

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: October 20, 2017

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations
Committee

FROM: Sharon M. Tso  Council File No.17-0002 S117
Chief Legislative Analyst Assignment No.17-09-0923

SUBJECT: Resolution to SUPPORT AB 279 (Holden) Developmental Disabilities

CLA RECOMMENDATION: Adopt Resolution (Englander - Ryu) to include in the City's 2017-18 State Legislative Program SUPPORT for AB 279 (Holden), which would allow regional developmental disabilities centers to adjust provider rates according to local minimum wage ordinances in order to continue providing critical services to individuals with developmental disabilities.

SUMMARY

On September 6, 2017, the Resolution (Englander - Ryu) was introduced stating the following:

- There are three regional centers located within the City of Los Angeles to serve the needs of thousands of individuals with developmental disabilities;
- These regional centers provide a range of services including support for employment, independent and residential living services and a wide array of individualized therapies and services;
- These services are provided by local community organizations and individuals who are reimbursed for their work through the Department of Developmental Services (DDS);
- In 2016, the DDS granted authority to raise provider rates to comply with the State minimum wage;
- The statutes enacted in 2016 did not recognize that several municipalities, including the City of Los Angeles, have enacted minimum wage ordinances that raise wages above the State minimum wage level;
- Without an increase to reimbursement rates to meet local mandates many services providers may have to shut down and leave thousands of people with developmental disabilities without services; and
- Assembly Bill 279 (Holden) authorizes the DDS and regional centers to adjust provider rates in response to any local legally binding minimum wage ordinance.

The Resolution seeks City support for AB 279.

BACKGROUND

The Lanterman Development Disabilities Act of California has established a community based system providing individuals with developmental disabilities with a range of services including support for employment, independent and residential living services and various individualized therapies. Services and support are determined through Individualized Program Plans are provided by local individuals and organizations having agreements with the DDS or local regional centers.

Current law prevents DDS or regional centers from adjusting service provider reimbursement rates without specific statutory authority. Statutory authority to adjust rates to meet increases in mandated minimum wage levels has always been awarded. In 2016, DDS and regional centers were granted authority to adjust provider rates in concert with Senate Bill 3 that raised State minimum wage levels.

The statutes enacted in 2016 did not acknowledge that a number of municipalities and counties enacted minimum wage ordinances mandating all employers within their jurisdiction to increase wages to levels above State law. AB 279 extends authority to DDS and regional centers to adjust provider rates to comply with legally binding minimum wage levels enacted in the jurisdiction in which they employ workers to meet service needs under the Lanterman Development Disabilities Act. Without an increase to reimbursement rates to meet local mandates, many services providers may have to close their doors. This would lead to a shortage of services available to people with developmental disabilities throughout our State.

DEPARTMENT NOTIFICATION

Department on Disability

BILL STATUS

09/01/17 In committee: Held under submission.
08/21/17 In committee: Referred to APPR. suspense file.
06/28/17 From committee: Do pass and re-refer to Com. on APPR, Re-referred to Com. on APPR.
05/30/17 In Senate. Read first time. To Com. on RLS. for assignment.
05/26/17 From committee: Do pass.
04/26/17 In committee: Set, first hearing. Referred to APPR. suspense file.
03/08/17 From committee: Do pass and re-refer to Com. on APPR, Re-referred to Com. on APPR.
03/01/17 From committee chair, with author's amendments: Amend, and re-refer to Com. on HUM. S. Read second time and amend.
02/13/17 Referred to Com. on HUM. S.
02/02/17 Read first time. To print.



Darrell Powell
Analyst

Attachments: 1. Resolution

2. AB 279 Developmental disabilities: regional centers

RESOLUTION RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, there are three regional centers located within the City of Los Angeles to serve the needs thousands of individuals with developmental disabilities; and

WHEREAS, these regional centers provide a range of services including support for employment, independent and residential living services and a wide array of individualized therapies and services; and

WHEREAS, these services are provided by local community organizations and individuals who are reimbursed for their work through the Department of Developmental Services; and

WHEREAS, in 2016, the Department of Developmental Services granted authority to raise provider rates to comply with the State minimum wage; and

WHEREAS, the statutes enacted in 2016 did not recognize that several municipalities, including the City of Los Angeles, have enacted minimum wage ordinances that raise wages above the State minimum wage level; and

