



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

NOV 21 2016

Ms. Henrietta Sam-Louie
Associate Regional IX Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT (SPA) 16-047

Dear Ms. Sam-Louie:

The Department of Health Care Services is submitting the enclosed State Plan Amendment (SPA) 16-047 for your review and approval. SPA 16-047 will add a median rate methodology for Licensed/Certified Residential Services - a sub-component of Habilitation- Community Living Arrangement Services. It will add participant-direction of services as an option for the already approved Respite, Nursing and Non-Medical Transportation services, and add Community-Based Training Services as a new service as well as associated rate methodology. Additionally, it will add Financial Management Services as a new service to support the aforementioned participant-direction of services.

If you have any question regarding this SPA, please contact Ms. Rebecca Schupp, Chief, Long-Term Care Division, at (916) 319-9247, or by email at Rebecca.Schupp@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED

Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <div style="text-align: center;">1 6 — 0 4 7</div>	2. STATE <div style="text-align: center;">CA</div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE October 1, 2016	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 1915i of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2016-17 \$ 11,350,000 b. FFY 2017-18 \$ 11,690,000		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 3.1-i, pages 1, 41, 42, 44, 45, 47, 48, 75, 78, 79, 86a, 86b, 86c, 86d, 86e, 87, 88, 88a Attachment 4.19-B, pages 71, 73, 77c	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 3.1-i, pages 1, 41, 42, 44, 45, 47, 48, 75, 78, 79, 86a, 86b, 87, 88 Attachment 4.19-B, pages 71, 73, 77c		
10. SUBJECT OF AMENDMENT 1915i SPA renewal - adds participant direction of services as an option to include Community-Based Training and Financial Management Services			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
ORIGINAL SIGNED 14. TITLE Chief Deputy Director 15. DATE SUBMITTED NOV 21 2016	16. RETURN TO Department of Health Care Services Attn: State Plan Coordinator 1501 Capitol Avenue, MS 4506 P.O. Box 997417 Sacramento, CA 95899-7417		
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED	18. DATE APPROVED		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL	20. SIGNATURE OF REGIONAL OFFICIAL		
21. TYPED NAME	22. TITLE		
23. REMARKS			

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

**1915(i) HCBS State Plan Services
Administration and Operation**

1. **Services.** (Specify the State's service title(s) for the HCBS defined under "Services" and listed in Attachment 4.19-B):

Habilitation- Community Living Arrangement Services; Habilitation- Day Services; Habilitation- Behavioral Intervention Services; Respite Care; Enhanced Habilitation- Supported Employment - Individual; Supported Employment- Group; Enhanced Habilitation- Prevocational Services; Homemaker Services; Home Health Aide Services; Community Based Adult Services; Personal Emergency Response Systems; Vehicle Modification and Adaptation; Speech, Hearing and Language Services; Dental Services; Optometric/Optician Services; Prescription Lenses and Frames; Psychology Services; Chore Services; Communication Aides; Environmental Accessibility Adaptations; Non-Medical Transportation; Nutritional Consultation; Skilled Nursing; Specialized Medical Equipment and Supplies; Specialized Therapeutic Services; Transition/Set-Up Expenses; Community-Based Training Services; Financial Management Services

2. **State Medicaid Agency (SMA) Line of Authority for Operating the HCBS State Plan Supplemental Benefit Package.** (Select one):

<input type="radio"/>	The HCBS state plan supplemental benefit package is operated by the SMA. Specify the SMA division/unit that has line authority for the operation of the program (select one):
<input type="radio"/>	The Medical Assistance Unit (name of unit):
<input type="radio"/>	Another division/unit within the SMA that is separate from the Medical Assistance Unit (name of division/unit)
<input checked="" type="radio"/>	The HCBS state plan supplemental benefit package is operated by (name of agency)
	The Department of Developmental Services (DDS)
	a separate agency of the State that is not a division/unit of the Medicaid agency. The interagency agreement or memorandum of understanding that sets forth the authority and arrangements for this delegation of authority is available through the Medicaid agency to CMS upon request.

3. **Distribution of State Plan HCBS Operational and Administrative Functions.**

☒ The State assures that in accordance with 42 CFR §431.10, the Medicaid agency exercises administrative discretion in the administration or supervision of the state plan. When a function is performed by other than the Medicaid agency, the entity performing that function does not substitute its own judgment for that of the Medicaid agency with respect to the application of policies, rules and regulations. Furthermore, the Medicaid Agency assures that it maintains accountability for the performance of any operational, contractual, or local regional entities.

