

# Self-Determination Program:

Proposed Standards for  
Financial Management  
Services Vendors

February 27, 2026



# Housekeeping



Interpretación en español: haga clic en el globo blanco en la parte inferior de la pantalla con la etiqueta "Interpretation." Luego haga clic en "Spanish" y seleccione "Mute original audio."



ASL interpreters have been "Spotlighted" and Zoom's live closed captioning is active.



This meeting is being recorded.



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Submit written comment via email to: [SDP@dds.ca.gov](mailto:SDP@dds.ca.gov).

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You will be on mute through the duration of the webinar. Unmute mic only when it's your turn to speak.



Chat is not available. Please use the Q&A for this webinar.

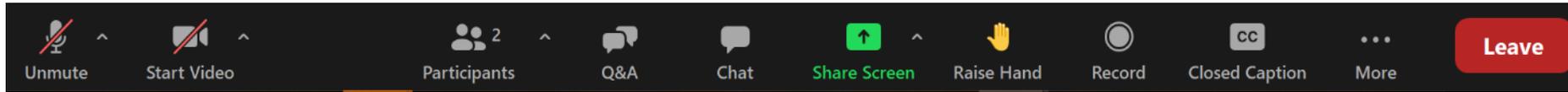
Leave the webinar at the end of the meeting.



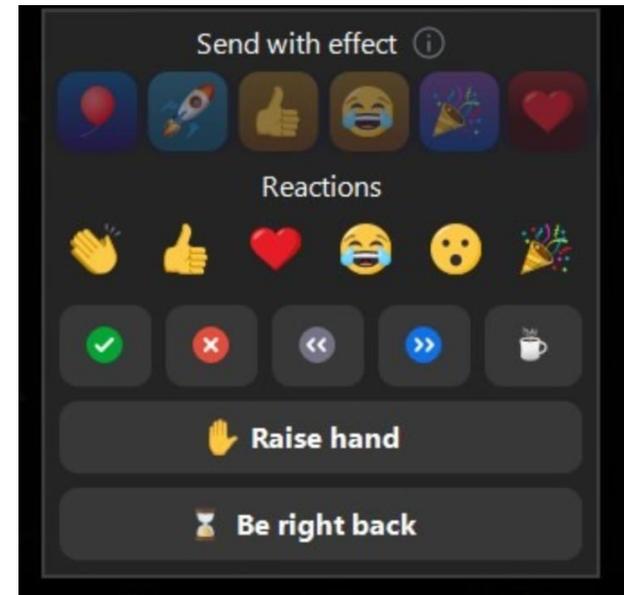
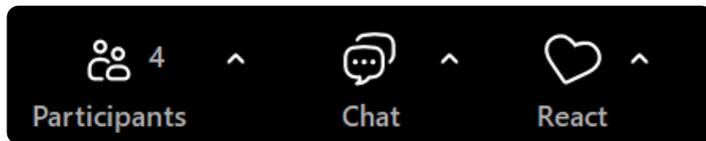
- Features will vary based on the version of Zoom and device you are using.
- Some Zoom features are not available for telephone-only participants.

# Providing Comments

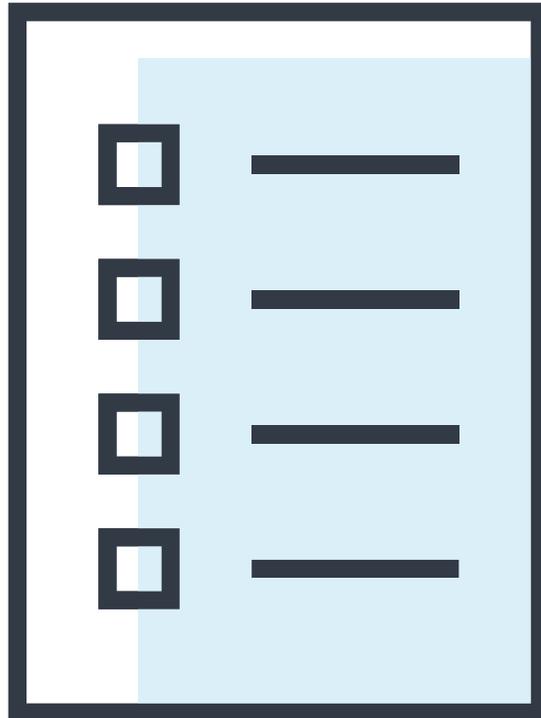
Webinar Participants: “Raise Hand” to comment.



