

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 25, 2015

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: 5.82 PERCENT RATE INCREASE FOR IN-HOME RESPITE AGENCY SERVICES, PERSONAL ASSISTANCE, AND SUPPORTED LIVING SERVICES WILL GO FORWARD, WITH AN EFFECTIVE DATE OF DECEMBER 1, 2015

Pursuant to SB 856 (Statutes 2014, c. 30), the State authorized a 5.82 percent rate increase for in-home respite agency services, personal assistance, and supported living services, which was scheduled to begin on January 1, 2015, to implement new federal regulations related to the revised definition of "companionship services" under the Fair Labor Standards Act. [Welfare and Institutions Code (WIC), sections 4691.6(h) and 4691.9(c)]

However, in early 2015, the United States District Court in Washington, D.C. vacated these home care regulations. As a result, the 5.82 percent rate increase authorized in WIC sections 4691.6(h) and 4691.9(c) did not go into effect.

Then, on August 21, 2015, a federal Court of Appeals reversed and issued an opinion affirming the validity of these new federal rules. The Court of Appeals opinion became effective on October 13, 2015, and the federal Department of Labor informed states that it would not begin enforcement of these rules for another 30 days, which was November 12, 2015. The federal Department of Labor further advised that for the period of November 12 through December 31, 2015, it would continue to follow its non-enforcement policy, during which it would exercise prosecutorial discretion in determining whether to bring enforcement actions, with particular consideration given to the extent to which states and other entities made good faith efforts to bring their home care programs into compliance with the new rules.

Accordingly, as the payment system for the providers affected by this notice is only able to reflect new rates at the beginning of a month, the 5.82 percent rate increase for in-home respite agency services, personal assistance, and supported living services will go forward with an effective date of **December 1, 2015**.

"Building Partnerships, Supporting Choices"

Regional Center Executive Directors
November 25, 2015
Page two

The Department of Developmental Services will issue new rate letters in early December to all in-home respite agency providers and send copies of these rate letters to the appropriate regional center(s).

For personal assistance and supported living services, regional centers will implement rate increases of 5.82 percent, applied as a percentage, to the applicable provider rates. Consistent with WIC section 4691.9(c), this increase will only apply to rates for providers vendored under the following service codes:

- Personal Assistance – 062
- Supported Living Services – 891, 892, 893, 894 and 896

If you have any questions, please contact Jeffrey Greer at jeff.greer@dds.ca.gov or (916) 654-2201.

Sincerely,



BRIAN WINFIELD
Acting Deputy Director
Community Services Division

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