WHEREAS, without an increase to reimbursement rates to meet local mandates many services providers may have to shut down and leave thousands of people with disabilities without services; and

WHEREAS, Assembly Bill 279 (Holden) authorizes the Department of Developmental Services and regional centers to adjust providers rates in response to any local legally binding minimum wage ordinance; and

NOW, THEREFORE, BE IT RESOLVED, that by adoption of this Resolution with the concurrence of the Mayor, the City hereby includes in its 2017-2018 State Legislative Program SUPPORT for AB 279, which would allow regional centers to adjust provider rates according to local minimum wage ordinances in order to continue providing critical services to individuals with developmental disabilities.

PRESENTED BY: _____
MITCHELL ENGLANDER
Councilmember, 12th District

SECONDED BY: _____

SEP - 6 2017.



California

LEGISLATIVE INFORMATION

[Home](#)
[Bill Information](#)
[California Law](#)
[Publications](#)
[Other Resources](#)
[My Subscriptions](#)
[My Favorites](#)

AB-279 Developmental disabilities: regional centers. (2017-2018)

SHARE THIS:



Date Published: 03/01/2017 09:00 PM

REVISED MAY 26, 2017

AMENDED IN ASSEMBLY MARCH 01, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

No. 279

Introduced by Assembly Member Holden

(Coauthors: Assembly Members Acosta, Bocanegra, Dababneh, Lackey, and Nazarian)

(Coauthors: Senators Beall, Hertzberg, Portantino, Stern, and Wilk)

February 02, 2017

An act to amend Sections ~~4681.6~~ and 4681.1, 4681.6, 4691.6, and 4691.9 of the Welfare and Institutions Code, relating to developmental disabilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 279, as amended, Holden. Developmental disabilities: regional centers.

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services is responsible for providing various services and supports to persons with developmental disabilities, and for ensuring the appropriateness and quality of those services and supports. Existing law authorizes the department to contract with regional centers to provide these services and supports. Existing law sets forth the department's and the regional center's authority to establish provider rates. Existing law prohibits certain provider rate increases, ~~but, commencing July 1, 2017, but~~ authorizes increases to those rates as necessary to adjust employee wages to meet the state minimum wage law. *Existing law further requires the department to adopt regulations that specify rates, calculated on the basis of a cost model, including, among other things, changes in the state or federal minimum wage, for community care facilities serving persons with developmental disabilities, as specified. Existing law authorizes the department to approve rate adjustments for a work activity program that demonstrates to the department that the adjustment is necessary, as specified. Existing law authorizes community-based day program and in-home respite services agency providers with temporary payment rates set by the department to seek unanticipated rate adjustments from the department, as specified.*

This bill would *require the cost model described above to also include changes in local minimum wage. The bill would additionally authorize adjustment of prescribed provider rates if the adjustment is necessary to adjust payroll costs associated with another statute or ordinance that the provider is required to comply with that*

~~increases the minimum wage. in order to pay employees no less than the minimum wage required to comply with an ordinance that increases the minimum wage, as specified. The bill would provide that these provisions become operative on July 1, 2018.~~

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 4681.1 of the Welfare and Institutions Code is amended to read:*

4681.1. (a) The department shall adopt regulations that specify rates for community care facilities serving persons with developmental disabilities. The implementation of the regulations shall be contingent upon an appropriation in the annual Budget Act for this purpose. These rates shall be calculated on the basis of a cost model designed by the department that ensures that aggregate facility payments support the provision of services to each person in accordance with his or her individual program plan and applicable program requirements. The cost model shall reflect cost elements that shall include, but are not limited to, all of the following:

(1) "Basic living needs" include utilities, furnishings, food, supplies, incidental transportation, housekeeping, personal care items, and other items necessary to ensure a quality environment for persons with developmental disabilities. The amount identified for the basic living needs element of the rate shall be calculated as the average projected cost of these items in an economically and efficiently operated community care facility.

(2) "Direct care" includes salaries, wages, benefits, and other expenses necessary to supervise or support the person's functioning in the areas of self-care and daily living skills, physical coordination mobility, and behavioral self-control, choice making, and integration. The amount identified for direct care shall be calculated as the average projected cost of providing the level of service required to meet each person's functional needs in an economically and efficiently operated community care facility. The direct care portion of the rate shall reflect specific service levels defined by the department on the basis of relative resident need and the individual program plan.