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	where the business is located.		
Respite Agency	No state licensing category. As appropriate, a business license as required by the local jurisdiction where the business is located.	N/A	The agency director shall possess at a minimum: 1. A bachelor's degree and a minimum of 18 months' experience in the management of a human services delivery system, or; 2. Five years of experience in a human services delivery system, including at least two years in a management or supervisory position.
Adult Day Care Facility	Health and Safety Code §§ 1500 - 1567.8 As appropriate, a business license as required by the local jurisdiction where the business is located.	N/A	The administrator shall have the following qualifications: 1. Attainment of at least 18 years of age. 2. Knowledge of the requirements for providing the type of care and supervision needed by clients, including ability to communicate with such clients. 3. Knowledge of and ability to comply with applicable law and regulation. 4. Ability to maintain or supervise the maintenance of financial and other records. 5. Ability to direct the work of others, when applicable. 6. Ability to establish the facility's policy, program and budget. 7. Ability to recruit, employ, train, and evaluate qualified staff, and to terminate employment of staff, if applicable to the facility. 8. A baccalaureate degree in psychology, social work or a related human services field and a minimum of one-year experience in the management of a human services delivery system; or three years of experience in a human services delivery system including at least one year in a management or supervisory position and two years of experience or training in one of the

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

			<p>following:</p> <p>A. Care and supervision of recipients in a licensed adult day care facility, adult day support center or an adult day health care facility.</p> <p>B. Care and supervision of one or more of the categories of persons to be served by the center.</p> <p>The licensee must make provision for continuing operation and carrying out of the administrator's responsibilities during any absence of the administrator by a person who meets the qualification of an administrator.</p>
<p>Respite Facility; Residential Facility; Foster Family Agency (FFA)-Certified Family Homes (Children Only)</p>	<p>FFA licensed pursuant to Health and Safety Code §§1500-1567.8 provides statutory authority for DSS licensing of facilities identified in the CA Community Care Facilities Act.</p> <p>As appropriate, a business license as required by the local jurisdiction where the business is located.</p>	<p>Certified Family Homes; Title 22, CCR, § 88030 establishes requirements for FFA certification of family homes.</p>	<p>Title 22, CCR §§ 88000-88087. Regulations adopted by DSS to specify requirements for licensure of FFA's, certification and use of homes,</p> <p>FFA administrator qualifications:</p> <p>(1) A Master's Degree in social work or a related field. Three years of experience in the field of child or family services, two years of which have been administrative/ managerial; or,</p> <p>(2) A Bachelor's Degree in a behavioral science from an accredited college or university. A minimum of five years of experience in child or family services, two years of which have been in an administrative or managerial position.</p> <p>Certified family home providers meet requirements for foster family homes (Refer to Foster Family Homes below).</p>
<p>Respite Facility; Residential Facility; Foster Family Homes (FFHs) (Children Only) Payment for this</p>	<p>Health and Safety Code §§1500-1567.8</p> <p>As appropriate, a business license as</p>	<p>N/A</p>	<p>Title 22, CCR §§89200-89587.1 Regulations adopted by DSS to specify requirements for licensure of Foster Family Homes.</p> <p>Qualifications/Requirements for FFH providers:</p>

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

			<ul style="list-style-type: none"> ○ Infant care and stimulation; ○ Parenting skills; ○ Complexities, demands and special needs of children in placement; ○ Building self-esteem, for the licensee or the children; ○ First aid and/or CPR; ○ Bonding and/or safeguarding of children's property; ○ Ability to keep financial and other records; ○ Ability to recruit, employ, train, direct the work of and evaluate qualified staff.
Respite Facility; Residential Facility: Group Homes (Children Only)	<p>Health and Safety Code §§ 1500-1567.8</p> <p>As appropriate, a business license as required by the local jurisdiction where the business is located.</p>	N/A	<p>Title 22, CCR, § 84000-84808 Regulations adopted by DSS to specify requirements for licensure of Group Homes. Administrator Qualifications:</p> <ol style="list-style-type: none"> 1. Master's degree in a behavioral science, plus a minimum of one year of employment as a social worker in an agency serving children or in a group residential program for children; 2. Bachelor's degree, plus at least one year of administrative or supervisory experience (as above); 3. At least two years of college, plus at least two years administrative or supervisory experience (as above); or 4. Completed high school, or equivalent, plus at least three years administrative or supervisory experience (as above); and, 5. Criminal Records/Child Abuse Registry Clearance
Respite Facility; Residential Facility: Adult Residential Facilities (ARF)	<p>Health and Safety Code §§ 1500 through 1567.8</p> <p>As appropriate, a business license as required by the local jurisdiction where the</p>	N/A	<p>Title 22, CCR, §§85000-85092: Establish licensing requirements for persons 18 years of age through 59 years of age; and persons 60 years of age and older by exception.</p> <p>Administrator Qualifications</p> <ul style="list-style-type: none"> ▪ At least 21 years of age; ▪ High school graduation or a GED; ▪ Complete a program approved by DSS that consists of 35 hours of classroom instruction

