

November 25, 2015

Hello San Andreas Service Providers,

On January 1st, 2016 the minimum wage in California will increase from \$9.00/hr. to \$10/hr. To compensate for this increase, the CA legislature approved a rate adjustment for regional center service providers in the budget trailer bill (AB 10) for the 15-16 fiscal year. The rate adjustment applies only if you are paying staff \$9.00/hr. and starting Jan 1st, 2016, will have to pay them \$10.00/hr.

Please see the enclosed letter 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 2015 Rate Adjustment spreadsheet to San Andreas per the instructions in the spreadsheet. The Minimum Wage 2015 Rate Adjustment spreadsheet is located on the Provider Bulletins page of the San Andreas Regional Center website at <http://www.sanandreasregional.org/provider-bulletin/>. Please note that you will need to submit this spreadsheet “no later than March 31, 2016”.

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
minimum2016@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, and a very Happy Thanksgiving to you and yours.

Jeffery Darling
Manager, Resource Department
San Andreas Regional Center

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9

SACRAMENTO, CA 95814

TDD 654-2054 (For the Hearing Impaired) (916) 654-1954

November 23, 2015

TO: REGIONAL CENTER EXECUTIVE DIRECTORS
SUBJECT: MINIMUM WAGE INCREASE

Effective January 1, 2016, the minimum wage in California will increase from \$9.00 to \$10.00 per hour. As authorized by the 2015 State budget and the 2014 changes to the Welfare and Institutions Code 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 2014 Statute, combined with current Title 17 regulations, allow Community-Based Day Programs (CBDP) and Work Activity Programs (WAP) to submit rate adjustment requests to the Department due to the increase in minimum wage. Vendors can begin submitting requests to the Department, with a copy to the vendoring regional center, at any time. However, all rate adjustment requests must be received by the Department no later than March 31, 2016.

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.

To request a rate adjustment, vendors of CBDP and WAP services must submit to the Department, information on only those costs necessary to increase an employee's actual hourly wage to the new \$10.00 per hour minimum wage rate and associated mandated employer costs (e.g. Social Security, Medicare, and workers' compensation). Vendors must submit actual employment and mandated employer cost information for affected employees only and total program units of service provided for the period of July, August, and September 2015, 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.

“Building Partnerships, Supporting Choices”

Providers with rates set through negotiation by regional centers:

The changes in the 2014 Statute also allows regional centers to negotiate rate adjustments with providers in order to pay employees no less than the new minimum wage effective January 1, 2016. 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 \$10.00 per hour 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 for CBDPs 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 must submit rate adjustment requests to the vendoring regional center no later than March 31, 2016.

By April 30, 2016, 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.

Providers with other rates:

- Alternative Residential Model (ARM) rates/respite facilities: The ARM rates, effective January 1, 2016, for community care facilities, are enclosed. These rates also affect respite facilities (service code 869).
- In-Home Respite Agencies (IHRAs): The Department will revise the rates for all IHRAs and will provide regional centers with copies of the revised rate letters to IHRAs.
- In-Home Respite Worker (service code 864): The new rate, effective January 1, 2016, is \$13.10 per consumer hour.
- Voucher and Participant-Directed Respite (service codes 420 and 465): The new rate, effective January 1, 2016, is \$13.10 per consumer hour.
- Non-Mobile Supplemental Staffing: Pursuant to Title 17, Section 57530, the supplemental reimbursement rate for CBDPs will increase to \$1.20 per consumer hour.

Regional Center Executive Directors
November 23, 2015
Page three

If you have any questions regarding this letter, please contact Jeffrey Greer, Chief, Rates and Fiscal Support Section, at (916) 654-2300.

Sincerely,

Original signed by

JIM KNIGHT
Assistant Deputy Director Community Services Division

Enclosure

cc: Regional Center Administrators
Regional Center Chief Counselors
Association of Regional Center Agencies

DEPARTMENT OF DEVELOPMENTAL SERVICES
 COMMUNITY CARE FACILITY RATES
EFFECTIVE JANUARY 1, 2016

Service Level	Monthly Payment Rate Per Consumer Effective 7/01/2015	Monthly Payment Rate Per Consumer Effective 1/01/2016
1	\$1,014	\$1,014
2-Owner	\$2,057	\$2,187
2-Staff	\$2,298	\$2,428
3-Owner	\$2,381	\$2,548
3-Staff	\$2,694	\$2,861
4A	\$3,140	\$3,317
4B	\$3,350	\$3,543
4C	\$3,558	\$3,767
4D	\$3,816	\$4,041
4E	\$4,086	\$4,332
4F	\$4,364	\$4,631
4G	\$4,690	\$4,978
4H	\$5,037	\$5,351
4I	\$5,527	\$5,878