

February 11, 2026

D-2026-Quality Incentive Program-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: QUALITY INCENTIVE PROGRAM- NEW SERVICE PROVIDERS
UPDATE

This guidance provides information for service providers who were not covered under previous directives (D-2025-Quality Incentive Program-[018](#), [019](#), or [020](#)) on participating in the [Quality Incentive Program \(QIP\)](#) to establish rates for Fiscal Year (FY) 2026-27. The information in this guidance applies to service providers who meet any of the following criteria:

- Were vendored on or after July 1, 2025, or
- Were re-vendored as part of rate reform or for other reasons, or
- Were reactivated during FY 2025-26, or
- Become vendored during FY 2026-27, or
- Were active but did not provide or bill for services during FY 2024-25

Program Overview

Service providers addressed in this directive that are operating in any service codes subject to rate reform, listed in Attachment B, must participate in the QIP to earn their [quality incentive rate component](#) for the entirety of FY 2026-27.

QIP Eligibility Requirements

To qualify for the **FY 2025-26 Quality Incentive rate component**, service providers addressed in this directive first must meet these requirements:

- ✓ Service provider must complete vendorization with a regional center.
- ✓ Service provider must register and validate their information in the provider directory as outlined in the Quality Incentive Program – Provider Directory directive ([D-2025-Quality Incentive Program-005](#)).

To qualify for the **FY 2026-27 Quality Incentive rate component**, service providers addressed in this directive must meet these requirements:

- ✓ Comply with the following applicable HCBS, Electronic Visit Verification (EVV), and Independent Audits or Reviews requirements, as detailed below:
 - **Electronic Visit Verification (EVV):** To be considered compliant, a service provider must either complete EVV self-registration or have the regional center confirm the service provider is exempt from the EVV requirement. Additional information and resources can be found on Department's dedicated Electronic Visit Verification webpage. For fiscal years beyond 2026-27, actual implementation of EVV will be required.

- ***Home and Community-Based Services (HCBS) Settings Final Rule:***
To be considered compliant, the service provider's vendoring regional center must make a determination of compliance and report to the Department in accordance with [the January 8, 2024 directive](#). As of October 2025, all service providers were determined to be compliant with this requirement, and this determination is being used as eligibility for the 2026-27 quality incentive rate component. Service providers are reminded of the importance of maintaining compliance on an ongoing basis, and that the federal Medicaid Final Access Rule establishes the right of an individual, after July 9, 2026, to file a grievance alleging noncompliance. Additional information and resources about the HCBS Settings Final Rule can be found on the Department's [Home and Community-Based Services Settings Final Rule frequent asked questions webpage](#).
- ***Independent Audits and Reviews:*** Providers that receive payments from one or more regional center must contract with an independent accounting firm for an independent audit or independent review of its financial statements relating to payments made by regional centers. An independent audit is required for providers receiving two million dollars (\$2,000,000) or more during each state fiscal year. An independent review is required for providers receiving more than or equal to five hundred thousand dollars (\$500,000), but less than \$2,000,000. The independent audit or independent review must be submitted to the regional center within nine months after the end of the provider's most recent fiscal year or have a granted exemption. Additional information on these requirements in Welfare and Institutions Code Section 4652.5, including the difference between an audit and a fiscal review, can be found in this [2011 letter to Regional Centers](#). [Please note that the threshold amounts identified in the 2011 letter subsequently have been updated through legislation.]
- ✓ Service providers must register and validate their information in the [Provider Directory](#).
- ✓ Service providers must complete and submit the *Initial QIP Provider Survey* (see below) within 60 days of its receipt.

Initial QIP Provider Survey

The desired outcome of the *Initial QIP Provider Survey* is to enhance the [Provider Directory](#), gather information about the capacity of service providers to serve individuals, identify service gaps, inform policy development, and plan future quality measures. Components of the survey are provided in Attachment A.

