Tri-Counties
Regional Center
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To Our Families and Persons Served by Tri-Counties Regional Center:

As you are aware, the State of California fiscal condition has continued to deteriorate. As a result, we are faced with significant challenges in ensuring that community based developmental services are preserved in our three counties. Every area of state government has been impacted by this fiscal crisis, including services provided by the regional centers. In Fiscal Year (FY) 2010/2011, the projected state budget deficit grew to $25 billion. For FY 2011/2012, the Legislature and the Governor were required to make deep and painful budget reductions to many essential programs and services, including another cut to developmental services that includes the regional centers – this time in the amount of $591 million.

Trailer Bill SB 74 (Chapter 9, Statutes of 2011) was enacted March 24, 2011, which includes several cost containment measures that directly affect regional centers or the developmental services system. Subsequently, the FY 2011/2012 Budget was signed on June 30, 2011, and additional cost containment measures in Trailer Bill AB 104 took effect July 1, 2011.

The $591 million reduction to the developmental services system budget will affect the services received by many persons and their families served by Tri-Counties Regional Center (TCRC) and the providers in the community that provide these services. For any required modification to a person's Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP), as a result of the changes in the law, the regional center must provide the appropriate written notification, pursuant to Government Code section 95007, or Welfare and Institutions Code section 4700. **If your services are going to be affected, you will receive a letter from your TCRC Service Coordinator outlining the changes that will need to occur. This letter will also provide information about how to use a person centered planning process to evaluate your needs per your IFSP or IPP, your appeal rights under the law if you and your Service Coordinator are not able to reach agreement, and information about any "exemptions" that are available based on extraordinary circumstances or extraordinary events as stated in the law.**

Outlined below is a high level summary of the changes in the law impacting services provided by the regional center. **You may also access further detailed information through the Department of Developmental Services (DDS) web site at www.dds.ca.gov. The home page on the TCRC web site at www.tri-counties.org will direct you to links for further information as well.**

General Standards

- **Composition of Regional Center Boards:** Regional center boards, each year, must submit to the Department of Developmental Services (DDS) detailed documentation, as determined by DDS, demonstrating that the composition of the board is in compliance with Welfare & Institutions Code (WIC) 4622.
- **Board Approval of Contracts:** Regional center boards must adopt and maintain a written policy requiring the board to review and approve certain regional center contracts of $250,000 or more before entering into the contract.
- **Conflict of Interest:** DDS is required to develop a standard conflict of interest (COI) reporting statement to be completed by each regional center governing board member and employee, as specified in law; regional centers must develop a COI policy, submit this policy to DDS, and post it on its website. DDS is required to monitor and ensure the regional centers' compliance with the laws governing COI.
- **Transparency and Access to Public Information:** The regional center board must adopt, maintain, and post on its website a board approved policy regarding transparency and access to public information. Additionally, certain information is specifically required to be posted on regional center websites, and certain information shall be made available to the public upon request.
- **Administrative Cost Caps – Regional Centers:** Requires that all contracts between DDS and the regional centers require that not more than 15 percent of all funds appropriated through the regional center's operations budget be spent on administrative costs.
- **Regional Center Independent Audits:** For the 2011-12 fiscal year and subsequent years, the independent fiscal audit of regional centers, pursuant to law, shall not be completed by the same accounting firm more than five times in every 10 years.
- **Regional Center Staffing:** The date that specific service coordinator caseload ratios do not apply has been extended. The caseload ratio of 1:66 is lifted until June 30, 2012, for persons who have not moved from the developmental centers to the community since April 14, 1993, who are 3 years of age or older, and who are not enrolled in the Home and Community-Based Services Waiver Program.

- **Third Party Liability:** Grants regional centers and DDS authority to pursue third party recovery of the reasonable value of the service provided by the regional center, including health insurance, health care services and carriers who may be liable for an injury or wrongful death.

Prevention Services

Prevention Resource and Referral Services: Regional centers will continue serving Prevention Program babies, defined as being at-risk, until the earliest of: the child reaches age 36 months; the regional center has determined the child is eligible for Early Start services; or June 30, 2012. Effective July, 1, 2011, regional centers may no longer refer at-risk babies to the prior Prevention Program but instead refer at-risk babies to the Family Resource Centers. DDS shall contract with an organization representing one or more family resource centers to provide outreach, information, and referral services to generic agencies for children under 36 months of age who are not eligible for Early Start or Lanterman Act services.

