

January 6, 2016

**Dear Service Provider:**

Effective January 1, 2016, the minimum wage in California will be $10.00 per hour. Providers who have negotiated rates and who are currently paying employees less than $10.00 per hour may request a rate adjustment.

The rate adjustment will be specific to the unit of service that is affected by the new minimum wage. It will only include those costs necessary to increase an employee’s actual hourly wage to $10.00 per hour and mandated employer costs.

Requests for rate adjustments must be completed and submitted on the workbook entitled *2016 Minimum Wage Rate Adjustment Request Workbook for Negotiated Rate Providers* which you can download from RCOC’s website by following the four steps below.

1. Go to RCOC’s website at [www.rcocdd.com](http://www.rcocdd.com).
2. Click on Service Providers
3. Click on Resources for Current Services Providers from the drop down menu.
4. Toward the bottom of the page you will find the items listed below under Minimum Wage January 1, 2016;

* A copy of this letter titled Rate Adjustment Notice Due to Minimum Wage, January 1, 2016,
* DDS’ Summary of Rate Changes due to AB 10 Minimum Wage Increase, January 1, 2016,
* DDS’ Letter Regarding Vendor Rate Adjustments for Minimum Wage Dated November 23, 2015, and
* 2016 Minimum Wage Rate Adjustment Request Workbook (MS Excel).

**The workbook must be completed in its entirety and supporting documentation must be submitted.** The instructions for completing the workbook are in the tabs titled Vendor Worksheet Instructions and Certification Instructions.

Upon receipt of a rate adjustment request, RCOC **will review and verify** all of the workbook information and documentation. In order to expedite the review process, please review the information listed below before submitting your rate adjustment request.

Section A: Program Information

The review period must be October 1, 2015 through December 31, 2015.

Section B: Employee Wage Information

Submit supporting documentation for Section B: Employee Wage Information columns A, B, C, F, G and I. RCOC must be able to verify the employee name, hourly wage, hours worked, workers compensation percentage and total unemployment percentage.

Section C: Rate Adjustment Calculation

Verify that the hours billed to RCOC, Row 4 (Enter Total Number of Units for Review Period) do not exceed the Total Hours worked for Section B: Column I.

Supported Living Services vendors, Service Code 896, do not have to complete the workbooks. Vendors must submit a list of consumers for which minimum wage rate increases are being requested i.e., the consumer budget reflects a rate below the $10.00 minimum wage and the worker is being paid below minimum wage. Next to the consumer name include the name of the worker(s) for which the increase is being requested. Only payroll documentation for December 2015 must be submitted.

Your rate adjustment requests must be submitted to RCOC no later than **March 31, 2016**. Final approval of rate adjustments is contingent upon submission of all required supporting documentation.

If you have any questions, please call me at (714) 796-5230 or email me at [mvasquez@rcocdd.com](mailto:mvasquez@rcocdd.com).

Sincerely,

Marta Vasquez

Controller