You may need to click on “React” and select “Raise Hand.”



# Agenda



Self-Determination Program (SDP)  
Financial Management Services (FMS)  
Vendors

- Background
- Purpose
- Proposed SDP FMS Vendor Standards
- Your Input
- Resources

# Background



# Background

In this presentation, Financial Management Services vendors in the Self-Determination Program are called “SDP FMS vendors”.

SDP FMS vendors must meet:

- Applicable requirements in Title 17 of the California Code of Regulations
- Provider qualifications as specified in the [SDP Waiver](#)
- Other federal Medicaid rules and Department directives

State law authorizes the Department to set standards and certification requirements for SDP FMS vendors. Welfare and Institutions Code section [4685.8\(b\)\(2\)\(F\)](#).

# Background

Participants who choose to receive services in the SDP must use an FMS vendor. The SDP FMS vendor helps them:

- Manage and direct their individual budget funds
- Make sure they have the resources to implement their individual program plan or individualized family service plan throughout the year
- Understand employment laws
- Verify provider qualifications
- Obtain required criminal background checks
- Provide participants and regional centers with monthly budget reports

# The Purpose for SDP FMS Vendor Standards



# Purpose

Participants have shared concerns about SDP FMS vendors:

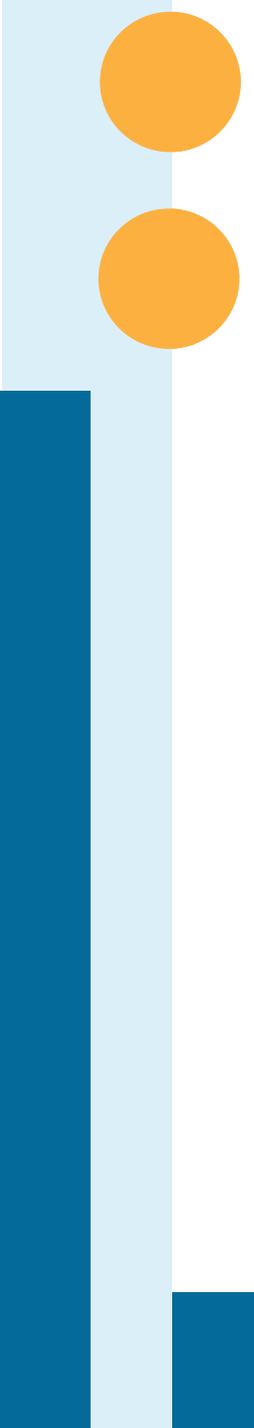
- Services not being provided consistently
- Customer service being slow or unhelpful
- Monthly budget reports being inaccurate
- Payments and payroll not being processed on time
- Participants needing more education about their responsibilities as employers

# Purpose

These proposed standards will apply to current and new SDP FMS vendors.

The standards will create clear and uniform requirements for SDP FMS vendors, including:

- Delivery of quality services
- Clear roles and responsibilities
- Business capability
- Transparency about expectations



# Purpose

Positive outcomes of SDP FMS vendor standards:

- Financial accountability
- Reduced administrative burden for participants
- Accurate budget tracking
- Timely payments for service providers
- More education for participants about their responsibilities as an employer

