

# Updates

Vendor Advisory Committee Meeting

April 11, 2023

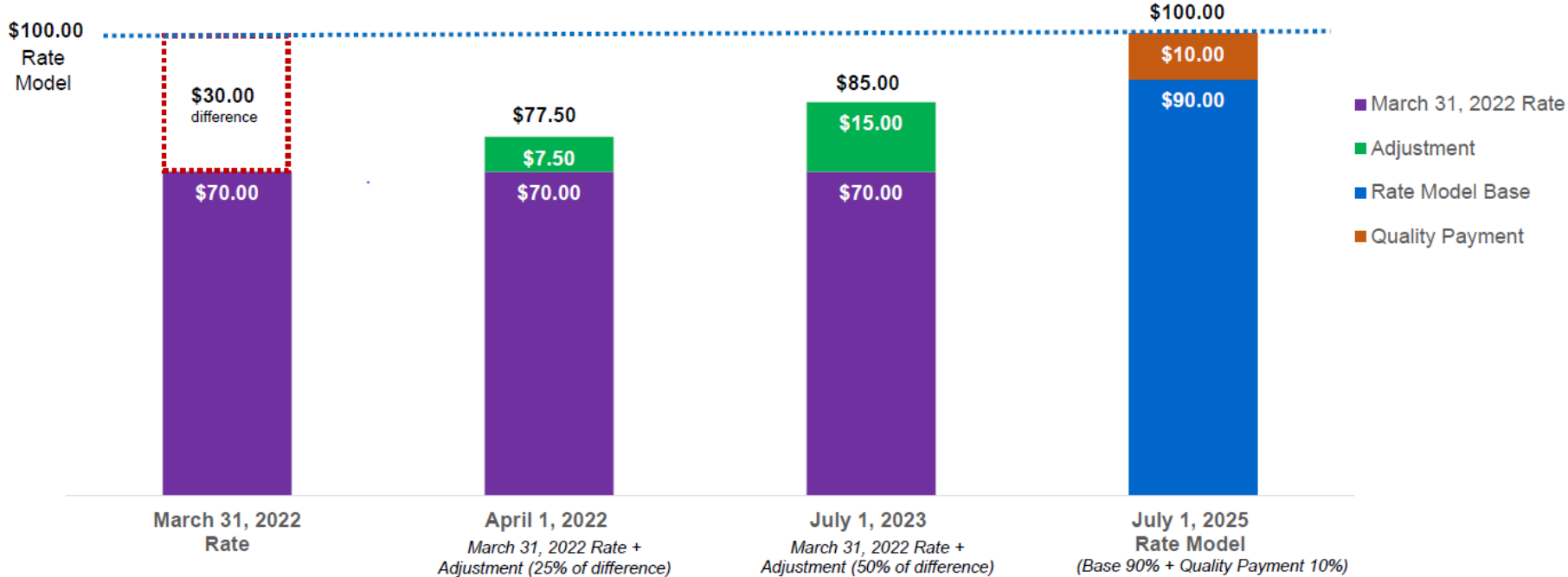
# Update on Rate Model Implementation

Effective July 1, 2024,  
90% Base Rate, and if eligible,  
10% Quality Payment

# DDS Rate Adjustment Example from 2021



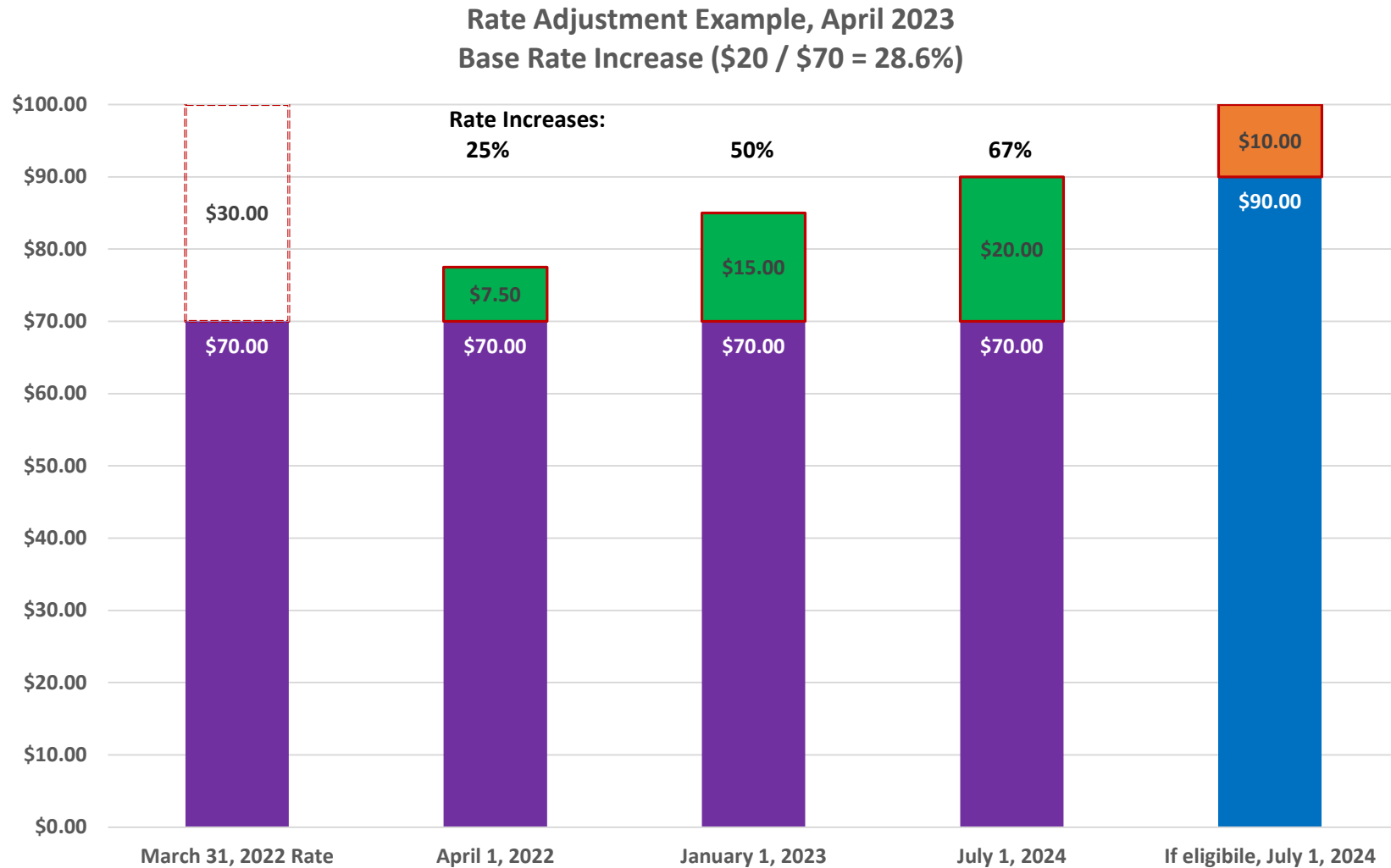
## RATE ADJUSTMENT EXAMPLE



# Quality Incentive Program

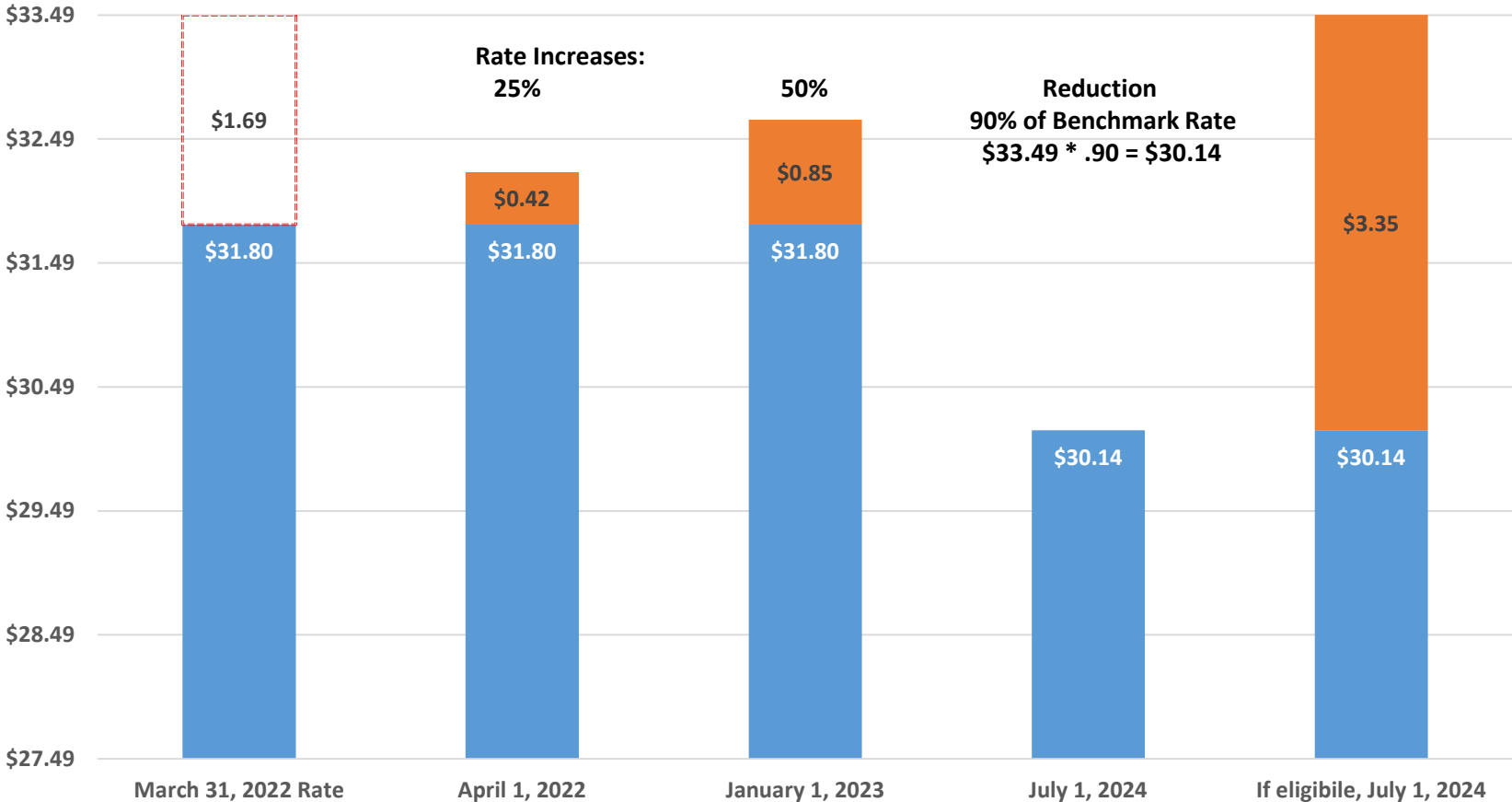
- The current law (WIC 4519.10):
  - *(C) Commencing July 1, 2024, the department shall implement the fully funded rate models. The fully funded rate models shall be implemented using two payment components, a base rate equaling 90 percent of the rate model, and a quality incentive payment, equaling up to 10 percent of the rate model, to be implemented through the quality incentive program described in subdivision (e).*

# Rate Adjustment Example, April 2023



# Rate Reduction Example, April 2023

Rate Reduction Example, April 2023  
Base Rate Decrease of 5.2%



# Vendors Should Advocate for a Change in the Law

- Under the current law, RCOC has approximately 150 vendors (7.5% of all vendors) whose base rates will be reduced effective July 1, 2024, if the law does not change
- Some of the service codes affected:
  - 520, Independent Living Services, almost all vendors, 43 of 47
  - 505, Activity Center, about 9 vendors
  - 805, Infant Development Program, about 22 vendors
  - 612, Behavior Analyst, about 10 vendors
  - 862, In-Home Respite, about 10 vendors
- Contact your state legislators and advocate for a change in the law and/or a higher rate increase

# Eligibility for Quality Incentive Program Requires Compliance with the Final Rule

- The current law (WIC 4519.10):
  - *(v) Commencing July 1, 2023, a vendor shall be in compliance with the home- and community-based final rule, effective March 17, 2014, or implementing a corrective action plan, to be eligible for the quality incentive program described in subdivision (e).*



# Restrictions on Use of Rate Increase

The majority of the rate increase for Fiscal Year 2022-23 must be used for the purpose of enhancing wages and benefits for staff who spend a minimum of 75 percent of their time providing direct services to consumers. Beginning January 1, 2023, a provider may not spend a smaller percentage of the rate increase on direct care staff wages and benefit costs than the corresponding percentage included for direct care staff wages and benefit costs in the rate models for each specific service.

# Restrictions on Use of Rate Increase (continued)

*A provider granted a rate increase pursuant to this section must maintain documentation, subject to audit by the Department or regional center, that the portion of the rate increase identified in this subparagraph (Section 4519.10(c)(1)(B)) was used to increase wages, salaries, or benefits of eligible staff members spending a minimum of 75 percent of their time providing direct services to consumers at least at the same percentage as provided in the rate models. For the purpose of this subparagraph (Section 4519.10(c)(1)(B)), “direct services” are services, supports, care, supervision, or assistance provided by staff directly to a consumer to address the consumer’s needs, as identified in the individual program plan, and includes staff’s participation in training and other activities directly related to providing services to consumers, as well as program preparation functions as defined in California Code of Regulations, Title 17, Section 54302.*

# Restrictions on Use of Rate Increase (continued)

- DDS' vendor surveys will ask how the funds were used to enhance staff wages and benefits.
- Be prepared.