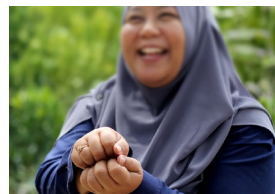


RATE REFORM: PERSONAL ASSISTANCE, INDEPENDENT AND SUPPORTED LIVING

November, 2024



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 live closed captioning is active

This meeting is being recorded

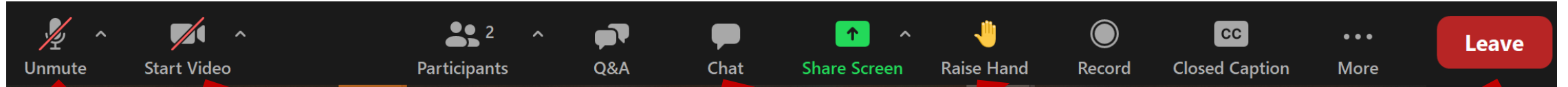


Materials are available at: [Rate Study Implementation - CA Department of Developmental Services](#)



Answers to frequently asked questions are available at: <https://www.dds.ca.gov/rc/vendor-provider/rate-study-implementation/rate-model-implementation-frequently-asked-questions/>

ZOOM TIPS



Unmute mic only when it's your turn to speak



Turn your webcam on/off

All attendees can type questions/comments in the Q&A

Chat is disabled for attendees

Live Q&A is disabled

Leave the webinar at the end of the meeting



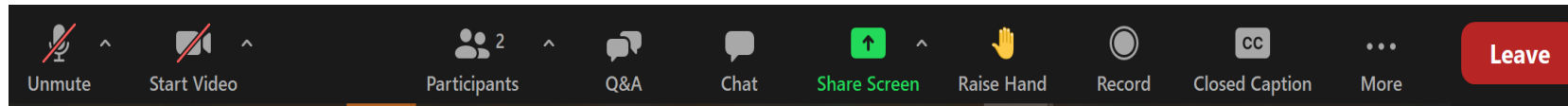
- For attendees, your video and microphone will not be available
- You will only see/hear DDS staff and presenters on screen



- 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

Please use "Q&A" for your questions and comments; if you prefer, you may send your questions/comments to ratesquestions@dds.ca.gov



Questions and question themes not answered live will be used for an FAQ document on rate adjustment implementation

PURPOSE OF TODAY'S PRESENTATION

- Provide background and current information about Rate Reform
- Highlight the information provided in the Personal Assistance, Independent and Supported Living Services, and Mobility Training Services Directive

BACKGROUND ON THE RATE STUDY

WHAT RATE REFORM MEANS FOR YOU

Individuals

Individuals receiving services should **not** experience differences in the services they receive, how these services are delivered, or who is delivering these services

- The service code may change, but not the service itself

Vendors

- Rate reform does not require changes to how services are provided
- With the standardization of payment rates and billing practices, vendors **may** be required to change service codes, subcodes, and/or billing units
- Payment rates may increase, depending on a vendor's current rate compared to the benchmark rate model
 - Receiving full benchmark rate may require meeting Quality Incentive Program measures
 - No vendor will receive a rate decrease through the hold harmless period (June 30, 2026)

WHAT RATE REFORM MEANS FOR YOU

Regional Centers

- Verify and implement the rates identified in the Phase 3 workbook for each vendor
 - Work with vendors to affirm which updated service description and service code and/ or sub-code most closely match the services being delivered
- Work with individuals and families to explain updated service descriptions as part of each person's IPP process
- With the standardization of payment rates:
 - Will no longer need to negotiate rates vendor-by-vendor
 - Will no longer need to make minimum wage and other adjustments for individual vendors

OVERVIEW – RATE STUDY HISTORY AND IMPLEMENTATION

- In 2017 and 2018, the Department of Developmental Services and its contractor conducted a comprehensive rate study
 - Initial recommendations were published in February 2019 and finalized in January 2020
 - Study evaluated payment rates as well as service definitions, billing rules, and related issues
 - The Legislature directed DDS to implement rate study recommendations in phases
- Phases 1 and 2 included partial implementation of recommended rate increases
 - These phases did not include implementation of other rate study recommendations (such as standardization of service codes)
- The third and final phase of rate reform implementation begins January 1, 2025
 - Phase 3 fully implements the recommended rates
 - Phase 3 also includes implementation of recommendations to standardize service requirements, payment structures, and billing policies