(3) "Special services" include specialized training, treatment, supervision, or other services that a person's individual program plan requires to be provided by the residential facility in addition to the direct care provided under paragraph (2). The amount identified for special services shall be calculated for each individual based on the additional services specified in the person's individual program plan and the prevailing rates paid for similar services in the area. The special services portion of the rate shall reflect a negotiated agreement between the facility and the regional center in accordance with Section 4648.

(4) "Indirect costs" include managerial personnel, facility operation, maintenance and repair, other nondirect care, employee benefits, contracts, training, travel, licenses, taxes, interest, insurance, depreciation, and general administrative expenses. The amount identified for indirect costs shall be calculated as the average projected cost for these expenses in an economically and efficiently operated community care facility.

(5) "Property costs" include mortgages, leases, rent, taxes, capital or leasehold improvements, depreciation, and other expenses related to the physical structure. The amount identified for property costs shall be based on the fair rental value of a model facility that is adequately designed, constructed, and maintained to meet the needs of persons with developmental disabilities. The amount identified for property costs shall be calculated as the average projected fair rental value of an economically and efficiently operated community care facility.

(b) The cost model shall take into account factors that include, but are not limited to, all of the following:

(1) Facility size, as defined by the department on the basis of the number of facility beds licensed by the State Department of Social Services and vendorized by the regional center.

(2) Specific geographic areas, as defined by the department on the basis of cost of living and other pertinent economic indicators.

(3) Common levels of direct care, as defined by the department on the basis of services specific to an identifiable group of persons as determined through the individual program plan.

(4) Positive outcomes, as defined by the department on the basis of increased integration, independence, and productivity at the aggregate facility and individual consumer level.

(5) Owner-operated and staff-operated reimbursement, which shall not differ for facilities that are required to comply with the same program requirements.

(c) The rates established for individual community care facilities serving persons with developmental disabilities shall reflect all of the model cost elements and rate development factors described in this section. The cost model design shall include a process for updating the cost model elements that address variables, including, but not limited to, all of the following:

(1) Economic trends in California.

(2) New state or federal program requirements.

(3) Changes in the state or federal minimum wage.

(4) *Commencing July 1, 2018, changes in local minimum wage.*

~~(4)~~

(5) Increases in fees, taxes, or other business costs.

~~(5)~~

(6) Increases in federal supplemental security income/state supplementary program for the aged, blind, and disabled payments.

(d) Rates established for persons with developmental disabilities who are also dually diagnosed with a mental health disorder may be fixed at a higher rate. The department shall work with the State Department of Health Care Services to establish criteria upon which higher rates may be fixed pursuant to this subdivision. The higher rate for persons with developmental disabilities who are also dually diagnosed with a mental health disorder may be paid when requested by the director of the regional center and approved by the Director of Developmental Services.

(e) By January 1, 2001, the department shall prepare proposed regulations to implement the changes outlined in this section. The department may use a private firm to assist in the development of these changes and shall confer with consumers, providers, and other interested parties concerning the proposed regulations. By May 15, 2001, and each year thereafter, the department shall provide the Legislature with annual community care facility rates, including any draft amendments to the regulations as required. By July 1, 2001, and each year thereafter, contingent upon an appropriation in the annual Budget Act for this purpose, the department shall adopt emergency regulations that establish the annual rates for community care facilities serving persons with developmental disabilities for each fiscal year.

(f) During the first year of operation under the revised rate model, individual facilities shall be held harmless for any reduction in aggregate facility payments caused solely by the change in reimbursement methodology.

SECTION 1. SEC. 2. Section 4681.6 of the Welfare and Institutions Code is amended to read:

4681.6. (a) Notwithstanding any other law or regulation, commencing July 1, 2008:

(1) A regional center shall not pay an existing residential service provider, for services for which rates are determined through a negotiation between the regional center and the provider, a rate higher than the rate in effect on June 30, 2008, unless the increase is required by a contract between the regional center and the vendor that is in effect on June 30, 2008, or the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the department has granted prior written authorization.