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	business is located.		<ul style="list-style-type: none"> ○ 8 hrs. in laws, including resident's personal rights, regulations, policies, and procedural standards that impact the operations of adult residential facilities; ○ 3 hrs. in business operations; ○ 3 hrs. in management and supervision of staff; ○ 5 hrs. in the psychosocial needs of the facility residents; ○ 3 hrs. in the use of community and support services to meet the resident's needs; ○ 4 hrs. in the physical needs of the facility residents; ○ 5 hrs. in the use, misuse and interaction of drugs commonly used by facility residents; ○ 4 hrs. on admission, retention, and assessment procedures; ▪ Pass a standardized test, administered by the Department of Social Services with a minimum score of 70%. ▪ Criminal Record/Child Abuse Registry Clearance. <p>Additional Administrator Qualifications may also include:</p> <ul style="list-style-type: none"> ▪ Has at least one year of administrative and supervisory experience in a licensed residential program for persons ▪ with developmental disabilities, and is one or more of the following: <ul style="list-style-type: none"> (A) A licensed registered nurse. (B) A licensed nursing home administrator. (C) A licensed psychiatric technician with at least five years of experience serving individuals with developmental disabilities. (D) An individual with a bachelor's degree or more advanced degree in the health or human services field and two years of experience working in a licensed residential program for persons with developmental disabilities and special health care needs.
--	----------------------	--	--

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

			degree or more advanced degree in the health or human services field and two years of experience working in a licensed residential program for persons with developmental disabilities and special health care needs.
Respite Facility; Residential Facility; Family Home Agency(FHA): Adult Family Home(AFH)/Family Teaching Home(FTH)	No state licensing category. As appropriate, a business license as required by the local jurisdiction where the business is located.	AFH Title 17, CCR, §56088 Authorizes the FHA to issue a Certificate of Approval to each family home which has: 1. Completed the criminal record review; 2. Been visited by the FHA and a determination ensuring safe and reasonable and the prospective providers experience, knowledge, cooperation, history and interest to become an approved family home. 3. Completed required orientation and training.	Welfare and Institutions Code 4689.1-4689.6 provides statutory authority for FHA. FHA employs sufficient staff with the combined experience, training and education to perform the following duties: 1. Administration of the FHA; 2. Recruitment of family homes; 3. Training of FHA staff and family homes; 4. Ensuring an appropriate match between the needs and preferences of the consumer and the family home; 5. Monitoring of family homes; 6. Provision of services and supports to consumers and family homes which are consistent with the consumer's preferences and needs and the consumer's IPP; and 7. Coordination with the regional center and others. In order to accomplish these duties, selection criteria for hiring purposes should include but not be limited to: education in the fields of social work, psychology, education of related areas; experience with persons with developmental disabilities; experience in program management, fiscal management and organizational development.
Camping Services	As appropriate, a business license as required by the local jurisdiction where the business is located.	The camp submits to the local health officer either 1) Verification that the camp is	Camp Director Qualifications: must be at least 25 years of age, and have at least two seasons of administrative or supervisory experience in camp activities. Health Supervisor (physician, registered

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	where the business is located.	accredited by the American Camp Association or 2) A description of operating procedures that addresses areas including supervisor qualifications and staff skill verification criteria.	nurse or licensed vocational nurse) employed full time will verify that all counselors have been trained in first aid and CPR.
Child Day Care Facility Child Day Care Center; Family Child Care Home	Health and Safety Code §§ 1596.90 – 1597.621 As appropriate, a business license as required by the local jurisdiction where the business is located.	Child Day Care Center: Title 22 CCR, §§101151-101239.2 Family Child Care Home: Title 22 CCR §§102351.1-102424	The administrator shall have the following qualifications: 1. Attainment of at least 18 years of age. 2. Knowledge of the requirements for providing the type of care and supervision children need and the ability to communicate with such children. 3. Knowledge of and ability to comply with applicable law and regulation. 4. Ability to maintain or supervise the maintenance of financial and other records. 5. Ability to establish the center's policy, program and budget. 6. Ability to recruit, employ, train, direct and evaluate qualified staff.
Verification of Provider Qualifications (For each provider type listed above. Copy rows as needed):			
Provider Type (Specify):	Entity Responsible for Verification (Specify):		Frequency of Verification (Specify):
All respite providers	Regional centers, through the vendorization process, verify providers meet requirements/qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.		Verified upon application for vendorization and ongoing thereafter through oversight and monitoring activities.

