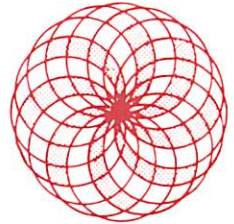


# NORTH BAY REGIONAL CENTER

10 Executive Court • P.O. Box 3360 • Napa, CA 94558 • (707) 256-1100  
For the Hearing Impaired • (707) 252-0213



Bob Hamilton  
*Executive Director*

## MEMO

**DATE:** October 26, 2010  
**TO:** NORTH BAY REGIONAL CENTER SERVICE PROVIDERS  
**SUBJECT:** IMPLEMENTATION OF 4.25 PERCENT PAYMENT REDUCTION  
REQUIRED BY LAW

The 2010-11 Budget Act (Senate Bill 853, Chapter 717, Statutes of 2010) includes an additional 1.25 percent payment reduction effective July 1, 2010, to vendored providers of services not otherwise exempted from the statute (see enclosed trailer bill language). Exemptions from this law are as follows:

- Supported employment services with rates set by Section 4860 of the Welfare and Institutions Code
- Services with "usual and customary" rates established pursuant to Section 57210 of Title 17 of the California Code of Regulations
- Payments to offset reductions in Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits for consumers receiving supported and independent living services

This additional 1.25 percent payment reduction will be added to the 3 percent payment reduction, which has been in effect since February 2009. This statutorily required 4.25 percent payment reduction is effective July 1, 2010, and ends as of June 30, 2011. **Payments for October services (paid in November) will reflect the 4.25 percent payment reduction.**

Since the change in law is retroactive to July 1, 2010, Regional Centers must collect the additional 1.25 percent from payments made for July – September 2010. Because payments for July through September 2010 had only the 3 percent reduction we are developing a process to handle the retroactive additional 1.25 percent reduction for payments you received for July through September 2010. This process may not occur until December or possibly later.

We understand that this additional payment reduction is difficult on service providers but North Bay Regional Center must implement and comply with the changes in the law. We greatly appreciate your support during this process.

If you have any questions please contact your Service Coordinator, your Liaison from Community Services or the Accounting staff who services payment of your invoices.

<sup>1</sup>Branch Office:

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From Fairfield, Vacaville, Cordelia and Suisun 1-888-256-2555

A Program of North Bay Developmental Services, Inc. Under Contract with the State of California

**Excerpt from Senate Bill 853, Chapter 717, Statutes of 2010**

SEC. 137. Section 4791 is added to the Welfare and Institutions Code, to read

4791. (a) Notwithstanding any other provision of law or regulation, between July 1, 2010, and June 30, 2011, inclusive, regional centers may temporarily modify personnel requirements, functions, or qualifications, or staff training requirements for providers, except for licensed or certified residential providers, whose payments are reduced by 4.25 percent pursuant to the amendments to Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, as contained in Section 164 of the act that adds this section.

(b) A temporary modification pursuant to subdivision (a), effective during any agreed upon period of time between July 1, 2010, and June 30, 2011, inclusive, may only be approved when the regional center determines that the change will not do any of the following:

- (1) Adversely affect the health and safety of a consumer receiving services or supports from the provider.
- (2) Result in a consumer receiving services in a more restrictive environment.
- (3) Negatively impact the availability of federal financial participation.
- (4) Violate any state licensing or labor laws or other provisions of Title 17 of the California Code of Regulations not eligible for modification pursuant to this section.

(c) A temporary modification pursuant to subdivision (a) shall be described in a written services contract between the regional center purchasing the services and the provider, and a copy of the written services contract and any related documentation shall be retained by the provider and the regional center purchasing the services from the provider.

(d) Notwithstanding any other provision of law or regulation, the department shall suspend, from July 1, 2010, to June 30, 2011, inclusive, the requirements described in Sections 56732 and 56800 of Title 17 of the California Code of Regulations requiring community-based day programs and in-home respite agencies to conduct annual reviews and to submit written reports to vendoring regional centers, user regional centers, and the department.

(e) Notwithstanding any other provision of law or regulation, from July 1, 2010, to June 30, 2011, inclusive, a residential service provider, vendored by a regional center and whose payment is reduced by 4.25 percent pursuant to the amendments to Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, as contained in Section 163 of the act that adds this section, shall not be required to complete quarterly and semiannual progress reports required in subdivisions (b) and (c) of Section 56026 of Title 17 of the California Code of Regulations. During program review, the provider shall inform the regional center case manager of the consumer's progress and any barrier to the implementation of the individual program plan for each consumer residing in the residence.

SEC. 164. Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, as amended by Section 3 of Chapter 4 of the Eighth Extraordinary Session of the Statutes of 2010, is amended to read:

Sec. 10. (a) Notwithstanding any other provision of law, in order to implement changes in the level of funding for regional center purchase of services, regional centers shall reduce payments for services and supports provided pursuant to Title 14 (commencing with Section 95000) of the Government Code and Division 4.1 (commencing with Section 4400) and Division 4.5 (commencing with

Section 4500) of the Welfare and Institutions Code. From February 1, 2009, to June 30, 2010, inclusive, regional centers shall reduce all payments for these services and supports paid from purchase of services funds for services delivered on or after February 1, 2009, by 3 percent, and from July 1, 2010, to June 30, 2011, inclusive, by 4.25 percent, unless the regional center demonstrates that a nonreduced payment is necessary to protect the health and safety of the individual for whom the services and supports are proposed to be purchased, and the State Department of Developmental Services has granted prior written approval.

(b) Regional centers shall not reduce payments pursuant to subdivision (a) for the following:

- (1) Supported employment services with rates set by Section 4860 of the Welfare and Institutions Code.
- (2) Services with "usual and customary" rates established pursuant to Section 57210 of Title 17 of the California Code of Regulations.
- (3) Payments to offset reductions in Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits for consumers receiving supported and independent living services.

(c) Notwithstanding any other provision of law, in order to implement changes in the level of funding appropriated for regional centers, the department shall amend regional center contracts to adjust regional center budgets accordingly for the 2008-09 fiscal year through the 2010-11 fiscal year. The contract amendments and budget adjustments shall be exempt from the provisions of Article 1 (commencing with Section 4620) of Chapter 5 of Division 4.5 of the Welfare and Institutions Code.