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D-2026-Home and Community Based Services-001

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: HOME AND COMMUNITY BASED SERVICE (HCBS) WAIVERS: LEVEL OF CARE FINAL DETERMINATION

Federal regulations state that Medicaid eligibility determinations are the responsibility of the State Medicaid Agency or delegated government agency. As regional centers are private non-profit agencies, the Department of Developmental Services (Department) is making an administrative update to its oversight of waiver eligibility determinations to better align with federal requirements.

Specifically, the Department is enhancing oversight of Level of Care (LOC) evaluations made by regional centers for the Home and Community-Based Services Waiver for Individuals with Intellectual Disabilities (HCBS-DD Waiver) and Self Determination Program (SDP) Waiver. This may result in targeted follow-up with regional centers on a case-by-case basis. While existing regional center procedures regarding waiver LOC evaluations will remain unchanged, this letter explains the role of the regional centers in supporting this federally mandated enhanced oversight process.

### **Background**

The HCBS-DD Waiver and SDP Waiver provide funding for services to individuals who, without these supports, would require the LOC provided by an intermediate care facility for individuals with developmental disabilities (ICF/DD). Enrollment on either waiver requires that individuals meet this ICF/DD LOC, which is defined in California Code of Regulations as two or more “severe support needs” in one or more of the following domains: self-help, social-emotional, or health. Regional centers currently review information included in the Client Development Evaluation Report (CDER) to identify individuals who potentially meet waiver LOC. Once a regional center newly determines that individuals meet all the waiver eligibility criteria, including LOC, it sends an “Add transaction” in SANDIS to the Department to submit them for waiver enrollment. Annually thereafter, the regional center sends a “Recertification transaction” in SANDIS to confirm that the individual continues to be eligible for waiver participation.

### **Implementation**

Effective 5/1/26, the Department will review information reflected in individuals’ CDERs when an “Add” or “Recertification” transaction for either waiver is received. If the Department is unable to establish that an individual meets waiver LOC based on their CDER, the regional center will be contacted with a request to provide additional

supporting documentation. This may include a copy of the Medicaid Waiver Eligibility Record (DS 3770), Individual Program Plan, medical and psychological evaluations, and/or other supporting documentation that the regional center used to determine that the individual meets waiver LOC and can be submitted through the Regional Center Portal. Please note that at this time, the above-described process will only include individuals who are three and older. The Department is currently evaluating available data sources to conduct similar oversight of LOC evaluations for individuals under three.

Over the last six months, the Department has verified that 99.9% of individuals submitted by the regional centers for waiver enrollment met the LOC based on information reflected in CDER; as such, the Department anticipates that any additional workload associated with this review will be minimal. If you have any questions regarding this new process, please e-mail [levelofcare@dds.ca.gov](mailto:levelofcare@dds.ca.gov).

Sincerely,

*Original Signed by:*

Jonathan Hill  
Branch Chief  
Waiver and Rates Division

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