

**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](http://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/respice facilities:** The ARM rates, effective January 1, 2016, for community care facilities, are enclosed. These rates also affect respice facilities (service code 869).
- **In-Home Respice 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 Respice Worker (service code 864):** The new rate, effective January 1, 2016, is \$13.10 per consumer hour.
- **Voucher and Participant-Directed Respice (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.

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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 <b>7/01/2015</b>	Monthly Payment Rate Per Consumer Effective <b>1/01/2016</b>
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

The Personal and Incidental (P&I) expenses, SSI/SSP payment standard remains the same from January 1, 2015, at \$131.00.