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November 19, 2024

D-2024-Rate Reform-005

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: RATE REFORM IMPLEMENTATION FOR SPECIALIZED SERVICES

As part of continued rate reform [implementation](#), this letter provides direction regarding the following areas:

- Specialized Health, Treatment, and Training Services (service code 103)
- Specialized Therapeutic Services (service codes 115, 116, and 117)

Beginning January 1, 2025, the service descriptions in this directive apply to all vendors of these services, along with the associated service and subcode combinations, rate models and billing units. This directive also may pertain to vendors currently providing these services under different service codes. Providers continue to be responsible for the requirements stated in Welfare and Institutions Code and Title 17 of the California Code of Regulations (CCR). However, this directive supersedes any conflict regarding service descriptions and rate-setting in those other sources.

Regional centers and service providers shall follow this directive to affirm which updated service description and any staffing requirements most closely match the services actually being delivered. The regional center shall verify the rate for each service and subcode combination in the rate workbook. Reimbursement for services beginning January 1, 2025, will be claimed using the provider's current service code with an updated rate, unless the form described below is completed prior to that date.

By March 31, 2025, the Rate Reform Service Acknowledgement Form shall be completed by the regional center and service provider to acknowledge the service description, requirements that will need to be met, subcode combination(s), and the rate(s) established by the rate model. Please see Attachment A for the form and instructions, which includes attaching the rate workbook to the completed form. The rates for each type of service by regional center can be found [here](#). Providers with existing rates that are above 90 percent of the rate model for the service description to which they will align will maintain their existing rates (held harmless) until June 30, 2026. Providers with rates between 90 percent and 100 percent of the rate model will have the opportunity to earn 100 percent of the rate model through the [Quality Incentive Program](#). Otherwise, upon completion of the Rate Reform Service Acknowledgement Form, the new service and subcode combination and rate will be used.

Individuals receiving services should not experience differences in how their services are delivered, where they are delivered from, and who they work with as a result of this directive.

Individualized Family Service Plans (IFSPs) or Individual Program Plans (IPPs) must identify the type and the amount of service needed. Therefore, some IFSPs and IPPs will need to be updated to properly identify the type of service being delivered. If the only change is service delivery by a different level of staff, or use of a new service and subcode combinations and their rates, the IFSP or IPP does not need to be updated. These IFSP and IPP updates should be done at the next scheduled IFSP/IPP meeting, after which the regional center must update service authorizations. These updates must occur no later than December 31, 2025. In these cases, billing for services to individuals pending an IFSP or IPP update will continue under the current service code with an updated rate. Billing for services to individuals that do not need an IFSP or IPP update will use the new service and subcode combination and their rate.

Vendors and service providers operating as an agency must provide services and bill based on the staffing qualifications of the employees providing the direct services. The services may be provided using independent service code and subcode combinations under one vendorization.

### **Specialized Health, Treatment, and Training Services (service code 103)**

This service will not be used in rate reform and most likely is included in the updated service descriptions of other types of services. Regional centers and providers of this service must work together to review updated service descriptions of other types of services and determine alignment by March 31, 2025. As mentioned above, IFSPs or IPPs for some individuals will need to be updated. When this occurs, billing for services to individuals pending an IFSP or IPP update will continue under the current service code with an updated rate. Billing for services to individuals that do not need an IFSP or IPP update will use the new service and subcode combination and their rates.

Specialized Health, Treatment, and Training Services providers with rates that are above 90 percent of the rate model for the service description to which they will align will maintain their rates (held harmless) until June 30, 2026. Providers with rates between 90 percent and 100 percent of the rate model will have the opportunity to earn 100 percent of the rate model through the [Quality Incentive Program](#).

Continued and new use of this service code for services that do not align anywhere else will require the Department of Developmental Services' (Department) approval using the exemption process described in the Department's October 30, 2024 [letter](#). Current providers may continue using this service code through the 2025 transition to a new service code and do not need to request an exemption.

