

**Introduced by Senator Walters**

February 20, 2013

---

An act to add Section 14132.993 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 349, as introduced, Walters. Home- and community-based services waiver for the developmentally disabled: sheltered work.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing federal law provides for various home- and community-based services waivers.

This bill would require a provider of sheltered work under a specified home- and community-based services waiver to demonstrate that the provider is transitioning at least 20 percent of its clients annually into integrated, individualized employment settings, with or without support, in order to get reimbursed under the waiver.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) It is good public policy to increase the number of
- 4 Californians with developmental disabilities who pay taxes and
- 5 are self-sufficient and involved in their communities.

1 (b) Individuals with developmental disabilities can and would  
2 prefer to work and are entitled to the supports and services  
3 necessary to do so.

4 (c) The Americans with Disabilities Act recognizes the rights  
5 of people with developmental disabilities to live, recreate, and  
6 work in integrated, community-based settings. Title II of the  
7 Americans with Disabilities Act requires states to provide qualified  
8 individuals with disabilities with services and programs in the most  
9 integrated setting appropriate to their needs.

10 (d) People with developmental disabilities are an important and  
11 largely untapped employment and economic resource.

12 (e) Research demonstrates that wages and hours worked increase  
13 dramatically as individuals move from sheltered or facility-based  
14 employment to integrated employment, and suggests that other  
15 benefits include an increase in earnings and taxes paid, reduced  
16 reliance on publicly funded services, expanded social relationships,  
17 heightened self-determination, and more typical job acquisitions  
18 and job roles.

19 (f) Increasing integrated and gainful employment opportunities  
20 for people with developmental disabilities requires collaboration  
21 and cooperation by state and local agencies, including, but not  
22 limited to, the State Department of Developmental Services and  
23 regional centers, the State Council on Developmental Disabilities,  
24 the Employment Development Department, the Department of  
25 Rehabilitation, and the State Department of Education.

26 (g) Working-age Californians who have developmental  
27 disabilities have an unemployment rate as high as 80 percent and  
28 traditional approaches to increase employment rates through  
29 training and employer outreach have not been sufficient to solve  
30 this problem.

31 (h) The federal Centers for Medicare and Medicaid Services  
32 states that Medicaid-financed prevocational services to sheltered  
33 workshops are “not an end point, but a time limited [although no  
34 specific limit is given] service for the purpose of helping someone  
35 obtain competitive employment.”

36 (i) Sheltered workshops are not doing what the Medicaid  
37 Program is paying them to do. Between 2007 and 2010, sheltered  
38 workshops in California transitioned less than 5 percent of workers  
39 into integrated employment.

1 SEC. 2. Section 14132.993 is added to the Welfare and  
2 Institutions Code, to read:

3 14132.993. (a) In order for a provider of sheltered work to be  
4 reimbursed under the home- and community-based waiver for the  
5 developmentally disabled under Section 1915(c) of the federal  
6 Social Security Act (42 U.S.C. Sec. 1396n(c)), the provider shall  
7 demonstrate that the provider is transitioning at least 20 percent  
8 of its clients annually into integrated, individualized employment  
9 settings, with or without support.

10 (b) For the purposes of this section, “sheltered work” also means  
11 “facility-based employment” or “center-based employment.”

12 (c) The department shall seek any necessary federal approvals  
13 to implement this section.

O