# EXECUTIVE DIRECTOR REPORT

**March 5, 2016**

## I. FY 2016-2017 BUDGET UPDATE

- **Attachment #1:** CDCAN Report 2/29/2016: Legislature Passes Managed Care Organization Tax Reform Bill and Passes Developmental Services Funding Bill – Heads Next for Certain Approval by the Governor
- **Attachment #2:** CDCAN Report 3/2/2016: Governor Signs Managed Care Organization Tax Reform and Developmental Services Funding Bills
- **Attachment #3:** ABX 2 1 Assembly Bill, 2nd Extraordinary Session – Bill Analysis
- **Attachment #4:** Sacramento Bee Article, January 7, 2016: Jerry Brown Proposes $170 Billion Budget that Bolsters Reserves,School Spending
- **Attachment #5:** FY 2016-2017 Governor's Budget Highlights for Department of Developmental Services
- **Attachment #6:** ARCA Analysis of FY 2016-2017 Governor's Budget Proposal for Regional Center
- **Attachment #7:** Leadership Project 2016 Call to Action Workshop
- **Attachment #8:** Annual Budget Process Flow Chart

The California Legislature on February 29, 2016 passed, in a bipartisan vote, two special session bills that mark the culmination of years of grassroots efforts to persuade the Legislature to provide the developmental disabilities services system

with much needed additional funding to offset more than $1 billion in reductions to the system that took place during the Great Recession. The first bill, SBX2 2, authored by Senator Ed Hernandez (D – West Covina), reforms a managed care organization (MCO) tax, securing continued inflow of over a billion dollars in federal funds **(http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_bill_20160301_chaptered.pdf).** ABX2 1, by Assemblymember Tony Thurmond (D – Richmond), will provide nearly $300 million in state funds for the developmental disabilities services system, that also includes provisions impacting intermediate care facilities/developmentally disabled and skilled nursing facilities **(http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160301_chaptered.pdf)** A significant amount of the $300 million in state funding will be matched by federal funds. Passage of the revised managed care organization tax reform bill was key to passage of the developmental services funding bill. Governor Brown, as expected, signed both bills on March 1, 2016. Since these are special session bills, unlike regular session "urgency bills" and the annual budget bill and budget "trailer bills" which go into effect immediately upon the Governor's signature, these bills go into effect on the 91st day after the special session is officially adjourned. Per ABX2 1, the developmental disabilities service system funding increase takes effect July 1, 2016 and the intermediate care facility/skilled nursing facility funding increase provision takes place on August 1, 2016 **(Attachments #1-#3)**.

Specifically, ABX2 1 enacts the following increases and changes to the developmental disabilities services system:

- Requires Department of Developmental Services (DDS) to submit a rate study to the Legislature by March 1, 2019 addressing the sustainability, quality, and transparency of community based services for individuals with developmental disabilities

- Requires a service provider to obtain an independent review of its financial statements relating to payments made to regional centers if it receives payments more than or equal to $500,000 but less than $2 million. Current law requires an independent review if the service provider receives payments more than or equal to $250,000 but less than $500,000. Also, requires a service provider to obtain an independent audit if it receives payments that are equal to or more than $2 million and allows a service provider to apply for a two-year exemption from the audit requirement.
- Provides for a 7.5% rate increase for salary and/or benefit increases for regional center staff. Provides for a 2.5% rate increase for administrative costs for regional centers and clients rights advocates contracts.
- Provides a 7.5% rate increase for salary and/or benefits increases for service provider staff who spend a minimum of 75% of their time providing direct services. Provides for a 2.5% rate increase for administrative expenses for service providers.
- Provides a 5% rate increase for supportive and independent living services.
- Provides a 5% rate increase for in and out of home respite services.
- Provides a 5% rate increase for transportation services.
- Implements a 5% rate increase for intermediate care facilities for developmentally disabled (ICF-DDs). This rate increase is achieved by eliminating the AB 97, Chapter 3, Statutes of 2011, Medi-Cal payment reductions and then increasing the rates to these providers by 3.7%. This rate increase is effective August 1, 2016.
- Provides an 11.1% rate increase for the supported employment program at DDS.
- Establishes a program to increase paid internship opportunities for individuals with developmental disabilities and to provide additional payments to supported employment services providers initial placements,

placements lasting a continuous six months, and placements lasting twelve consecutive months.

- Provides $1 million for pay differentials supporting bilingual service coordinators at regional centers. Also provides $10 million for implementation of recommendations and plans to help reduce disparities in the POS expenditures and to encourage the development and expansion of culturally and linguistically appropriate services. Activities funding may include, but not limited to, paying differentials supporting direct care bilingual staff of community bases service providers, parent education programs, cultural competency training and outreach.

With the special session having concluded, the next step in the budget process is to focus on the regular budget process that began with the Governor's FY 2016-2017 State Budget Proposal released on January 7, 2016. The Governor's FY 2016-2017 State Budget Proposal contains modest targeted increases to regional centers and service providers in the new budget year. It is not clear at this time how the Governor's original proposed changes to the developmental services budget will be impacted in light of the passage of ABX 2 1 as a result of the special session. As it was released on January 7, 2016, the Governor's budget for developmental services includes $46 million in new funding to establish a 4-bed Alternative Residential Model homes rate. The rates for these homes are old and were originally based on a 6-bed model giving service providers two fewer beds from which to derive revenue while maintaining the same overhead. The smaller 4-bed model is increasingly used by regional centers. The budget also includes $15 million in targeted rate increases to service providers to transition services like segregated day programs and sheltered workshops to models that are more integrated in the community and consistent with CMS (Centers for Medicare and Medicaid Services) new rules under the Home and Community Based Services Waiver. To assist regional centers with ensuring compliance with the CMS new rules, the Governor's budget also adds $1.6 million to

fund 21 additional Program Evaluators at regional centers. The Governor has also proposed $17 million to the regional centers to help bring Service Coordinator caseload ratios into closer compliance with the federally mandated caseload ratios. The regional currently need approximately 650 Full Time Equivalent Service Coordinator positions in order to fully comply with the federally mandated caseload ratios. The additional funding proposed by the Governor is estimated to fill approximately 200 of these positions.

In addition to new funding, the Governor's Budget proposal also includes $62.4 million increase for full year funding of the minimum wage increase per AB 10 effective January 1, 2016 that affects community care facilities, day program services, habilitation services, respite services, supported living services and transportation. Additionally, the Governor's Budget adds another $54.2 million increase to fund the full year cost of changes in the Fair Labor Standards Act regulations regarding the payment of overtime by service providers who were previously not required to pay overtime. Finally, given the number of persons served by the regional center system is expected to grow to nearly 302,000 persons in FY 2016-2017, the Governor's budget provides $257.6 million increase over current fiscal year for caseload and utilization growth in the Purchase of Services (POS) budget (5.8% increase) and a $20.7 million increase in the Operations budget (OPS) for increased caseload growth **(Attachments #4-#6)**.

TCRC will be working with the Leadership Project, Family Resource Centers and Service Providers to send persons served and families to Sacramento to testify at upcoming budget hearings which have yet to be scheduled. The Leadership Project recently held a Call to Action Workshop attended by over 40 individuals from throughout the TCRC area interested in advocacy to prepare them for participating in

upcoming advocacy activities during this year's budget process **(Attachments #7-#8)**.

Tri-Counties Regional Center (TCRC) has developed a "Budget Watch" page on the TCRC website (www.tri-counties.org). Current information and resources related to the budget is posted on this page and will be kept updated.

## II. SELF DETERMINATION PROGRAM

- **Attachment #9:** DDS Self Determination Program – FAQ (revised 9.15)
- **Attachment #10:** Disability Rights California Self Determination Program – FAQ
- **Attachment #11:** Similarities and Differences Between Traditional Regional Center Service Provision and the New Self-Determination Program
- **Attachment #12:** December 2015 Letter from Centers for Medicare and Medicaid Services
- **Attachment #13:** Self-Determination Enrollment Process
- **Attachment #14:** TCRC Self-determination Advisory Committee 2016 meeting calendar

In October of 2013, Governor Brown, signed into law SB 468 (Emmerson /Beal /Mitchel /Chesbro) authorizing the implementation of the Statewide Self-Determination Program that offers a voluntary, alternative to the traditional way of providing regional center services. The Self Determination Program is intended to

provide individuals served by the regional center and their families more freedom, control, and responsibility in choosing services and supports to help them meet objectives in their Individual Program Plan **(Attachments #9-#11)**. It will most likely take several years for the Self Determination Program to be fully in place. Securing federal funding is necessary in order to implement the Self-Determination program.

The Department of Developmental Services (DDS) met the deadline as outlined in SB 468 and submitted the Home and Community Based Services application on December 31, 2014 seeking funding for Self-Determination to the Center for Medicare and Medicaid Services (CMS). Subsequently, CMS asked follow-up questions related to recently enacted federal regulations and policies regarding public input for Waiver applications and federal requirements for Home and Community Based Settings (HCBS). The Department, in conjunction with the Department of Health Care Services, had a number of discussions with CMS and provided the follow-up information CMS requested. The Self-Determination Waiver Application was formally resubmitted to the Centers for Medicare and Medicaid Services (CMS) on September 29, 2015.

On December 11, 2015, CMS sent a letter to the State asking questions about, and requesting more information on, specific sections in the Self-Determination Waiver Application (**Attachment #12**). The Department of Developmental Services (DDS) is currently working through the Department of Health Care Services to provide written responses to answer CMS' questions and secure approval of the waiver. Once the application is re-submitted, the Centers for Medicare and Medicaid Services (CMS), will have 90 days to take one of the three actions on the Waiver application: approve, deny or request additional information. It is very likely that CMS will request additional information for clarification in the Waiver application which will lead to an extended review period beyond these 90 days.

Once federal approval of matching funds is authorized, the program will be available in every regional center. For the first three years, the number of participants in the Self- Determination Program is capped at 2,500 individuals throughout the state. Recent legislation allows for an increase of these participants to include people moving from Developmental Centers. After the three year phase-in period, the program will be available to all eligible persons served and families on a voluntary basis with no limit on the number of participants. TCRC will have 114 individuals or families enrolled in the program for the first three years. This includes the 16 individuals who are currently in our Self-Determination pilot project plus an additional 98 people that TCRC will be able to add under the new program. The process for selecting and enrolling participants in the first three years is described in the Self-Determination Enrollment Process (**Attachment #13**).

Federal approval of the Waiver application is just one of the many steps that must be taken prior to the implementation of the Self-Determination Program. The Self-Determination Program stakeholder advisory group identified the following steps as necessary for a fair and equitable process for enrollment.

**Outreach** — Those served by the regional center and their families must be made aware of Self-Determination as an option to traditional services. To assist with the provision of widespread outreach and awareness of the Self-Determination Program, the workgroup developed an informational video that features some of the individual's and their families currently in the self-determination pilot project as well as those who are interested in the Self-Determination Program. This video has been posted on the Department of Developmental Services (DDS) website at: https://www.dds.ca.gov/SDP .

**Information** — Individual's served by the regional center and/or their families must be informed about the Self-Determination Program, including the new opportunities and increased responsibilities. Those interested in the Self-Determination Program will be required to attend and participate in an informational/pre-enrollment meeting

covering topics identified by the Department, including, information regarding the principles of self-determination, the role of the financial management services provider and the development of an individual budget. The state workgroup is currently developing training materials to be distributed to all Regional Centers that will be used during these informational / orientation meetings.

**Selection for the first three years of the Self-Determination Program**— Regional centers will forward to the Department the names of those who have participated in an informational/pre-enrollment meeting and are interested in participating in the Self-Determination Program. The Department will then randomly select the participants based on the following demographic factors within each regional center: age, gender, ethnicity and disability diagnosis. Individual's not initially selected will remain on the interest list for potential future openings.

**Local Volunteer Advisory Committees** — As required by law, each regional center must establish a Local Volunteer Advisory Committee to ensure effective implementation of the Self-Determination Program and facilitate the sharing of best practices and training materials. In collaboration with the Central Coast office of the State Council, we reviewed the applications from those interested in serving on the committee and selected the membership with a focus on multicultural diversity requirements and geographic area representation.

The primary responsibility of the committee is to provide oversight of the Self-Determination program at Tri-Counties Regional Center. The committee will review the development, implementation and on-going progress of the Self-Determination program and determine if we are meeting the requirements of the law. In addition, the committee will make on-going recommendations for improvements to the program to both Tri-Counties Regional Center and the Department of Developmental Services. Our Self-Determination Advisory Committee is meeting on a quarterly basis and all meetings are open to the public (**Attachment #14**).

In addition to our local advisory committee, there will be a Statewide Advisory committee in which the chair and co-chair of TCRC's advisory committee will participate. There will be a sharing of what has worked / what has not between regional centers to develop best practices throughout the state. The first meeting of the Self Determination Services Statewide Advisory Committee, led by the State Council on Developmental Disabilities, will be held at the Westside Regional Center on Thursday, March 3, 2016.

TCRC is also actively participating on the Self-Determination Committee through the Association of Regional Center Agencies (ARCA) to provide feedback to the Department of Developmental Services (DDS) on the waiver and obtain input and direction from DDS on the timing and implementation of the various components of the program.

As we wait for more information, TCRC has formed an internal work group consisting of Omar Noorzad, Executive Director; Lorna Owens, CFO; Diva Johnson, Director of Community Development; Pam Crabaugh, Director of Services and Supports; Eulalia Apolinar, Assistant Director of Services and Supports SB/SLO Counties; Sha Azedi, Assistant Director of Services and Supports Ventura County; Cheryl Wenderoth, Assistant Director of Federal Programs; Mary Beth Lepkowsky, Assistant Director of Training and Organizational Development; Judith White, Manager of Resource Development; and Vicki Smith, Manager, State Council on Developmental Disabilities Central Coast Office. The group will be working together on a variety of activities in preparation for the Self-Determination Program.

These include:

- Participation in our local advisory committee.
- Guidelines on participant eligibility, selections and enrollment
- Self-Determination services and definitions

- Budget setting and tracking.
- Fiscal Management Services (FMS)
- Training
- Person-Centered Planning
- Community outreach
- Monitoring of the Self-Determination program
- Billing and payment procedures

TCRC continues to post updated information about the Self Determination Program on the TCRC website to keep the community informed about the status of the Self Determination Program.

## III. Q&A

**Omar Noorzad - CDCAN REPORT (FEB 29 2016): BREAKING NEWS - LEGISLATURE PASSES MANAGED CARE ORGANIZATION TAX REFORM AND DEVELOPMENTAL SERVICES BILLS - HEADS NEXT TO GOVERNOR FOR CERTAIN APPROVAL**

**From:** "Marty Omoto" <martyomoto@rcip.com>
**To:** <martyomoto@rcip.com>
**Date:** 2/29/2016 2:13 PM
**Subject:** CDCAN REPORT (FEB 29 2016): BREAKING NEWS - LEGISLATURE PASSES MANAGED CARE ORGANIZATION TAX REFORM AND DEVELOPMENTAL SERVICES BILLS - HEADS NEXT TO GOVERNOR FOR CERTAIN APPROVAL
**Bc:** Omar Noorzad

# CDCAN DISABILITY RIGHTS REPORT
# CALIFORNIA DISABILITY-SENIOR COMMUNITY ACTION NETWORK
## FEBRUARY 29, 2016 – MONDAY AFTERNOON
***ADVOCACY WITHOUT BORDERS: ONE COMMUNITY – ACCOUNTABILITY WITH ACTION – PERSON CENTERED ADVOCACY***

***CDCAN Reports go out to over 65,000 people with disabilities, mental health needs, seniors, people with traumatic brain and other injuries, people with MS, Alzheimer's and other disorders, veterans with disabilities and mental health needs, families, workers, community organizations, facilities and advocacy groups including those in the Asian/Pacific Islander, Latino, American Indian, Indian, African-American communities; policymakers, and others across the State.***
***Sign up for these free reports by going to the CDCAN website. Website: www.cdcan.us***
***To reply to THIS Report write:***
***Marty Omoto (family member and advocate) at martyomoto@rcip.com or martyomoto@att.net [new email - will eventually replace current martyomoto@rcip address] Twitter: martyomoto***
***Office Line: 916-418-4745 CDCAN Cell Phone: 916-757-9549***

REMEMBERING THE LIFE OF THU PHAN
Memorial & Call to Action, March 1, 2016 (Tuesday) at 12:00 Noon, U.N. Plaza, 7th & Market, San Francisco

**BREAKING NEWS:**
# LEGISLATURE PASSES MANAGED CARE ORGANIZATION TAX REFORM BILL AND PASSES DEVELOPMENTAL SERVICES FUNDING BILL - HEADS NEXT FOR CERTAIN APPROVAL BY GOVERNOR

## *New Developmental Services Funding Will Provide Over $300 Million In New State General Funding for Developmental Services in 2016-2017 State Budget Year That Begins July 1st – Revised Managed Care Organization Tax Reform Will Draw Down Over $1.1 Billion In Federal Funding Annually For Three Years To Help Off-Set State's Health and Human Service Program Costs*

SACRAMENTO, CA [BY MARTY OMOTO, CDCAN - LAST UPDATED 02/29/2016 2:00 PM] - The California Legislature this afternoon passed, as expected, the Brown Administration managed care organization tax reform bill (SBx2 2) by Senator Ed Hernandez (Democrat – Azsua, 22nd State Senate District). The Legislature passed the developmental services funding (ABx2 1) bill by Assemblymembers Tony Thurmond (Democrat – Richmond, 15th Assembly District) and Rob Bonta (Democrat – Alameda, 19th Assembly District). [CDCAN Note: the "x2" stands for the second extraordinary or special session of the Legislature].

