

Minimum Wage Increase

JANUARY 1, 2019

RATE CHANGES DUE TO THE MINIMUM WAGE INCREASE - JANUARY 1, 2019

Due to the enactment of <u>Senate Bill (SB) 3</u>, the California minimum wage will increase to \$12.00 per hour, effective January 1, 2019, for employers with 26 or more employees, and to \$11.00 per hour for employers with 25 or fewer employees. As a result, a number of regional center vendors may be eligible for a rate adjustment in order to pay employees the new minimum wage.

WHICH PROVIDERS/SERVICES ARE ELIGIBLE?

All providers of services with rates established in the following ways may be eligible for a rate adjustment:

- a. Rates set by the Department of Developmental Services (Department);
- b. Rates set by regional centers through negotiation;
- c. Rates established in Regulation.

HOW WILL RATES BE ADJUSTED?

This depends on how the service rate was set initially.

Rates Set by the Department:

- Community-Based Day, In-Home Respite Agencies, and Work Activity Programs, may request a rate adjustment from the Department if any employee is paid less than the new minimum wage¹. More detailed information can be found here.
- Community Care Facilities The updated Alternative Residential Model (ARM) rate schedule, effective January 1, 2019, can be found here. Providers with ARM rates do not need to submit rate adjustment requests.

Rates Set by Regional Centers through Negotiation:

Rates for a variety of services are set through negotiation between providers and regional centers. Providers with rates set in this manner may negotiate a rate adjustment with the regional center, if applicable to the new minimum wage increase. Providers should contact their local regional center for more information on submitting rate adjustment requests.

Rates Established in Regulation:

- In-Home Respite Worker (service code 864): The new rate, effective January 1, 2019, is \$15.74 per consumer hour.
- Voucher and Participant-Directed Respite (service codes 420 and 465): The new rate, effective January 1, 2019, is \$15.74 per consumer hour.
- Non-Mobile Supplemental Staffing: Pursuant to Title 17, Section 57530, the supplemental reimbursement rate for CBDPs will increase to \$1.44 per consumer hour.

¹ In-Home Respite Agencies may be eligible for a rate adjustment if they pay respite workers in excess of the new minimum wage requirements in compliance with the wage enhancement authorized in Welfare and Institutions Code, Section 4690.2(b)(2).

WHERE CAN I GET MORE INFORMATION?

- You can contact your local <u>regional center</u> or review the <u>letter</u> from the Department to regional centers regarding the minimum wage increase.
- You can contact the Department of Developmental Services for questions at (916) 654-2300.

MINIMUM WAGE RATE ADJUSTMENT, EFFECTIVE JANUARY 1, 2019 - SUBMITTING REQUESTS TO THE DEPARTMENT

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