OVERVIEW—MAJOR ELEMENTS OF PHASE 3 OF RATE REFORM IMPLEMENTATION

- Full implementation of recommended payment rates
 - **Vendors providing the same service in the same region will be paid the same amount**
 - If a vendor is currently paid a rate higher than the proposed rate, they will be held-harmless from a reduction through June 30, 2026 (no rates were reduced in Phases 1 and 2 either)
- Implementation of the Quality Incentive Program (QIP)
 - **Benchmark rates divided between a base rate (90 percent) and the QIP amount (10 percent)**
 - Vendors must complete the required steps to be listed in the provider directory by November 29, 2024, to meet QIP measure requirements for January 1, 2025, implementation

OVERVIEW—MAJOR ELEMENTS OF PHASE 3 OF RATE REFORM IMPLEMENTATION

Implementation of these element will occur by March 31, 2025, based on DDS determined timelines

- Standardization of service codes and subcodes
- Standardization of billing units
 - The rate study generally recommended that **Personal Assistance, Independent and Supported Living Services be paid on an hourly basis**
 - Vendors with different rate types (e.g., monthly) will be transitioned to the applicable hourly rate

OVERVIEW – CHANGES TO RATE-SETTING PROCESSES

Rate reform makes significant changes to how vendor rates are established for services in rate reform

- ***Elimination of median rates and rate negotiations***
 - A key goal of rate reform is the standardization of rates; vendors providing the same service in the same area will be paid the same rate
 - Vendors will be paid based on the published fee schedule
- ***Elimination of vendor-by-vendor adjustments for minimum wage and other factors***
 - With a standard fee schedule, rate adjustments will be made at the same time for all vendors; individual vendors will not need to submit requests
 - None of the rate models assume that staff earn the minimum wage (that is, at full implementation, vendors will have sufficient funding to pay above minimum wage)

PHASE 3 RATE INCREASES – DETERMINATION OF RATES

- Represents final phase of implementation
 - All vendors (except those held-harmless) move to the applicable benchmark rate, standardizing rates across vendors, a key goal of the rate study
- Calculation of rate increases
 - **Posted rates effective January 2025** that include updates for minimum wage and most recent IRS mileage.
 - **Quality Incentive Program** applies, so rates will be set at 90 percent of the benchmark rate with the ability to earn the remaining 10 percent
 - **Hold-harmless is based on full benchmark rate** (for example, if a vendor's current rate is 95 percent of the benchmark, their base rate will remain 95 percent of the benchmark rate with the ability to earn the remaining 5 percent through the QIP)
- Most vendors will transition to the benchmark rates effective January 1, 2025, because they are already aligned with the appropriate service code and billing unit

PHASE 3 RATE INCREASES – TRANSITIONAL RATES FOR CERTAIN VENDORS

- **Vendors with ‘blended’ rates or with a billing unit that differs from the benchmark rate model will receive a transitional rate** to provide time to adjust service plans and authorizations
 - Blended rates: rates based on more than one benchmark rate model (such as a supported living service vendor with a rate that covers two levels of staff that will be moved to different rates)
 - Differing billing unit: rates based on a billing unit that differs from the benchmark rate model (such as supported living services billed per month when the benchmark rate uses an hourly unit)
- **Transitional period will run through March 31, 2025**
 - Regional Centers need to update service plans and authorizations to ensure vendors can bill based on the applicable benchmark rates
- Transitional **rate calculations will use the same methodology** as in Phases 1 and 2
 - Weighting of blended rates based on previously reported data for mix of services (for example, the percentage of services billed on a combination of services)
 - Adjusting rates for different billing units based on previously reported data for services (for example, number of hours per month)

HOLD HARMLESS – BACKGROUND

- Vendors with rates that exceed the applicable benchmark rate will continue to be **held harmless (no rate reduction) through June 30, 2026**
 - If a vendor's rate exceeds 100 percent of the total benchmark rate, its rate will remain unchanged and they will not earn any additional amount through the QIP
 - If a vendor's rate is between 90 and 100 percent of the total benchmark rate, its rate will remain unchanged and their potential QIP amount will be the difference between this rate and 100 percent of the total benchmark rate
- **After June 30, 2026, rates will be adjusted** to the applicable benchmark rate model

ALIGNMENT AND ACKNOWLEDGEMENT

- Regional centers and service providers are expected to review Directives and affirm which updated service description most closely matches the services being delivered
- Once identified, the standardized Enclosure B form will be completed by Regional Centers and vendors to acknowledge the service description, requirements that will need to be met, subcode combination(s), and rate(s) established by the rate model