The bills now head to the Governor for certain approval. The bills go into effect July 1, 2016.

The vote was as follows for the Brown Administration's managed care organization tax reform bill – SBx2 2:

STATE SENATE: 28 to 11 (Republicans Bob Huff and Anthony Cannella voted for the measure, Janet Nguyen abstained).

ASSEMBLY: 61 TO 16

The vote was as follows for the Brown Administration's developmental services bill – ABx2 1:

STATE SENATE: 40 to 0.

ASSEMBLY: 78 to 0 (one vacancy – 31st Assembly District)

The managed care organization tax reform bill, which revises and extends the current managed care organization tax that expires June 30, 2016 for an additional three years, providing over $1.1 billion in federal matching funds. Passage of the revised managed care organization tax reform bill was key to passage of the developmental services funding bill, that also includes provisions impacting intermediate care facilities/developmentally disabled, and distinct part nursing facilities, which will provide, effective July 1, 2016 (for most of the new funding provisions – in one instance a month later) over $300 million in new State general funding for developmental services, a significant amount of that which will be matched by federal funds. There is no sunset or ending date to that new State general funding.

"We have an opportunity of monumental opportunities that we cannot give up," Senate President Pro Tem Kevin De Leon (Democrat – Los Angeles), and noted that the package of bills "brings much needed stability to Medi-Cal....long term investments to the developmental services community."

Senator Hernandez said the State cannot leave billions of federal dollars on the table that could help California, saying "...this is a good deal for California..."

At least one Senate Republican vote was needed to pass the managed care organization tax reform measure and also the developmental services funding bill. Two Senate Republicans ended up voting for the managed care organization tax reform measure, with one Republican abstaining.

Former Senate Republican Leader Bob Huff (Republican – Diamond Bar, 29th State Senate District) was one of the Republicans who gave their votes for the managed care organization tax reform bill that was key to passage of the developmental services funding bill, who rose to speak in support of the bill.

Senator Jeff Stone (Republican – Temecula, 28th State Senate District) was one of the Senate Republicans who rose in opposition to the managed care organization tax reform bill, arguing that there was sufficient State general funds, especially if the State prioritized spending, to provide needed increases to developmental services.

Outgoing Assembly Speaker Toni Atkins (Democrat – San Diego, 78th Assembly District) rose in support of the managed care organization tax reform bill, praising the work of the stakeholders, including both parties and the Brown Administration on the managed care proposal and also the developmental services funding piece.

Assemblymember Brian Maienschein (Republican – San Diego, 77th Assembly District) rose in support on the Assembly floor for the managed care organization tax reform measure, as did Assemblymember Brian Dahle (Republican – Bieber, 1st Assembly District) and Assemblymember Brian Jones (Republican – Santee, 71st Assembly District), praising the work of both parties, the Brown Administration and stakeholders in coming to an agreement on a revised managed care organization tax reform. Maienschein also rose in strong support for the developmental services funding bill.

Assemblymember Thurmond, also chair of the Assembly Budget Subcommittee #1 on Health and Human Services, rose to present the developmental services funding bill, saying that "we heard heart breaking testimony" on the impact of on-going cuts, and that passage of the measure will "…restore the promise of the Lanterman [Developmental Disabilities Services] Act…"

Assemblymember Devon Mathis (Republican – Visalia, 26th Assembly District) rose in support of the managed care organization tax reform and developmental services funding bill, his voice sometimes trembling with emotion, speaking of his own children with special needs and seeing crowded emergency rooms in hospitals that could end up closing in his district and elsewhere in the State.

Assemblymember Bonta rose in support pointing out the provision that prevents the State from retroactively collecting a rate cut to distinct part nursing facilities, that is part of the ABx2 1 funding, and thanked Assembly Speaker Atkins for her leadership in pushing for the funding and that the developmental disabilities community "deserves support from us".

Assemblymembers Mark Stone (Democrat – Scotts Valley, 29th Assembly District) and Cheryl Brown (Democrat – San Bernardino, 47th Assembly District) spoke in strong support, with Stone warning that the new funding for developmental services was still a State general fund expense that needs a long term "stable source of funding" for every year beyond this one, that is the State's "obligation" to provide for the disability community.

Assemblymember Tom Lackey (Republican – Palmdale, 36th Assembly District) rose in support of the developmental services funding bill saying that the State is now showing some leadership in helping the developmental disabilities community across the State.

Assemblymember Ken Cooley (Democrat – Rancho Cordova, 8th Assembly District), rose in support of the developmental services funding bill, recounted the life of the son of former Assemblymember Lou Papan, who had developmental disabilities.

Others who spoke in support of the developmental services funding measure were Assemblymembers Eduardo Garcia (Democrat – Coachella, 56th Assembly District) and Kansen Chu (Democrat – San Jose, 25th Assembly District).

CDCAN will provide full report on what the details of the developmental services funding bill and also the Governor's proposals for additional funding that he proposed as part of his 2016-2017 State Budget in January that is on top of what is allocated in the developmental services funding bill.

**LINKS TO COPIES OF THE TWO BILLS**

The following are links to the two special session bills and also Senate and Assembly floor analysis of both bills compiled by CDCAN. Floor analysis, like committee analysis, are drafted by the majority party of each house for the entire membership, providing a summary of the legislation. The versions of the bills will change into a form – but not in the content - to be presented to the Governor for his signature:

SBx2 2 – MEDI-CAL: MANAGED CARE ORGANIZATION TAX
AUTHOR: Senator Ed Hernandez (Democrat – Azusa) and Assemblymember Rob Bonta (Democrat – Alameda)
COPY (PDF DOCUMENT) OF SBx2 2 AS PROPOSED WITH 02/22/2016 CONFERENCE COMMMITTEE REPORT (17 PAGES):
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_bill_20160222_proposed.pdf
COPY (HTML VERSION) OF SBx2 2 AS PROPOSED WITH 02/22/2016 CONFERENCE COMMITTEE REPORT:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_bill_20160222_proposed.htm
COPY OF STATE SENATE FLOOR ANALYSIS (FEB 26 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_cfa_20160226_140755_sen_floor.html
COPY OF ASSEMBLY FLOOR ANALYSIS (FEB 25 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_cfa_20160225_130425_asm_floor.html
PREVIOUS ACTION 02/22/2016: From Special Session Conference Committee: Be adopted.
LATEST ACTION 02/29/2016: **PASSED** State Senate. **PASSED** Assembly.
NEXT STEPS: Heads to Governor for his certain signature approving the bill.
CDCAN COMMENT:

This bill, because it imposes a new tax (even though the tax is "swapped" with other taxes that would be eliminated that managed care organizations currently required to pay), required 2/3rds vote in both the Assembly (54 votes out of 80 members) and State Senate (27 votes out of 40 members.

Special session bills that are signed into law take effect on the 91st day AFTER the special session is officially adjourned – not just for the day but adjourning or ending the special session.

ABx2 1 - MEDI-CAL: DEVELOPMENTAL SERVICES: FUNDING
AUTHOR: Assemblymember Tony Thurmond (Democrat – Richmond) and Senator Jim Beall (Democrat – San Jose)

COPY (PDF DOCUMENT) OF ABx2 1 AS PROPOSED WITH 02/22/2016 CONFERENCE COMMITTEE REPORT (27 PAGES):
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160222_proposed.pdf
COPY (HTML VERSION) OF ABx2 1 AS PROPOSED WITH 02/22/2016 CONFERENCE COMMITTEE REPORT:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160222_proposed.htm
COPY OF STATE SENATE FLOOR ANALYSIS (FEB 26 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_cfa_20160226_140321_sen_floor.html
COPY OF ASSEMBLY FLOOR ANALYSIS (FEB 25 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_cfa_20160225_130412_asm_floor.html
PREVIOUS ACTION 02/22/2016: From Special Session Conference Committee: Be adopted.
LATEST ACTION 02/29/2016: **PASSED** State Senate. **PASSED** Assembly.
NEXT STEPS: Heads to Governor for his certain signature approving the bill.
CDCAN COMMENT:

This bill also required 2/3rds vote in the Assembly and State Senate because it has a provision (at the end of the bill) that actually makes the necessary appropriations from the State general fund to provide the funding authorized in the bill.

Unlike regular session "urgency bills" and the annual budget bill and budget "trailer bills", which go into effect immediately upon approval of the Governor, special session bills that are signed into law take effect on the 91st day AFTER the special session is officially adjourned – not just for the day but adjourning or ending the special session.

It is important also to note that the actual provisions regarding when the direct wage pass through and rate adjustments and other funding goes into effect as of July 1, 2016 (for intermediate care facilities/DD, the effective date for the rate increase goes into effect August 1, 2016)

## CDCAN - MARTY OMOTO YOUTUBE CHANNEL

A CDCAN (Marty Omoto, family member and advocate) youtube channel was set up and has several videos dealing with current – and previous state budget issues, disability and senior rights, and advocacy.

To see the current videos, including March 2014 San Andreas Regional Center Aptos Legislative Breakfast, January 2014 panel discussion on services for adults with autism spectrum and related disorders in Palo Alto, and older videos including video of April 2003 march of over 3,000 people with developmental disabilities, families, providers, regional centers and others from the Sacramento Convention Center to the State Capitol (to attend and testify at budget hearing on proposed massive permanent cuts to regional center funded services, go to the CDCAN (Marty Omoto) Channel at:
https://www.youtube.com/channel/UCEySEyhnr9LQRiCe-F7ELhg

More videos – including new current videos (an interview with longtime advocate Maggie Dee Dowling is planned, among others) – plus archive videos of past events – will be posted soon.

## ALERT: PLEASE HELP!!!!!!

## FEBRUARY 29, 2016 – MONDAY AFTERNOON
## PLEASE HELP CDCAN CONTINUE ITS WORK

**CDCAN Townhall Telemeetings, CDCAN Reports and Alerts and other activities cannot continue without YOUR help. To continue the CDCAN website and the CDCAN Reports and Alerts sent out and read by over 65,000 people and organizations, policy makers and media across the State, and to continue and resume CDCAN Townhall Telemeetings, trainings and other events, please send your contribution/donation (please make check payable to "CDCAN" or "California Disability Community Action Network" and mail to:**

**CDCAN – NEW MAILING ADDRESS:**
**1500 West El Camino Avenue Suite 499**
**Sacramento, CA 95833**
**[replaces 1225 8th Street Suite 480, Sacramento, CA 95814]**
**Office Line: 916-418-4745 CDCAN Cell Phone: 916-757-9549 (replaced 916-212-0237)**

**Many, many thanks to all the organizations and individuals for their continued support that make these reports and other CDCAN efforts possible!**

**Omar Noorzad - CDCAN REPORT (MARCH 2 2016): GOVERNOR BROWN SIGNS AS EXPECTED MANAGED CARE ORGANIZATION TAX REFORM AND DEVELOPMENTAL SERVICES FUNDING BILLS**

**From:** "Marty Omoto" <martyomoto@rcip.com>
**To:** <martyomoto@rcip.com>
**Date:** 3/2/2016 9:51 AM
**Subject:** CDCAN REPORT (MARCH 2 2016): GOVERNOR BROWN SIGNS AS EXPECTED MANAGED CARE ORGANIZATION TAX REFORM AND DEVELOPMENTAL SERVICES FUNDING BILLS
**Bc:** Omar Noorzad

# CDCAN DISABILITY RIGHTS REPORT
# CALIFORNIA DISABILITY-SENIOR COMMUNITY ACTION NETWORK
## MARCH 2, 2016 - WEDNESDAY MORNING

***ADVOCACY WITHOUT BORDERS: ONE COMMUNITY - ACCOUNTABILITY WITH ACTION - PERSON CENTERED ADVOCACY***

***CDCAN Reports go out to over 65,000 people with disabilities, mental health needs, seniors, people with traumatic brain and other injuries, people with MS, Alzheimer's and other disorders, veterans with disabilities and mental health needs, families, workers, community organizations, facilities and advocacy groups including those in the Asian/Pacific Islander, Latino, American Indian, Indian, African-American communities; policymakers, and others across the State.***

***Sign up for these free reports by going to the CDCAN website. Website: www.cdcan.us***

***To reply to THIS Report write:***

***Marty Omoto (family member and advocate) at martyomoto@rcip.com or martyomoto@att.net [new email - will eventually replace current martyomoto@rcip address] Twitter: martyomoto***

***Office Line: 916-418-4745 CDCAN Cell Phone: 916-757-9549***

## STATE CAPITOL UPDATE:
## GOVERNOR SIGNS MANAGED CARE ORGANIZATION TAX REFORM AND DEVELOPMENTAL SERVICES FUNDING BILLS

SACRAMENTO, CA [BY MARTY OMOTO, CDCAN - LAST UPDATED 03/02/2016 8:00 AM] - Governor Brown, as expected, signed the managed care organization tax reform and developmental services funding bills, yesterday. The provisions of both bills go into effect July 1, 2016, except for some provisions that go into effect a month after that.

As previously reported by CDCAN, the California Legislature passed on February 29th, the Brown Administration's managed care organization tax reform bill (SBx2 2) by Senator Ed Hernandez (Democrat - Azsua, 22nd State Senate District) and the developmental services funding (ABx2 1) bill by Assemblymembers Tony Thurmond (Democrat - Richmond, 15th Assembly District) and Rob Bonta (Democrat - Alameda, 19th Assembly

District). [CDCAN Note: the "x2" stands for the second extraordinary or special session of the Legislature]. Both measures required 2/3rds vote of the Assembly (54 votes of the 80 members) and the State Senate (27 votes of the 40 members), meaning some Republican support - at least one Republican vote in the State Senate and at least 3 Republicans in the Assembly - were needed, assuming all Democrats supported the bills.

The Brown Administration and legislative Democrats made it clear that passage of the managed care organization tax reform bill, which would draw down over $1.3 billion in federal matching funds each year for the next three years beginning July 1, 2016, had to happen in order for the second part of the package to happen, which contained the developmental services funding (that also included new funding for intermediate care facilities/developmentally disabled and also distinct part nursing facilities).

Though not mentioned in either the managed care organization tax reform bill or developmental services funding bill, the continued restoration of 7% in services for all persons with disabilities and seniors receiving In-Home Supportive Services, is certain to continue with the passage of the managed care organization tax reform measure. However that restoration, which went into effect July 1, 2015 and was scheduled to end June 30, 2016 unless another source of federal funding could be identified to off-set the State general fund costs, was likely to continue beyond June 30, 2016 in any event, given the strong almost unanimous support from legislative Democrats in both the State Senate and Assembly. The issue will officially be resolved as part of the 2016-2017 State Budget process, with continuation of that restoration all but certain - or as certain as anything can be in a California budget process - according to legislative Democrats in both houses.

