

AMENDED IN SENATE MARCH 29, 2016

SENATE BILL

No. 1024

Introduced by Senator Hancock
(Principal coauthor: Assembly Member Bonta)

February 12, 2016

An act to ~~amend Section 4860 of, and to add Section 4860.5 to, add Sections 4860.1 and 4860.2 to~~ the Welfare and Institutions Code, relating to developmental services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1024, as amended, Hancock. Developmental services: supported employment.

Existing law authorizes the State Department of Developmental Services to contract with regional centers to provide services and supports to persons with developmental disabilities, in accordance with the person's individual program plan. As part of the individual program plan, the regional center may refer an adult consumer to habilitation services, including work activity programs or supported employment programs. ~~Existing law establishes an hourly rate of \$30.82 for supported employment services provided to consumers receiving individualized services and group services, and a \$720 fee to be paid to the program provider upon placement or retention of a consumer in a job, as specified.~~

Existing law declares the policy of the state, known as the Employment First Policy, that opportunities for integrated, competitive employment be given the highest priority for working age individuals with developmental disabilities.

~~This bill would increase to \$40 the hourly rate for supported employment services provided to consumers receiving individualized~~

~~services, and would increase this amount by 10% annually. The bill would also increase to \$1,000 the program provider fee upon placement or retention of a consumer in a competitive, integrated job, as specified. The bill would also require the department, in consultation with stakeholders, to develop a community-based rate model to provide ongoing individual placement employment supports by June 30, 2018.~~

This bill would require the department to provide a clear financial incentive in order to encourage the development of and support for consumers in individual supported employment in integrated work settings. The bill would require the incentive to establish at least a 10% rate differential for individual supported employment services. The bill would authorize the department to adjust the rate for individual placement supported employment services to administer the incentive payment, as specified. The bill would also require the department to review the need for clarifying placement fees and bonus payments, as specified.

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. (a) The Legislature finds and declares all of the
2 following:
- 3 (1) California's Employment First Policy and the federal
4 Workforce Innovation and Opportunity Act recognize that
5 competitive, integrated employment is an essential component for
6 individuals with intellectual and developmental disabilities to lead
7 productive and meaningful lives, be a part of their communities,
8 make friends, and earn money to help improve their economic
9 outcomes and status.
- 10 (2) The Developmental Disabilities System Employment Data
11 Dashboard reports that in 2012, only 12.4 percent of working age
12 individuals with developmental disabilities reported any income
13 at all. The State Council on Developmental Disabilities' report to
14 the Legislature in 2013 indicated that 92 percent of working age
15 regional center clients reported not having a job in the community.
- 16 (3) The key service for helping individuals with developmental
17 disabilities find, obtain, and maintain competitive, integrated
18 employment is individual placement supported employment, which
19 consists of support by a job coach to an individual to help him or

1 her adapt to the work environment and learn to perform the work.
2 Since the passage of California’s Employment First Policy, the
3 number of Californians with intellectual and developmental
4 disabilities receiving individual placement supported employment
5 services has declined by over 500 individuals. *There is a clear
6 need to reestablish and grow this important service based on
7 consumer demand.*

8 *(4) The Centers for Medicare and Medicaid Services has issued
9 new rules for home- and community-based services that are
10 intended to ensure that individuals receive services in settings that
11 are integrated in and support full access to the greater community,
12 including opportunities to seek employment and work in
13 competitive and integrated settings. In order to maintain federal
14 funding for services, all services must comply with the new rules
15 by March 2019.*

16 (b) In enacting this ~~legislation, act~~, it is the intent of the
17 Legislature that both of the following occur:

18 ~~(1) Consistent with California’s Employment First Policy,~~
19 ~~individuals with intellectual and developmental disabilities be~~
20 ~~provided the opportunity to work in competitive, integrated~~
21 ~~employment and participate to the maximum extent possible in~~
22 ~~the economic life of their communities. Policy and the forthcoming~~
23 ~~federal home- and community-based services rules, incentivize~~
24 ~~individualized services to transition individuals with intellectual~~
25 ~~and developmental disabilities into competitive, integrated~~
26 ~~employment, and protect federal financial participation.~~

27 ~~(2) The State Department of Developmental Services propose,~~
28 ~~by June 30, 2018, a community-based rate model to replace the~~
29 ~~current statewide rate model.~~

30 ~~(2) Direct the State Department of Developmental Services to~~
31 ~~review the ratesetting methodology for individual placement~~
32 ~~supported employment as a priority in the state’s rate study that~~
33 ~~is required on or before March 1, 2019.~~

34 ~~SEC. 2. Section 4860 of the Welfare and Institutions Code is~~
35 ~~amended to read:~~

36 ~~4860. (a) (1) The hourly rate for supported employment~~
37 ~~services provided to consumers receiving individualized services~~
38 ~~shall be forty dollars (\$40) and shall be increased by 10 percent~~
39 ~~annually.~~