### **Specialized Therapeutic Services (service code 115)**

This service will not be used in rate reform and, with the exception of behavior intervention services, most likely is included in the updated service description for Specialized Therapeutic Services (service code 117). Behavior intervention services are described in the Department's directive D-2024-Rate Reform-004, [Rate Reform Implementation for Adaptive Skills Training and Behavioral Services](#), November 13, 2024. Regional centers and providers of this service must work together to review and determine alignment by March 31, 2025. As mentioned above, IFSPs or IPPs for some individuals will need to be updated. When this occurs, billing for services to individuals pending an IFSP or IPP update will continue under the current service code with an updated rate. Billing for services to individuals that do not need an IFSP or IPP update will use the new service and subcode combination and their rates. Specialized Therapeutic Services providers with rates that are above 90 percent of the rate model for the service description to which they will align will maintain their rates (held harmless) until June 30, 2026. Providers with rates between 90 percent and 100 percent of the rate model will have the opportunity to earn 100 percent of the rate model through the [Quality Incentive Program](#).

Current providers may continue using this service code through the 2025 transition to a new service code and do not need to request an exemption.

### **Specialized Therapeutic Services (service code 116)**

This service is described in the Department's November 19, 2024 [directive](#), D-2024-Rate Reform-003, Rate Reform Implementation for Early Star Services and Infant Development.

### **Specialized Therapeutic Services (service code 117)**

#### Service Description

Assessments or services provided by an individual or group of individuals of a specialized service for individuals ages 3 and above. Specialized Therapeutic Services include but are not limited to:

- Dietary Services, such as Diabetes Self-Management
- Nursing Service
- Occupational Therapy
- Oral Health Services, such as Diagnostic, Prophylactic, Restorative, Oral Surgery
- Individual and group interventions and counseling
- Physical Therapy
- Physician Services, such as Diagnostic and Treatment Respiratory Therapy
- Speech Therapy

Services may be provided by either a professional or a supervised assistant, and delivered either in the individual's home/community, or in a clinic setting. Providers must possess the license, certification and/or credential as required by the State of

California to practice in the field being offered, and have at least one year of experience working with individuals with developmental disabilities.

Providers continue to be responsible for the requirements described in Attachment B.

### New Components

- *Services:*
  - Vendors and service providers operating as an agency that provide a single specialized service or multiple specialized services now are included.
  - Ages 3 through 21 are now included, whereas they had been served previously under a different service code.
  - Dietary services now are included.
  - Behavior intervention services no longer are included, and are described in the Department's November 13, 2024 directive D-2024-Rate Reform-004, [Rate Reform Implementation for Adaptive Skills Training and Behavioral Services](#).
- *Billing:* Providers will bill services hourly based on which professional is providing the service, location of service, and ratio of employee to supported individuals. Rates are assigned in two categories – Professional and Assistant. Please see Attachment C for the subcodes and rate category assignments established for each combination.

### **Next Steps**

Regional centers and service providers shall follow this directive to affirm which updated service description most closely matches the services actually being delivered, and follow the procedures described in this directive. If a provider's service does not fit into any of the updated service descriptions, or a provider or its staff do not meet the requirements of any of the updated service descriptions, the regional center and service provider shall refer to the exemption process described in the Department's October 30, 2024 [letter](#).

This letter should be shared with involved regional center personnel and the provider network. If providers, individuals and/or their families have questions regarding this letter, they should contact their regional center. Questions from regional centers should be directed to [ratesquestions@dds.ca.gov](mailto:ratesquestions@dds.ca.gov).

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Sincerely,

*Original Signed by:*

DANA SIMON  
Deputy Director

Attachments

cc: Regional Center Administrators  
Regional Center Directors of Consumer Services  
Regional Center Community Services Directors  
Association of Regional Center Agencies  
Pete Cervinka, Department of Developmental Services  
Carla Castañeda, Department of Developmental Services  
Michi Gates, Department of Developmental Services