In the State Senate, two Senate Republicans, including former Senate Republican Leader Bob Huff, joined the 26 Senate Democrats in supporting SBx2 2, the managed care organization tax reform bill. In the Assembly a much larger group of eleven Republicans, led by Assembly Republican Leader Chad Mayes, supported the managed care organization tax reform bill, joining 50 Democrats (one Democratic member was absent, and one seat that was held by Democrats remains vacant).

Governor Brown on Monday released a statement following passage of the managed care organization tax reform package praising ".Democrats and Republicans came together today to do what's best for California," said Governor Brown. "This legislation will save money and help millions of people with health care and disability services."

Assembly Speaker Toni Atkins (Democrat - San Diego), said in a statement released following the vote on Monday that "the bipartisan agreement reached by the Legislature and the Governor prevents California from losing $1 billion, helps more Californians access health care, and provides vital funding to address some of the state's other priorities, including dramatically increasing support for the care of Californians with developmental disabilities - a priority for the Assembly since last year. Baseball season hasn't even started yet, but we've already seen a great triple play. I'd like to thank my colleagues in the Assembly and Senate from both parties, as well as the Governor's office, for showing Californians what government can do when we work together."

Senate President Pro Tem Kevin De Leon (Democrat - Los Angeles), said, in a statement released on Monday after the vote that "this bi-partisan and bi-cameral package will provide critical investments to stabilize our healthcare system and keep the promise to care for and support our most vulnerable Californians. This proves again that Sacramento can get business done for the people that sent us here. I want to thank my colleagues from both sides of the aisle and the Governor's office for their hard work in putting this important tax reform plan together."

CDCAN will provide full report on what the details of the developmental services funding bill and also the Governor's proposals for additional funding that he proposed as part of his 2016-2017 State Budget in January that is on top of what is allocated in the developmental services funding bill.

**CDCAN VOTE RECORD REPORT**

The following are the final roll call votes for SBx2 2, the managed care organization tax reform bill and ABx2 1 dealing with developmental services funding including links to the latest copies of both bills (as signed by Governor Brown). Passage of SBx2 2 was crucial because it allowed for the passage of ABx2 1:

SBX2 2 - MANAGED CARE ORGANIZATION TAX REFORM
SENATE FLOOR
ACTION 02/29/2016: PASSED State Senate (adopt conference committee report).
VOTE NEEDED TO PASS: 27 (2/3rds of the 40 member State Senate)
TOTAL VOTE: 28 to 11
VOTING YES - 28
DEMOCRATS VOTING YES (26*): Ben Allen, Jim Beall, Marty Block, De León (Senate President Pro Tem), Cathleen Galgiani, Steven Glazer, Isadore Hall III, Loni Hancock, Ed Hernandez (Senate Health Committee Chair), Bob Hertzberg, Jerry Hill, Ben Hueso, Hanna-beth Jackson, Ricardo Lara, Mark Leno (Senate Budget & Fiscal Review Committee Chair), Connie Leyva, Carol Liu, Mike McGuire (Senate Human Services Committee Chair), Tony Mendoza, Holly Mitchell (Senate Budget Subcommittee #3 on Health & Human Services Chair), Bill Monning, Richard Pan, Pavley, Richard Roth, Bob Wieckowski, and Lois Wolk*
REPUBLICANS VOTING YES (2): *Anthony Cannella, and Bob Huff (former Senate Republican Leader)*
VOTING NO - 11
DEMOCRATS VOTING NO (0): ****none****
REPUBLICANS VOTING NO (11): *Joel Anderson, Patricia Bates, Tom Berryhill, Jean Fuller (Senate Republican Leader), Ted Gaines, John Moorlach, Mike Morrell, Jim Nielsen, Sharon Runner, Jeff Stone, and Andy Vidak*
ABSTAINING OR ABSENT - 1
DEMOCRATS ABSTAINING OR ABSENT (0): ****none****
REPUBLICANS ABSTAINING OR ABSENT (1): *Janet Nguyen*
ASSEMBLY FLOOR
ACTION 02/29/2016: PASSED Assembly (adopt conference committee report).
VOTE NEEDED TO PASS: 54 (2/3rds of the 80 member Assembly)
TOTAL VOTE: 61 to 16
VOTING YES - 61
DEMOCRATS VOTING YES (50*): Luis Alejo, Toni Atkins (Assembly Speaker), Richard Bloom, Susan Bonilla, Rob Bonta (Assembly Health Committee Chair), Cheryl Brown (Assembly Aging and Long Term Care Committee Chair), Autumn Burke, Ian Calderon, Nora Campos, Ed Chau, Kansen Chu, Ken Cooley, Jim Cooper, Matthew Dababneh, Tom Daly, Bill Dodd, Susan Eggman, Jim Frazier, Cristina Garcia, Eduardo Garcia, Mike Gatto, Mike Gipson, Jimmy Gomez, Lorena Gonzalez, Richard Gordon, Adam Gray, Roger Hernández, Chris Holden, Jacqui Irwin, Reginald Jones-Sawyer, Marc Levine, Patty Lopez, Evan Low, Kevin McCarty, Jose Medina, Kevin Mullin, Adrin Nazarian, Patrick O'Donnell, Bill Quirk, Anthony Rendon (Assembly Speaker-Elect), Sebastian Ridley-

*Thomas, Freddie Rodriguez, Rudy Salas, Miguel Santiago, Mark Stone, Tony Thurmond (Assembly Budget Subcommittee #1 on Health & Human Services Chair), Philip Ting, Shirley Weber (Assembly Budget Committee Chair), Das Williams, and Jim Wood*
REPUBLICANS VOTING YES (11): *Catherine Baker, Frank Bigelow, Brian Dahle, Brian Jones, Eric Linder, Brian Maienschein, Chad Mayes (Assembly Republican Leader), Devon Mathis, Kristin Olsen, Donald Wagner, and Marie Waldron*
VOTING NO - 16
DEMOCRATS VOTING NO (0): ****none****
REPUBLICANS VOTING NO (16): *Katcho Achadjian, Travis Allen, William Brough, Ling-Ling Chang, Rocky Chávez, Beth Gaines, James Gallagher, Shannon Grove, David Hadley, Matthew Harper, Tom Lackey, Melissa Melendez, Jay Obernolte, Jim Patterson, Marc Steinorth, and Scott Wilk*
ABSTAINING OR ABSENT OR SEAT VACANT - 3
DEMOCRATS ABSTAINING OR ABSENT (1): *David Chiu*
REPUBLICANS ABSTAINING OR ABSENT (1): *Young Kim*
VACANT SEAT (1): *31ST Assembly District*

ABX2 1 - DEVELOPMENTAL SERVICES FUNDING
SENATE FLOOR
ACTION 02/29/2016: PASSED State Senate (adopt conference committee report)
VOTE NEEDED TO PASS: 27 (2/3rds of the 40 member State Senate)
TOTAL VOTE: 40 TO 0
VOTING YES - 40
DEMOCRATS VOTING YES (26): *Ben Allen, Jim Beall, Marty Block, De León (Senate President Pro Tem), Cathleen Galgiani, Steven Glazer, Isadore Hall III, Loni Hancock, Ed Hernandez (Senate Health Committee Chair), Bob Hertzberg, Jerry Hill, Ben Hueso, Hanna-beth Jackson, Ricardo Lara, Mark Leno (Senate Budget & Fiscal Review Committee Chair), Connie Leyva, Carol Liu, Mike McGuire (Senate Human Services Committee Chair), Tony Mendoza, Holly Mitchell (Senate Budget Subcommittee #3 on Health & Human Services Chair), Bill Monning, Richard Pan, Pavley, Richard Roth, Bob Wieckowski, and Lois Wolk*
REPUBLICANS VOTING YES (14): *Joel Anderson, Patricia Bates, Tom Berryhill, Anthony Cannella, Jean Fuller (Senate Republican Leader), Ted Gaines, Bob Huff (former Senate Republican Leader), John Moorlach, Mike Morrell, Janet Nguyen, Jim Nielsen, Sharon Runner, Jeff Stone, and Andy Vidak*
VOTING NO - 0
ABSTAINING OR ABSENT - 0
ASSEMBLY FLOOR
ACTION 02/29/2016: PASSED Assembly (adopt conference committee report)
VOTE NEEDED TO PASS: 54 (2/3rds of the 80 member Assembly)
TOTAL VOTE: 78 TO 0
VOTING YES - 78
DEMOCRATS VOTING YES (50): *Luis Alejo, Toni Atkins (Assembly Speaker), Richard Bloom, Susan Bonilla, Rob Bonta (Assembly Health Committee Chair), Cheryl Brown (Assembly Aging and Long Term Care Committee Chair), Autumn Burke, Ian Calderon, Nora Campos, Ed Chau, Kansen Chu, Ken Cooley, Jim Cooper, Matthew Dababneh, Tom Daly, Bill Dodd, Susan Eggman, Jim Frazier, Cristina Garcia, Eduardo Garcia, Mike Gatto, Mike Gipson, Jimmy Gomez, Lorena Gonzalez, Richard Gordon, Adam Gray, Roger Hernández, Chris Holden, Jacqui Irwin, Reginald Jones-Sawyer, Marc Levine, Patty*

*Lopez, Evan Low, Kevin McCarty, Jose Medina, Kevin Mullin, Adrin Nazarian, Patrick O'Donnell, Bill Quirk, Anthony Rendon (Assembly Speaker-Elect), Sebastian Ridley-Thomas, Freddie Rodriguez, Rudy Salas, Miguel Santiago, Mark Stone, Tony Thurmond (Assembly Budget Subcommittee #1 on Health & Human Services Chair), Philip Ting, Shirley Weber (Assembly Budget Committee Chair), Das Williams, and Jim Wood*
REPUBLICANS VOTING YES (28): *Katcho Achadjian, Travis Allen, Catherine Baker, Frank Bigelow, William Brough, Ling-Ling Chang, Rocky Chávez, Brian Dahle, Beth Gaines, James Gallagher, Shannon Grove, David Hadley, Matthew Harper, Brian Jones, Young Kim, Tom Lackey, Eric Linder, Brian Maienschein, Chad Mayes (Assembly Republican Leader), Devon Mathis, Melissa Melendez, Jay Obernolte, Kristin Olsen, Jim Patterson, Marc Steinorth, Donald Wagner, Marie Waldron, and Scott Wilk*
VOTING NO - 0
ABSTAINING OR ABSENT OR VACANT SEAT - 2
DEMOCRATS ABSTAINING OR ABSENT (1): *David Chiu*
REPUBLICANS ABSTAINING OR ABSENT (0): ****none****
VACANT SEAT (1): *31ST Assembly District*

**LINKS TO COPIES OF THE TWO BILLS**

The following are links to the two special session bills and also Senate and Assembly floor analysis of both bills compiled by CDCAN. Floor analysis, like committee analysis, are drafted by the majority party of each house for the entire membership, providing a summary of the legislation. The versions of the bills will change into a form - but not in the content - to be presented to the Governor for his signature:

SBx2 2 - MEDI-CAL: MANAGED CARE ORGANIZATION TAX
AUTHOR: Senator Ed Hernandez (Democrat - Azusa) and Assemblymember Rob Bonta (Democrat - Alameda)
LATEST COPY (PDF DOCUMENT) OF SBx2 2 AS SIGNED BY GOVERNOR - MARCH 1 2016 (12 PAGES):
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_bill_20160301_chaptered.pdf
COPY (HTML VERSION) OF SBx2 2 AS SIGNED BY GOVERNOR - MARCH 1 2016:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_bill_20160301_chaptered.htm
COPY OF STATE SENATE FLOOR ANALYSIS (FEB 26 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_cfa_20160226_140755_sen_floor.html
COPY OF ASSEMBLY FLOOR ANALYSIS (FEB 25 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx2_2_cfa_20160225_130425_asm_floor.html
PREVIOUS ACTION 02/29/2016: **PASSED** State Senate. **PASSED** Assembly.
LATEST ACTION 03/01/2016: **SIGNED** by Governor (Chapter 2, Statutes of 2016).
NEXT STEPS: Provisions of this bill go into effect July 1, 2016, though federal approval of the State's managed care care organization tax reform proposal is still required. That federal approval (or denial) is not tied to the implementation of the developmental services funding piece in ABx2 1.
CDCAN COMMENT:

This bill, because it imposes a new tax (even though the tax is "swapped" with other taxes that would be eliminated that managed care organizations currently required to pay),

required 2/3rds vote in both the Assembly (54 votes out of 80 members) and State Senate (27 votes out of 40 members.

Special session bills that are signed into law take effect (though the actual provisions in the bill may have later effective dates) on the 91st day AFTER the special session is officially adjourned. Neither house adjourned the second special session dealing with health care funding on Monday - though could do so on Thursday or in the coming weeks.

ABx2 1 - MEDI-CAL: DEVELOPMENTAL SERVICES: FUNDING
AUTHOR: Assemblymember Tony Thurmond (Democrat - Richmond) and Senator Jim Beall (Democrat - San Jose)
LATEST COPY (PDF DOCUMENT) OF ABx2 1 AS SIGNED BY GOVERNOR - MARCH 1 2016 (20 PAGES):
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160301_chaptered.pdf
LATEST COPY (HTML VERSION) OF ABx2 1 AS SIGNED BY GOVERNOR - MARCH 1 2016:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_bill_20160301_chaptered.htm
COPY OF STATE SENATE FLOOR ANALYSIS (FEB 26 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_cfa_20160226_140321_sen_floor.html
COPY OF ASSEMBLY FLOOR ANALYSIS (FEB 25 2016) OF BILL:
http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/abx2_1_cfa_20160225_130412_asm_floor.html
PREVIOUS ACTION 02/29/2016: **PASSED** State Senate. **PASSED** Assembly.
LATEST ACTION 03/01/2016: **SIGNED** by Governor (Chapter 3, Statutes of 2016).
NEXT STEPS: Provisions of the bill take effect July 1, 2016 (except for some provisions that go into effect a month later)
CDCAN COMMENT:

This bill also required 2/3rds vote in the Assembly and State Senate because it has a provision (at the end of the bill) that actually makes the necessary appropriations from the State general fund to provide the funding authorized in the bill.
Special session bills that are signed into law take effect (though the actual provisions in the bill may have later effective dates) on the 91st day AFTER the special session is officially adjourned. Neither house adjourned the second special session dealing with health care funding on Monday, February 29th - though could do so on Thursday or in the coming weeks.

It is important also to note that the actual provisions in the bill regarding when the direct wage pass through and rate adjustments and other funding goes into effect as of July 1, 2016 (for intermediate care facilities/DD, the effective date for the rate increase goes into effect August 1, 2016)

## CDCAN - MARTY OMOTO YOUTUBE CHANNEL

A CDCAN (Marty Omoto, family member and advocate) youtube channel was set up and has several videos dealing with current - and previous state budget issues, disability and senior rights, and advocacy.

To see the current videos, including March 2014 San Andreas Regional Center Aptos Legislative Breakfast, January 2014 panel discussion on services for adults with autism

spectrum and related disorders in Palo Alto, and older videos including video of April 2003 march of over 3,000 people with developmental disabilities, families, providers, regional centers and others from the Sacramento Convention Center to the State Capitol (to attend and testify at budget hearing on proposed massive permanent cuts to regional center funded services, go to the CDCAN (Marty Omoto) Channel at:
https://www.youtube.com/channel/UCEySEyhnr9LQRiCe-F7ELhg

More videos - including new current videos (an interview with longtime advocate Maggie Dee Dowling is planned, among others) - plus archive videos of past events - will be posted soon.

## ALERT: PLEASE HELP!!!!!!

## MARCH 2, 2016 - WEDNESDAY MORNING

## PLEASE HELP CDCAN CONTINUE ITS WORK

**CDCAN Townhall Telemeetings, CDCAN Reports and Alerts and other activities cannot continue without YOUR help. To continue the CDCAN website and the CDCAN Reports and Alerts sent out and read by over 65,000 people and organizations, policy makers and media across the State, and to continue and resume CDCAN Townhall Telemeetings, trainings and other events, please send your contribution/donation (please make check payable to "CDCAN" or "California Disability Community Action Network" and mail to:**

**CDCAN - NEW MAILING ADDRESS:**
**1500 West El Camino Avenue Suite 499**
**Sacramento, CA 95833**
**[replaces 1225 8th Street Suite 480, Sacramento, CA 95814]**
**Office Line: 916-418-4745 CDCAN Cell Phone: 916-757-9549 (replaced 916-212-0237)**

**Many, many thanks to all the organizations and individuals for their continued support that make these reports and other CDCAN efforts possible!**

BILL ANALYSIS



PROPOSED CONFERENCE REPORT NO.
1 - February 22, 2016

AB 1
X2 (Thurmond, et al.)

