

January, 2018

Hello San Andreas Service Providers,

On January 1<sup>st</sup>, 2018 the minimum wage in California increased from \$10.50/hr. to \$11.00/hr. for employers with 26 or more employees. For employers with 25 or fewer employees, the minimum wage in CA increased from \$10.00/hr. to \$10.50/hr. To compensate for this increase, the CA legislature approved a rate adjustment for regional center service providers in Senate Bill (SB 3). The rate adjustment applies only for those employees being paid the CA minimum wage starting Jan 1<sup>st</sup>, 2018.

Please see the letter below from DDS explaining the process, or visit <http://www.dds.ca.gov/MinWage/> for more information. As the letter states, providers with rates set by San Andreas Regional Center (aka "negotiated rates") will need to complete and submit a Minimum Wage 2018 Rate Adjustment spreadsheet to San Andreas per the instructions in the spreadsheet. The Minimum Wage 2018 Rate Adjustment spreadsheet is located on the Provider Bulletins page of the San Andreas Regional Center website at <http://www.sanandreasregional.org/provider-bulletin/>. It also attached to this email. Please note that you will need to submit this spreadsheet "no later than March 31, 2018".

As stated in the attached spreadsheet, the contact person for this rate adjustment process is as follows. Please direct any questions about this rate increase to:

Maria Moreto, Fiscal Supervisor  
408-341-3492  
[minimum2018@sarc.org](mailto:minimum2018@sarc.org)

On behalf of all of us at San Andreas, thanks so much for all that you do daily to support people with intellectual/developmental disabilities in the San Andreas catchment area.

Jeffery Darling  
Associate Director of Community Services  
San Andreas Regional Center

P.S. This rate adjustment is to address the new statewide minimum wage for CA. This does not address the issue of the local minimum wage ordinances in effect in seven municipalities in Santa Clara County.

## "Building Partnerships, Supporting Choices"

STATE OF CALIFORNIA--HEALTH AND HUMAN SERVICES AGENCY EDMUND G. BROWN JR., Governor

### **DEPARTMENT OF DEVELOPMENTAL SERVICES**

1600 NINTH STREET, Room 320, MS 3-8  
SACRAMENTO, CA 95814  
TTY 654-2054 (For the Hearing Impaired)  
(916) 654-1954

December 1, 2017

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: MINIMUM WAGE INCREASE

Effective January 1, 2018, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase from \$10.50 to \$11.00 per hour for employers with 26 or more employees and from \$10.00 to \$10.50 per hour for employers with 25 or less employees. As authorized by the current State budget and the changes to the Welfare and Institutions Code (WIC) sections 4681.6(b), 4691.6(f) and (g), and 4691.9(b), many vendors will either receive, or be eligible to request, a rate increase if necessary to adjust employees' pay to comply with the new minimum wage. This letter contains information on the types of vendors that are affected and what process will be used to make necessary rate adjustments.

#### **Providers with Rates set by the Department of Developmental Services (Department):**

The changes in the WIC referenced above, allow Community-Based Day Programs, In-Home Respite Agencies, and Work Activity Programs, to submit rate adjustment requests to the Department due to the increase in minimum wage. To request a rate adjustment, providers of these services must submit to the Department information on only those costs necessary to increase an employee's actual hourly wage to the new minimum wage rate and associated mandated employer costs (e.g. Social Security, Medicare, and workers' compensation).

Vendors must submit actual wage and mandated employer cost information for affected employees only and total program units of service provided for the period of July, August, and September 2017, or an applicable period of up to three (3) months. The Department will provide regional centers a copy of all letters sent to service providers in response to rate adjustment requests.

Vendors may begin submitting requests to the Department, with a copy to the vendoring regional center; however, all rate adjustment requests must be received by the Department no later than March 1, 2018.

