

ESTABLISHING RATES FOR SERVICE PROVIDERS

The Department of Developmental Services (DDS) has established four types of rates for service providers:

Usual and Customary Rates means the rates which are regularly charged by a service provider and where at least 30% of the recipients of the service are not regional center consumers or their families. An example of a usual and customary rate is the cost of a computer.

Schedule of Maximum Allowances (SMA) means the rate established by the Department of Health Services (DHS) for services reimbursable under the Medi-Cal program. An example of an SMA rate is the cost for a doctor's visit.

DDS Rates means the rates set by the Department of Developmental Services for certain services. Examples of services for which DDS sets the rates are residential services and community-based day program services.

Negotiated Rates means the rate that is negotiated between the service provider and the regional center for services. Negotiated rates are used when none of the other types of rates apply. The practice for setting negotiated rates follows:

The service provider proposes a rate to the regional center for the service based on a budget and an explanation of the anticipated and verified costs to provide the service. The regional center reviews the budget and explanation of each budget item for reasonableness based on market cost data and requests additional information, including supporting documentation, if needed. Based upon this review, the regional center proposes a rate to provide the service. The service provider may accept or propose a counter-offer in response to the regional center offer, and all or part of the process may be repeated in order to complete the rate negotiation process. The process is completed when the regional center makes a final offer that the service provider may accept.