As Amended September 3, 2015

2/3 vote

| | | | | | |
|---|---|---|---|---|---|
| ASSEMBLY: | | (August 31, 2015) | SENATE: | | (September 09, 2015) |
| (vote not relevant) | | | (vote not relevant) | | |

ASSEMBLY CONFERENCE VOTE: 5-0 SENATE CONFERENCE VOTE: 5-0

| | | | |
|---|---|---|---|
| Ayes: | Bonta, Bonilla, Gallagher, Patterson, Santiago | Ayes: | Ed Hernandez, Anderson, Leno, Mitchell, Nielsen |
| Noes: | | Noes: | |



Original Committee Reference: Not relevant

SUMMARY: Implements targeted rate increases for the community-based developmental services system. Prohibits the Department of Health Care Services (DHCS) from implementing or retroactively recouping rate reductions and rate freezes for distinct part skilled nursing facilities. Specifically, the conference committee amendments:

1)Make the following changes, effective July 1, 2016 except as otherwise noted below, to the community-based developmental services system:

a) Requires the Department of Developmental Services (DDS) to submit a rate study to the Legislature by March 1, 2019 addressing the sustainability, quality, and transparency of community-based services for individuals with developmental disabilities.

b) Requires an entity to obtain an independent review of its financial statements relating to payments made by regional centers if it receives payments more than or equal to $500,000 but less than $2 million. Current law requires an independent review if the entity receives payments more than or equal to $250,000 but less than $500,000. This bill also requires an entity to obtain an independent audit if it receives payments that are equal to or more than $2 million and allows these entities to apply for a two-year exemption from the audit requirement.

c) Provides for a 7.5% rate increase for salary and/or benefit increases for regional center staff. The funds used to provide this rate increase cannot be used for unfunded retirement liabilities or executive staff. The amount of funding for this purpose is capped at $29.7 million General Fund (GF) and total fund estimate is $43.6



million.

d) Provides for a 2.5% rate increase for administrative costs for regional centers and clients' rights advocates contracts. The amount of funding for this purpose is capped at $1.4 million GF and total fund estimate is $2 million.

e) Requires regional centers to maintain documentation on how this funding was allocated and requires regional centers to report specified information to DDS by March 10, 2017 and October 1, 2017 regarding the allocation of this funding. Any regional center that fails to report this information shall forfeit these rate increases.

f) Requires DDS to describe the implementation of these rate increases in its 2017-18 May Revision.

g) Provides a 7.5% rate increase for the purpose of enhancing wages and benefits for staff who spend a minimum of 75% of their time providing direct services to consumers. The actual percentage of the rate increase shall be determined based on a random sample of service providers in each service category eligible for the rate. DDS shall use this information to determine a rate increase, to be the same for eligible providers in each service category, which shall be based on the proportion of the rate that is for direct services in each category. The amount of funding for this purpose is capped at $169.5 million GF and total fund estimate is $294.8 million.

h) Provides a 2.5% rate increase for administrative expenses for service providers. The amount of funding for this purpose is capped at $9.9 million GF and total fund estimate is $17.3 million. These rate increases do not apply to services for which rates are determined by other entities, such as DHCS or DSS, or that are usual and

customary.

i) Requires DDS to conduct a survey of all providers on how these rate increases were used by providers. This survey shall include, but not be limited to, the number of employees and their salary, wage, and benefit costs; percentage of time each employee spends providing direct services; administrative expenses; and additional information determined by DDS.

j) Requires DDS to describe the implementation of these rate increases in its 2017-18 May Revision.

aa) Provides a 5% rate increase for supportive and independent living services. The cost for this rate increase is $34.3 million ($18 million GF) in 2016-17.

bb) Provides for a 5% rate increase for in and out-of-home respite services. The cost for this rate increase is $16.4 million ($10 million GF) in 2016-17.

cc) Implements a 5% rate increase for intermediate care facilities for developmental disabled (ICF-DDs). This rate increase is achieved by eliminating the AB 97 (Budget Committee), Chapter 3, Statutes of 2011, Medi-Cal payment reductions and then increasing the rates to these providers by 3.7%. This rate increase is effective August 1, 2016, as the rate year for this provider type is August to July. The cost for this rate increase is $24 million ($12 million GF) in 2016-17. This bill does not appropriate this funding.

dd) Provides a 5% rate increase for transportation services. The cost of this rate increase is $13.9 million ($9 million GF) in 2016-17.



ee) Provides an 11.1% rate increase (from $30.82 to $34.24) for the supported employment program at DDS. The cost of this rate increase is $10.9 million ($8.5 million GF) in 2016-17. This increase will restore rates to the level in effect in 2006.

ff) Establishes a program to increase paid internship opportunities for individuals with developmental disabilities and to provide additional payments to supported employment services providers for initial placements, placements lasting a continuous six months, and placements lasting twelve consecutive months. Placements for this program must be into competitive, integrated work

environments. Regional centers will report information to DDS regarding the outcomes of this program. DDS will include this information in its May Revision fiscal estimate. The cost of this program is $20 million GF in 2016-17.

gg) Provides for pay differentials supporting bilingual service coordinators at regional centers when fluency in the second language helps to address the language needs of the regional center's catchment area, for a cost of $1 million GF. This bill also provides for implementation of recommendations and plans to help reduce disparities in the purchase-of-service expenditures and to encourage the development and expansion of culturally and linguistically appropriate services. Activities funding may include, but are not limited to, paying differentials supporting direct care bilingual staff of community-based service providers, parent education programs, cultural competency training, and outreach, for a cost of $10 million GF.

2) Appropriate $287 million GF to the DDS effective July 1, 2016 for the purposes specified above. This bill does not include an appropriation to the Department of Health Care Services for the rate increase for ICF-DDs.



SUPPORT (Verified 02/25/2016 12:15 p.m.)

Association of Regional Center Agencies
Barton Memorial Hospital
Bear Valley Community Healthcare District
California Association of Health Facilities
California Disability Services Association
California Disability-Senior Community Action Network
California Hospital Association
California Person Centered Advocacy Partnership
Catalina Island Medical Center
Central Valley Regional Center Inc.
Coalinga Regional Medical Center
Colusa Regional Medical Center
Community Medical Centers
Dignity Health
District Hospital Leadership Forum
East Bay Developmental Disabilities Legislative Coalition
Eastern Los Angeles Regional Center
Eastern Plumas Health Care
George L. Mee Memorial Hospital
Hazel Hawkins Memorial Hospital
Infant Development Association of California
Jewish Home
Kaweah Delta Health Care District
Kern Valley Healthcare District
Lanterman Coalition
Mayers Memorial Hospital District
Mee Memorial Hospital
Modoc Medical Center
Motion Picture & Television Fund Hospital
Orchard Hospital
Palomar Health
Regional Center of the East Bay
San Andreas Regional Center
San Bernardino Mountains Community Hospital District
Seneca Healthcare District
Sharp HealthCare
Sonora Regional Medical Center
State Council on Developmental Disabilities

Strategies to Empower People
Tahoe Forest Hospital District
Western Center on Law & Poverty

OPPOSITION (Verified 02/25/2016 12:15 p.m.)
None on file.

Analysis Prepared by:
Rosielyn Pulmano / P.H. & D.S. / (916) 319-2097
FN:
0002625

Attachment #4

CAPITOL ALERT JANUARY 7, 2016 9:45 AM

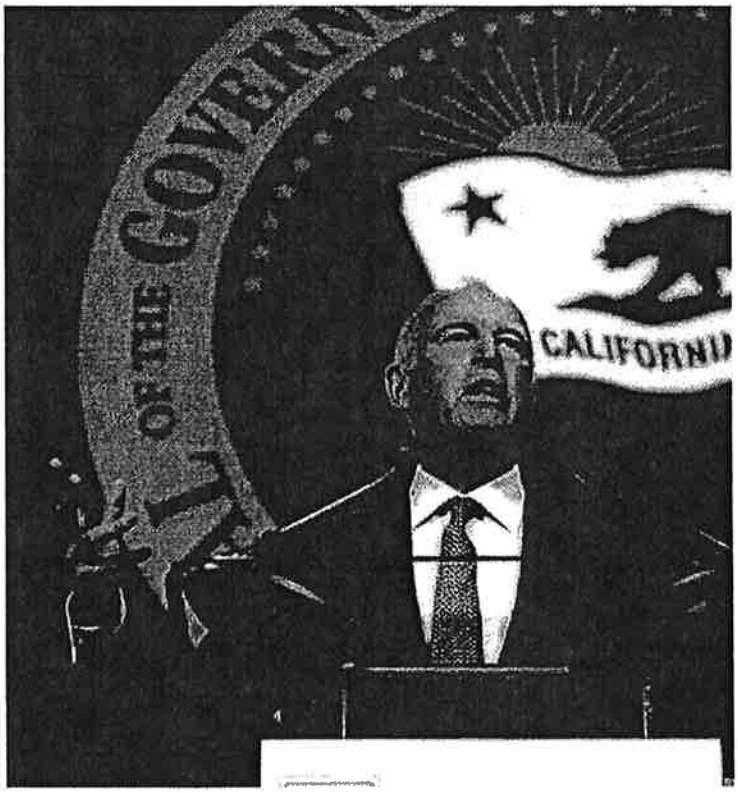
# Jerry Brown proposes $170 billion budget that bolsters reserves, school spending

HIGHLIGHTS

Democratic governor warns of possible downturn

Brown will build reserves more than required

School funding increases also planned



In this May 28, 2015 file photo California Gov. Jerry Brown speaks at a gathering of political, business and community leaders at the annual California Chamber of Commerce Host Breakfast in Sacramento, Calif. Brown is expected to unveil his 2016-2017 budget proposal Thursday.(AP Photo/Rich Pedroncelli,file) **Rich Pedroncelli** - AP

BY DAVID SIDERS AND JIM MILLER
dsiders@sacbee.com

Gov. Jerry Brown unveiled a $170.6 billion state spending plan Thursday that reflects billions of dollars in new revenue, proposing that much of it go to K-12 schools, the developmentally disabled, and the blind, elderly and disabled.

But the fourth-term governor, who took office amid a recession that gutted state finances, highlighted the possibility of another economic downturn to refute calls for permanent spending increases. The budget includes several hundred million dollars in one-time spending and diverts several billion dollars into reserves.

"Everybody thinks when they're up here, it's all wonderful. That's what they thought before the dot-com, and that's what they thought before the mortgage meltdown," Brown said, pointing to budget revenue charts. "And so here we are again."

The spending plan formally opens months of budget negotiations at the Capitol, an annual exercise characterized in recent years by

conflict between Brown and the more liberal, Democratic-controlled Legislature about how much money to spend on health and human service programs.

The budget would increase school spending to $10,591 per student, more than $3,600 higher than what it was at the tail end of the recession.

In addition, the current budget shifted $3.7 billion into the rainy-day reserve approved by voters in November 2014. Thursday's plan would shift $2 billion more into the reserve, plus an equivalent amount for debt payments. That would increase the fund's balance to $8 billion by June 2017.

Brown re-introduced major proposals for which he failed to secure funding last year: A multi-billion plan to fund road repairs and a modified expansion of a tax on health plans to help generate about $1 billion for Medi-Cal.

An earlier health plan tax proposal from the administration foundered last year amid opposition from health plans and legislative Republicans opposed to tax increases. An existing tax expires June 30.

Brown said his new health plan tax would pull in $1 billion in federal matching dollars, as well as generating additional money to help pay for in-home care workers and programs for the developmentally disabled. It will require the votes of at least several Republican lawmakers.

"I know it's a heavy lift," Brown said, adding later, "There's no deal."

Unlike last year's health plan tax proposal – which would have hit the industry with several hundred million dollars in increased costs that likely would have been passed on to millions of Californians – the new proposal would net the industry $90 million, Director of Finance Director Michael Cohen told reporters. The proposal would offset corporate and gross premium taxes paid by the plans, he said.

The transportation proposal is expected to be in line with the mix of taxes, fees and cap-and-trade money that Brown proposed last year to generate about $3.6 billion annually for roads.

The governor's proposal comes amid ongoing improvement in the state budget since the last recession, likely leaving Brown and lawmakers with more money to quibble over.

The nonpartisan Legislative Analyst's Office projected in November that the state will end the current fiscal year, in June, with $7.9 billion in reserve, $3.3 billion more than lawmakers expected last year.

Though much of that surplus will go into a voter-approved reserve account, advocates for the poor have already urged the state to raise supplemental income payments to the elderly, blind and disabled. Supporters of developmentally disabled people want more

money to restore recession-era cuts to programs affecting them.

In a pre-budget salvo earlier this week, Senate Democrats proposed a $2 billion bond to build homes for homeless people with mental illnesses and said they will push for $200 million in general fund revenue over four years to pay for rent subsidies for homeless people.

Since returning to office in 2011, Brown has largely resisted the most expensive social service program expansions legislative Democrats have proposed.

David Siders: 916-321-1215, @davidsiders



## MORE CAPITOL ALERT

## COMMENTS



**1 Comment** Subscribe RSS

**Syd Chaden** 15 minutes ago

The highways and streets in California are crumbling. Areas of the state are flooding while there is not enough water for agriculture. But, that only directly affects the truckers and commuters and growers. Everyone else should be happy that California is going to have a bullet train that will whiz people between LA and San Francisco. I remember when Jerry Brown wanted people to stop driving cars, and ride bicycles instead. Is this part of that program?

Attachment #5


# Governor's Budget Summary 2016-17

# Department of Developmental Services

## DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides developmental services as an individual entitlement. The state is in the process of closing all the state-operated developmental centers, except for the secure treatment area at the Porterville Developmental Center. By the end of 2016-17, DDS estimates it will serve approximately 302,000 individuals with developmental disabilities in the community and 847 individuals in state-operated developmental centers. For 2016-17, the Budget includes $6.4 billion ($3.8 billion General Fund) for support of developmental services.

### DEVELOPMENTAL CENTER CLOSURES

DDS carries out its responsibilities through 21 community-based, non-profit corporations known as "regional centers" and three state-operated developmental centers. The Administration announced in 2015 the planned closure for the three remaining developmental centers: Sonoma, Fairview and the general treatment area of Porterville.

To assist in the development of community resources for placement of current developmental center residents, the Budget includes $146.6 million ($127.2 million General Fund). This amount includes $78.8 million General Fund specifically for Sonoma ($24.5 million), Fairview ($29.7 million), and Porterville ($24.6 million).

As part of the developmental center closure activities, the Budget also includes $18 million ($12 million General Fund) to resolve open workers' compensation claims, inventory and archive clinical and historical records, execute an independent monitoring

contract as stipulated by the federal government, and relocate residents and their personal belongings.