(2) A regional center shall not negotiate a rate with a new residential service provider, for services for which rates are determined through a negotiation between the regional center and the provider, that is higher than the regional center's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower. The unit of service designation shall conform with an existing regional center designation or, if none exists, a designation used to calculate the statewide median rate for the same service. The regional center shall annually certify to the department its median rate for each negotiated rate service code, by designated unit of service. This certification shall be subject to verification through the department's biennial fiscal audit of the regional center.

(b) (1) Notwithstanding subdivision (a), commencing January 1, 2017, regional centers may negotiate a rate adjustment with residential service providers regarding rates that are otherwise restricted pursuant to subdivision (a), if the adjustment is necessary in order to pay employees no less than the minimum wage as established by Section 1182.12 of the Labor Code, as amended by Chapter 4 of the Statutes of 2016, and only for the purpose of adjusting payroll costs associated with the minimum wage increase or another statute or ordinance that the provider is required to comply with that increases the minimum wage. ~~increase.~~ The rate adjustment shall be specific to the unit of service designation that is affected by the increased minimum wage, shall be specific to payroll costs associated with any increase necessary to adjust employee pay only to the extent necessary to bring pay into compliance with the increased state minimum wage, and shall not be used as a general wage enhancement for employees paid above the minimum wage. Regional centers shall maintain documentation on the process to determine, and the rationale for granting, any rate adjustment associated with the minimum wage increase.

(2) *Notwithstanding subdivision (a), commencing July 1, 2018, a regional center may negotiate a rate adjustment with residential service providers regarding rates that are otherwise restricted pursuant to subdivision (a), if the adjustment is necessary in order to pay employees no less than the minimum wage required to comply with an ordinance that increases the minimum wage, and only for the purpose of adjustment to payroll costs associated with the minimum wage increase.*

(c) Notwithstanding subdivision (a), commencing July 1, 2015, regional centers may negotiate a rate adjustment with residential service providers regarding rates that are otherwise restricted pursuant to subdivision (a), if the adjustment is necessary to implement Article 1.5 (commencing with Section 245) of Chapter 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter 317 of the Statutes of 2014. The rate adjustment may be applied only if a minimum of 24 hours or three days of paid sick leave per year was not a benefit provided to employees as of June 30, 2015, and shall be specific to payroll costs associated with any increase necessary to compensate an employee up to a maximum of 24 hours or three days of paid sick leave in each year of employment.

(d) For purposes of this section, "residential service provider" includes Adult Residential Facilities for Persons with Special Health Care Needs, as described in Section 4684.50.

(e) This section shall not apply to those services for which rates are determined by the State Department of Health Care Services, or the State Department of Developmental Services, or are usual and customary.

SEC. 3. *Section 4691.6 of the Welfare and Institutions Code is amended to read:*

4691.6. (a) Notwithstanding any other law or regulation, commencing July 1, 2006, the community-based day program, work activity program, and in-home respite service agency rate schedules authorized by the department and in operation June 30, 2006, shall be increased by 3 percent, subject to funds specifically appropriated for this increase in the Budget Act of 2006. The increase shall be applied as a percentage, and the percentage shall be the same for all providers. Any subsequent increase shall be governed by subdivisions (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), and (l), and Section 4691.9.

(b) Notwithstanding any other law or regulation, the department shall not establish any permanent payment rate for a community-based day program or in-home respite service agency provider that has a temporary payment rate in effect on June 30, 2008, if the permanent payment rate would be greater than the temporary payment rate in effect on or after June 30, 2008, unless the regional center demonstrates to the department that the permanent payment rate is necessary to protect the consumers' health or safety.

(c) Notwithstanding any other law or regulation, neither the department nor any regional center shall approve any program design modification or revendorization for a community-based day program or in-home respite service agency provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect on or after June 30, 2008, unless the regional center demonstrates that the program design modification or revendorization is necessary to protect the consumers' health or safety and the department has granted prior written authorization.

(d) Notwithstanding any other law or regulation, the department shall not approve an anticipated rate adjustment for a community-based day program or in-home respite service agency provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect on or after June 30, 2008, unless the regional center demonstrates that the anticipated rate adjustment is necessary to protect the consumers' health or safety.

(e) Notwithstanding any other law or regulation, except as set forth in subdivisions (f) and (i), the department shall not approve any rate adjustment for a work activity program that would result in an increase in the rate to be paid to the vendor from the rate that is in effect on or after June 30, 2008, unless the regional center demonstrates that the rate adjustment is necessary to protect the consumers' health and safety and the department has granted prior written authorization.

