

Quality Incentive Program

Executive Summary



SECTION 1: BACKGROUND

In March 2016, the California Legislature passed a law requiring the Department of Developmental Services (Department) to study how to keep community-based services for individuals with intellectual and developmental disabilities (I/DD) robust, high-quality, and transparent.

In March 2019, the Department submitted the results of the study to the Legislature, recommending new and increased payment rates for many home and community-based services (HCBS). Based on the results of the rate study, the Legislature introduced a multi-year timeline to implement rate reform in California's developmental services system ([Welfare and Institutions Code Section 4519.10](#)).



In addition to updating service rate models, rate reform also introduced a new and different way the Department pays for services that is designed to improve outcomes for individuals as well as the quality of services provided. Service providers can receive quality-based payments for some services through the **Quality Incentive Program (QIP)**.

1.1 Vision and Goals

The overarching vision that guides the development of the QIP is for all individuals with I/DD to have access to high-quality, person-centered services through an outcomes-based system that meet their needs and goals. To achieve this vision, the Department has outlined the following six goals for serving individuals with I/DD:

- 1) **Equity:** For people with I/DD to experience fair service access, delivery, and individual outcomes.
- 2) **Outcomes:** For people with I/DD to live full, meaningful lives in their communities, be healthy and safe, and achieve their personal goals.
- 3) **Oversight and Transparency:** People with I/DD are supported by service providers that meet federal, state, and regional center requirements.
- 4) **Satisfaction and Experience:** People with I/DD are empowered to make choices about the services and supports they receive, are satisfied with the services and supports they receive, and have positive experiences with their service providers.
- 5) **Timely Access:** People with I/DD have efficient and effective access to services and supports.
- 6) **Service Delivery and Capacity:** The state of California has high quality delivery capabilities and capacity that are aligned with the needs of the community.

SECTION 2: QUALITY INCENTIVE PROGRAM

2.1 Program Overview

Launched in 2022, the QIP initiative was developed to transition service providers towards an outcome-based payment system, which compensates service providers based on the quality of services provided and the outcomes of individuals receiving services.

This system allows the State to:

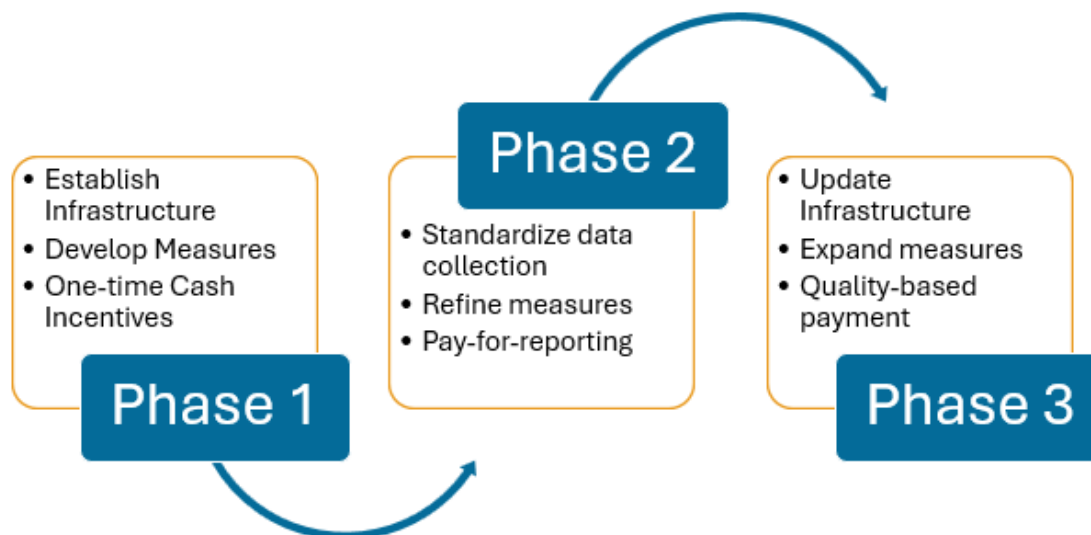
- 1) reward high-quality, person-centered, coordinated services that help individuals achieve their goals,
- 2) influence provider behavior in support of individuals and families, and
- 3) track trends in service quality and provision.

Under this new system, 90 percent of a provider's payment is based on the new payment rates under Rate Reform. The remaining 10 percent of a provider's payment is determined through a provider's achievement of QIP measures. To earn the Quality Incentive Rate Component (i.e., up to 10 percent of base rate payments), participating service providers can earn incentives by meeting or exceeding specific quality measures.

2.2 Roadmap

The Department has implemented a multi-phased approach to transitioning from the current system of payment for service providers (wherein providers are paid based on the volume of services provided to individuals) to the new outcome-based payment system.

Figure 1: QIP Implementation Phases



Phase 1:

Develop Measures - The Department conducted focus groups with people with I/DD and their families, services providers, and regional centers to receive stakeholder input on the best approach to measure success in the six identified focus areas.

One-time Incentives - During this phase of the QIP, providers were incentivized to participate by offering one-time payments for participation in the Provider Directory as well as submitting data on select quality measures.

Establish Infrastructure - In the first phase of the QIP, the Department established an online portal, the [Provider Directory](#), that acts as a comprehensive online directory of all service providers across California. The Provider Directory is used to collect and review providers' data, which allows the Department to develop a better understanding of the landscape of providers in California's I/DD system.

Phase 2:

Standardize Data Collection - During the second phase of the QIP's development, the Department aims to streamline and standardize data collection efforts. This goal will be achieved by exploring data collection at the vendor-number level, identify opportunities to improve data collection efficiency, and provide training to Regional Centers and service providers.