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	registration with the State of California as appropriate for the type of modification being purchased.		
Verification of Provider Qualifications (For each provider type listed above. Copy rows as needed):			
Provider Type (Specify):	Entity Responsible for Verification (Specify):	Frequency of Verification (Specify):	
Contractor appropriate for the type of adaption to be completed.	Regional centers, through the vendorization process, verify providers meet requirements/ qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.	Verified upon application for vendorization and ongoing as needed/ required.	
Service Delivery Method. (Check each that applies):			
<input checked="" type="checkbox"/>	Participant-directed	<input checked="" type="checkbox"/>	Provider managed
Service Specifications (Specify a service title for the HCBS listed in Attachment 4.19-B that the State plans to cover):			
Service Title:	Non-Medical Transportation		
Service Definition (Scope):			
Service offered in order to enable individuals eligible for 1915(i) State Plan Services to gain access to other community services, activities and resources, specified by the plan of care. This service is offered in addition to medical transportation required under 42 CFR 431.53 and transportation services under the Medicaid State plan, defined in 42 CFR 440.170(a) (if applicable), and shall not replace them.			
Transportation services shall be offered in accordance with the individual's plan of care and shall include transportation aides and such other assistance as is necessary to assure the safe transport of the recipient. Private, specialized transportation will be provided to those individuals who cannot safely access and utilize public transportation services (when available.) Whenever possible, family, neighbors, friends, or community agencies which can provide this service without charge will be utilized. A regional center may offer vouchers to family members or adult consumers to allow the families and consumers to procure their own transportation services.			
Additional needs-based criteria for receiving the service, if applicable (specify):			
Specify limits (if any) on the amount, duration, or scope of this service for (chose each that applies):			
<input type="checkbox"/>	Categorically needy (specify limits):		

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

		and duty statements; and service design.			
Service Delivery Method. (Check each that applies):					
<input checked="" type="checkbox"/>	Participant-directed		<input checked="" type="checkbox"/>	Provider managed	
Service Specifications (Specify a service title for the HCBS listed in Attachment 4.19-B that the State plans to cover):					
Service Title:		Skilled Nursing			
Service Definition (Scope):					
Services listed in the plan of care which are within the scope of the State's Nurse Practice Act and are provided by a registered professional nurse, or licensed practical or vocational nurse under the supervision of a registered nurse, licensed to practice in the State. 1915(i) HCBS SPA Skilled Nursing Services will not supplant services available through the approved Medicaid State plan or the EPSDT benefit.					
Additional needs-based criteria for receiving the service, if applicable (specify):					
Specify limits (if any) on the amount, duration, or scope of this service for (chose each that applies):					
<input type="checkbox"/>	Categorically needy (specify limits):				
<input type="checkbox"/>	Medically needy (specify limits):				
Provider Qualifications (For each type of provider. Copy rows as needed):					
Provider Type (Specify):		License (Specify):	Certification (Specify):	Other Standard (Specify):	
Registered Nurse (RN)		Business and Professions Code, §§ 2725-2742 Title 22, CCR, § 51067 As appropriate, a business license as required by the local jurisdiction where the business is located.	N/A	N/A	
Licensed Vocational Nurse (LVN)		Business and Professions Code, §§ 2859-2873.7 Title 22, CCR, § 51069 As appropriate	N/A	N/A	

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	business license as required by the local jurisdiction where the business is located.		
Home Health Agency: RN or LVN	<p>Title 22, CCR, §§ 74600 et. seq.</p> <p>RN: Business and Professions Code, §§ 2725-2742 Title 22, CCR, § 51067</p> <p>LVN: Business and Professions Code, §§ 2859-2873.7 Title 22, CCR, § 51069</p> <p>As appropriate, a business license as required by the local jurisdiction where the business is located.</p>	<p>Medi-Cal Certification using Medicare standards</p> <p>Title 22, CCR, §§ 51069-51217.</p>	N/A

Verification of Provider Qualifications (For each provider type listed above. Copy rows as needed):

Provider Type (Specify):	Entity Responsible for Verification (Specify):	Frequency of Verification (Specify):
All Skilled Nursing Providers	Regional centers, through the vendorization process, verify providers meet requirements/ qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.	Verified upon application for vendorization and ongoing thereafter through oversight and monitoring activities.
Registered Nurse	Board of Registered Nursing, Licensing and regional centers	Every two years
Licensed Vocational Nurse	Board of Vocational Nursing and Psychiatric Technicians, Licensing and regional centers	Every two years

Service Delivery Method. (Check each that applies):

<input checked="" type="checkbox"/>	Participant-directed	<input checked="" type="checkbox"/>	Provider managed
-------------------------------------	----------------------	-------------------------------------	------------------

Service Specifications (Specify a service title for the HCBS listed in Attachment 4.19-B that the State plans to cover):

Service Title:	Specialized Medical Equipment and Supplies
----------------	---

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

	Including the following, as applicable: any license, credential, registration, certificate, permit or academic degree required for the performance or operation of the service; the staff qualification and duty statements; and service design.	monitoring activities
Service Delivery Method. (Check each that applies):		
<input type="checkbox"/>	Participant-directed	<input checked="" type="checkbox"/> Provider managed

