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GAVIN NEWSOM
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October 28, 2025 D-2024-Rate Reform-006 REV2

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: RATE REFORM IMPLEMENTATION FOR TRANSPORTATION SERVICES

D-2024-Rate Reform-006 REV issued on January 22, 2025, hereby is revised, as displayed on page 3 and page 4 of the letter in strikethroughs and underlined italics.

As part of continued rate reform implementation, this letter provides direction regarding the following areas:

- Transportation Company (service code 875)
- Transportation - Additional Component (service code 880)
- Transportation Assistant (service code 882)
- Transportation Broker (service code 883)

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 stated 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 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, the Rate Reform Service Acknowledgement Form shall be completed by the regional center and service provider to acknowledge the service description, provider requirements, 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. 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 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.

Transportation Company (service code 875)
Service Description
A transportation company provides transportation services to individuals to and from their day services or other destinations to meet individual needs as identified in the IPP.

Providers shall meet the requirements including the current business license as a transportation company and proof of adequate insurance as specified in Title 17 of the CCR section 54342(a)(84).

New Components
- *Services:* Services may include destinations to meet individual needs as specified in the IPP.
- *Billing:*
  - Providers will bill services for total vehicle mileage using a rate based on the capacity of the vehicle used.
  - Vehicles are categorized by designated passenger capacity, ambulatory and non-ambulatory passenger accommodations. Please see Attachment B for the subcodes for each category.
    - Vehicle capacity is determined by the original maximum number of passengers including the driver that the vehicle is able to legally transport. Vehicles are classified as either small (≤10 passengers), medium (11-18 passengers), or large (≥19 passengers).
    - Vehicles modified/equipped with a lift to provide transportation to people using wheelchairs will be designated to the non-ambulatory rate
  - Mileage calculations begin when the vehicle leaves the provider grounds or storage location and end when the vehicle returns. Any miles not directly related

to transporting individuals (i.e. driver lunch, refueling, etc.) shall be deducted from the trip mileage.

- Providers shall document odometer readings for the beginning and end of each trip for each vehicle.
- Providers shall keep attendance records for each trip and enter individuals' attendance in e-billing, using the subcode to denote vehicle category for each one-way trip.

- Reimbursement will be for the total miles driven for each vehicle category. The mileage rate is inclusive of transportation-related costs, including the federal mileage rate for fuel and maintenance costs. These expenses shall no longer be authorized separately.
- All existing rates will convert from all other billing units to mileage using the rate reform workbooks. Transportation services are not billed individually, so authorizations by provider will need to be moved to the new unit type all at once. Regional centers and providers will need to coordinate to establish vehicle types and transition no later than December 31, 2025.

Transportation - Additional Component (service code 880)

Service Description

A vendor of a primary service may provide Transportation Services - Additional Component if the services are provided by the employees of the primary service agency. Providers shall meet the requirements including proof of adequate insurance as specified in Title 17 of the CCR section 54342(a)(80).

New Components

- *Services:* No changes to the requirements.
- *Billing:* Providers will bill services *for* ~~per one-way trip for~~ each individual~~.~~*, per one-way trip associated with transporting the individual to or from the day service program, for a maximum of two one-way trips per day per individual.*

Transportation Assistant (service code 882)

Service Description

Transportation assistant services are vendored separately from the transportation service vendor. The transportation assistant is responsible for assisting and monitoring individuals while being transported and must meet the qualifications for transportation aides specified in Title 17 of the CCR sections 58520(b) and 54342(a)(81) as well as the new components below.

New Components

- *Services:* No changes to the requirements.
- *Billing:* Providers will bill services hourly when the transportation assistant is in the vehicle (including travel to or from the provider's grounds). Services may authorized for an individual, or by contract when serving multiple individuals on a route.

Transportation Broker (service code 883)

Service Description

A transportation broker provides support to develop routing and time schedules for the transport of individuals to specified destinations. In addition to performing these duties, a transportation broker may also conduct monitoring and quality assurance activities, perform safety reviews, and assist the regional center in implementing contracted transportation services. The broker does not provide transportation services.

Transportation brokers shall meet the requirements and duties in Title 17 of the CCR section 54342(a)(83) as well as the new components below.

New Components

- *Services*: No changes to the requirements.
- *Billing*: Brokers will bill services per trip of the supported transportation service providers *through October 31, 2025. Beginning November 1, 2025, brokers will use a new rate model of a per individual/per month as described in D-2025-Rate Reform-011: Updated Billing Instructions for Broker Services.* Brokers and transportation service providers shall coordinate the collection of individual and trip records.

Next Steps

Regional centers and service providers shall 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 December 12, 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
Waiver and Rates Division

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