(f) (1) Notwithstanding any other law or regulation, commencing January 1, 2017, the department may approve rate adjustments for a work activity program that demonstrates to the department that the rate adjustment is necessary in order to pay employees who, prior to January 1, 2017, were being compensated at a wage that is less than the minimum wage established on and after January 1, 2017, by Section 1182.12 of the Labor Code, as amended by Chapter 4 of the Statutes of 2016. The rate adjustment pursuant to this subdivision shall be specific to payroll costs associated with any increase necessary to adjust employee pay only to the extent necessary to bring pay into compliance with the increased state minimum wage, and shall not constitute a general wage enhancement for employees paid above the increased minimum wage.

(2) Notwithstanding any other law or regulation, commencing July 1, 2018, the department may approve rate adjustments for a work activity program that demonstrates to the department that the rate adjustment is necessary in order to pay employees no less than the minimum wage required to comply with an ordinance that increases the minimum wage, and only for the purpose of adjustment to payroll costs associated with the minimum wage increase.

(g) (1) Notwithstanding any other law or regulation, commencing January 1, 2017, community-based day program and in-home respite services agency providers with temporary payment rates set by the department may seek unanticipated rate adjustments from the department due to the impacts of the increased minimum wage as established by Section 1182.12 of the Labor Code, as amended by Chapter 4 of the Statutes of 2016. The rate adjustment shall be specific to payroll costs associated with any increase necessary to adjust employee pay only to the extent necessary to bring pay into compliance with the increased state minimum wage, and shall not constitute a general wage enhancement for employees paid above the increased minimum wage.

(2) Notwithstanding any other law or regulation, commencing July 1, 2018, community-based day program and in-home respite services agency providers with payment rates set by the department may seek unanticipated rate adjustments from the department if the community-based day program or in-home respite services agency demonstrates to the department that the rate adjustment is necessary in order to pay employees no less than the minimum wage required to comply with an ordinance that increases the minimum wage, and only for the purpose of adjustment to payroll costs associated with the minimum wage increase.

(h) Notwithstanding any other law or regulation, commencing January 1, 2015, the in-home respite service agency rate schedule authorized by the department and in operation December 31, 2014, shall be increased by 5.82 percent, subject to funds specifically appropriated for this increase for costs due to changes in federal regulations implementing the federal Fair Labor Standards Act of 1938 (29 U.S.C. Sec. 201 et seq.). The increase shall be applied as a percentage, and the percentage shall be the same for all applicable providers.

(i) Notwithstanding any other law or regulation, commencing July 1, 2015, the department may approve rate adjustments for a work activity program that demonstrates to the department that the rate adjustment is necessary to implement Article 1.5 (commencing with Section 245) of Chapter 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter 317 of the Statutes of 2014. The rate adjustment may be applied only if a minimum of 24 hours or three days of paid sick leave per year was not a benefit provided to employees as of June 30, 2015, and shall be specific to payroll costs associated with any increase necessary to compensate an employee up to a maximum of 24 hours or three days of paid sick leave in each year of employment.

(j) Notwithstanding any other law or regulation, commencing July 1, 2015, community-based day program and in-home respite services agency providers with temporary payment rates set by the department may seek unanticipated rate adjustments from the department if the adjustment is necessary to implement Article 1.5 (commencing with Section 245) of Chapter 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter 317 of the Statutes of 2014. The rate adjustment may be applied only if a minimum of 24 hours or three days of paid sick leave per year was not a benefit provided to employees as of June 30, 2015, and shall be specific to payroll costs associated with any increase necessary to compensate an employee up to a maximum of 24 hours or three days of paid sick leave in each year of employment.

(k) Notwithstanding any other law or regulation, commencing July 1, 2016, and to the extent funds are appropriated in the annual Budget Act for this purpose, the in-home respite service agency rate schedule

authorized by the department and in operation June 30, 2016, shall be increased by 5 percent. The increase shall be applied as a percentage, and the percentage shall be the same for all providers.

(l) Notwithstanding any other law or regulation, commencing July 1, 2016, and to the extent funds are appropriated in the annual Budget Act for this purpose, the independent living service rate schedule authorized by the department and in operation June 30, 2016, shall be increased by 5 percent. The increase shall be applied as a percentage, and the percentage shall be the same for all providers.