Service Specifications (Specify a service title for the HCBS listed in Attachment 4.19-B that the State plans to cover):			
Service Title:		Community-Based Training Service	
Service Definition (Scope):			
Community-based training service is a participant-directed service that allows recipients the opportunity to customize day services to meet their individualized needs. As determined by the person-centered individual program planning process, the service may include opportunities and assistance to: further the development or maintenance of employment and volunteer activities; pursue post-secondary education; and increase recipients' ability to lead integrated and inclusive lives.			
Additional needs-based criteria for receiving the service, if applicable (specify):			
Specify limits (if any) on the amount, duration, or scope of this service for (choose each that applies):			
<input checked="" type="checkbox"/>	Categorically needy (specify limits):		
	Community-based training services are limited to a maximum of 150 hours per quarter.		
<input checked="" type="checkbox"/>	Medically needy (specify limits):		
	Community-based training services are limited to a maximum of 150 hours per quarter.		
Provider Qualifications (For each type of provider. Copy rows as needed):			
Provider Type (Specify):	License (Specify):	Certification (Specify):	Other Standard (Specify):
Community-Based Training Provider	As appropriate, a business license as required by the local jurisdiction where the business is located.	N/A	Providers of community-based training service shall be an adult who possesses the skill, training, and experience necessary to provide services in accordance with the individual program plan.

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

Verification of Provider Qualifications (For each provider type listed above. Copy rows as needed):		
Provider Type (Specify):	Entity Responsible for Verification (Specify):	Frequency of Verification (Specify):
Community-Based Training Provider	Regional centers, through the vendorization process, verify providers meet requirements/qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.	Verified upon application for vendorization and ongoing thereafter through oversight and monitoring activities.

Service Delivery Method. (Check each that applies):	
<input checked="" type="checkbox"/> Participant-directed	<input type="checkbox"/> Provider managed

Service Specifications (Specify a service title from the options for HCBS State plan services in Attachment 4.19-B):	
Service Title:	Financial Management Services
Service Definition (Scope):	
<p>Financial Management Services (FMS) are designed to serve as a fiscal intermediary that performs financial transactions (paying for goods and services and/or processing payroll for adult consumers' or their families' workers included in the IPP) on behalf of the consumer. FMS is an important safeguard because it ensures consumers are in compliance with Federal and state tax, labor, workers' compensation insurance and Medicaid regulations. The term "Financial Management Services" or "FMS" is used to distinguish this important participant direction support from the activities that are performed by intermediary organizations that function as Medicaid fiscal agents.</p> <p>All FMS services shall:</p> <ol style="list-style-type: none"> 1. Assist the family member or adult consumer in verifying worker citizenship status. 2. Collect and process timesheets of workers. 3. Process payroll, withholding, filing and payment of applicable federal, state and local employment-related taxes and insurance. 4. Track, prepare and distribute reports (e.g., expenditure) to appropriate individual(s)/entities. 5. Maintain all source documentation related to the authorized service(s) and expenditures. 6. Maintain a separate accounting for each participant's participant-directed funds. 	

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

Additional needs-based criteria for receiving the service, if applicable (<i>specify</i>):			
Specify limits (if any) on the amount, duration, or scope of this service for (<i>chose each that applies</i>):			
<input type="checkbox"/>	Categorically needy (<i>specify limits</i>):		
<input type="checkbox"/>	Medically needy (<i>specify limits</i>):		
Specify whether the service may be provided by a (<i>check each that applies</i>):		<input checked="" type="checkbox"/>	Relative
		<input checked="" type="checkbox"/>	Legal Guardian
		<input checked="" type="checkbox"/>	Legally Responsible Person
Provider Qualifications (<i>For each type of provider. Copy rows as needed</i>):			
Provider Type (<i>Specify</i>):	License (<i>Specify</i>):	Certification (<i>Specify</i>):	Other Standard (<i>Specify</i>):
Financial Management Services Provider	Business license, as appropriate		
Verification of Provider Qualifications (<i>For each provider type listed above. Copy rows as needed</i>):			
Provider Type (<i>Specify</i>):	Entity Responsible for Verification (<i>Specify</i>):	Frequency of Verification (<i>Specify</i>):	
All FMS providers	Regional centers, through the vendorization process, verify providers meet requirements/qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.	Verified upon application for vendorization and ongoing thereafter through oversight and monitoring activities.	
Service Delivery Method. (<i>Check each that applies</i>):			
<input checked="" type="checkbox"/>	Participant-directed	<input type="checkbox"/>	Provider managed

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

Methods and Standards for Establishing Payment Rates

- 1. Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates): See attachment 4.19-B for descriptions of the rate setting methodologies for the services identified below.*

