

**DEPARTMENT OF DEVELOPMENTAL SERVICES**

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May 7, 2019

**TO:** REGIONAL CENTER EXECUTIVE DIRECTORS

**SUBJECT:** Home and Community-Based Services Regulations – Provider Funding Concepts

**Background**

As noted in a October 31, 2018, [letter](#) from the Department of Developmental Services (Department), the 2018 Budget Act (SB 840, Chapter 29, Budget Act 2018) contained \$15 million for service providers to make changes in order to meet the requirements of the federal Centers for Medicare & Medicaid Services' (CMS) Home and Community-Based Services (HCBS) final regulations, or rules. In response to the October 31, 2018, letter, the Department received 316 requests for funding from service providers. The purpose of this letter is to inform regional centers of the results of the Department's review of these requests and to outline next steps for regional centers to develop a contract with each provider.

**Initial Approval of Funding Concepts**

The Department reviewed all requests, or funding concepts, submitted by providers. Enclosure One identifies the total number of funding concepts submitted, and the number of concepts approved for funding. Concepts that identified a clear connection between the requested funding and specific federal requirements were considered for initial approval of funding. The Department selected 187 concepts for initial approval of funding (see Enclosure Two for a list of providers selected within each regional center catchment area.) Funding for concepts selected by the Department includes, but is not limited to:

- Train-the-trainer certification in person-centered planning/thinking and training regarding the HCBS rules;
- Support for providers to assist other providers in their efforts to comply with the HCBS rules;
- Staffing to increase community integration and employment opportunities; and,
- Transportation/vehicles for more individualized community access.

**“Building Partnerships, Supporting Choices”**

Separate from this letter, each regional center will receive a list of the selected concepts for vendors within their catchment area with specific comments and/or recommendations for each concept. A copy of each approved concept will be posted by May 17, 2019, at <http://www.dds.ca.gov/HCBS/>.

### **Final Approval of Funding Concepts**

Regional centers must work with the providers selected for initial approval to develop a contract agreement for implementation. This includes development of a budget that, in total, may not exceed the amount approved by the Department. The costs for each line-item in the budget included in the final contract do not need to match the estimated costs submitted with the concepts so long as the total approved amount is not exceeded. Contracts must be finalized by June 30, 2019. The signed contract, which represents final approval for funding, must include at a minimum:

- Details regarding the project, including specifics on how the funding will be used to increase compliance with the federal requirements;
- Details regarding how consumer input will be used in the development, implementation, and ongoing monitoring of the project;
- A detailed budget for the project;
- For projects involving the purchase of items or services, a justification (e.g. multiple quotes) of the cost-effectiveness of the purchase;
- A project timeline identifying key milestones;
- Specific and measurable objective indicators to show progress toward compliance with the federal requirements;
  - Objective indicators should address how the funds will move the delivery of services toward compliance and address how changes in compliance will be measured. Progress toward compliance should be evaluated by the outcome the allocated funds produce. For example, funding approved for train-the-trainer certification may have interim objectives to obtain the certification and then train other staff once certified, but the outcome and progress should be evaluated based on how the training is being implemented on an individual level, and in what ways the program has changed the provision of services to be more person-centered.
- A requirement for quarterly reporting to the regional center on project implementation, including progress related to key milestones and measurable progress toward compliance with the federal requirements; and,

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- A plan for the sustainability of the progress made toward compliance after contract completion.

If you have any questions regarding this letter or with finalizing approvals of the funding concepts, please contact Susan Crow, Assistant Chief, SDP and HCBS Regulations Section, at (916) 654-2052, [susan.crow@dds.ca.gov](mailto:susan.crow@dds.ca.gov) or email [hcbregs@dds.ca.gov](mailto:hcbregs@dds.ca.gov).

Sincerely,

*Original signed by:*

JIM KNIGHT  
Assistant Deputy Director  
Community Services Division

Enclosures

cc: Regional Center Chief Counselors  
Regional Center Administrators  
Regional Center Community Services Directors  
Regional Center HCBS Program Evaluators  
Amy Westling, Association of Regional Center Agencies