

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 240, MS 2-13
SACRAMENTO, CA 95814
TDD 654-2054 (For the Hearing Impaired)
(916) 654-1897



September 2, 2004

Marion Lieberman, President
California Association for the Retarded
2000 "O" Street, Suite 250
Sacramento, CA 95814

Dear Ms. Lieberman:

Thank you for your July 22, 2004, letter requesting that the Department of Developmental Services (DDS), in consultation with the Association of Regional Center Agencies (ARCA), consider implementing steps you have recommended to prevent the closure of community day, residential and work activity programs (WAP) due to frozen rates. DDS understands your concern and will take your recommendations into consideration.

California statutes and regulations currently limit DDS's ability to increase vendor rates to those instances when funding is appropriated in the Budget Act for a specific vendor rate increase, or in other rare circumstances. The rare circumstances in which a rate may be increased without Budget Act appropriation are when, for community-based day and in-home respite programs, changes in statute, law, or regulation impact a program, or relocation of a program, and put the health and safety of a consumer at risk. Trailer Bill language to the current Budget Act amends Welfare & Institutions Code, Section 4648.4, extends the rate freeze as follows:

Notwithstanding any other provision of law or regulation, during the 2004-05 fiscal year, no regional center may pay any provider of the following services or supports a rate that is greater than the rate that is in effect on or after June 30, 2004, unless the increase is required by a contract between the regional center and the vendor that is in effect on June 30, 2004, or the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the department has granted prior written authorization.

- (a) *Supported living services.*
- (b) *Transportation, including travel reimbursement.*
- (c) *Socialization training programs.*
- (d) *Behavior intervention training.*
- (e) *Community integration training programs.*
- (f) *Community activities support services.*
- (g) *Mobile day programs.*
- (h) *Creative art programs.*

"Building Partnerships, Supporting Choices"

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- (i) *Supplemental day services programs supports.*
- (j) *Adaptive skills trainers.*
- (k) *Independent living specialists.*

Welfare & Institutions Code, Section 4691.6 (d), was also amended in the Trailer Bill, extending the rate freeze to habilitation services programs as follows:

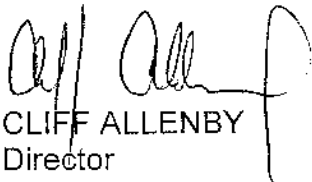
Notwithstanding any other provision of law or regulations, during the 2004-05 fiscal year, the department may not approve any rate adjustment for habilitation services program that would result in an increase in the rate to be paid to the vendor from the rate that is in effect on or after June 30, 2004, unless the regional center demonstrates that the rate adjustment is necessary to protect the consumers' health and safety and the department has granted prior written authorization.

Until the State's fiscal problems are addressed, it is very unlikely that rate issues can be dealt with. However, in accordance with the multi-year Cost Containment Proposal included in the Governor's Budget for Fiscal Year 2004-05, DDS is in the process of assessing the need to standardize the rates for various services. As this process has just recently started, the impact on community day and residential program rates is not yet known. You may be interested to know, however, that a stakeholder meeting for public input will be announced soon, and we encourage your participation.

DDS has worked very hard to ensure that all of our consumers have access to those services necessary to maintain their health and safety in a community setting. We value your input and welcome any recommendations and/or comments.

Thank you again for writing and sharing your concerns. If you have any questions, please contact Charlene Locke in DDS's Services and Supports Section, at 654-2975.

Cordially,


CLIFF ALLENBY
Director

cc: Association of Regional Center Agencies