<input checked="" type="checkbox"/>	Habilitation – Community Living Arrangement Services
<input checked="" type="checkbox"/>	Habilitation - Day Services
<input checked="" type="checkbox"/>	Habilitation – Behavioral Intervention Services
<input checked="" type="checkbox"/>	Respite Care
<input checked="" type="checkbox"/>	Enhanced Habilitation - Supported Employment
<input checked="" type="checkbox"/>	Enhanced Habilitation – Prevocational Services
<input type="checkbox"/>	Personal Care Services
<input checked="" type="checkbox"/>	Homemaker
<input checked="" type="checkbox"/>	Home Health Aide
<input checked="" type="checkbox"/>	Community Based Adult Services
<input checked="" type="checkbox"/>	Other Services
<input checked="" type="checkbox"/>	HCBS Personal Emergency Response Systems –
<input checked="" type="checkbox"/>	HCBS Vehicle Modification and Adaptation –
<input checked="" type="checkbox"/>	HCBS Speech, Hearing and Language Services
<input checked="" type="checkbox"/>	HCBS Dental Services
<input checked="" type="checkbox"/>	HCBS Optometric/Optician Services
<input checked="" type="checkbox"/>	HCBS Prescription Lenses and Frames
<input checked="" type="checkbox"/>	HCBS Psychology Services
<input checked="" type="checkbox"/>	HCBS Chore Services
<input checked="" type="checkbox"/>	HCBS Communication Aides
<input checked="" type="checkbox"/>	HCBS Environmental Accessibility Adaptations
<input checked="" type="checkbox"/>	HCBS Non-Medical Transportation

TN No. 16-047
Supersedes
TN. No. None

Approval Date: _____ Effective Date: October 1, 2016

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

<input checked="" type="checkbox"/>	HCBS Nutritional Consultation
<input checked="" type="checkbox"/>	HCBS Skilled Nursing
<input checked="" type="checkbox"/>	HCBS Specialized Medical Equipment and Supplies
<input checked="" type="checkbox"/>	HCBS Specialized Therapeutic Services
<input checked="" type="checkbox"/>	HCBS Transition/Set-Up Expenses
<input checked="" type="checkbox"/>	HCBS Community-Based Training Services
<input checked="" type="checkbox"/>	HCBS Financial Management Services

2. **Presumptive Eligibility for Assessment and Initial HCBS.** Period of presumptive payment for HCBS assessment and initial services, as defined by 1915(i)(1)(J) (*Select one*):

<input checked="" type="radio"/>	The State does not elect to provide for a period of presumptive payment for individuals that the State has reason to believe may be eligible for HCBS.
<input type="radio"/>	<p>The State elects to provide for a period of presumptive payment for independent evaluation, assessment, and initial HCBS. Presumptive payment is available only for individuals covered by Medicaid that the State has reason to believe may be eligible for HCBS, and only during the period while eligibility for HCBS is being determined.</p> <p>The presumptive period will be <input type="text"/> days (not to exceed 60 days).</p>

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

Participant-Direction of Services

Definition: Participant-direction means self-direction of services per §1915(i)(1)(G)(iii).

1. Election of Participant-Direction. *(Select one):*

<input type="radio"/>	The State does not offer opportunity for participant-direction of state plan HCBS.
<input type="radio"/>	Every participant in HCBS state plan services (or the participant's representative) is afforded the opportunity to elect to direct services. Alternate service delivery methods are available for participants who decide not to direct their services.
<input checked="" type="radio"/>	Participants in HCBS state plan services (or the participant's representative) are afforded the opportunity to direct some or all of their services, subject to criteria specified by the State. <i>(Specify criteria):</i> Participants who receive respite, community-based training services, skilled nursing or non-medical transportation have the option to direct those services.

2. Description of Participant-Direction. *(Provide an overview of the opportunities for participant-direction under the HCBS State Plan option, including: (a) the nature of the opportunities afforded; (b) how participants may take advantage of these opportunities; (c) the entities that support individuals who direct their services and the supports that they provide; and, (d) other relevant information about the approach to participant-direction):*

During the development of an IPP participants who receive respite, community-based training services, skilled nursing or non-medical transportation identified as a need in their IPP will be given the option to self-direct those services. In support of participant's control over the supports and services they receive a voucher payment method is offered as an option for the services they receive. The voucher payment method may be chosen in lieu of services provided by staff hired via an authorized agency through the regional center. Voucher services empower families or the consumer by giving them direct control over the administration of services and enable closer scrutiny of the quality of those services. For those selecting to self-direct the indicated services, FMS will be offered to provide assistance with selected administrative functions required in self-direction.