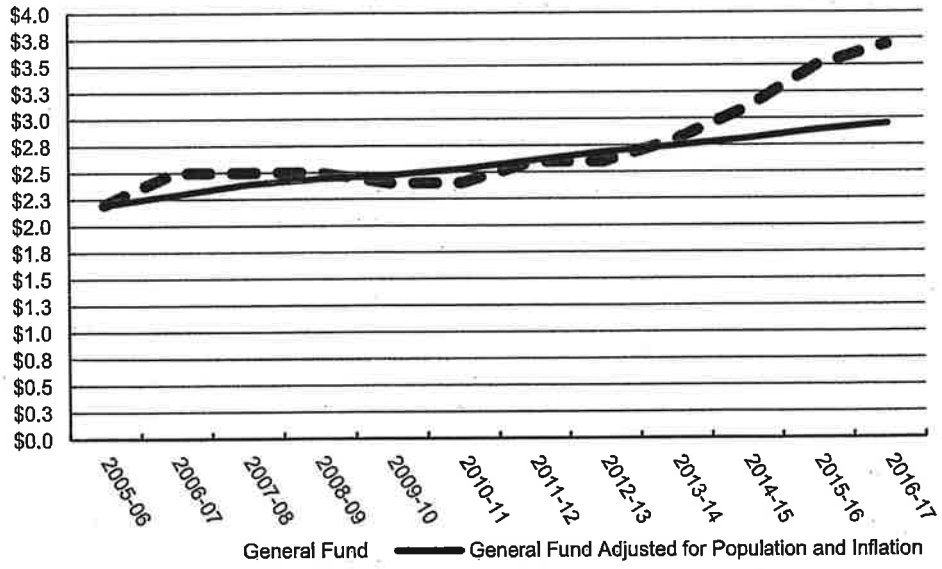
### REGIONAL CENTER SERVICES

The regional center system is projected to serve more than 300,000 individuals with developmental disabilities and their families in the budget year. Regional centers provide intake, assessment, eligibility determination, resource development, and case management services. The centers also work with the thousands of businesses and individuals providing developmental services in the community.

The shift of the remaining consumers from developmental centers to the community, which will be complete by 2021 (with the exception of the secure treatment program at Porterville and the Canyon Springs facility), increases the urgency to improve the state's oversight role, identify service cost drivers, and implement efforts that support the efficient delivery of quality services.

Since 2013-14, as shown in Figure HHS-04, regional center costs have grown from $2.5 billion General Fund to $3.1 billion General Fund in 2015-16. This represents a 24-percent increase despite a freeze on provider rates. Caseload growth over the same

Figure HHS-04
**Department of Developmental Services**
**Budgeted Expenditures vs. Inflation & Population Growth**
(Dollars in Billions)



period has been only 5.7 percent. Not all of the causes of this increase are known, although increases in autism services, an aging population, individuals transitioning from the developmental centers into the community, and individuals moving from their family homes into supported living arrangements, are all contributing to the increase. To improve the oversight and understanding of the regional center system, the Budget includes targeted resources to improve the data systems and research capacity of DDS. The Budget includes $1.9 million ($1.3 million General Fund) and 14 positions for audit functions and to create a new fiscal and research unit that will help develop accurate, reliable, and data-driven programmatic information and service trends that can improve the administration of the regional center system.

Provider rates throughout the developmental services system have become a complex and layered patchwork over time. Many rates have been frozen for years, although rates have been increased recently for state and federal mandates such as minimum wage increases and overtime. The core staffing formula used to adjust regional center budgets based on the number of consumers served has not been adjusted for the majority of classifications since 1991. Under the Home and Community-Based Services Waiver, the federal government is mandating many changes to the delivery of services in the community. In recognition of these demands, the Budget includes $80 million ($50 million General Fund) for the following targeted investments in the developmental services system:

- Establish 4-bed Alternative Residential Model homes rate—$46 million ($26 million General Fund). The rates for these homes are old and were originally based on a 6-bed model, so providers have two fewer beds from which to derive revenue while maintaining the same overhead. The smaller 4-bed model is increasingly used by regional centers. A large portion of regional center clients living outside their family home live in Alternative Residential Model homes.

- Case Managers—$17 million ($12 million General Fund). The federal government mandates a maximum caseload for each case manager employed by a regional center. These ratios were eroded during the recession to preserve direct services to regional center consumers and will be improved by the funding provided in the Budget.

- Compliance with Home and Community-Based Services Waiver requirements—$15 million ($11 million General Fund). The Department will target rate increases to providers to transition services like segregated day programs and

sheltered workshops to models that are more integrated in the community and consistent with the Home and Community-Based Services Waiver.

The Administration will also continue its work with the developmental services community to develop data-driven solutions to the issues facing regional centers and providers. Any additional targeted spending proposals are expected to be funded from the proposed extension of the managed care organization tax.

## DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people in California. The Budget includes $3 billion ($134 million General Fund) in 2016-17 for the Department.

Significant Adjustments:

- Timely Outbreak Detection and Disease Prevention—The Budget includes $1.6 million General Fund and 14 positions to enhance state laboratory capacity to address communicable diseases through increased disease surveillance and testing.
- Implementation of the Medical Marijuana Regulation and Safety Act—The Budget contains $457,000 in 2015-16 and $3.4 million and 14 positions in 2016-17 for the Department to begin its regulatory responsibilities associated with the Act. For additional information on the Act, see the Statewide Issues Chapter.

**ASSOCIATION OF REGIONAL CENTER AGENCIES**
**ANALYSIS OF THE FY 2016-17 NOVEMBER ESTIMATE**
**(GOVERNOR'S BUDGET)**
**JANUARY 7, 2016**

**FY 2015-16 (Current Year)**

1. CASELOAD

The FY 2015-16 May Revision estimated the regional center Community Caseload to be 289,931 consumers for January 31, 2016. The November Estimate increases the January 31, 2016 caseload to 290,496, an increase of 565 consumers (a 0.19% increase).

2. PURCHASE OF SERVICE - $ 45.1 million *decrease* (1.0% d*ecrease*)

- $ 45.1 million *decrease* to Purchase of Services due to slower than projected growth in POS expenditures.

3. OPERATIONS - $1.6 million Increase (0.3% increase)

- $1.6 million increase to reflect updated caseload.

**FY 2016-17 (Budget Year)**

The following increases and decreases are in comparison to the revised budget for FY 2015-16.

1. CASELOAD

The budget anticipates an increase of 11,923 consumers (a 4.1% increase) over the 290,496 consumers projected for January 31, 2015.

2. PURCHASE OF SERVICE - $267.3 million increase (6.3% increase)

- $257.6 million increase over current fiscal year for caseload and utilization growth (a 5.8% increase).
- $62.4 million increase for full-year funding of the minimum wage increase per AB 10 effective January 1, 2016.
- $54.2 million increase for full-year funding of the changes in the Fair Labor Standards Act regulations regarding the payment of overtime by service providers that previously were not required to pay overtime.
- $4.5 million *decrease* due to funding of certain behavior health treatment services by Medi-Cal.
- $26.6 million increase in funding for development of needed resources associated with planned developmental center closures.
- $46 million increase to fund increased costs associated with the development of enhanced Alternative Residential Model (ARM) rates for homes serving four or less residents.
- $15 million increase to fund modifications and additional staffing as needed for service providers to come into compliance with CMS' final regulations.

3. OPERATIONS – $43.4 million increase over Ccurrent year (7.0% increase)

- $20.7 million increase in staffing due to the projected increase in caseload.
- $4.1million increase for additional staffing related to the closures of Sonoma Developmental Center, Fairview Developmental Center, and the General Treatment Area of Porterville Developmental Center.

- $17 million increase for additional staff to improve service coordinator caseload ratios.

- $1.6 million increase to fund 21 additional Program Evaluators to ensure compliance with CMS' final regulations.

- $582,000 increase in Projects for the Client's Rights Advocacy and Office of Administrative Hearings contracts.

**Future Fiscal Issues**

DDS listed two future fiscal issues related to Self-Determination and the Uniform Holiday Schedule.

**Self-Determination**

In 2013, Senate Bill (SB) 468 (Chapter 683) required Department of Developmental Services (DDS) to implement a statewide Self-Determination Program (SDP), subject to approval of federal funding. DDS submitted an application for federal funding to the Centers for Medicare and Medicaid Services (CMS) on December 31, 2014. The SDP will allow Regional Center (RC) consumers and their families more freedom, control, and responsibility in choosing services and supports to help meet the objectives in their individual program plans. Participation is limited to 2,500 individuals in the first 3 years of the SDP, including approximately 140 participants in the current State-only funded self-determination pilot projects. To ensure the required cost neutrality of the SDP, SB 468 General Fund (GF) savings shall be used to offset administrative costs to DDS, including the required criminal background checks. Any remaining funds can be used to offset costs to the RCs in implementing the SDP.

After making changes required by CMS, the Home and Community Based Services (HCBS) Waiver application was formally resubmitted to CMS on September 29, 2015. In a December 11, 2015 letter, CMS indicated that additional information and clarification was needed before the Waiver could be approved. This request for additional information is typical in response to applications for Medicaid funding.

The Budget Bill for Fiscal Year (FY) 2016-17 includes the following provisional language to administer the SDP once federal approval has been received:

*X. The Department of Finance may authorize a transfer of up to $2,800,000 to this item from Item 4300-101-0001 in order to effectively administer the Self-Determination Program. The Director of Finance shall notify the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized not less than 30 days before the effective date of the approval.*

**Uniform Holiday Schedule**

Between FY 2009-10 and 2011-12, DDS implemented various cost containment measures, including implementation of a Uniform Holiday Schedule and Half-Day Billing Rule. Most day programs, look-alike day programs, and work activity programs previously recognized an average of 10 holidays, but these holidays could be different between programs. The Uniform Holiday Schedule standardized holidays for these programs and increased the total number of holidays to fourteen days. In addition to savings from the decreased number of program days, there were savings from reduced transportation costs. The Uniform Holiday Schedule went into effect on August 1, 2009. The Half-Day Billing Rule went into effect on July 1, 2011, and limited the RC payment to providers of many site based programs for only a half day if a recipient of that program was present for less than 65 percent of the program day.

The Arc of California filed suit in federal court to prevent DDS from enforcing the Uniform Holiday Schedule and from continuing to implement the Half Day Billing Rule. On February 13, 2015, the United States District Court ruled that when the State enacted the "Uniform Holiday Schedule" and the "Half-Day Billing Rule," the State violated federal Medicaid laws by failing to first follow a specific process of review and obtaining prior approvals from the federal government, and issued an injunction against the Uniform Holiday Schedule and the Half-Day Billing Rule. On March 17, 2015, DDS issued an official directive to the 21 RCs announcing elimination of the "Uniform Holiday Schedule" and the "Half-Day Billing Rule" reductions effective immediately.

Subsequently, on March 31, 2015, the United States Supreme Court decision held that providers could not file suit against a state for alleged violations of the federal Medicaid laws and DDS asked the Federal District Court to "vacate" or set aside its previous ruling that struck down the two cuts. On September 1, 2015 the federal district court issued its order denying the State's motion to "vacate" its previous ruling, and reinstate the two reductions. The court is reviewing the various arguments of the parties and will issue rulings in writing.

## DEVELOPMENTAL CENTERS

### FY 2015-16 (Current Year)

The Governor's Budget is proposing a net increase of $60.2 million for the current fiscal year.

- $42.5 million one-time payment to DHCS in response to audit findings of excess federal payments for developmental center care. This is achieved through a fund shift from the regional center POS budget.
- $13.0 million increase for employee compensation adjustments.
- $1.5 million increase for 24.4 additional staff.
- $1.6 million increase for deferred maintenance projects at Porterville Developmental Center.
- 1.6 million increase for preliminary closure activities and independent monitoring at Sonoma Developmental Center.
- $1.0 million increase for the Sonoma Developmental Center Acute Crisis Unit full year costs and lack of federal funding.
- $1.0 million *decrease* and reduction of 9 positions due to centralization of some functions due to multiple concurrent developmental center closures.

### FY 2016-17 (Budget Year)

The Governor's Budget proposes a net increase of $12.1 million for the budget year.

- $14.2 million increase for employee compensation adjustments and other baseline adjustments.
- $8.8 million *decrease* due to decrease of 129.2 positions due to anticipated population decline.
- $3.0 million increase for preliminary closure activities and independent monitoring at Sonoma Developmental Center.
- $0.4 million increase for the acquisition of a records management system for the Office of Protective Services.
- $2.3 million *decrease* in developmental center employee workers' compensation costs.
- $3.8 million increase for the repayment of overpaid federal funds.
- $1.8 million increase to replace the Personal Alarm Locating System at Porterville Developmental Center.
- $1.0 million increase for the Sonoma Developmental Center Acute Crisis Unit full year costs and lack of federal funding.
- $1.0 million *decrease* and reduction of 9 positions due to centralization of some functions due to multiple concurrent developmental center closures.
- $6.5 million increase to upgrade the fire alarm system in the Porterville Developmental Center Secure Treatment Area.

## HEADQUARTERS

### FY 2015-16 (Current Year)

The Governor's Budget is proposing a net increase of $2.2 million for the current fiscal year.

- $1.2 million increase for staff compensation and benefits.
- $1.0 million increase and increase of 9 positions due to centralization of some functions due to multiple concurrent developmental center closures.

### FY 2016-17 (Budget Year)

The Governor's Budget proposes a net increase of $5.7 million for the budget year.

- $2.1 million increase and increase of 8 positions (in addition to 5 redirected positions) to support developmental center closures.
- $0.9 million increase and increase of 7 positions to establish a Fiscal and Program Research Unit to compile, research, and analyze data in response to inquiries.
- $0.5 million increase and increase of 4 positions to assist with compliance with the HCBS Final Rule.
- $1.0 million increase to permanently establish and retain funding for 7 auditor positions that were originally designated as limited-term in 2014-15.

## PROPOSED BUDGET BILL AND TRAILER BILL LANGUAGE

- Budget Bill language to require regional centers to report annually to DDS the number of providers receiving the HCBS transition funds;

- Trailer Bill language that gives DDS the authority to implement changes necessary to achieve compliance with the CMS Final Rule through policy directive until new statute and/or regulations are promulgated;

- Budget Bill language to require regional centers to report annually to DDS the number of facilities receiving the new 4-Bed ARM rates;

- Budget Bill language to require regional centers to report annually to DDS the number of staff hired with the additional case management funds and the effectiveness in reducing average caseload ratios; and,

- Trailer Bill language to allow the use of PRRS funds for Family Resource Centers.

Attachment #7

**CALL TO ACTION**

**TUESDAY, JANUARY 12, 2016**
**10:30 AM—1:00 PM**
**TCRC ANNEX**

# LEADERSHIP 2016

**WHO:** Self Advocates, Family Members, Providers who care about the developmental service system crisis and the erosion of the Lanterman Act.

**WHAT:** Learn WHERE, WHEN, HOW to make your voices heard. SAVE OUR STATE SYSTEM TO BETTER SERVE PEOPLE WITH DEVELOPMENTAL DISABILITIES!

**WHEN:** Tuesday, Jan. 12 at TCRC Annex, 505 E. Montecito St., Santa Barbara.

Start: 10:30 am End: 1:00 pm

REGISTRATION IS REQUIRED!


This workshop is for those who wish to enhance their knowledge and leadership skills while preparing for legislative action and systems advocacy in the months ahead.

REGISTRATION IS REQUIRED

CALL OR EMAIL

JENNIFER @ 805-683-2145

jgriffin@alphasb.org

Workshop will begin promptly at 10:30 am at TCRC Annex.

A light lunch will be provided at noon.

REGISTER BY THURSDAY JANUARY 7

Sponsored by Tri-Counties Regional Center and Alpha Resource Center

# THE ANNUAL BUDGET PROCESS

Attachment #8

**Departments** review expenditure plans and annually prepare baseline budgets to maintain existing level of services; they may prepare Budget Change Proposals (BCPs) to change levels of service.

**Department of Finance (Finance)** analyzes the baseline budget and BCPs, focusing on the fiscal impact of the proposals and consistency with the policy priorities/direction of the Governor. Finance estimates revenues and prepares a balanced expenditure plan for the Governor's approval. The Governor's Budget is released to the Legislature by January 10th of each year.

**Governor** issues State of the State Address setting forth policy goals for the upcoming fiscal year. Two identical Budget Bills are submitted (one in the Assembly and one in the Senate) for independent consideration by each house.

**Public input to** Governor, legislative members, and subcommittees.

**Finance and departments** testify before budget subcommittees on the proposed budget. DOF updates revenues and expenditures with Finance Letters and May Revision.

As non-partisan analysts, **the Legislative Analyst's Office (LAO)** prepares an "Analysis of the Budget Bill" and "Perspectives and Issues." The LAO testifies before the budget subcommittees on the proposed budget.

**Public input to** Governor, legislative members, and subcommittees.

**Assembly Budget Committee**—divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

**Senate Budget and Fiscal Review**—divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

**Assembly Floor** examines committee report on budget attempting to get a simple majority vote for passage. The Budget usually moves to conference committee.

**Senate Floor** examines committee report on budget attempting to get a simple majority vote for passage. The Budget usually moves to conference committee.