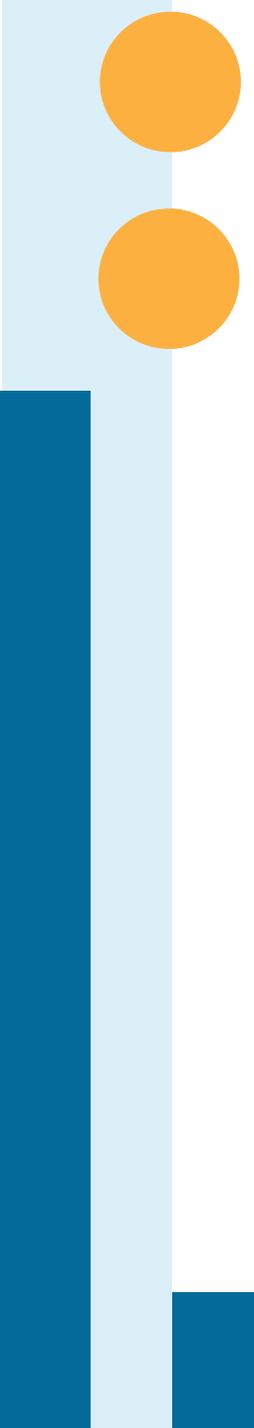
# Proposed SDP FMS Vendor Standards



# Proposed SDP FMS Vendor Standards

Are requirements all SDP FMS vendors must follow when working with individuals in the SDP.

SDP FMS Standards Sections	
1. Eligibility	9. Establishing the Participant-Employer
2. Financial Solvency	10. Establishing the Participant's Service Providers
3. Qualifications	11. Establishing the Participant's Employees
4. General Compliance	12. Transferring or Terminating Participants
5. Grievances and Complaints	13. Worker's Compensation
6. Customer Service	14. Payments
7. Enrolling the Participant and Service Agreement	15. Billing
8. Individual Budget and Spending Plan	16. Paying and Filing Taxes and Other Tax Responsibilities

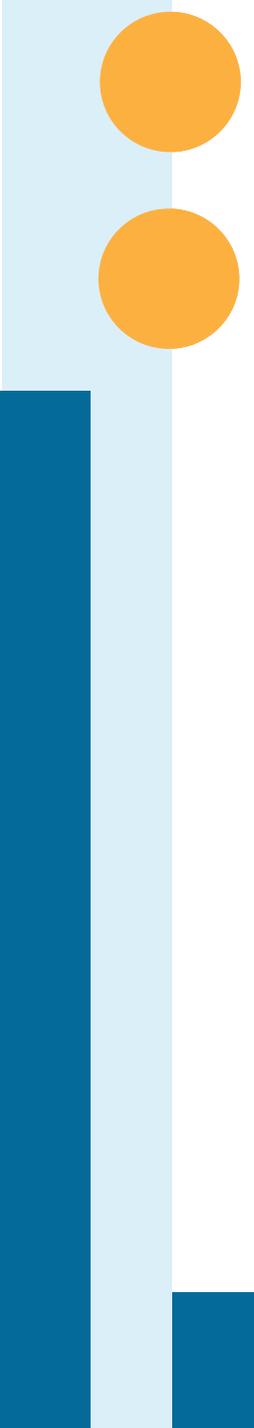


# Proposed SDP FMS Vendor Standards

## 1. Eligibility

SDP FMS vendors must:

- Meet Department and Medicaid eligibility requirements
- Comply with state and federal rules
- Meet all requirements to be approved by the regional center
- Have minimum 12 months experience in Medicaid-funded programs
- Accept published rates and employer burden costs



# Proposed SDP FMS Vendor Standards

## 2. Financial Solvency

SDP FMS vendors must:

- Show financial stability, maintain a \$500k reserve or credit line
- Maintain proper accounting practices
- Complete regular financial reviews
- Submit invoices within 30 days

# Proposed SDP FMS Vendor Standards

## 3. Qualifications

SDP FMS vendors must:

- Employ qualified staff
- Provide an orientation and routine trainings to their employees, which includes compliance, person-centered practices, abuse reporting
- Possess specific knowledge to carry out their responsibilities, including about California's service system and SDP principles

# Proposed SDP FMS Vendor Standards

## 4. General Compliance

SDP FMS vendors must:

- Comply with all vendor requirements
- Follow all laws, regulations, and business rules, including HIPAA, Lanterman Act, EVV, abuse reporting, and labor laws
- Report special incidents promptly
- Provide required monthly budget reports to participants and the regional centers
- Avoid any activities that could result in a conflict of interest

# Proposed SDP FMS Vendor Standards

## 5. Grievances and Complaints

SDP FMS vendors must:

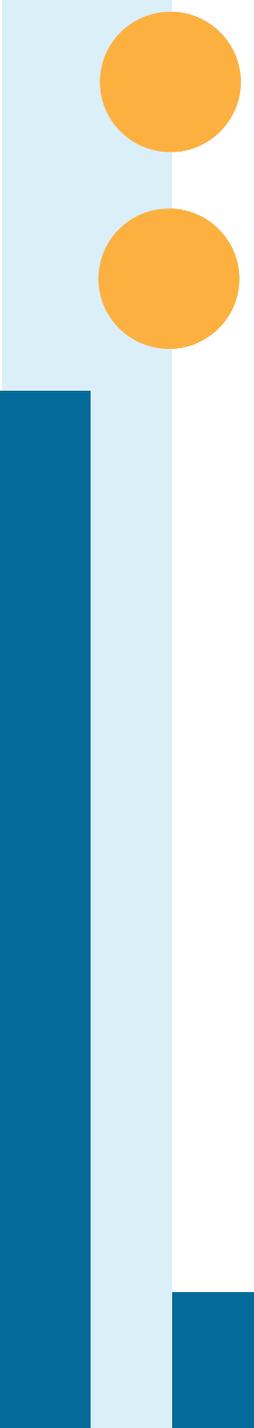
- Provide information to participants about grievances and complaints
- Have a process for handling and resolving complaints
- Maintain confidentiality
- Keep records of complaints and share with the regional centers

# Proposed SDP FMS Vendor Standards

## 6. Customer Service

SDP FMS vendors must:

- Provide ways for participants to communicate easily and quickly
- Keep track of communication timelines and respond to communications promptly
- Offer translation and interpreter services
- Conduct reviews of their services and document outcomes



# Proposed SDP FMS Vendor Standards

## 7. Enrolling the Participant and Service Agreement

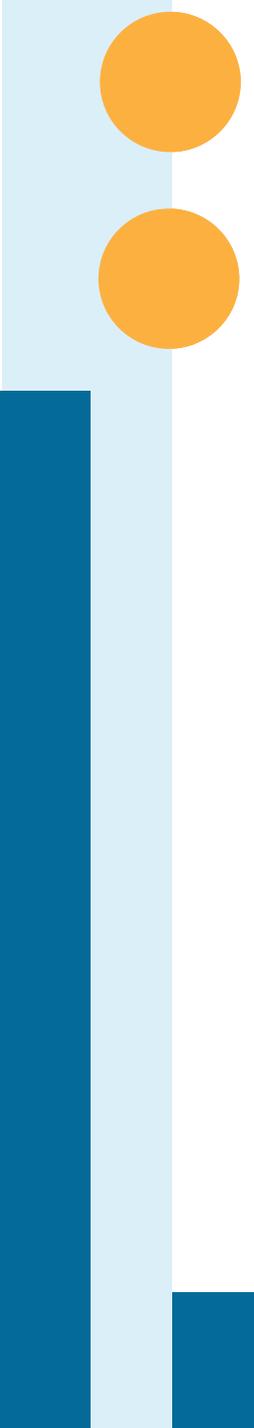
SDP FMS vendors must:

- Provide a participant enrollment packet based on participant's selected FMS model
- Establish and sign a service agreement with participants

## 8. Individual Budget and Spending Plan

SDP FMS vendors must:

- Track participant's spending and payments to service providers
- Verify service delivery before payment
- Confirm the participant's spending plan includes applicable employer costs
- Deliver services that meet Medicaid and SDP criteria



# Proposed SDP FMS Vendor Standards

## 9. Establishing the Participant-Employer

SDP FMS vendors must:

- Provide an enrollment packet and orientation to participants
- Help participants comply with applicable employer laws
- Enroll participants as an employer and follow all state and federal laws

## 10. Establishing the Participant's Service Providers

SDP FMS vendors must:

- Verify participant's service providers are eligible to work
- Help participants confirm that their service providers rates are reasonable
- Help verify service providers qualifications



# Proposed SDP FMS Vendor Standards

## 11. Establishing the Participant's Employees

SDP FMS vendors must:

- Help participants classify their employees correctly
- Determine eligibility for tax and worker's compensation requirements
- Assist participants in obtaining criminal background checks for potential workers

## 12. Transferring or Terminating Participants

SDP FMS vendors must:

- Have a process for transferring or terminating participants
- Coordinate with other SDP FMS vendors during transfers
- Complete all tax reporting requirements