- For service providers to whom this directive applies, or that were active but did not provide services to qualify for other QIP measures from July 1, 2025 – December 31, 2025:
 - By February 6, 2026: Eligible new service providers will have received a survey link from dds-oqa@qualtrics-survey.com to the provider's administrative email address registered in the Provider Directory

- Deadline to submit completed reporting: 60 days after receiving the survey.
- Any new vendor numbers issued or active after January 1, 2026, for any providers described at the beginning of this directive, will receive the *Initial QIP Provider Survey* in the month following approval of their vendorization, as evidenced by their validation in the Provider Directory. These providers will have 60 days to complete and submit the survey. Service providers who successfully complete the survey within the 60-day timeframe can earn their QIP rate component effective the first day of a calendar month that begins not sooner than 30 days after completion of the survey. [Example: completion of the survey on April 15 means the QIP rate component could be earned effective June 1.]

Future QIP Reporting Requirements for Providers

After their first year of operation, service providers described at the beginning of this directive must participate in other QIP requirements and reporting and quality measures each fiscal year to maintain their Quality Incentive rate component. These measures will be announced by the program each year.

Service providers should direct questions to their vendoring regional center. For questions or additional guidance on the Quality Incentive Program, please contact qipquestions@dds.ca.gov.

Sincerely,

Original signed by:

AARON CHRISTIAN

Chief

Division of Population Risk, Quality Assurance, and Data Operations

cc: Regional Center Administrators
Regional Center Directors of Consumer Services
Regional Center Community Services Directors
Association of Regional Center Agencies

Initial QIP Provider Survey Components

Survey question topics:

- Languages in which services are provided
- Location where services will be provided
- Number of staff anticipated for FY 2026-27
- Starting and average wages

QUALITY INCENTIVE PROGRAM: RATE STRUCTURE

To earn their full (10%) quality incentive rate component for FY 2026-27, all providers operating in the services codes listed in the table below must meet eligibility criteria for the QIP and also participate in the Initial QIP Provider Survey to earn their full quality incentive rate component.

ALL SERVICE CODES ELIGIBLE TO PARTICIPATE IN THE INITIAL QIP PROVIDER SURVEY FOR FY 2026-27	
Service Code	Type of Service
025	Tutor Services – Group
048	Client/Parent Support Behavior Intervention Training
055	Community Integration Training Program
062	Personal Assistance
063	Community Activities Support Services
073	Parent Coordinated Supported Living
091	In-home/Mobile Day Program
093	Parent Coordinated Personal Assistance
096	Residential Care Facilities for the Elderly
103	Specialized Health, Treatment & Training Services
108	Parenting Support Services
109	Supplemental Residential Program Support
110	Supplemental Day Program Support
111	Supplemental Program Support – Other Services
113	ARFPSHN
115	Specialized Therapeutic Services
116	Early Specialized Therapeutic Services
117	Specialized Therapeutic Services
163	GHCSHN
456	Participant-Directed Personal Assistance
457	Participant-Directed Independent Living
458	Participant-Directed Supported Employment
465	Participant-Directed Respite
475	Participant-Directed Community-Based Training
505	Activity Center
510	Adult Development Center
515	Behavior Management Program
520	Independent Living Program
531	Day Services
532	Behavioral Day Services
533	Medical Day Services
605	Adaptive Skills Training
612	Behavior Analyst
613	Associate Behavior Analyst
615	Behavior Management Assistant

616	Behavioral Technician – Paraprofessional
620	Behavior Management Consultant
635	Independent Living Specialist
645	Mobility Training Services Agency
650	Mobility Training Services Specialist
680	Tutor Services
805	Infant Development Program
858	Homemaker
860	Housekeeping
862	Respite
864	In-home Respite Worker
875	Transportation Company
880	Transportation – Additional Component
882	Transportation Assistant
883	Transportation Broker
894	Supported Living Services – Administrative
896	Supported Living Services
900 & 901	Enhanced Behavioral Supports Home – Facility and Individual Services
904	Family Home Agency
905	Residential Facility Serving Adults – Owner Operated
910	Residential Facility Serving Children – Owner Operated
915	Residential Facility Serving Adults – Staff Operated
920	Residential Facility Serving Children – Staff Operated
950	Supported Employment – Group
952	Supported Employment – Individual
954	Work Activity Program

**All service codes including an asterisk in the table above indicate that these service types may be vendored under different service codes.*