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D-2026-Rate Reform-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: REVISED BILLING METHODOLOGY AND RATES FOR
TRANSPORTATION SERVICES

As part of continued rate reform implementation, this letter updates rate methodology for transportation services previously provided in the [December 16, 2024 Transportation Services directive](#), and rates referenced in the [September 9, 2025 Updated Rates for Transportation Services](#) directive.

Following review of additional feedback from transportation providers, the rate methodology and rate structure for services billed using service code 875 has been revised. Effective March 1, 2026, transportation services will have two rate components. The first component is a rate model called the *vehicle rate*, that includes program operations, administrative expenses, supervision, wages, and benefits. The vehicle rate varies by regional center based on geographic assumptions. The second rate component is the *mileage rate*. The mileage rate covers vehicle-related expenses tied to miles driven, such as purchase/lease costs, fuel, maintenance, insurance, registration, and administrative overhead. There are six mileage rates, based on the vehicle's size (small, medium, and large) and whether the vehicle is equipped to accommodate individuals who are non-ambulatory.

To promote maximum efficiency and cost effectiveness, any changes to vehicle routes or the addition of vehicles require regional center and/or transportation broker approval.

Vehicle Rate Billing

- Providers will bill for the use of each vehicle up to a maximum of two times per day, for the first/only route between 4:00 am and 11:59 am (morning routes) and the first/only route after 12:00 pm (afternoon routes) each day transportation services are provided.
- Providers shall document start and end times for each vehicle.
- Subcodes, as referenced in Table A of Attachment A, will be used.

Mileage Rate Billing

- Mileage calculations begin when the vehicle leaves the provider's 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 an individual(s)'s attendance in e-billing, using the subcode to denote vehicle category for each one-way trip.
- Subcodes, as referenced in Table A of Attachment A, will be used.

Quality Incentive Payment (QIP)

- The standard QIP framework applies to both payment types, vehicle use and mileage. Providers who have met the QIP requirements will be eligible for the full rates. Providers who have not met the QIP requirements will be eligible for 90 percent of both rates.

This letter should be shared with involved regional center personnel and transportation broker providers. If service providers have questions regarding this letter, they should contact their vendoring 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

Attachment

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