1 ~~(2) Job coach hours spent in travel to consumer worksites may~~
2 ~~be reimbursable for individualized services only when the job~~
3 ~~coach travels from the vendor’s headquarters to the consumer’s~~
4 ~~worksite or from one consumer’s worksite to another, and only~~
5 ~~when the travel is one way.~~

6 ~~(b) The hourly rate for group services shall be thirty dollars and~~
7 ~~eighty-two cents (\$30.82), regardless of the number of consumers~~
8 ~~served in the group. Consumers in a group shall be scheduled to~~
9 ~~start and end work at the same time, unless an exception that takes~~
10 ~~into consideration the consumer’s compensated work schedule is~~
11 ~~approved in advance by the regional center. The department, in~~
12 ~~consultation with stakeholders, shall adopt regulations to define~~
13 ~~the appropriate grounds for granting these exceptions. When the~~
14 ~~number of consumers in a supported employment placement group~~
15 ~~drops to fewer than the minimum required in subdivision (r) of~~
16 ~~Section 4851, the regional center may terminate funding for the~~
17 ~~group services in that group, unless, within 90 days, the program~~
18 ~~provider adds one or more regional centers, or Department of~~
19 ~~Rehabilitation-funded supported employment consumers to the~~
20 ~~group.~~

21 ~~(c) Job coaching hours for group services shall be allocated on~~
22 ~~a prorated basis between a regional center and the Department of~~
23 ~~Rehabilitation when regional center and Department of~~
24 ~~Rehabilitation consumers are served in the same group.~~

25 ~~(d) When Section 4855 applies, fees shall be authorized for the~~
26 ~~following:~~

27 ~~(1) A three-hundred-sixty-dollar (\$360) fee shall be paid to the~~
28 ~~program provider upon intake of a consumer into a supported~~
29 ~~employment program. No fee shall be paid if that consumer~~
30 ~~completed a supported employment intake process with that same~~
31 ~~supported employment program within the previous 12 months.~~

32 ~~(2) A one-thousand-dollar (\$1,000) fee shall be paid upon~~
33 ~~placement of a consumer in a competitive, integrated job.~~

34 ~~(3) A one-thousand-dollar (\$1,000) fee shall be paid after a~~
35 ~~90-day retention of a consumer in a competitive, integrated job.~~

36 ~~(e) Notwithstanding paragraph (4) of subdivision (a) of Section~~
37 ~~4648, the regional center shall pay the supported employment~~
38 ~~program rates established by this section.~~

39 ~~SEC. 3. Section 4860.5 is added to the Welfare and Institutions~~
40 ~~Code, to read:~~

1 ~~4860.5. The State Department of Developmental Services, in~~
2 ~~consultation with stakeholders, shall develop, on or before June~~
3 ~~30, 2018, a community-based rate model to provide ongoing~~
4 ~~individual placement employment supports to increase the number~~
5 ~~of individuals with intellectual and developmental disabilities~~
6 ~~competitively employed in the community.~~

7 *SEC. 2. Section 4860.1 is added to the Welfare and Institutions*
8 *Code, to read:*

9 *4860.1. (a) To the extent funds are appropriated by the annual*
10 *Budget Act or by Chapter 3 of the Second Extraordinary Session*
11 *of the Statutes of 2016, the department shall provide for a clear*
12 *financial incentive in order to encourage the development of and*
13 *support for consumers in individual supported employment in*
14 *integrated work settings. The incentive shall establish at least a*
15 *10 percent rate differential for individual supported employment*
16 *services.*

17 *(b) The department may adjust the rate for individual placement*
18 *supported employment services to administer the incentive payment*
19 *in the manner described in paragraph (1) of subdivision (a) of*
20 *Section 4860.*

21 *(c) The department shall consider a new rate setting*
22 *methodology for employment and habilitation services as a priority*
23 *to ensure consumers are offered choice and opportunity in*
24 *community living under the provisions of the Lanterman*
25 *Developmental Disabilities Services Act.*

26 *SEC. 3. Section 4860.2 is added to the Welfare and Institutions*
27 *Code, to read:*

28 *4860.2. The department shall review the need for clarifying*
29 *placement fees and bonus payments in the state's employment*
30 *programs under the jurisdiction of both the Department of*
31 *Developmental Services and the Department of Rehabilitation,*
32 *consistent with the federal laws and regulations governing the*
33 *financing of those services in both departments and shall report*
34 *each year, to the Legislature, in compliance with Section 9795 of*
35 *the Government Code, during the annual budget process regarding*
36 *the number of people serviced and information concerning the*
37 *priority consumers have about access to employment opportunities.*
38 *The report shall also present relevant information regarding wages*
39 *paid to these consumers, educational and skill development*
40 *activities, and the relative poverty indicators linked to the service*

- 1 *population served by the Lanterman Developmental Disabilities*
- 2 *Services Act.*

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