PERSONAL ASSISTANCE, INDEPENDENT AND SUPPORTED LIVING SERVICES

PERSONAL ASSISTANCE (062)

- **Definition Overview:** Personal Assistance is available to individuals to assist with/complete activities of daily living (ADLs), instrumental activities of daily living (IADLs)
 - The service may include direct assistance (actually performing a task for the person) or supporting the individual to perform a task
 - Personal assistance services may be provided on an episodic or on a continuous basis when generic resources are not available.
 - Personal Assistance may be used in the family home
- There are no changes to provider requirements
- **Billing unit:** Hour
- **Rate variations:**
 - Staffing ratio, ranging from one to one to one to three

INDEPENDENT LIVING PROGRAM (520)

- **Definition Overview:** Independent living programs promote the training, maintenance and generalization of functional skills, such as cooking, cleaning, personal hygiene, and money management, needed to promote independence in the home and community.
- Services may also, or in lieu of above, provide the training necessary for an individual to transition to, or maintain a self-sustaining, independent living situation in the community, or achieve greater independence while living in the home of a parent, family member, or other person
 - Services shall not be conducted in a center-based environment
 - **Independent Living Program services may be authorized up to 80 hours per individual per month**
 - A regional center Executive Director may provide exceptions in extenuating circumstances if a need to exceed the maximum hours is identified by the planning team

INDEPENDENT LIVING PROGRAM (520)

- Provider requirements
 - Independent Living Programs shall meet the requirements, standards, and qualifications in Title 17 of the CCR for article 2 for Standards for All Community-Based Day Programs, article 3 for Additional Standards for Adult Day Programs as well as additional, new components
- **Billing unit:** Hour
- **Rate variations:**
 - Staffing ratio, ranging from one to one to one to three

INDEPENDENT LIVING SPECIALIST (635)

- **Definition Overview:** Services of a specialist possessing the skill, training, or education necessary to teach individuals to live independently and/or provide the training necessary for the individual to transition to, or maintain a self-sustaining, independent-living situation in the community
 - Services may be used to obtain the skills necessary to transition to a more independent environment, or in lieu of the above, provide the individual with functional skills training necessary to achieve greater independence while living in the home of a parent, family member, or other person
 - **Independent Living Specialist services may be authorized up to 80 hours per individual per month**
 - A regional center Executive Director may provide exceptions in extenuating circumstances if a need to exceed the maximum hours is identified by the planning team

INDEPENDENT LIVING SPECIALIST (635)

- **Billing unit:** Hour
- **Rate variations:**
 - Staffing ratio, ranging from one to one to one to three

MOBILITY TRAINING SERVICES (645) MOBILITY TRAINING SERVICES SPECIALIST (650)

- **Service code consolidation:** Mobility Training services (645) and Mobility Training Specialist (650) do not continue as distinct types of service in rate reform
- These services are likely included in the service descriptions for Independent Living Program (520) and Independent Living Specialist (635)
- Continued and new use of this service code for services that do not align anywhere else will require Department approval using the exemption process described in the Department's 10/30/2024 letter.
 - Current providers may continue using this service code through the 2025 transition to a new service code, and do not need to request an exemption.

SUPPORTED LIVING ADMINISTRATION (894)

- **Service code consolidation:** This service will not be used in rate reform, the Supported Living Services (896) rate model includes administrative costs
 - Supported Living Services sample rate model, Administration and Program Operations Section

Staff Meal Costs	Cost of Food per Person per Year	\$3,240.00
	- Meal Cost per Week (Annual ÷ 52)	\$62.31
	- Cost per Meal (Week ÷ 21)	\$2.97
	Billable Hours	30.58
	- Number of Meals (one meal per 8-Hour shift)	3.82
	- Cost of Meals	\$11.35
	Staff Meal Cost per Billable Hour	\$0.37
Admin. and Prog. Operations	Cost per Hour, Before Program Operations and Administration	\$34.01
	- Daily Program Operations Costs	\$10.00
	Program Operations Cost per Billable Hour	\$1.64
	- Administration Percent	12.0%
	Administration Cost per Billable Hour	\$4.86
	Rate per Billable Hour	\$40.51

