



INLAND REGIONAL CENTER

...valuing independence, inclusion, and empowerment

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January 4, 2021

Dear Service Provider:

2021 Minimum Wage Rate Increase

Effective January 1, 2021, due to the implementation of Senate Bill (SB) 3, the minimum wage in California will increase from \$13.00 to \$14.00 per hour for employers with 26 or more employees and from \$12.00 to \$13.00 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 2021.

Rate Increases Pursuant to AB 79

Pursuant to Assembly Bill (AB) 79 (Chapter 11, Statutes of 2020), Service Codes 520, 805, and 116 will be receiving a temporary percentage-based rate adjustment from January 1, 2021 to December 31, 2021 only. These rate increases are contingent upon approval from the Centers for Medicare and Medicaid Services for matching federal funds. DDS is awaiting federal approval and will notify regional centers once approval is obtained. The rate increases shall be suspended at the end of the effective period unless certain conditions, as specified in AB 79, apply. Please note that the rate increases do not apply to providers with usual and customary rates or rates set by other entities, even if a provider's service code is 520, 805, and/or 116.

Providers with Alternative Nonresidential Services Monthly Rates

Vendors utilizing the Alternative Nonresidential Services Model during the COVID-19 State of Emergency and therefore have an associated monthly rate may also be eligible for the minimum wage increase. The rate increases will be applied as a percentage to provider rates in effect on December 31, 2020. Providers with rates set by DDS will need to submit their rate adjustment request to DDS. Regional centers will process the rate adjustment request for providers with rates set through negotiation with the regional center.

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, 2021. The rate adjustment must be specific to the unit 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 January, February, and March 2020, or an applicable period of up to three (3) months from January through August 2020.

When applicable, some vendors may be eligible to receive both AB 79 and 2021 minimum wage rate increases. Inland Regional Center will **ONLY** accept and process all rate adjustment requests from service providers with rates established through negotiation with regional centers. For service providers with rates set by DDS and other eligible rate adjustments, please refer to DDS website for more information at www.dds.ca.gov.

Submission Instruction:

Service providers with negotiated rates must complete the SB 3 Minimum Wage Increase Worksheet 2021. 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)
- Separate worksheet must be submitted for each vendor number
- Payroll Register/Payroll Records covering the 3-month review period for all employees eligible for new minimum wage increase
- A Copy of Workers' Compensation Policy showing the rate per 100's
- California DE 2088 Notice of Contribution Rates and Statement of UI Reserve Account
- Provide a copy of your latest Cost Statement or Rate Determination worksheet. If not available, please provide a new rate determination to support your current rate and request for MWI adjustment

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, 2021**. Incomplete worksheet(s) and/or incomplete supporting document(s) will not be processed and will be returned to you.

Providers with Rates Set by DDS and Rates Established in Regulation

For updated rates schedules and additional information, please refer to <https://www.dds.ca.gov/rc/vendor-provider/minimum-wage/>. Providers with ARM rates do not need to submit rate adjustment requests.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Luciano Paz', with a long horizontal stroke extending to the right.

Luciano Paz, CIA
Program Auditor III
Inland Regional Center