

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



June 29, 2015

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: VENDOR RATE ADJUSTMENTS FOR EMPLOYEE SICK LEAVE

Assembly Bill (AB) 1522, enacting the Healthy Workplaces, Healthy Families act of 2014, entitles employees who work on or after July 1, 2015, and who work 30 or more days within a year, to accrue sick leave at a rate of one hour for every 30 hours worked. The budget for fiscal year 2015-2016 and accompanying trailer bill language assumes many vendors will either receive, or be eligible to request, a rate increase, if necessary, in order to comply with the new sick leave requirements. This letter contains information on the types of vendors that are affected and what process will be used to make necessary rate adjustments.

Vendors with Rates Set by the Department of Developmental Services (Department):

The budget trailer bill, combined with current Title 17 regulations, allows Community-Based Day Programs (CBDP), In-Home Respite Agencies (IHRA) and Work Activity Programs (WAP) to submit rate adjustment requests, if they are not providing a minimum of 24 hours or three paid sick days annually, as of June 30, 2015. 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 September 1, 2015.

To request a rate adjustment, applicable vendors must submit to the Department the units of service billed to the regional center and only include costs necessary to fund a maximum of 24 hours or three paid sick days to applicable employees. Vendors may submit a rate adjustment request online via the Department's website using the following link: www.dds.ca.gov/SickLeave.

The Department will provide regional centers a copy of all letters sent to vendors in response to the rate adjustment requests. Rate adjustments will be effective July 1, 2015.

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Vendors with Rates Set through Negotiation with Regional Centers:

The budget trailer bill allows regional centers to negotiate rate adjustments with vendors in order to implement the requirements of AB 1522 if vendors are not providing a minimum of 24 hours or three paid sick days annually, effective July 1, 2015. The rate adjustment must be specific to the unit of service that is affected and shall only include costs necessary to fund a maximum of 24 hours or three paid sick days.

Regional centers may use a worksheet similar to the one developed by the Department for CBDPs/IHRAs/WAPs, and must maintain documentation on the process to determine, and rationale for granting, any rate adjustment associated with the implementation of AB 1522. Rate adjustments will be effective July 1, 2015.

By September 30, 2015, 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.

Community Care Facilities with Alternative Residential Model (ARM) Rates: The revised ARM rates, effective July 1, 2015, for community care facilities, are enclosed. These rates also affect respite facilities vendored under service code 869.

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