



INLAND REGIONAL CENTER

...valuing independence, inclusion and empowerment

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January 6, 2020

Dear Service Provider:

Effective January 1, 2020, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase from \$12.00 to \$13.00 per hour for employers with 26 or more employees and from \$11.00 to \$12.00 per hour for employers with 25 or fewer employees. Regional Center vendors may be eligible to request a rate increase if necessary, to adjust employees' pay to comply with the new minimum wage of 2020.

Additionally, due to the implementation of Senate Bill (SB) 81 (Chapter 28, Statutes of 2019), a list of service codes will be receiving a temporary percentage-based rate adjustment from January 1, 2020 to December 31, 2021 only. When applicable, some vendors may be eligible to receive both the SB 81 and 2020 minimum wage rate increases. Additional information is available at www.dds.ca.gov.

Providers with Rates Set through Negotiation by the Regional Centers

Statute allows regional centers to negotiate rate adjustments with providers in order to pay employees no less than the minimum wage effective January 1, 2020. The rate adjustment must be specific to the units of service that is affected by the new minimum wage and shall only include those costs necessary to increase an employee's actual hourly wage to the new minimum wage rate and associated mandated employer costs (e.g., Social Security, Medicare, and Workers' Compensation) for the period of July, August, and September 2019, or an applicable period of up to three (3) months from January through December 2019.

Submission Instruction:

Service providers with negotiated rates must complete the SB 3 Minimum Wage Increase Worksheet 2020. This worksheet is available by clicking this link <https://www.inlandrc.org/service-providers/>. Please submit your rate adjustment request(s) to minwage@inlandrc.org. All rate adjustment requests must include the following required documents:

- Completed worksheet(s). Please indicate the name of your program, service code and vendor number (i.e.: A Plus Transportation;875; HJ000)
- Payroll Register/Payroll Records covering the 3-month review period for all employees eligible for new minimum wage increase
- Workers' Compensation Policy Rate
- DE 2088 Notice of Contribution Rates and Statement of UI Reserve Account
- Separate worksheet must be submitted for each vendor number

Vendors with negotiated rates who are applying for the minimum wage adjustment increase must complete and submit the worksheet and required documents to IRC no later than **March 1, 2020**. Incomplete worksheet(s) and supporting documents will not be processed and will be returned to you.

Providers with rates set by the Department (DDS) must submit the request directly to DDS.

Community Care Facilities (Alternative Residential Model (ARM) Rates)

Service providers reimbursed under the Alternative Residential Model (ARM) rates (residential providers', service codes 905, 910, 915 & 920), the proposed new ARM rates can be found at https://www.dds.ca.gov/wp-content/uploads/2019/12/CCF_Rates_January2020.pdf. Providers with ARM rates **do not need to submit** rate adjustment requests.

Rate Increases Pursuant to SB 81

SB 81 provided Department of Developmental Services (Department) with time-limited funding in state general funds and associated federal funds to provide applicable vendors with the rate increase, effective January 1, 2020 through December 31, 2021 only. These rate increases are contingent upon approval from the Centers for Medicare and Medicaid Services for matching federal funds. The rate increases apply to:

- Rates set by the Department (DDS)
- Rates set through negotiation between the regional centers and service providers
- Rates paid for supported employment services, as specified in W&I Code § 4860(a) and (b)
- Vouchered community-based services, as specified in W&I Code § 4688.21(c) (7).

The SB 81 rate increases will be applied as a percentage to provider rates in effect on December 31, 2019, less the amount of the time-limited 2.1 percentage increase (bridge funding) authorized in the Budget Act of 2018 (Chapter 29), to vendors who received the bridge funding rate increases effective May 1, 2019 through April 30, 2020.

Please note that the rate increases do not apply to providers with usual and customary rates or rates set by other entities.

If you have any questions or need further information, please email rzalameda@inlandrc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Reylisa Zalameda".

Reylisa Zalameda
Manager, Accounting & Audit Department
Inland Regional Center