

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 1208 (Addis) – As Amended March 24, 2025

SUBJECT: California Developmental Disability Services Quality, Performance, and Outcomes Act of 2025

SUMMARY: Requires the Department of Developmental Services (DDS) to develop a uniform and comprehensive set of readily quantifiable quality, performance, and outcomes measures. Specifically, **this bill:**

- 1) Requires DDS, notwithstanding any other law, to develop and adopt a uniform and comprehensive set of readily quantifiable quality, performance, and outcomes measures with which quality, performance, and outcomes shall be measured, compared, and tracked over time, at the individual, regional center, and systemwide levels. Requires the measures to be used to track the performance outcomes of DDS, regional centers, and vendored providers for consistency, equity, and accountability in promoting the choice, autonomy, and life-quality of persons with intellectual and developmental disabilities and their families who are served.
- 2) Requires DDS, before developing the quality, performance, and outcomes measures and by an undisclosed date, to comprehensively survey, review, assess, and map all established and currently pending regional center and vendored service provider quality, performance, and outcome measures and surveys that are used or are being developed for the purpose of quality, performance, and outcome measurements within the California developmental services system. Requires the measures to include, but not be limited to:
 - a) Existing department processes and tools for monitoring and auditing regional centers;
 - b) The performance objectives under the regional center contracts;
 - c) The performance improvement indicators and benchmarks to incentivize high-quality regional center operations;
 - d) The quality assessment instrument;
 - e) The quality incentive program for vendored service providers;
 - f) The principles of individual choice and self-determination and performance thresholds;
 - g) The National Core Indicators domain surveys, and,
 - h) Any other existing quality, performance, and outcome measures currently used by the department, regional centers and vendored providers to evaluate any component of program quality, performance, and outcomes.
- 3) Requires DDS after 2) above is complete, to consult with stakeholders and appropriate subject matter experts, including academic social scientists with training in program

evaluation, causal inference and data science, via a working group, to develop recommendations regarding all of the following:

- a) Quality, performance, and outcomes measures that will permit performance to be measured and outcomes to be tracked at the individual, regional center, vendor, and systemwide levels. In formulating its recommendations, DDS must consider the recommendations of the Master Plan for Developmental Disabilities Services in California. Authorizes DDS, if appropriate, to recommend that any current measures be retained, revised, or eliminated to further the mandates contained in these provisions;
 - b) Performance benchmarks for vendored service providers for establishing incentives for high-quality service delivery and for deficient performance. Requires the working group to consider the progress toward the development of the quality incentive program to improve consumer outcomes, service provider performance, and the quality of services that has been completed or is in process in making the recommendations; and,
 - c) States legislative intent that performance thresholds shall be implemented in a manner that focuses on improving consumer outcomes, service provider performance, and the quality of services through incentives and corrective action. It is the further intent that any recommendations regarding actions for inadequate performance be specified with clear conditions, timelines, expectations, and responsibilities. Declares legislative intent that the primary focus is to ensure that corrective action is intended to bring vendored providers into compliance and improve consumer outcomes.
- 4) Requires DDS to submit a report with recommendation by an undisclosed date.
 - 5) Requires DDS to adopt the quality, performance, and outcomes measures as soon as practicable thereafter.
 - 6) Requires the quality, performance, and outcome measures to:
 - a) Be incorporated into any new statewide information technology system that replaces the current patchwork of legacy systems so that precise operational definitions and protocols for consistent data will be available to measure performance and outcomes. The quality, performance, and outcomes measures shall be recorded on the statewide information technology system in a format that will enable differences across different groups, and trends over time, to be measured at the individual, vendor, regional center, and systemwide levels;
 - b) Interface with other data sets that track the services and supports that individuals with developmental disabilities receive, or previously received, from the departments within the California Health and Human Services Agency (CalHHS), the Labor and Workforce Development Agency, and the California Department of Education. These datasets interfaces shall ensure that services, supports, educational attainment, labor force participation, and other outcomes, including access to non-regional center-funded community resources, including, but not limited to, CalFresh, housing assistance, health and dental services, employment supports, and In-Home Supportive Services, can be tracked over time at the individual level. They shall be stored in a secure research environment and made accessible to researchers in the form of individual-level panel datasets, in a manner and format that address concerns about individual privacy,

security, and data sharing. The governance structure for the secure research environment shall include the creation of a firewall between the researchers accessing individual-level data and the people making decisions about individuals' services.

- c) Meet the requirements of the final federal home- and community-based settings and access rules and be grounded on evidence-based research and practices.

