

DEPARTMENT OF DEVELOPMENTAL SERVICES

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May 11, 2023

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: PERCENTAGE OF RATE ADJUSTMENT USED FOR WAGES AND BENEFITS FOR DIRECT CARE STAFF

Beginning January 1, 2023, Welfare and Institutions Code section [4519.10\(c\)\(1\)](#) requires a provider that received a rate increase use no less than the percentage in the rate model for staff wages and benefits to enhance the wages and benefits of staff who spend at least 75 percent of their time providing direct services to consumers. Providers who received a rate increase are required to maintain documentation, subject to audit by the Department and regional centers, demonstrating compliance with this requirement. The rate adjustment effective January 1, 2023 equaled one-half of the difference between rates in effect March 31, 2022 and the fully funded rate model.

The percentage of direct care staff wages and benefits varies by rate model. To assist providers and regional centers, the Department has posted an online look up tool showing the required percentage applicable to each service [here](#). For example: A provider received a \$5.00 per hour rate increase and the rate model has 80 percent in direct care staff wages and benefits. The provider would need to use at least \$4.00 per hour toward their direct care staff spending. ($\$5.00 \times 80\% = \4.00). A graphic is enclosed for reference.

Regional centers must disseminate this information to their provider network. Providers with questions related to this directive should contact their local regional center. Questions from regional centers should be directed to ratesquestions@dds.ca.gov.

Sincerely,

DocuSigned by:

A handwritten signature in cursive script that reads "Caroline Castaneda".

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CAROLINE CASTANEDA
Deputy Director
Waiver and Rates Division

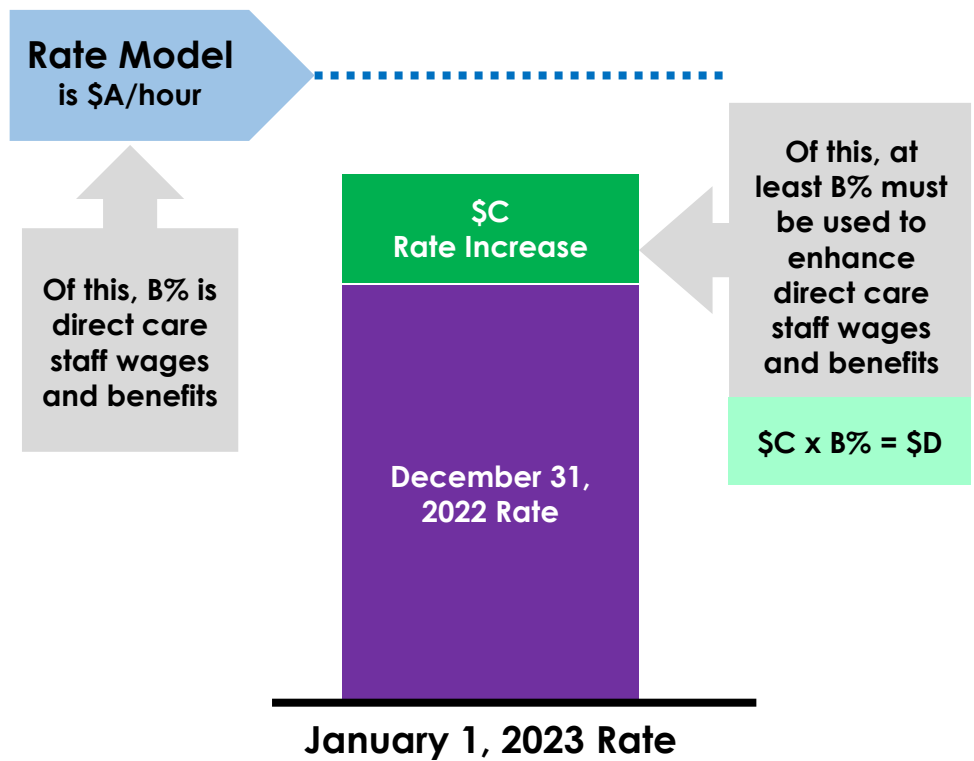
cc: Regional Center Administrators
Regional Center Directors of Consumer Services
Regional Center Community Services Directors

“Building Partnerships, Supporting Choices”

Association of Regional Center Agencies
Ernie Cruz, Department of Developmental Services
Jim Switzgable, Department of Developmental Services
Ann Nakamura, Department of Developmental Services

ENCLOSURE

Enclosure



1. The Rate Model is \$A/hour including B% direct care staff wages and benefits.
2. On January 1, 2023, providers received a rate increase of \$C, which was 50% of the difference from the Rate Model
3. Providers that received \$C (a rate increase) must use at least B% of it for direct care staff wages and benefits

$\$C \times B\% = \D

At least \$D/hour must be used to enhance wages and benefits of direct care staff effective with January 1, 2023 rates.

Example: A provider received a \$5/hour rate increase and the rate model has 80% in direct care staff wages and benefits. The provider would need to use at least \$4/hour toward their direct care staff spending ($\$5 \times 80\% = \4)