~~SEC. 2.~~ **SEC. 4.** Section 4691.9 of the Welfare and Institutions Code is amended to read:

4691.9. (a) Notwithstanding any other law or regulation, commencing July 1, 2008:

(1) A regional center shall not pay an existing service provider, for services for which rates are determined through a negotiation between the regional center and the provider, a rate higher than the rate in effect on June 30, 2008, unless the increase is required by a contract between the regional center and the vendor that is in effect on June 30, 2008, or the regional center demonstrates that the approval is necessary to protect the consumer's health or safety and the department has granted prior written authorization.

(2) A regional center shall not negotiate a rate with a new service provider, for services for which rates are determined through a negotiation between the regional center and the provider, that is higher than the regional center's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower. The unit of service designation shall conform with an existing regional center designation or, if none exists, a designation used to calculate the statewide median rate for the same service. The regional center shall annually certify to the State Department of Developmental Services its median rate for each negotiated rate service code, by designated unit of service. This certification shall be subject to verification through the department's biennial fiscal audit of the regional center.

(b) (1) Notwithstanding subdivision (a), commencing January 1, 2017, regional centers may negotiate a rate adjustment with providers regarding rates if the adjustment is necessary in order to pay employees no less than the minimum wage as established by Section 1182.12 of the Labor Code, as amended by Chapter 4 of the Statutes of 2016, and only for the purpose of adjusting payroll costs associated with the minimum wage increase or another statute or ordinance that the provider is required to comply with that increases the minimum wage. ~~increase.~~ The rate adjustment shall be specific to the unit of service designation that is affected by the increased minimum wage, shall be specific to payroll costs associated with any increase necessary to adjust employee pay only to the extent necessary to bring pay into compliance with the increased state minimum wage, and shall not be used as a general wage enhancement for employees paid above the increased minimum wage. Regional centers shall maintain documentation on the process to determine, and the rationale for granting, any rate adjustment associated with the minimum wage increase.

(2) *Notwithstanding subdivision (a), effective July 1, 2018, a regional center may negotiate a rate adjustment with providers regarding rates if the adjustment is necessary in order to pay employees no less than the minimum wage required to comply with an ordinance that increases the minimum wage, and only for the purpose of adjustment to payroll costs associated with the minimum wage increase.*

(c) Notwithstanding any other law or regulation, commencing January 1, 2015, rates for personal assistance and supported living services in effect on December 31, 2014, shall be increased by 5.82 percent, subject to funds specifically appropriated for this increase for costs due to changes in federal regulations implementing the federal Fair Labor Standards Act of 1938 (29 U.S.C. Sec. 201 et seq.). The increase shall be applied as a percentage, and the percentage shall be the same for all applicable providers. As used in this subdivision, both of the following definitions shall apply:

(1) "Personal assistance" is limited only to those services provided by vendors classified by the regional center as personal assistance providers, pursuant to the miscellaneous services provisions contained in Title 17 of the California Code of Regulations.

(2) "Supported living services" are limited only to those services defined as supported living services in Title 17 of the California Code of Regulations.

(d) Notwithstanding subdivision (a), commencing July 1, 2015, regional centers may negotiate a rate adjustment with existing service providers for services for which rates are determined through negotiation between the regional center and the provider, if the adjustment is necessary to implement Article 1.5 (commencing with Section 245) of Chapter 1 of Part 1 of Division 2 of the Labor Code, as added by Chapter 317 of the Statutes of

2014. The rate adjustment may be applied only if a minimum of 24 hours or three days of paid sick leave per year was not a benefit provided to employees as of June 30, 2015, and shall be specific to payroll costs associated with any increase necessary to compensate an employee up to a maximum of 24 hours or three days of paid sick leave in each year of employment.

(e) Notwithstanding any other law or regulation, commencing July 1, 2016, and to the extent funds are appropriated in the annual Budget Act for this purpose, rates for transportation services in effect on June 30, 2016, shall be increased by 5 percent. The increase shall be applied as a percentage to existing rates, and the percentage shall be the same for all applicable providers.

(f) This section shall not apply to those services for which rates are determined by the State Department of Health Care Services, or the State Department of Developmental Services, or are usual and customary.

REVISIONS:
Heading—Line 2.