3. Participant-Directed Services. *(Indicate the HCBS that may be participant-directed and the authority offered for each. Add lines as required):*

Participant-Directed Service	Employer Authority	Budget Authority
Respite	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community-Based Training Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-medical Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

4. **Financial Management.** *(Select one):*

<input type="radio"/>	Financial Management is not furnished. Standard Medicaid payment mechanisms are used.
<input checked="" type="radio"/>	Financial Management is furnished as an administrative function.

5. ☒ **Participant-Directed Service Plan.** The State assures that, based on the independent assessment, a person-centered process produces an individualized plan of care for participant-directed services that:

- Is directed by the individual or authorized representative and builds upon the individual's preferences and capacity to engage in activities that promote community life;
- Specifies the services to be participant-directed, and the role of family members or others whose participation is sought by the individual or representative;
- For employer authority, specifies the methods to be used to select, manage, and dismiss providers;
- For budget authority, specifies the method for determining and adjusting the budget amount, and a procedure to evaluate expenditures; and
- Includes appropriate risk management techniques.

6. **Voluntary and Involuntary Termination of Participant-Direction.** *(Describe how the State facilitates an individual's transition from participant-direction, and specify any circumstances when transition is involuntary):*

Participants may choose to switch to non-participant directed services at any time. A planning team meeting is held to update the IPP and the case manager facilitates the transition to ensure there is no break in service. The state does not involuntarily terminate participant direction.

7. **Opportunities for Participant-Direction**

a. **Participant-Employer Authority** (individual can hire and supervise staff). *(Select one):*

<input type="radio"/>	The State does not offer opportunity for participant-employer authority.
<input checked="" type="radio"/>	Participants may elect participant-employer Authority <i>(Check each that applies):</i>
<input checked="" type="checkbox"/>	Participant/Co-Employer. The participant (or the participant's representative) functions as the co-employer (managing employer) of workers who provide state plan services. An agency is the common law employer of participant-selected/recruited staff and performs necessary payroll and human resources functions. Supports are available to assist the participant in conducting employer-related functions.
<input checked="" type="checkbox"/>	Participant/Common Law Employer. The participant (or the participant's representative) is the common law employer of workers who provide state plan services. An IRS-approved Fiscal/Employer Agent functions as the participant's agent in performing payroll and other employer responsibilities that are required by federal and state law. Supports are available to assist the participant in conducting employer-related functions.

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

b. Participant–Budget Authority (individual directs a budget). *(Select one):*

<input checked="" type="radio"/>	The State does not offer opportunity for participants to direct a budget.
<input type="radio"/>	Participants may elect Participant–Budget Authority.
	Participant-Directed Budget. <i>(Describe in detail the method(s) that are used to establish the amount of the budget over which the participant has authority, including how the method makes use of reliable cost estimating information, is applied consistently to each participant, and is adjusted to reflect changes in individual assessments and service plans. Information about these method(s) must be made publicly available and included in the plan of care):</i>
	Expenditure Safeguards. <i>(Describe the safeguards that have been established for the timely prevention of the premature depletion of the participant-directed budget or to address potential service delivery problems that may be associated with budget underutilization and the entity (or entities) responsible for implementing these safeguards):</i>

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

direct services for consumers as well as administrative expenses for service providers.

While the law sets a cap on negotiated rates, the rate setting methodology for applicable services is one of negotiation between the regional center and prospective provider. Pursuant to law and the regional center's contracts with the Department of Developmental Services regional centers must maintain documentation on the process to determine, and the rationale for granting any negotiated rate (e.g. cost-statements), including consideration of the type of service and any education, experience and/or professional qualifications required to provide the service.

If the regional center demonstrates an increase to the median rate is necessary to protect a beneficiary's health and safety, the Department of Developmental Services can grant prior written authorization to the regional center to negotiate the reimbursement rate up to the actual cost of providing the service.

**REIMBURSEMENT METHODOLOGY FOR HABILITATION – COMMUNITY
LIVING ARRANGEMENT SERVICES**

This service contains the following two subcomponents:

A. Licensed/Certified Residential Services – Providers in this subcategory are Foster Family Agency/Certified Family Home, Foster Family Home, Small Family Home, Group Home, Adult Residential Facility, Residential Facility for the Elderly, Out-of-State Residential Facility, Adult Residential Facility for Persons with Special Health Care Needs and Family Home Agency. There are three rate setting methodologies for all providers in this subcategory.

1) Alternative Residential Model (ARM) Methodology – The ARM methodology and monthly rates resulted from an analysis of actual costs of operating residential care facilities. The applicable cost components (see below) were analyzed to determine the statistical significance of the variation in costs among facilities by service type, facility size, and operation type. Based upon the results of this statistical analysis, the initial ARM rates were determined and became effective in 1987. Within this methodology 14 different service levels were established based upon the results of this cost analysis. Individual providers can apply to become a vendor for one of these service levels based upon the staffing ratios, service design, personnel qualifications and use of consultant services as described in their program design.