**Budget Conference Committee** attempts to work out differences between Assembly and Senate versions of the Budget—also amending the budget to attempt to get a simple majority vote from each house.

**Assembly Floor** reviews conference report and attempts to reach a simple majority agreement. If no agreement is reached in conference or on floor, the BIG FIVE gets involved.

**Senate Floor** reviews conference report and attempts to reach a simple majority agreement. If no agreement is reached in conference or on floor, the BIG FIVE gets involved.

**Sometimes, the BIG FIVE** (Governor, Speaker of Assembly, Senate President pro Tempore, and Minority Leaders of both houses) meet and compromise to get the simple majority vote in each house.

**Final budget package** with simple majority vote in each House submitted to the Governor for signature. Governor may reduce or eliminate any appropriation through the line-item veto. The budget package also includes trailer bills necessary to authorize and/or implement various program or revenue changes.

**Individual departments** and the **Finance** administer, manage change, and exercise oversight of the Budget on an ongoing basis. **The Joint Legislative Budget Committee (JLBC)** provides some coordination between the two houses and oversees the LAO. The JLBC is involved in the ongoing administration of the Budget and reviews various requests for changes to the Budget, after enactment.

Attachment #9

State of California
Department of Developmental Services

# Self-Determination Program - Frequently Asked Questions

## GENERAL

**Q. What is the Self-Determination Program?**

A. The Self-Determination Program allows participants the opportunity to have more control in developing their service plans and selecting service providers to better meet their needs.

**Q. When does the Self-Determination Program start; can I enroll now?**

A. The program will start once it is approved for federal funding. The Department worked with stakeholders to draft a Home and Community-Based Services Waiver application that was submitted for approval to the Centers for Medicare and Medicaid Services on December 31, 2014. Upon approval of the Waiver application, the Self-Determination Program will be implemented for up to 2,500 participants during the first three years. After this three year phase-in period, the program will be available to all consumers.

**Q. How can I keep updated on the progress of the Self-Determination Program?**

A. Updates will be posted as they become available on the Self-Determination website. If you want to be notified when updates are made, send us an email and ask to be included on the update notification list.

**Q. How can someone learn more about the Self-Determination Program?**

A. Interested participants, families, or others are encouraged to visit the Self-Determination Program website to find out more information about Self-Determination. The site will be updated as more information is available.

## CRIMINAL BACKGROUND CHECKS

**Q. Who is required to get a background check? Will parents and family members need one also?**

A. A criminal background check is required for people providing direct personal care. If family members provide direct personal care, they must obtain background checks and receive clearance.

## FINANCIAL MANAGEMENT SERVICES

**Q. What are Financial Management Services?**

A. Financial Management Services help participants manage their individual budgets by paying bills and managing the payroll for support workers.

**Q. In the co-employer model, is it possible for the person receiving services and their family to be part of the interview process and/or pick the interview questions?**

A. Yes. The participant and any person selected and directed by the participant can be as involved as they choose to be.

**Q. Who can be a Financial Management Services Provider?**

A. Any entity or person, except a relative or legal guardian, chosen by the participant and meets the qualifications may be a Financial Management Services provider.

**Q. As a Self-Determination Program participant, would I pay my providers directly and get reimbursed by the Financial Management Services entity, or would I submit the expenses to the Financial Management Services entity for payment to my providers?**

A. Neither. The Financial Management Services Provider will pay providers directly.

**Q. For individuals needing 24-hour supportive services, is overtime pay applicable whether the co-employment model or fiscal employer agent is selected?**

A. Each participant will need to work with their Financial Management Services Provider to determine when overtime pay is required.

## INDEPENDENT FACILITATOR

**Q. What type of certification or licensure should individuals request from independent facilitators?**

A. An independent facilitator is required to receive training in the principles of self-determination, the person-centered planning process, and the other responsibilities consistent with coordination of services for consumers' individual program plans.

**Q. What if I need help locating services and supports but choose not to work with an independent facilitator?**

A. If a participant chooses not to use the services of an independent facilitator, he/she may choose to use a regional center service coordinator to provide the services and functions of the independent facilitator.

**Q. Who pays the cost of the independent facilitator and how much does that typically cost?**

A. The cost of the independent facilitator is paid through the participant's individual budget and can be negotiated with the facilitator.

## INDIVIDUAL BUDGET

**Q. What is an individual budget?**

A. It is the amount of money a Self-Determination Program participant has available to purchase needed services and supports.

**Q. How does the individual budget amount get determined?**

A. The individual budget is determined by the individual program plan team, and is based upon the amount of purchase of service funds used by the individual in the most recent 12-months. This amount can be adjusted, up or down, if the individual program plan team determines that the individual's needs, circumstances, or resources have changed. Additionally, the individual program plan team may adjust the budget to support any prior needs or resources that were not addressed in the individual program plan.

**Q. How does the individual budget amount get determined for an individual, who is either new to the regional center, or does not have a 12-month history of purchase of service costs?**

A. For these individuals, the individual budget amount is determined by the individual program plan team, and is based upon the average purchase of service cost of services and supports, paid by the regional center, that are identified in the individual's individual program plan. The average cost may be adjusted, up or down, by the regional center, if needed to meet the individual's unique needs.

**Q. Are there restrictions on what the individual budget can be used for?**

A. Yes, a participant can only purchase services and supports as described in the Self-Determination Program Waiver and in the individual program plan. Services funded through other sources (e.g., Medi-Cal, schools) cannot be purchased with Self-Determination Program funds.

**Q. Is the Self-Determination Program budget and In-Home Supportive Services [budget] different?**

A. Yes. In-Home Supportive Services is a generic resource and is not included or paid for through the Self-Determination Program.

**Q. In reality is the program decreasing your budget?**

A. The individual budget is determined by the individual program plan team, and is based upon the amount of purchase of service funds used by the individual in the most recent 12-months with the ability to adjust if circumstances require it. The Self-Determination Program expands the options available to a participant; your budget is the same as it would be if you were obtaining services through your Regional Center.

**Q. Can I use my budget to pay for recreation activities?**

A. The Self-Determination Program allows you to purchase social recreation activities.

**Q. What is an unmet need? How do I get that included in my budget?**

A. An unmet need is a service identified as needed and not yet provided. You may be able to include services in your

budget by adding them to your individual program plan.

## RIGHTS

**Q. What if participants are happy with their current service delivery program and do not wish to enroll in the Self-Determination Program?**

A. Enrollment in the Self-Determination Program is completely voluntary. Just like any other program offered under the Lanterman Developmental Disabilities Services Act in California, an individual chooses what is best for him or her. An individual may choose to participate in, and may choose to leave, the Self-Determination Program at any time.

**Q. How much responsibility will participants or their family have if they choose to participate in the Self-Determination Program?**

A. The participant will need to develop a person-centered plan and select individuals or members from their planning team to help implement the plan. The participant will also need to choose a Financial Management Services entity that will work with him or her to monitor an individual budget.

**Q. If I choose to participate in the Self-Determination Program, will I still have the same rights?**

A. Yes, participants enrolled in the Self-Determination Program will have the same rights established under the traditional service model (e.g. appeals, eligibility determinations, and all other rights associated with the individual program plan process).

## SELECTION PROCESS

**Q. What criteria will the regional center use to select participants?**

A. The process for selecting and enrolling the 2,500 participants in the first three years is described on the Self-Determination Program web page.

**Q. Who is eligible for the Self-Determination Program?**

A. An individual must meet the following eligibility requirements:

- Has a developmental disability and currently receives services from a regional center or is a new consumer of a regional center;
- Agrees to specific terms and conditions, which include but are not limited to, participation in an orientation for the Self-Determination Program, working with a Financial Management Services entity, and managing the Self-Determination Program services within an individual budget amount;
- An individual who lives in a licensed long-term health care facility (i.e., a Skilled Nursing Facility or Intermediate Care Facility) is not eligible to participate in the Self-Determination Program. If someone lives in one of these facilities and is interested in the Self-Determination Program, he or she can request that the regional center provide person-centered planning services in order to make arrangements for transition to the Self-Determination Program, provided that he or she is reasonably expected to transition to the community within 90 days.

## SERVICES

**Q. The Self-Determination Program website has links to a list of proposed services and definitions. Will the individual regional centers be allowed to interpret those differently?**

A. The listed services are those that have been proposed in the Self-Determination Program Waiver application. Also included with each service is a description of qualifications for each service provider. This is all subject to approval by the Centers for Medicare & Medicaid Services.

**Q. Can a consumer request a camp or trip through an organization that is not familiar to the regional center?**

A. Other than Financial Management Services, providers of services in the waiver do not have to be vendored through the regional center.

Last Updated: 9/29/2015

Disability Rights California

*California's Protection & Advocacy System*
*Toll-Free (800) 776-5746*

# SB 468 (Emmerson/Beall/Mitchell/Chesbro) Statewide Self-Determination Program

*December 2013, Pub. #F077.01*

SB 468[1] creates a state-wide Self-Determination Program which is a voluntary, alternative to the traditional way of providing regional center services. It provides consumers and their family with more control over the services and supports they need. Consumers and families for example, may purchase existing services from services providers or local businesses, hire support workers or negotiate unique arrangements with local community resources. Self-determination provides consumers, and their families, with an individual budget[2], which they can use to purchase the services and supports they need to implement their Individual Program Plan (IPP).

## 1. When will the statewide Self-Determination Program be up and running?

It will take several years for self-determination to be in place. First, the Department of Developmental Services (DDS) has until December 31, 2014 to apply for federal Medicaid funding to establish and fund the program. Once federal approval is obtained, most likely in 2015, the program will be available statewide but for the first three years is capped

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[1] http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_0451-0500/sb_468_bill_20131009_chaptered.pdf

[2] See question 6 for an explanation of the individual budget

at 2500 individuals. After the three-year phase-in period, the program is available to all eligible consumers on a voluntary basis.

### 2. Who is eligible for the Self-Determination Program?

To be eligible for the program, you must:
(1) Have a developmental disability, as defined in the Lanterman Act[3], and currently be receiving services under the Lanterman Act. This means that consumers between the ages of birth through two who receive services under the California Early Intervention Services[4] program are not eligible to participate. However, consumers who are age 3 or older but new to the regional center system are eligible to participate in self-determination.
(2) Not live in a licensed long-term health care facility unless transitioning from that facility[5].
(3) Agree to do the following:
---Receive an orientation to the Self-Determination Program.
---Utilize self-determination services and supports only when generic services and supports are not available[6].
---Manage the services and supports within your individual budget.
--Utilize the services of a fiscal manager you choose who is vendored by a regional center.

### 3. How will the Self-Determination Program be implemented?

Each regional center is required to implement the Self-Determination Program and do the following:
1) Contract with local consumer or family-run organizations to conduct outreach to consumers and families to provide information about the Self-Determination Program and help ensure that the program is available to a diverse group of participants and underserved communities; and
2) Collaborate with the local consumer or family-run organizations to jointly conduct training on the Self-Determination Program for interested consumers and their families.

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[3] See Welfare and Institutions Code Section 4512
[4] The early intervention law is found in Government Code Section 95000 et seq.
[5] These facilities are defined in paragraph (44) of subdivision (a) of Section 54302 of Title 17 of the California Code of Regulations
[6] This requirement to use generic services is identical to the generic services requirement in the traditional regional center system

**4. How will regional centers decide who participates in the program during the three year phase in period?**

The Self-Determination Program must be available to individuals who reflect the disability, ethnic and geographic diversity of the state. While SB 468 does not specify how participants will be chosen during the initial phase-in period, regional centers must ensure that the program is available to the diverse group of consumers served in their catchment area.

In the first three years, DDS will determine the number of Self-Determination Program participants in each regional center. This will be based on the relative percentage of total consumers served by the regional centers minus any remaining participants in the self-determination pilot projects.

The bill also recognizes that consumers in traditionally underserved linguistic, cultural, socioeconomic, and ethnic communities have unique challenges in accessing needed regional center services and that the Self-Determination Program offers increased service flexibility, which will help promote access to needed services for these consumers and their families.

**5. How is my IPP developed in the Self-Determination Program?**

Your IPP team will use a person-centered planning process to develop your IPP. The IPP will include the services and supports, selected and directed by you to achieve the objectives in your IPP. Information about your IPP may be found in our publication "Rights Under the Lanterman Act", Chapter 4: Individual Program Plans:
http://www.disabilityrightsca.org/pubs/PublicationsRULAEnglish.htm

**6. How Is my individual budget determined in the Self-Determination Program?**

The individual budget is the amount of regional center funding available to you to purchase the services and supports you need to implement your IPP and ensure your health or safety. The individual budget is calculated once during a 12-month period but may be revised to reflect a change in your circumstances, needs or resources.

For current regional center consumers, the budget will equal 100% of the amount of the total purchase of service expenditures made by the regional center during the past 12 months. This amount can be adjusted by the IPP team, if the team determine an adjustment is needed for one of the following reasons:

---There is a change in your circumstances, needs, or resources that would result in and increase or decrease in your purchase of service expenditures; or

--There are prior needs or resources that were unaddressed in the IPP, which would have resulted in an increase or decrease in your purchase of service expenditures.

For a participant who is new to the regional center system or does not have 12 months of purchase of service expenditures, the IPP team will determine the services and supports needed and available resources. The regional center will use this information to identify the cost of providing the services and supports based on the average cost paid by the regional center unless the regional center determines that you have unique needs that require a higher or lower cost. This amount will be your individual budget unless it is adjusted as described below.

The regional center must certify that regional center expenditures for the individual budget, including any adjustment for current consumers, would have occurred regardless of your participation in the Self-Determination Program.

The budget will not be adjusted to include additional funds for either the independent facilitator or the financial management services.

**7. Who can assist me during the person-centered planning process?**

You can use an independent facilitator that they select to assist in the person-centered planning and IPP processes. An independent facilitator must be a person who does not provide services to you and is not employed by a person who provides services to you. You may also use a regional center service coordinator to assist with these functions. An

independent facilitator can advocate for you during a person centered planning meeting, assist you in making informed choices about your budget, and help you identify and secure services. The cost of the independent facilitator is paid from your individual budget.

**8. Who assists me with managing my budget so that my funds will last throughout the year?**

Participants are required to use a fiscal manager, vendored through the regional center, to help manage and direct the distribution of funds contained in your individual budget and ensure you have enough funds to implement your IPP throughout the year. These services can include bill paying, facilitating the employment of service and support workers, accounting, and compliance with applicable laws. The cost of the fiscal manager is paid from your individual budget, except for the costs of any criminal background check. You and your regional center service coordinator will receive a monthly statement from the fiscal manager which shows the budget amount in each category, the amount you have spent and the amount remaining.

**9. Can I move money around in my budget?**

The bill allows you to annually transfer up to 10% of the funds originally distributed to any budget category to another budget category or categories, and allows transfers of more than 10% provided the transfer is approved by your IPP team or the regional center. DDS will determine the budget categories with input from stakeholders.

**10. What services and supports can I get with self-determination?**

The Self-Determination Program will fund only those services and supports that are eligible for federal matching funds and only when generic services (for example, other governmental services such as special education, IHSS, Medi-Cal or insurance) are not available. It will also allow the purchase of some services which were suspended

services such as social recreation, camping, non-medical therapies, and respite[7].

**11. What happens if I move from one regional center to another? Can I still participate in the Self-Determination Program?**

You will continue to receive self-determination services and supports if you transfer to another regional center catchment area, provided that you remain eligible for the program. The bill requires the balance of your individual budget to be reallocated to the receiving regional center.

**12. What happens if I no longer want to participate in self-determination or am no longer eligible for the program?**

The bill requires regional centers to provide for your transition from the Self-Determination Program to traditional regional center services and supports if you are no longer eligible for or voluntarily choose to leave the program..

**13. If I leave the Self-Determination Program, can I return?**

If the regional center finds you ineligible for the Self-Determination Program you can return to the program upon meeting all applicable eligibility requirements, and upon approval of your planning team. If you, leave the program voluntarily you cannot return to the program for at least twelve months. During the first three years of the program, your right to return is also conditioned on your regional center not having reached its limit on the number of participants.

