

## Developmental Services Funding Increase – Bill Summary

Prepared 2016-03-10

[ABX2 1](#) is the bill passed in the 2<sup>nd</sup> Extraordinary Session to increase annual funding for the community-based developmental disability services system. With two exceptions, all funding increases go into effect starting July 1, 2016. From a technical standpoint, special session bills go into effect 91 days after both the Senate and Assembly formally adjourn the special session. The Assembly special session adjourned on March 3, and the Senate adjourned on March 10, formally putting this bill into law as of June 9, 2016.

In this summary, amended sections are marked with a “Δ” and new sections are marked “+”.

[§4519.5](#) (Δ) – The Department of Developmental Service (DDS) will provide funds to help regional centers implement programs to reduce service disparities, including pay differentials for bilingual service provider staff, parent/caregiver education programs, outreach, cultural competency training, and culturally appropriate service types or service delivery models.

[§4519.8](#) (+) – Requires DDS to do a rate study addressing “sustainability, quality, and transparency” of the community service system. The study will be done through the Developmental Services Task Force process, by March 1, 2019.

[§4639.5](#) (Δ) – \$29.7M General Fund (plus additional federal matching funds) for regional center staff wages and \$1.4M General Fund (plus additional federal matching funds) for administrative costs, including clients rights advocates, starting July 1, 2016. Not to be used for executive staff or unfunded retirement liabilities. Regional centers must report how the money was spent and other related information, or lose the funding.

[§4652.5](#) (Δ) – Vendors earning at least \$500,000 per year must get an independent review. Vendors earning at least \$2M per year must get an audit. If the audit or review is unmodified, or modified with no material issues, the vendor shall receive a two-year exemption.

[§4689.8](#) (Δ) – All supported living service providers get a 5% increase starting July 1, 2016.

[§4690.5](#) (Δ) – Family member-provided respite services get a 5% increase starting July 1, 2016.

[§4691.6](#) (Δ) – In-home respite and independent living services gets a 5% increase starting July 1, 2016.

[§4691.9](#) (Δ) – Transportation rates will be increased by 5% starting July 1, 2016.

[§4691.10](#) (+) – \$169.5M General Fund (plus any additional federal matching funds) shall be provided for wages and benefits of service provider staff who provide direct services ≥75% of the time, starting July 1, 2016. Applies to DDS-set rates, negotiated rates, supported employment, and vouchered community-based employment training. To determine the percentage of staff providing direct services, a random sample of vendors in each of the various service categories will be surveyed by April 15, 2016. Separately, all service providers receiving this increase will have to report, by October 1, 2017, details concerning how the rate increase was used, or else lose the funding.

[§4691.11](#) (+) – \$9.9M General Fund (plus any additional federal matching funds) will be provided for service provider administrative costs, for the same types of providers described in §4691.10, starting July 1, 2016. This increase shall be determined using the information collected in the random sample survey, which also requests administrative cost information. The report required of all service providers, described in §4691.10, will also include administrative expense information.

[§4860](#) (Δ) – Formal language needed to effect the supported employment increase in §4691.10. Additionally, requires an annual survey of providers concerning details of clients' employment and the cost components of supported employment service providers.

[§4870](#) (+) – Creates an employment internship program. Placements may only be made into competitive integrated environments, towards the long-term goal of transitioning into paid employment. Regional centers and vendors will have to provide annual reports on the program. Those reports will include information on the outcomes of the program, including demographic information, the length of internships, the number of interns who enter paid employment, and other related information. Incentive payments for successful outcomes are also provided.

[§14105.075](#) (+) – Reverts rates for intermediate care facilities back to the higher 2008-09 levels as an initial baseline, and from that level further increases them by 3.7%, starting August 1, 2016.

[§14105.195](#) (+) – Reverses 2011-2013 cuts to skilled nursing facilities that are distinct parts of general acute care hospitals, starting August 1, 2016.