# Proposed SDP FMS Vendor Standards

## 13. Worker's Compensation

SDP FMS vendors must:

- Make sure all employees are classified correctly and have Workers' Compensation coverage before they start work
- Follow all Workers' Compensation audit requirements

## 14. Payments

SDP FMS vendors must:

- Establish processes for addressing payment issues
- Confirm that billing practices comply with Department regulations and state and federal law
- Make timely payments to participant's service providers and employees

# Proposed SDP FMS Vendor Standards

## **15. Billing**

SDP FMS vendors must:

- Verify claims comply with regional center and Department requirements and align with participant's certified spending plans
- Keep documentation of claims for potential audits
- Submit accurate claims within 30 days

## **16. Paying and Filing Taxes**

SDP FMS vendors must:

- File and pay all required federal and state payroll taxes for participants and keep accurate records.
- File and pay local taxes when they apply
- Review all tax filings to make sure they are correct

# Your Input



# We Want to Hear From You!

Your feedback is important:

1. Are there areas that should be added or deleted from the proposed SDP FMS vendor standards?
2. Any additional recommendations for the proposed SDP FMS vendor standards?

You can provide input by emailing: [SDP@dds.ca.gov](mailto:SDP@dds.ca.gov)

Please submit your input on this topic to the Department by April 6, 2026.

# Resources



# Resources

Department of Developmental Services Self-Determination Program Branch

- Website: [www.dds.ca.gov/initiatives/sdp/](http://www.dds.ca.gov/initiatives/sdp/)
- Email: [SDP@dds.ca.gov](mailto:SDP@dds.ca.gov)

SDP Directives

- Website: [www.dds.ca.gov/initiatives/sdp/program-directives/](http://www.dds.ca.gov/initiatives/sdp/program-directives/)

List of SDP FMS vendors

- Website: [www.dds.ca.gov/initiatives/sdp/financial-management-service-contact-list/](http://www.dds.ca.gov/initiatives/sdp/financial-management-service-contact-list/)

# Resources

## The Office Developmental Services Ombudsperson

- Website: [www.dds.ca.gov/initiatives/sdp/office-of-the-self-determination-ombudsperson/](http://www.dds.ca.gov/initiatives/sdp/office-of-the-self-determination-ombudsperson/)
- Email: [Ombudsperson@dds.ca.gov](mailto:Ombudsperson@dds.ca.gov) or Phone: (877) 658-9731

## Find your Regional Center

- Website: [www.dds.ca.gov/rc/lookup-rCs-by-county/](http://www.dds.ca.gov/rc/lookup-rCs-by-county/)

# Resources

## SDP FMS Vendor Directives:

- April 2025 - Additional Requirement for Entities Applying SDP FMS Vendorization
  - [www.dds.ca.gov/wp-content/uploads/2025/04/D-2025-Self-DeterminationProgram-001\\_SDP\\_AdditionalRequirement\\_for\\_Entities.pdf](http://www.dds.ca.gov/wp-content/uploads/2025/04/D-2025-Self-DeterminationProgram-001_SDP_AdditionalRequirement_for_Entities.pdf)
- Attachment A
  - [www.dds.ca.gov/wp-content/uploads/2025/04/AttachmentA\\_D-2025-Self-DeterminationProgram-001\\_SDP\\_AdditionalRequirements.pdf](http://www.dds.ca.gov/wp-content/uploads/2025/04/AttachmentA_D-2025-Self-DeterminationProgram-001_SDP_AdditionalRequirements.pdf)
- December 2018 - Financial Management Services Directive
  - [www.dds.ca.gov/wp-content/uploads/2020/12/DDS\\_FMS\\_Info.pdf](http://www.dds.ca.gov/wp-content/uploads/2020/12/DDS_FMS_Info.pdf)

# Resources

## SDP FMS Vendor Directives Continued:

- April 2024 – Update to Financial Management Service Provider Requirements
  - <https://www.dds.ca.gov/wp-content/uploads/2024/05/Self-Determination-Program-Update-to-Financial-Management-Service-Providers-Requirements.pdf>
- September 2023 – Service Provider Background Checks
  - <https://www.dds.ca.gov/wp-content/uploads/2023/10/Self-Determination-Program-Service-Provider-Background-Checks.pdf>