Best Practice Service Provisions

- **Mixed Payment Rates in Residential Facilities:** In order to maintain a person's preferred living arrangement and adjust the residential services and supports in accordance with changing service needs identified in the IPP, a regional center may enter into a signed written agreement with a residential service provider for a person's supervision, training and support needs to be provided at a lower level of payment than the facility's designated Alternative Residential Model (ARM) service level.
- **Maximize Utilization of Generic Resources – Education Services:** Regional centers are now prohibited from purchasing day program, vocational education, work services, independent living program, or mobility training and related transportation services for a person who is 18 to 22 years of age, if the person is eligible for special education and related education services and has not received a diploma or certificate of completion. The planning team may determine that the person's needs cannot be met in the educational system or grant an exemption in extraordinary circumstances pursuant to law.
- **Maximize Resources – Supported Living Services (SLS):** For persons receiving supported living services (SLS) who share a household with one or more adults receiving SLS, efficiencies in the provision of service may be achieved if some tasks can be shared, meaning the tasks can be provided at the same time while still ensuring that each person's individual needs are met. To ensure that persons in supported living arrangements receive the appropriate amount and type of supports, an independent assessment is required for persons currently receiving, or initially entering, supported living who have SLS costs, or have an initial recommendation for service costs, that exceed 125 percent of the annual statewide average cost of SLS, as published by DDS commencing June 30, 2011.
- **Maximize Resources – Behavioral Services:** DDS is required to adopt emergency regulations to address the use of paraprofessionals in group practice provider behavioral intervention services and establish a rate. Any vendor who provides services as specified in law is required to submit verification to the regional center for services provided to persons who are under 18 years of age and residing in the family home.
- **Individual Choice Day Services:** Regional centers are prohibited from referring any additional persons to alternative senior programs and alternative customized programs respectively. A person may choose a tailored day service or vouchered community-based training service, in lieu of any other regional center vendored day program, look-alike day program, supported employment program, or work activity program.

  A tailored day service must:

  - Include an individualized service design, as determined through the IPP and approved by the regional center, that maximizes the person's individualized choices and needs; and,
  - Encourage opportunities to further the development or maintenance of employment, volunteer activities, or pursuit of postsecondary education; maximize person's direction of the service; and increase the person's ability to lead an integrated and inclusive life. It must not exceed the equivalent cost of four-fifths of the vendor's current daily or hourly rate.

  A vouchered community-based training service is defined as a person-directed service that assists the person in the development of skills required for community integrated employment or participation in volunteer activities, or both, and the assistance necessary for the person to secure employment or volunteer positions or purse secondary education. Implementation of vouchered community-based training service is contingent upon the approval of the federal Centers for Medicare and Medicaid Services (CMS). Vouchered community-based training service must be provided in natural environments in the community, separate from the person's residence. The person must utilize the services of a financial management services (FMS) entity. These vouchered services are limited to a maximum of 150 hours per quarter.
- **Transportation Access Plans:** The planning process for the IPP shall include the development of a transportation access plan when the regional center purchases private, specialized transportation services from a residential, day, or other provider, excluding vouchered service provider, to transport the person to and from day or work services; a person's community integration and participation could be safe and enhanced through the use of public transportation; and generic transportation services are available and accessible.

Family Related Provisions

Annual Family Program Fee: Effective July 1, 2011, regional centers must assess an annual family program fee from parents whose adjusted gross family income is at or above 400 percent of the federal poverty level based upon family size and who have a child to whom all of the following apply:The child has a developmental disability or is eligible for Early Start Services;

- The child is less than 18 years of age;
- The child lives with his or her parent;
- The child or family receives services beyond eligibility determination, needs assessment, and service coordination; and,
- The child does not receive services through the Medi-Cal program.

An annual family program fee shall not be assessed or collected if the child receives only respite, day care, or camping services from the regional center, and a cost for participation is assessed to the parents under the Family Cost Participation Program. The annual family program fee shall be initially assessed at the time of review of the IPP or IFSP, but not later than June 30, 2012.