The following allowable costs were used in setting the ARM rates:

- Direct costs for covered services: Includes unallocated payroll costs and other unallocated cost that can be directly charged to covered medical services. Direct payroll costs include total compensation (i.e., salaries and benefits and contract compensation) of direct care staff. Other direct costs include costs directly related to

State Plan Under Title XIX of the Social Security Act
STATE/TERRITORY: CALIFORNIA

appropriate reimbursement levels and update the fee schedule and State Plan. If the State determines that no rebasing is necessary, the State must submit documentation to CMS to support its decision.

2) Out-of-State Rate Methodology - This methodology is applicable for out-of-state residential providers. The rate paid is the established usual and customary rate for that service, paid by that State in the provision of that service to their own service population.

3) Median Rate Methodology - As described on pages 70-71, above. This methodology is used to determine the applicable rate for Licensed/Certified Residential Services providers.

B. Supported Living Services provided in a Consumer's own Home (Non-Licensed/Certified) Supported Living Services providers are in this subcategory. Maximum hourly rates for these providers are determined using the median rate methodology, as described on pages 70-71 above.

REIMBURSEMENT METHODOLOGY FOR HABILITATION – DAY SERVICES

This service is comprised of the following three subcomponents:

A. Community-Based Day Services – There are two rate setting methodologies for providers in this subcategory.

1) Rates Set pursuant to a Cost Statement Methodology – As described on page 69, above. This methodology is applicable to the following providers (unit of service in parentheses): Activity Center (daily), Adult Development Center (daily), Behavior Management Program (daily), Independent Living Program (hourly), and Social Recreation Program (hourly). The rate schedule, effective July 1, 2016, for these services is located at the following link:

http://www.dds.ca.gov/Rates/docs/Comm_Based_Respite.pdf

2) Median Rate Methodology – As described on pages 70-71, above. This methodology is used to determine the applicable daily rate for In-Home Day Program, Creative Art Program, Community Integration Training Program and Community Activities Support Services providers. This methodology is also used to determine the applicable hourly rate for Adaptive Skills Trainer, Socialization Training Program, Personal Assistance and Independent Living Specialist providers.

B. Therapeutic/Activity-Based Day Services – The providers in this subcategory are Specialized Recreation Therapy, Special Olympics, Sports Club, Art Therapist, Dance Therapist, Music Therapist and Recreational Therapist. The units of service for all providers are daily, with the exception of Sports Club providers, who have a monthly rate. There are two rate setting methodologies for providers in this subcategory.

State Plan Under Title XIX of the Social Security Act

STATE/TERRITORY: CALIFORNIA

**REIMBURSEMENT METHODOLOGY FOR SPECIALIZED MEDICAL
EQUIPMENT AND SUPPLIES**

DHCS Fee Schedules - As described on page 70, above. The fee schedule, effective July 15, 2016 can be found at the following link: http://files.medi-cal.ca.gov/pubsdoco/Rates/rates_download.asp

**REIMBURSEMENT METHODOLOGY FOR SPECIALIZED THERAPEUTIC
SERVICES**

(including reimbursement for travel, which must be necessary and cost-effective, to a provider for providing Specialized Therapeutic Services that are outside of the individual's residence or program environment due to the disabilities of the individual)

Median Rate Methodology - As described on pages 70-71, above.

REIMBURSEMENT METHODOLOGY FOR TRANSITION/SET-UP EXPENSES

Usual and Customary Rate Methodology - As described on page 70, above.

**REIMBURSEMENT METHODOLOGY FOR COMMUNITY-BASED TRAINING
SERVICES**

The maximum rate for this service is set pursuant to State statute [Welfare and Institutions Code Section 4688.21(c)(7)] in conjunction with the increases authorized in Sections 4691.10 and 4691.11, at \$14.99 per hour.

**REIMBURSEMENT METHODOLOGY FOR FINANCIAL MANAGEMENT
SERVICES**

Rates for FMS are set in State regulation, Title 17, CCR, Section 58888(b), in conjunction with the increases authorized by State statute [Welfare and Institutions Code Section 4691.10] as follows:

If the FMS functions as a fiscal/employer agent, the rate is based on the number of participant-directed services used by the consumer:

- (A) A rate not to exceed a maximum of \$45.88 per consumer per month for one participant-directed service; or
- (B) A rate not to exceed a maximum of \$71.37 per consumer per month for two or three participant-directed services; or
- (C) A rate not to exceed a maximum of \$96.86 per consumer per month for four or more participant-directed services.

If the FMS functions as a co-employer, the rate is not to exceed a maximum of \$96.86 per consumer per month for one to four co-employer services.

TN No. 16-047

Supersedes

TN No. 16-016Approval Date: _____ Effective Date: October 1, 2016