**14. Can my regional center require me to participate in self-determination if I don't want to?**

The Self-Determination Program is fully voluntary. A regional center cannot require participation in the program.

**15. What if I am in a licensed long-term care facility and I want to participate in the in Self-Determination?**

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[7] Welfare and Institutions Code Section 4648.5(a) and 4686.5

If you currently live in a licensed long-term care facility you are not eligible for the Self-Determination Program. However, you may request that the regional center provide person-centered planning services in order to make arrangements for transition to the Self-Determination Program, provided that you are reasonably expected to transition to the community within 90 days. In that case, the regional center shall initiate person-centered planning services within 60 days of the request. If you are not ready to transition to the community, you may ask that your interest in self-determination be reflected in your IPP and request the regional center help you participation in self-determination as part of the transition process.

**16. What if I do not receive Medi-Cal? Can I still participate in self-determination?**

The bill authorizes participation in the Self-Determination Program for consumers who are not eligible for Medi-Cal, provided that they meet all other program eligibility requirements and the services and supports they receive are otherwise eligible for federal matching.

**17. How does the Self-Determination Program ensure the safety of consumers?**

The bill establishes criminal background check requirements for providers of services and supports under the Self-Determination Program. It requires DDS to issue a program directive identifying the non-vendored providers that must submit to a criminal background check, which shall include but not be limited to, individuals who provide direct personal care services to a participant and other non-vendored providers for whom a criminal background check is requested by a participant or his/her financial management service. The criminal background check includes a fingerprint requirement for all prospective providers. The cost of the background check is paid by the provider of services.

**18. What happens to the individuals who are participating in the self- determination pilot programs?**

Individuals receiving services and supports under the self-determination pilot projects can either continue to receive services and supports under the Self-Determination Program, or transition to the traditional model of providing services and supports within the regional center system.

**19. What steps can I take if I disagree with a regional center's decision?**

The Lanterman Act due process rights apply to self-determination participants. This means, for example, you will receive notice of the regional center finds you ineligible for self-determination or proposes to changes your budget. It also means that you can request a hearing if you disagree with a regional center decision such as your right to participate in self-determination or the amount of your budget.

**20. How does the Self-Determination Program ensure transparency and accountability?**

Each regional center is required to have a volunteer advisory committee; the majority of whose members are consumers and family members appointed by the regional center and the local Area Board. The clients' rights advocates are also part of the committee. The state Developmental Disability Council will also convene a statewide advisory committee to identify best practices, design effective training materials, and make recommendations for improvements in the Self-Determination Program. DDS is also required to collect and report outcome data to the Legislature as a means of ensuring transparency and accountability.

**21. What can consumers and family members do now to learn more or help implement the statewide Self-Determination Program created by SB 468?**

-- The Autism Society of Los Angeles plans to hold trainings and conferences as well as distribute materials so consumers and families can learn more. Check the Autism Society's website at www.autismla.org to learn more.

--If you are part of a self-advocacy group or family member groups, you ask your Clients' Rights Advocate or Area Board to do a training about self-determination for your group.

--Share information about self-determination with other consumers and families.

--At your next IPP meeting, ask your regional center to note on your IPP that you are interested in participating in self-determination.

--Volunteer to be on your regional center's advisory committee when it is formed, probably in 2015.

--DDS will obtain input from stakeholders in several areas including, informational materials, possible other budget methodologies and uniform budget categories, and may adopt regulations. You may want to look at DDS website, www.dds.ca.gov, to learn about opportunities to provide input.

*Disability Rights California is funded by a variety of sources, for a complete list of funders, go to* http://www.disabilityrightsca.org/Documents/ListofGrantsAndContracts.html.

**Similarities and Differences between Traditional Regional Center Service Provision and the New Self-Determination Program**

| | Traditional Regional Center Service Provision | Self-Determination Program |
|---|---|---|
| Eligibility - Age | All ages | Over age of 3 |
| Eligibility – Living Arrangement | All settings | Must live in community, Can use SDP in licensed long-term health facility if you are expected to move to the community within 90 days |
| Planning Process | Individual Program Plan (IPP) - Meeting where goals are established and services and supports are decided | Person Centered Plan (PCP) – A group of people focus on an individual and that person's vision of what they would like to do in the future. The IPP team shall use the Person Centered Planning process to develop the IPP |
| Frequency of planning process | IPP at least every three years, annually at most regional centers, or within 30 days of a request | PCP at least annually but as often as needed |
| Who decides what services I get? | Regional Center, but you can reject services | You, to meet the objectives in the IPP |
| Who pays the bills? | Regional Center | Financial Management Service |
| Do services have to be provided by vendors of the regional center? | Yes, except in very limited circumstances. | No |

| | Traditional Regional Center Service Provision | Self-Determination Program |
|---|---|---|
| Who finds the service providers? | Regional Center | You, Independent Facilitator, Financial Management Services, Friends, and Family |
| Does regional center monitor the quality of a service provider? | Yes | No |
| Are services that are available through generic agencies like school or Medi-Cal paid by regional center or thru my budget? | No | No |
| Can you change service providers? | Yes, if regional center agrees | Yes |
| Do I have appeal rights? | Yes | Yes |

Attachment #12

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

CENTERS FOR MEDICARE & MEDICAID SERVICES

DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

December 11, 2015

Mari Cantwell, Chief Deputy Director
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

The state of California has requested a new Section 1915(c) home and community-based services (HCBS) waiver entitled *California Self Determination Program Waiver for Individuals with Developmental Disabilities*, CMS control number 1166.00. The proposed waiver seeks to provide home and community-based services to individuals who would otherwise require care at an intermediate care facility (ICF), and to allow participants the opportunity to accept greater control and responsibility regarding the delivery of needed services through enhanced self-direction.

Based on our review of the application and substantive correspondence over the past year between CMS and the state, we have concluded that we need the following additional information and edits made to the proposed waiver before the request can be approved.

## CRITICAL RESOLUTION ISSUES

**Appendix B: Participant Access and Eligibility**

1. **B-3-f. Selection of Entrants to the waiver -** Please clarify if all eligible individuals are granted entrance into the waiver or indicate the process for the selection of entrants that is based on objective criteria and applied consistently in all geographic areas served by the waiver.

**Appendix B: Evaluation/Reevaluation of Level of Care**

2. **B-QIS, Sub-assurance (a) -** The proposed performance measure (PM) addresses only the percentage of enrollees who had a level of care determination before enrolling in the program; whereas the sub-assurance requires that all "applicants" be evaluated who have a reasonable indication that waiver services may be needed. Please revise or add a second PM to fully address the sub-assurance's requirement.

3. **B-QIS, Sub-assurance (c) -** The second proposed measure states "Number and percent of level of care determinations that were completed accurately" Please define "completed accurately" and revise the performance measure to reflect this.

4. **B-QIS, Remediation** - Are there any escalating consequences if issues occur repeatedly?

**Appendix C-3: Waiver Services**

5. For the following services, please add a statement to the service definition specifying that children under age 21 who need these services will receive them through the state plan per EPSDT requirements: home health aide services, Dental Services, Prescription Lens/Frames, Optometric/Optician Services, Psychology Services, Skilled Nursing, Speech, hearing and language, Integrative therapies.

6. **Waiver service qualifications -** For all provider types please clearly define the qualification. If a specific regulation or code applies, please include pertinent information regarding that particular citation or the areas the citation covers. If there is a license required please be more specific regarding the type of license needed.

7. **Verification entity -** FMS is not described in Appendix A as a contracted entity. Please explain why the state has specified the FMS as the verifying entity since this appears to be inconsistent with what is in Appendix A for this Medicaid administrative function.

8. **Frequency of Verification -** Please verify how each entity responsible for verification will do so "ongoing thereafter through the IPP process." Please define "ongoing" under frequency of verification. Please also spell out IPP in this instance.

9. **Behavioral Intervention Services - Habilitation Services -** This service should be categorized as an "other" service as it provides services outside the scope of Habilitation services.

10. **Home Health Aide Services -** Specify the additional services that are provided when the state plan benefit is exhausted. Please also specify the state plan service limit.

11. **Respite -** The state's service definition includes "regularly provided care and supervision of children, for periods of less than 24 hours per day, while the parents/primary non-paid caregiver(s) are out of the home." Please clarify as to how this service will include activities that are beyond the scope of child care, and how this service is necessary to avoid institutionalization. Additionally, the state needs to specify the limits on these services since respite is a temporary service.

12. **Advocacy Services -** Is generic legal counsel provided in the state and if so by which entities? If the services are specific to legal counsel please indicate how this does not overlap with independent advocacy listed in Appendix E-1-k of the waiver application. If it is not specific to legal counsel please explain how this service is different than case management/service coordination or the Independent Facilitator services and how duplicate billing will not occur.

13. **Communication Support -** Please indicate how this is service is different than technology services and specialized medical equipment and supplies and how duplicate billing will not occur.

14. **Community Integration and Employment Supports**

a. Please separate these services into two separate waiver services. Please indicate how the community integration is different than community living supports services and how duplicate billing will not occur.
b. Please remove "College, including financial assistance with tuition, books, and other related fees" as the state cannot claim FFP for these services, and also subtract any estimated costs associated with this expense from the Factor D cost estimates in Appendix J.

15. **Community Living Supports** - Please describe how this service is different than other similar services such as homemaker services and community integration services, and what mechanisms the state will put in place to prevent duplicate billing.

16. **Crisis intervention and Support**
    **a.** Please describe how these services are different and not duplicative of the behavioral intervention services.
    **b.** Crisis Facility, Other standard- Please include in this section all types of 24 hour care services and not a reference to another service section.

17. **Dental Services** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

18. **Family Assistance and Supports** - Please further define the types of services and supports that would be provided under this service and how this service is different than Training and Counseling Services for Unpaid Caregivers and how duplicate billing will not occur.

19. **Financial Management Services**
    a. Please indicate why this service is listed as "other" instead of Supports for Participant Direction.
    b. Please define "as appropriate" under the provider qualification, license, business license.
    c. Are individuals who provide FMS allowed to provide any other (additional) waiver services to an individual participant?
    d. How many providers do you expect to enroll for this service and please explain how the state will oversee the performance of the FMS providers?

20. **Housing Access Supports** - Please indicate how this service will not duplicate case management, community integration, and advocacy services.

21. **Independent Facilitator**
    a. Please more clearly define this service. Please further explain how this service does not duplicate services provided by the service coordinator, advocacy services, or financial management services.
    b. How will these individuals be trained? How is the training different from that of service providers and/or financial management service coordinators?

c. 700 participants are estimated to use the service starting WY1, is there a workforce of already trained Independent Facilitators to provide services starting WY1?

22. **Individual Training and Education** - How will the state ensure this service is not duplicative of other waiver services? For example, employment related training appears duplicative of the employment supports waiver service. In addition, community integration, advocacy, and community living supports all have similar components.

23. **Integrative Therapies**
    a. Each service will need to be a separate service within the waiver.
    b. Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit. For massage therapy, please specify when this service would be needed and necessary for a waiver participant to live in the community.

24. **Prescription Lens/Frames** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

25. **Optometric/Optician Services** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

26. **Psychology Services** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

27. **Skilled Nursing** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

28. **Specialized Therapeutic Services** - Please remove this service from the waiver. This service is not available through a 1915(c) waiver.

29. **Speech, hearing and language** - Please describe the extent of the extended coverage of services. Also please include the provider qualifications directly and not by reference to the state plan. Please also specify the state plan service limit.

30. **Technology Services** - This service appears to overlap with PERS, communication support, specialized medical equipment and supplies. Please clarify how they are different and how duplicate billing will not occur. The state needs to also remove "but not limited to" from this waiver service definition and specify what can be covered since it is not permissible for the waiver service definition to be open-ended.

31. **Training and Counseling Services for Unpaid Caregivers** - Please explain how this service is not duplicative of family assistance and supports services.

32. **C-2-c-i: Types of facilities subject to 1616(e) -** Per the instructions in the Technical Guide please remove the information from this section.

33. **C-2-f: Open Enrollment of Providers -** Please describe the enrollment process that assures all willing and qualified providers have the opportunity to enroll.

34. **Qualified Providers, Sub-assurance (a)**
    a. Please explain why bi-annual reviews by DSS are of sufficient frequency to ensure licensed providers initially meet all required standards prior to furnishing waiver services.
    b. Regarding the second proposed PM, Please clarify what the review consists of. How will it help the state to ensure that providers are meeting required licensure and/or certification standards and adhering to other applicable standards?

35. **Qualified Providers-Sub-assurance (a) and Sub-assurance (b) -** Please clarify what is meant by "Representative Sample – 5."

36. **Qualified Providers-Sub-assurance (b)**
    a. The proposed PM only addresses providers who initially meet all required standards; however, the sub-assurance is not limited to initial adherence. Please either revise the proposed PM to indicate how providers continually meet all required standards, or add an additional PM that measures continuous monitoring of providers who do not require licensing or certification.
    b. Please explain why bi-annual reviews by DDS are of sufficient frequency to ensure non-licensed providers initially meet all required standards prior to furnishing waiver.

37. **Qualified Providers-Sub-assurance (c)**
    a. How does the State monitor the successful completion of 70 hours of competency based training?
    b. Are direct support professionals (DSPs) the only providers that must meet a training requirement? If not, please either revise the proposed PM to measure all provider training requirements or add an additional PM.
    c. A provider could potentially provide services for an extended period of time without having met training requirements. Please explain why 70 hours of competency based training within two years of hire is sufficient to assure that the provider training is conducted in accordance with state requirements and the approved waiver. How did the state arrive at 70 hours given training can vary for each participant?

38. **C-5: Home and Community-Based Settings**
    a. Please include a list of the specific settings where individuals will reside.
    b. Please include a list of specific settings where individuals will receive services.
    c. Please include a detailed description of the process the state Medicaid agency used to assess and determine that all waiver settings meet the HCB settings requirements.

d. Please include the process that the state Medicaid agency will use to ensure all settings will continue to meet the HCB settings requirements in the future.

**Appendix D: Participant-Centered Planning and Service Delivery**

**39. D-1-d: Service Plan Development Process**

a. Please describe as part of the planning process how participants are informed of services available under the waiver.
b. Please describe how responsibilities are assigned for implementing the plan.
c. Please describe how waiver and other services such as state plan services are coordinated.
d. Please identify who is assigned the responsibility to monitor and oversee the implementation of the service plan.

**40. D-1-g: Process for Making Service Plan Subject to the Approval of the Medicaid Agency**

a. Please provide the basis for the sample size of plans reviewed, how it is representative of the total population, and the review methodology.
b. Please include the frequency with which DHCS or DDS completes reviews of the plans.

**41. D-2-a: Service Plan Implementation and Monitoring**

a. Please clarify how monitoring methods address services furnished in accordance with the service plan, participant access to waiver services is identified in the plan, participants exercise free choice of provider, services meet the participants need, effectiveness of back up plans, participants health and welfare, and participants access to non-wavier services in service plan including health services.
b. Please clarify the method for prompt follow-up and remediation of identified problems.
c. Please clarify the methods used to compile systemic collection of information about monitoring results, and how problems identified during monitoring are reported to the state.

**42. D-QIS, Service Plan**

**a.** Please explain why bi-annual reviews by DDS are of sufficient frequency to ensure the service plans address all the participants' assessed needs and personal goals in sub-assurance a,c,d, and e.
**b.** Please clarify what is meant by "Representative Sample – 5 for sub-assurance a, c, d, and e.

**43. D-QIS, Sub-assurance (a)**

a. For each PM, please add the words "all of" after the word "addressed" in all instances.
b. How is it determined that the consumers' assessed needs are "adequately" addressed? Who makes this determination?

44. **D-QIS, Sub-assurance (c) -** Please clarify that the term "required intervals" means that service plans were updated/revised when warranted by changes in the waiver participant's needs.

45. **D-QIS, Sub-assurance (d)**
    a. How will the state determine whether participants have received the appropriate type, scope, amount, duration and frequency of services specified in the IPP?
    b. How does the state monitor/ensure that participants with similar needs (similar service plans) do not have drastically different budgets? How will the state monitor whether individual budgets are equitable?

46. **D-QIS, Sub-assurance (e) -** The proposed PM does not specifically measure whether participants are afforded a choice among services and providers. Please revise this PM to specifically address these issues.