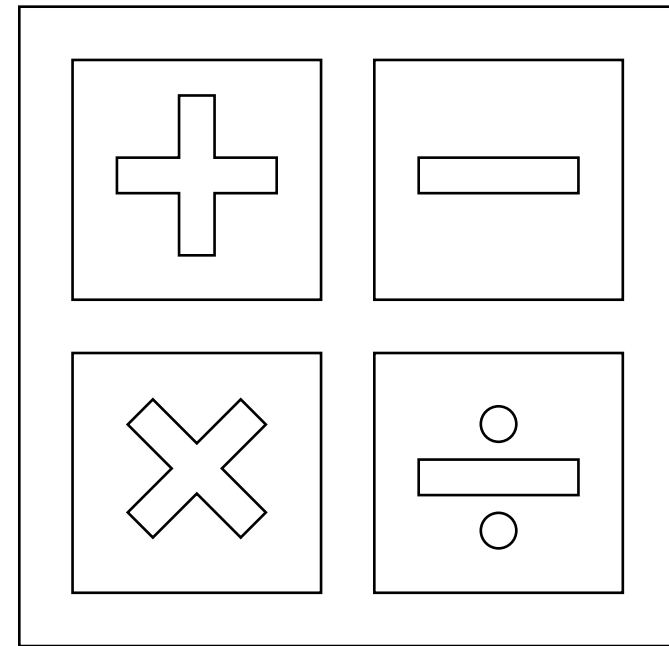
SUPPORTED LIVING SERVICES (896)

- **Definition Overview:** Individually designed service or assessment of the need for service, which assists an individual consumer to:
 - (1) Live in his or her own home, with support available as often and for as long as it is needed; or
 - (2) Make fundamental life decisions, while also supporting and facilitating the individual in dealing with the consequences of those decisions; building critical and durable relationships with other individuals; choosing where and with whom to live; and controlling the character and appearance of the environment within their home
- Provider requirements
 - Supported Living Services shall follow the procedures for adults to live in their own homes as stated in W&I Code section 4689, the service and support components in Title 17 of the CCR section 58614 as well as additional, new components

SUPPORTED LIVING SERVICES (896)

- **Billing unit:** Hour
- **Rate variations:**
 - Staffing ratio, ranging from one to one to one to three
 - Supported Living Services Vendor Administration is included in the Supported Living service rate and no longer billed separately

WALK THROUGH OF NEW WORKBOOKS



PHASE 3 FULL IMPLEMENTATION WORKBOOKS

- The Phase 3 workbooks build on the previous rate adjustment workbooks
 - Relies on data (regarding current rates, supports being delivered, etc.) reported in the Phase 2b workbooks as of November 2024
- Sections of the Phase 3 workbooks
 - Vendor and rate details (e.g., vendor name and ID, vendoring and using Regional Center, billing unit, etc.)
 - Crosswalk to service code and subcode, which is based on previously reported data and which may differ from current codes
 - When two or more different types of supports were reported for a single rate (for example, a supported living provider and a behavior analyst), a separate record is created for each rate
 - Adjustments to baseline rates (for example, minimum wage adjustments, unbundled activities, and billing unit conversions)
 - Full implementation rate, divided between the base rate and QIP portion as applicable
 - Notation of whether a hold-harmless applies

PHASE 3 FULL IMPLEMENTATION WORKBOOKS

Information that needs to be verified and/ or entered by Regional Centers

- January 1, 2025 service (labeled 1/1/2025 Service)
 - Dropdown list with the possible service codes to which current vendorizations may transition and records the service code effective January 1, 2025
 - The designated service code is used to determine the appropriate benchmark rate
 - When more than one benchmark rate model applies to a single rate (e.g., staff with different qualifications billing under the same rate), separate records must be created for each
 - If 'Other Service' is selected, a brief description of the service must be provided
 - This information will be reviewed by DDS to determine whether there is an appropriate benchmark rate model

Information that needs to be verified and/ or entered by Regional Centers

- 7/1/2024 Rate
 - Lists the rate effective July 1, 2024, based on previous rate increase calculations
- Corrected 7/1/2024
 - If the listed July 1, 2024 rate is incorrect, Regional Centers should correct it in this field
- Unbundled Amounts
 - Lists the unbundled amount associated with the base rate, if applicable
- Average Hours per Unit
 - For vendorizations currently reimbursed on something other than an hourly basis (e.g., monthly), this field shows the average hours per billing unit
- Staffing Ratio
 - This field is a drop down list that lists the staff to participant ratio
- Qualifies for QIP
 - This will be pre-populated based on provider directory data from DDS

Websites and Links

- [Rate Reform Website](#)
- [Rate Reform Directives](#)
- [Training Schedule & Recordings](#)
- [FAQs](#)
- [Provider Directory](#)
- [QIP](#)

Dedicated email: ratesquestions@dds.ca.gov

QUESTIONS AND COMMENTS