerely,

Original Signed by:

DANA SIMON
Deputy Director

Attachments

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