**Appendix E: Participant Direction of Services**

47. **E-1-c: Availability of Participant Direction by Type of Living Arrangement -** Please specify/define "community living arrangement" where the state indicated participant direction is supported, including the size of the living arrangement.

48. **E-1-f: Participant Direction by a Representative -** Please describe the safeguards that ensure a non-legal representative functions in the best interest of the participant.

49. **E-1-i-i: Payment for FMS -** Please specify how the state will compensate the entities that provide FMS services. Per the HCBS Waiver Technical Guide examples could be a per transaction fee, a monthly fee per participant, a combination of both types of fees, or another method. The state indicates in response to this item in the waiver that FMS costs will be paid from the individual budget but that the individual budget will not be increased to include these costs. This is not permissible. The state may include the FMS waiver service costs in an individual budget but then must reflect and account for this is the individual budget methodology as described in Appendix E-2-b-ii.

50. **E-2-b-ii: Participant, Budget Authority -** Please specify and define "budget categories." Are there limits to and/or within budget categories? Per the previous comment, if the state intends to pay for waiver FMS costs from the individual budget, then the state needs to revise the budget methodology.

51. **E-2-b-ii: Participant Directed Budget -** Please describe how the budget methodology is made available to the public.

52. **E-2-a: Participant Employer Status -** What mechanism does the state have in place to ensure that individuals maintain authority and control over employees when co-employment is occurring.

53. **E-2-b-v: Expenditure Safeguards**
    a. Please describe the safeguards to address potential service delivery problems that may be associated with budget underutilization or premature depletion of the participant budget.

b. What is the state Medicaid agency's role in ensuring that potential budget problems are identified on a timely basis, including over-expenditures or underutilization?

**Appendix F: Participant Rights**

**54. F-1-a: Opportunity to Request a Fair Hearing**

a. Please specify who provides Fair Hearing information to the participant?
b. Please specify this information is also given to a participant at the time of their entrance into the waiver.
c. Please specify how notice is made and who is responsible for issuing the notice.
d. Please clarify what assistance, if any, is provided to the individual pursuing a fair hearing.
e. Please indicate where notices of adverse action and the opportunity to request fair hearings are kept.

**Appendix G: Participant Safeguards**

**55. G-1-c: Participant Training and Education**

a. What is the frequency of providing training and information?
b. Do the trainings provided by the regional centers to participants and informal caregivers include how to notify the appropriate authorities when the participant may have experienced abuse, neglect, or exploitation?

**56. G-1-d: Responsibility for Review of and Response to Critical Events or Incidents**

a. How do regional centers monitor special incident reporting for non-vendored providers?
b. Please specify who is responsible for an investigation, how investigations are conducted, and the timeframe for conducting and completing the investigation.
c. Please also indicate the timeframes for informing the participant, applicable representative, and other relevant parties, such as providers, of the investigation results.
d. What is the timeframe for reporting for non- vendored providers?
e. How are non vendored providers notified of SIR requirements?

**57. G-2-a: Safeguards Concerning Restraints: Applicability**: **Restraints** - The state selected that they will not permit the use of restraints but then indicated in the response that there are certain circumstances in which restraints may be used. Therefore, the state needs to revise the selected response that currently indicates that they do not permit the use of restraints, to "the use of restraints is permitted" and complete the required information for this section.

**58. G-2-c: Seclusion** - The state selected that they will not permit the use of seclusion but then indicated in the response that there are certain circumstances in which seclusion may be used. Therefore, the state needs to revise the selected response that currently indicates that they do not permit the use of seclusion, to "the use of seclusion is permitted" and complete the required information for this section. CMS notes that the use of seclusion must comport with the home and community-based setting requirements at Section 42 CFR 441.301(c)(4)(iii) and (vi)(F), and person-centered service planning and plan requirements at 42 CFR 44.301(c)(1) and (c)(2).

59. **G-3-b: Medication Management and Follow-up** - Please indicate the methods for conducting monitoring, how monitoring has been designed to detect potentially harmful practices, and follow-up to address such practices?

60. **G-3-b-ii: State Oversight and Follow-up** - What is the process to communicate information and findings from monitoring to the Medicaid Agency and operating agency regularly? What is the frequency state monitoring is performed?

61. **G-3-c-iii: Medication Error Reporting** - Please specify the types of medications errors that must be recorded and also those which must be reported.

62. **G-3-c-iv: State Oversight Responsibility** - Please specify the requested information in this section.

63. **QIS-G: Health and Welfare, Sub-assurance (a)** - This PM measures the timeliness of special incident reports and does not measure that the state, on an ongoing basis, addresses and seeks to prevent instances of abuse, neglect, exploitation, and unexplained death. The state needs to develop additional PMs to measure all aspects of this sub-assurance. Also, special incident reports are not the only means of determining whether instances of abuse, neglect, etc. have occurred, as it is possible that some of these instances could go unreported. The state must develop other metrics by which to measure that all instances of abuse, neglect, exploitation and unexplained death are being identified, even if a special incident report has not been filed.

64. **QIS-G, Sub-assurance (b)** - What is the timeframe for appropriate actions to be taken? Please either modify or add PMs to measure that an incident management system is in place that effectively prevents further similar incidents to the extent possible.

65. **QIS-G, Sub-assurance (d)** - How is it determined that a consumer's special health care requirements or safety needs are met? One or more PMs should be added to measure compliance with the state's overall health care standards. The sub-assurance ties the monitoring of health care standards to the responsibilities of the service provider. Please add one or more PMs to measure provider adherence to the health care standards.

66. **Appendix H: Quality Improvement Strategy** - Please include how the QIS stratifies information for each respective waiver, include the control numbers of the other waivers, and provide the other long term care services addressed in the QIS.

**Appendix I: Financial Accountability**

67. **I-1: Financial Integrity and Accountability**
    a. What are the differences, if any, between the DDS fiscal audits every two years and their follow-up audits in alternate years or more frequently as needed?
    b. What determines if a follow-up audit is needed more frequently than in alternate years?
    c. Are all providers subject to annual onsite audits? If not, what percentage of individual and agency providers are audited on an annual basis and are they chosen by random sample?

d. Are some providers audited more frequently than others? If yes, why and how often are they audited?
e. How does the state recognize whether a provider is a certified biller or not?

**68. I-2-a: Rate Methodology -** Please describe how information about payment rates is made available to waiver participants.

**69. I-2-a: Rate Methodology -** Regarding the negotiation of rates between the waiver participant and the selected provider:

a. Please confirm that all waiver service rates are negotiated by participants. If any services are not negotiated by participants, please explain how rates for those services were developed.
    i. Would rates for expanded state plan services also be negotiated?
b. Are participants and providers given any guidance as to what an appropriate rate may be?
c. Is there any limit for what a participant can spend per unit of service?
d. Please describe state's oversight process of rate determination.
e. How does the state ensure that the negotiated rates are consistent with economy, efficiency and quality of care?
f. What role, if any, would the regional center play in setting the rate?
g. Please describe the parameters that would prevent a participant from varying from a reasonable rate.

**70. I-2-d: Billing Validation Process**

**a.** Does the state use patient surveys to validate post payment billings? If yes, please describe those methods. If not, describe what processes are in place to assure only proper payments are being made and that any payments for inappropriate billings are recouped.
b. How does DDS ensure that the services were provided?
c. How does DDS ensure that payments are not made for services when a participant is in a nursing facility?

**71. QIS – I: Financial Accountability, Sub-assurance (a)**

a. How does the State ensure that claims are paid only for services rendered?
b. How does the State ensure that claims are coded correctly?
c. How does the State ensure that services have been actually rendered before they are paid?
d. Please explain why bi-annual reviews are of sufficient frequency to assure the service plans address all the participants' assessed needs and personal goals. Please clarify what the sampling approach is, since the state indicated that less than 100% of the claims will be reviewed.

**72. QIS-I, Sub-assurance (b)**

a. Please clarify how the approved service rate is assured to be developed consistent with the approved rate methodology.
b. Please clarify what the sampling approach is, since the state indicated that less than 100% of the claims will be reviewed.

**Appendix J: Cost Neutrality Demonstration**

**73. J-2-c: Development of Factor D**

a. Please describe how the per capita cost, by service, was trended forward to the number of persons who will be served during years 1 through 3.
b. What is the basis for the estimates of 1,000 and 2,500 for the number of eligible recipients?
c. Please clarify whether the Average Length of Stay units noted in each waiver year represent months or days. If the units are months, please update the waiver to have the Average Length of Stay measured in days.
d. Please confirm the source of the data used to create the Factor D estimates.
e. What analysis was done to ensure that this data was appropriate to use for the projections of this waiver?
f. Were any adjustments made to the data before developing projections for this waiver?
g. Please clarify why Therapeutic/Activity-Based Day Services (Hour) rate is $40 while Therapeutic/Activity-Based Day Services (Month) rate is $50.
h. What history led to the estimate for Technology services?

**74. J-2-c: Development of Factors D', G and G'**

a. Please confirm that the state has accounted for and removed the costs of prescribed drugs furnished to Medicare/Medicaid dual eligibles under the provisions of Part D.
b. Please confirm the source of the data used to create the estimates for each of these factors.
c. What analysis was done to ensure that this data was appropriate to use for the projections of this waiver?
d. Were any adjustments made to the data before developing projections for this waiver?

**ISSUES THAT NEED FURTHER CLARIFICATION OR CORRECTION**

1. **Overall Questions about the Waiver**
   a. What is the anticipated impact of this new waiver on DD waiver enrollment?
   b. A number of services are not available in the current DD waiver; will the DD waiver be updated at renewal or through amendment to mirror services under the SDP?
   c. How will the Waiver Monitoring Process for the SDP waiver be integrated into the existing HCBS Biennial Collaborative Review Process?

2. **Main 6-I: Public Input -** We note that individuals and organizations made comment during the public input period. Please include in this section all the methods and details of how people were able to make public comment.

3. **Appendix A-2-b** - When was the Interagency Agreement (IA) between the State Medicaid Agency and DDS last updated? How frequently is the IA updated? Please provide CMS with the link or a copy of the IA.

4. **B-1-b: Additional Criteria -** When selecting the first option in E-1-d: Election of Participant Direction, this section must specify that the waiver is limited to individuals who want to direct some or all of their services.

5. **B-3-f: Selection of Entrants to the waiver**
    a. How are informational meetings about the SDP being publicized?
    b. How often will the SDP orientation be offered?
    c. How does an individual let their regional center know that they are interested in enrollment?
    d. How is this documented at the regional center?
    e. If there is going to be an interest list or wait list please describe this process?

6. **B-4-b: Medicaid Eligibility Groups Served in the Waiver -** Since the 1931 group has been separated into three distinct eligibility groups; other caretaker relative specified at 435.110, pregnant women specified at 435.116 and children specified at 435.118, the state should remove the check mark from the 1931 group in Appendix B-4-b. No other changes are necessary, since the state has included all other mandatory and optional groups covered under its state pan under the waiver request.

7. **B-6-i: Procedures to Ensure Timely Re-Evaluations -** Please include all pertinent information regarding the procedures used to ensure that re-evaluation will be performed on a timely basis.

**C-1- Waiver services**

8. **Taxonomy code-** CMS would encourage the state to use the taxonomy codes for the services section.

9. **Participant- Directed Goods and Services -** Please indicate in the definition that the participant directed goods and services must be documented in the service plan and are purchased from the participant directed budget. Also please include that experimental or prohibited treatments are excluded.

10. **Transition/ Set up Expenses -** Please indicate the amount in the amount section if there is a limit for these services.

11. **Transportation -** How will the state determine when the use of natural supports, such as family, neighbors, friends, have been exhausted and services begin?

12. **Vehicle Modifications -** Please add the assurance in the waiver service definition that the vehicle may be owned by the individual or family member with whom the individual lives or has consistent and ongoing contact, who provides primary long term support to the individual and is not a paid provider of such services.
    Please also include any cost limits in the limits sections associated with this service.

13. **C-2-a: Criminal History/Background Investigations**
    a. Please define "other services and supports" in reference to providers who may need to obtain a criminal background check.

b. What is the state's process to ensure that mandatory background investigations have been conducted?
c. Please describe the scope of the investigation.
d. How will the state ensure that they have been conducted in accordance with the state's policies?

14. **C-2-c-ii: Larger Facilities -** Please remove N/A and insert "required information is contained in response to C-5."

15. **I-2-a: Rate Methodology -** Please describe the process used for public input in this section.

Under Section 1915(f)(2) of the Social Security Act, a waiver request must be approved, denied, or additional information requested within 90 days of receipt, or the request will be deemed granted. The 90-day period for this waiver request ends on December 28, 2015. These questions constitute a formal RAI, after which a new 90-day period will begin upon the State's re-submission of a revised waiver application, via the web-based Waiver Management System (https://wms-mmdl.cdsvdc.com/WMS/faces/portal.jsp). Please refer to CMS control number CA 1166.00 in all future correspondence regarding this waiver.

In addition to re-submitting the waiver application, the state should also send a formal written response to these questions to Amanda Hill in Central Office with a copy to Adrienne Hall in the San Francisco Regional Office (Amanda.Hill@cms.hhs.gov; Adrienne.Hall@cms.hhs.gov). For assistance or information regarding this RAI, please contact Amanda Hill at (410) 786-2457 or Adrienne Hall at (415) 744-3674. Thank you for your prompt attention. We look forward to continuing to work with the state officials to move towards implementation of this new waiver.

Sincerely,

/s/

Henrietta Sam-Louie
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Rebecca Schupp, Chief, Long-Term Care Division, DHCS
Jalal Haddad, Long-Term Care Division, DHCS
Amanda Hill, CMS, CMCS

# Self-Determination Program Enrollment

During the first three years of the Self-Determination Program, enrollment is limited to 2,500 people. To help ensure the selection of the 2,500 participants is equitable, the following process was developed by the Self-Determination advisory group.

**What does someone need to do to be considered for enrollment?**

1. ***Participate in an informational meeting at your regional center.*** It's important to hear, in greater detail, information about the Self-Determination Program. At this meeting, people will learn not only about the opportunities but also the increased responsibilities involved in accepting more control over coordinating their services. Understanding this information will help people decide if the Self-Determination Program might be a good option for them.

2. ***After participating in the informational meeting, let the regional center know you're interested in enrolling in the Self-Determination Program.*** After you have participated in the informational meeting and you think that Self-Determination is a good option for you or your family member, you must let the regional center know you're interested in enrolling in the Self-Determination Program. As discussed below, this does not guarantee you will be selected as part of the first 2,500 participants.

**What happens after someone participates in the informational meeting and lets the regional center know they're interested?**

1. ***Regional centers send names of those interested to the Department of Developmental Services (DDS).*** Only those consumers/ family members who have participated in an informational meeting will be eligible for enrollment in the Self-Determination program.

2. ***DDS will send confirmation to those whose names were forwarded by the regional centers.***

3. ***DDS will randomly select the first 2,500 enrollees from among those who have attended an informational meeting.*** This selection will be done from the names of those received by DDS from the regional centers. The selection takes into consideration the following factors to ensure those selected are representative of the statewide regional center population:
   - Regional Center
   - Ethnicity
   - Age
   - Gender
   - Disability diagnosis

4. ***Those selected can enroll in the Self-Determination Program.*** The enrollment will be done through the regional centers who will work with each participant to enroll in orientation, establish an individual budget, etc.

5. ***If not selected initially, consumers will remain on the interest list for future enrollment opportunities.***

Attachment #14

# SELF DETERMINATION ADVISORY COMMITTEE

## 2016 CALENDAR

### JANUARY 26, 2016

Santa Barbara Office Annex Room

5:30 p.m. Light Dinner

6:00 p.m. Self Determination Committee Meeting

### APRIL 26, 2016

Santa Barbara Office Annex Room

5:30 p.m. Light Dinner

6:00 p.m. Self Determination Committee Meeting

### JULY 26, 2016

Santa Barbara Office Annex Room

5:30 p.m. Light Dinner

6:00 p.m. Self Determination Committee Meeting

### OCTOBER 25, 2016

Santa Barbara Office Annex Room

5:30 p.m. Light Dinner

6:00 p.m. Self Determination Committee Meeting