Benefit Cards: Parents, legal guardians, or conservators of persons served by the regional center are required to provide copies to the regional center of any health benefit cards under which the person served is eligible to receive health benefits, including but not limited to, private health insurance, a health care service plan, Medi-Cal, Medicare, and TRICARE. Such benefit cards shall be presented at the time of intake or assessment, and at the time of subsequent development, scheduled reviews or modification of an IPP or IFSP.

Service Provider Related Provisions

- **15% Administrative Cost Caps:** All regional center contracts or agreements with service providers in which rates are determined through negotiations between the regional center and the service provider are to expressly require that not more than 15 percent of regional center funds be spent on administrative costs.
- **Medicaid Integrity:** Compliance with federal disclosure requirements is required to preserve federal funding of POS services. DDS shall adopt emergency regulations to amend provider and vendor eligibility and disclosure criteria to meet federal financial participation requirements to include information about entity ownership and control, contracting interests, and criminal convictions or civil proceedings involving fraud or abuse in any government program, or abuse or neglect of an elder, dependent adult, or child. Also, DDS shall adopt emergency regulations to meet federal requirements applicable to vouchered services.
- **Provider Audits:** Any entity receiving payments from one or more regional centers is required to contract with an independent accounting firm for an audit or review of its financial statements subject to certain conditions in law. Such entities must provide copies of the independent audit or independent review report and accompanying management letters to the vendoring regional center within 30 days after completion. Regional centers must review and require resolution by the entity for issues identified in the report that have an impact on regional center services. Regional centers are required to report to DDS and take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues.
- **Service Provider Relief:** The sunset date is extended until June 30, 2012, for the provision that regional centers may temporarily modify personnel requirements, functions, or qualifications, or staff training requirements for certain providers, whose payments are reduced by 4.25% pursuant to law.
- **4.25% Payment Reduction:** The sunset date is extended until June 30, 2012, for the requirement for regional centers to reduce payments for services and supports, paid from purchase of services funds, pursuant to law, by 4.25%.
- **Vendor Electronic Billing**: Effective July 1, 2011, regional centers shall begin transitioning all providers, vendors and contracted providers of services provided or purchased through a regional center, except vendors whose services are paid for by vouchers, to the e-Billing system web application provided by DDS. All such vendors must submit all billings electronically for services provided on or after July 1, 2012.
- **Rate Equity & Negotiated Rate Control:** Expands the types of vendors who are subject to the 4.25% payment reduction who were previously exempted under the "usual and customary" rate exception.
- **Day Services – Half Day Billings:** Activity centers, adult development centers, behavior management programs, and other look-alike day programs with a daily rate are required to bill regional centers for services provided to persons in terms of half days of service and full days of service.
- **Statewide Collaboration for Administrative Actions:** The Departments of Social Services and Public Health are required to notify DDS of any administrative action initiated against a licensee serving persons with developmental disabilities.

Also, the regional center operations budget that pays for direct services and supports provided by regional centers such as service coordination, clinical services, fiscal services and other direct supports has been significantly reduced. Service Coordinator caseload ratios are high and will continue to increase. Numerous regional center positions are frozen. While we will do our best to attempt to maintain our service commitment to you, we also ask for your continued patience during this difficult time.

Finally, in addition to all of these changes, the currently enacted California State budget for FY 2011-12 counts on

$4 billion in additional revenues that are projected to be received by the state. The budget contains "trigger cuts" that would automatically be implemented in January, 2012, in the event that some or all of the $4 billion in additional revenues do not materialize. The "trigger cuts" are tiered, based on the actual amount of revenue received, hence additional mid-year reductions up to $100 million to the developmental services budget are possible. It is not clear at this time how such additional reductions would be implemented.

These are unprecedented times and we face unprecedented challenges. Working together in partnership, we must continue to advocate for our community based developmental services, as well as manage the implementation of these changes in the law with the least impact to persons receiving services as possible. For ongoing updates to the budget situation, please go to our TCRC website home page, **www.tri-counties.org**, and access **"Budget Watch".**

Sincerely,

Omar Noorzad, Ph.D.
Executive Director

c: Bob Cobbs, President, Tri-Counties Association for the Developmentally Disabled, Inc. Board of Directors
TCRC Service Providers
TCRC Staff

Mission

TCRC provides person and family centered planning, services and support for individuals with developmental disabilities to maximize opportunities and choices for living,working, learning and recreating within their community.

Vision

Persons with developmental disabilities live fully and safely as active and independent members of their community.

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