Refine Measures - The Department continues to refine data collection measures based on ongoing feedback from stakeholders and analysis of data collected to date. The Department will use the information collected to inform how to best improve and supplement data collection efforts, such as those measuring language fluency. These efforts will also focus on procedures for standardizing measurement across all participating service providers.

Transition to Reporting-Based Incentives - Although one-time incentives will still be dispensed depending upon the availability of funds, the Department will be transitioning towards a reporting incentives system during the second phase of the QIP's development. During this phase, the Department will consider how measure(s) will factor into the Quality Incentive Rate Component, based on analysis of data collected and ongoing stakeholder feedback. Additionally, determinations will be made regarding which service codes will be eligible for inclusion in each quality measure.

Phase 3:

Update Infrastructure - The Department will roll out updates to the Provider Directory, including the publication of the public-facing Provider Directory to individuals with I/DD and their families. This version of the Provider Directory will serve as an online resource for consumers to use to locate available service providers in their area. Additionally, the Department will work with community partners to educate the public on how to use the Provider Directory, to ensure its utility as a useful resource for individuals and families.

Expand Data Collection Measures - During this development phase of the QIP, the Department will review data collected during Phases 1 and 2 to determine what additional data needs to be collected from service providers. These decisions will be made in collaboration with stakeholders.

Additionally, the Department will monitor ongoing data collection to assess the data collection efforts and assess whether changes need to be made to existing measures.



Transition to Milestone-Based Incentives - The Department will continue to dispense one-time incentives for as long as funds permit. During this third phase, the Department will be working toward establishing Quality Incentive rate components, including individual outcome measures and rate methodology for determining provider payments.

2.3 Focus Areas and Corresponding Measures

In November 2021, the Department formed a workgroup to provide feedback on QIP program development. The workgroup suggested six areas that are important to measure to promote good, person-centered outcomes: *Employment, Early Intervention, Prevention and Wellness, Workforce Capacity, Service Access, and Informed Choice & Satisfaction*. Measures of service provider quality were developed within each of the six focus areas, with extensive input from stakeholders (see Table 1 for full description of measures within each focus area).

The established quality measures serve three purposes:

- 1) They allow the Department to establish a better understanding of the landscape of service providers in California,
- 2) The data collected using these measures are being used to inform the refinement and development of measures, and
- 3) Measures are used as the basis for determining Quality Incentive Payments going forward

2.4 Conclusion

This executive summary highlights the purpose, key focus areas, and progress of QIP as the Department continues to implement this initiative to drive better results for people with intellectual and developmental disabilities. Each focus area and quality measure are actively monitored and refined, ensuring that quality enhancement remains an ongoing and collaborative effort. All these efforts help move the system toward more timely, effective, and person-centered services while fostering a culture of continuous improvement.

Table 1. DESCRIPTION OF MEASURES ACROSS FOCUS AREAS

Focus Area	Desired Outcome	One-Time Cash Incentive Measure¹	Pay-for-Reporting Measure
Employment	1) All individuals who want Competitive Integrated Employment (CIE) are employed. 2) Increase the number of service provider employees who are certified as trained employment specialists.	1) Number of individuals who achieve and retain CIE. 2) Number of service providers who become certified or re-certified as trained employment specialists (ACRE/CESP training²)	1) Number of individuals who achieve and retain CIE. 2) Number of service providers who become certified or re-certified as trained employment specialists (ACRE/CESP training²)
Early Intervention	Children and families receive timely access to Early Intervention services.	Number of individuals who receive Early Intervention services within 20 days of Purchase of Service (POS) authorization.	N/A ³
Prevention & Wellness	Individuals under residential care receive preventative health services at medically recommended frequencies.	Number of individuals that receive all preventative health screenings based on medically recommended frequency, age, and gender.	Number of adults and children served that receive all preventative health screenings based on medically recommended frequency, age, and gender.
Service Access	1) Individuals have timely access to services. 2) Services are provided by staff who communicate in the individuals' preferred language.	1) Vacancy rate of DSPs at provider agency. 2) Percentage of DSPs within a provider's agency who are fluent in at least one non-English language.	Vacancy rate of DSPs at provider agency. Percentage of DSPs within a provider's agency who are fluent in at least one non-English language.
Workforce Capacity	Individuals are satisfied by the continuity of their Direct Service Professional (DSP).	Turnover rate and average job tenure of DSPs employed by the provider agency.	Turnover rate and average job tenure of DSPs employed by the provider agency.
Informed Choice & Satisfaction	Individuals and families are satisfied with the services and supports they receive.	Participants' ratings of their satisfaction with their services and ability to make informed choices.	N/A ³

¹ One-time incentives are not being offered by the Department currently.

² ACRE refers to Association of Community Rehabilitation Educators; CESP refers to Certified Employment Support Professionals.

³ Pay-for-reporting measures for Early Intervention and Informed Choice and Satisfaction are still under development.

SECTION 3: RESOURCES

3.1 General Resources

- [QIP Website](#).
 - Development of the QIP: [QIP Webinar Slideshow](#) or [QIP Webinar Recording](#).
- Workgroup meeting participation: [Stakeholder Events](#).
- QIP [Focus Group Interest Survey](#)
- QIP Frequently Asked Questions (FAQ)

3.2 Service Provider Resources

- Provider Directory Inclusion: [General Provider Directory FAQ](#)
- [Provider Directory FAQ for Service](#) Providers
- Provider Directory Training: [Provider Directory](#).
- [Provider Checklist](#)

QUESTIONS OR COMMENTS?

Email: QIPquestions@dds.ca.gov