General information about the increase in minimum wage, as well as detailed instructions and a workbook for submitting rate adjustment requests to the Department, can be found at the following website: [www.dds.ca.gov/minwage/](http://www.dds.ca.gov/minwage/)

**Providers with Rates set through Negotiation by Regional Centers:**

The changes in statute allow regional centers to negotiate rate adjustments with providers in order to pay employees no less than the minimum wage, effective January 1, 2018. The rate adjustment must be specific to the unit of service that is affected by the new minimum wage and shall only include those costs necessary to increase an employee's actual hourly wage to the new minimum wage rate and associated mandated employer costs (e.g. Social Security, Medicare, and workers' compensation). Regional centers may use a worksheet similar to the one developed by the Department discussed above to assist in processing negotiated rate adjustment requests, and must maintain documentation on the process to determine the rationale for granting any rate adjustment associated with minimum wage. Vendors should submit rate adjustment requests to the vendoring regional center by March 1, 2018.

By April 30, 2018, regional centers must provide the Department information on all rate adjustments negotiated with vendors. The Department will follow up with regional centers on the process for reporting the needed information.

**Alternative Residential Model (ARM) rates/respite facilities:** The ARM rates, effective January 1, 2018, for community care facilities, are enclosed. These rates also affect respite facilities (service code 869).

Sincerely,

*Original signed by:*

JIM KNIGHT  
Assistant Deputy Director  
Community Services Division

Enclosure

cc: Regional Center Community Services Directors  
Regional Center Administrators  
Regional Center Chief Counselors  
Association of Regional Center Agencies

DEPARTMENT OF DEVELOPMENTAL SERVICES  
 COMMUNITY CARE FACILITY RATES  
**FOUR OR LESS BEDS PER FACILITY**  
**EFFECTIVE JANUARY 1, 2018**

Service Level	Monthly Payment Rate Per Consumer Effective <b>1/01/2017<sup>1</sup></b>	Monthly Payment Rate Per Consumer Effective <b>1/01/2018<sup>2</sup></b>
1	\$1,026.37	\$1039.37
2-Owner	\$3,379	\$3,478
2-Staff	\$3,740	\$3,839
3-Owner	\$3,422	\$3,524
3-Staff	\$3,892	\$3,994
4A	\$4,529	\$4,636
4B	\$4,797	\$4,913
4C	\$5,062	\$5,186
4D	\$5,402	\$5,534
4E	\$5,743	\$5,885
4F	\$6,096	\$6,249
4G	\$6,522	\$6,686
4H	\$6,962	\$7,139
4I	\$7,588	\$7,784

The Personal and Incidental (P&I) expenses effective with the January 1, 2018, SSI/SSP payment standard increased from \$132.00 to \$134.00.

<sup>1</sup> Includes the SSI/SSP pass through effective January 1, 2017.

<sup>2</sup> Includes the SSI/SSP pass through effective January 1, 2018.

DEPARTMENT OF DEVELOPMENTAL SERVICES  
 COMMUNITY CARE FACILITY RATES  
**FIVE OR MORE BEDS PER FACILITY**  
**EFFECTIVE JANUARY 1, 2018**

Service Level	Monthly Payment Rate Per Consumer Effective <b>1/01/2017</b> <sup>1</sup>	Monthly Payment Rate Per Consumer Effective <b>1/01/2018</b> <sup>2</sup>
1	\$1,026.37	\$1,039.37
2-Owner	\$2,390	\$2,456
2-Staff	\$2,650	\$2,716
3-Owner	\$2,788	\$2,873
3-Staff	\$3,125	\$3,210
4A	\$3,619	\$3,709
4B	\$3,866	\$3,965
4C	\$4,111	\$4,218
4D	\$4,410	\$4,525
4E	\$4,730	\$4,855
4F	\$5,057	\$5,193
4G	\$5,436	\$5,583
4H	\$5,845	\$6,005
4I	\$6,422	\$6,601

The Personal and Incidental (P&I) expenses effective with the January 1, 2018, SSI/SSP payment standard increased from \$132.00 to \$134.00.

<sup>1</sup> Includes the SSI/SSP pass through effective January 1, 2017.

<sup>2</sup> Includes the SSI/SSP pass through effective January 1, 2018.