EXISTING LAW:

- 1) Establishes the Lanterman Developmental Disabilities Services Act (Lanterman Act), which states that California is responsible for providing a range of services and supports sufficiently complete to meet the needs and choices of each person with developmental disabilities, regardless of age or degree of disability, and at each stage of life, and to support their integration into the mainstream life of the community. (Welfare and Institutions Code [WIC] § 4500, et seq.)
- 2) Establishes a system of nonprofit regional centers, overseen by DDS, to provide fixed points of contact in the community for all persons with developmental disabilities and their families, to coordinate services and supports best suited to them throughout their lifetime. (WIC § 4620)
- 3) Requires DDS to implement the fully funded rate model, as specified, using two payment components, a base rate equaling 90% of the rate model, and a quality incentive payment, equaling up to 10% of the rate model, to be implemented through the quality incentive program. (WIC § 4519.10(c)(1)(C))
- 4) Requires DDS to implement a quality incentive program in order to improve consumer outcomes, service provider performance, and the quality of services. (WIC § 4519.10(e))

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Vendorization process.* Service providers must be vendored by a regional center before they can provide and be reimbursed for services. DDS and regional centers use the term “vendorization” to describe the entire approval process involved in preparing to provide services to regional center consumers. Typically, this process also often involves obtaining licenses or approvals from other state and local agencies prior to becoming a vendor, but starts at the regional center.

According to DDS, vendorization is the process for identification, selection, and utilization of service providers based on the qualifications and other requirements necessary in order to provide the services. The vendorization process allows regional centers to verify, prior to the provision of services to consumers, that an applicant meets all of the requirements and standards specified in regulations. Applicants who meet the specified requirements and standards are assigned a service code and a unique vendor identification number.

Service providers are vendored by the regional center in whose catchment area the service is located, known as the vendoring regional center. The vendoring regional center is responsible for ensuring that the applicant meets licensing and Title 17 requirements for vendorization,

determining the appropriate vendor category for the service to be provided, and approving or disapproving vendorization based upon their review of the documentation submitted by the applicant. Once a potential service provider has obtained all necessary licenses, submitted a complete application and all necessary documentation to the vendoring regional center, the regional center has 45 days to approve or disapprove vendorization.

This bill aims to ensure all vendored providers are being evaluated for consistent quality outcomes by requiring the quality measures to track the performance outcomes of DDS, regional centers, and vendored providers for consistency, equity, and accountability in promoting the choice, autonomy, and life-quality of persons with intellectual and developmental disabilities (I/DD) and their families who are served.

DDS Acknowledges the Value in Quality Assurance. In partnership with the Legislature and advocates, DDS is working toward identifying the best way to measure quality. The following are efforts underway:

Master Plan for Developmental Services. The Governor's 2024-25 budget proposed that DDS develop a Master Plan for Developmental Services with the intent to improve the experience of individuals and families receiving developmental services. Subsequently, the Secretary of CalHHS appointed members to the Master Plan for Developmental Services Committee (a committee created by CalHHS to develop the Master Plan). These members were assigned to one of five workgroups; each workgroup developed recommendations pursuant to a specific goal for the developmental services system. In announcing the creation of a Master Plan for Developmental Services, DDS cited the need to ensure that services are more equitable, consistent, and accessible by addressing inequities and geographic disparities and improving how individuals and their families navigate the developmental services system. There are 167 total recommendations in the Master Plan. The recommendations from the report fall under six topic areas:

- Systems Serving People with I/DD Are Centered in Equity;
- People with I/DD Making Their Own Life Choices;
- People with I/DD Getting Services They Need and Choose;
- People with I/DD Being Part of and Being Served by a Strong Workforce;
- Accountability and Transparency in All Systems That Serve People with I/DD; and,
- Informing the Future of the Developmental Services System.

Rate Reform: Quality Incentive Program. AB 136 (Committee on Budget), Chapter 76, Statutes of 2021, outlines the Legislature's intent to support the transition of California's developmental services system from a compliance-focused approach to one that prioritizes outcomes. This shift is designed to emphasize achieving individual goals and honoring personal preferences through person-centered planning.

To support this transformation, the statute requires that payments to service providers under the rate reform be tied to consumer outcomes. Specifically, the fully funded provider rate models are

structured to include two components: a base rate comprising 90% of the total rate model, and a quality incentive payment making up to 10%.

The quality incentive component, referred to as the Quality Incentive Program, of rate reform was in response to the fundamental need within the developmental services system of moving from a compliance-based system to an outcomes-based system based on meeting individual needs and person-centered.

This payment model is intended to enhance provider performance, elevate the quality of services, and ultimately improve outcomes for individuals receiving services.

Beginning on January 1, 2025, and until Jun 30, 2026, DDS has tied the quality incentive metric to a provider directory, which is an online portal that stores and displays information about service providers. As of April 10, 2025, the provider directory contains over 18,000 vendor records, 64% of which have been validated and submitted by service providers to regional centers for approval. DDS reports that over 14,500 vendors have qualified for their 10 % quality incentive via the provider registry. DDS continues to encourage service providers to review and submit their records for inclusion in the provider directory. Providers currently have until May 30, 2025, to complete the required steps in the provider directory to earn the final 10 % of their rates. After June 30, 2026, providers must meet different quality measures that include individual-level outcomes. These quality measures have not been determined. However, DDS' stopgap until 2026 is to allow one-time quality payments to be tied to:

- Health checks in specified residential facilities.
- Direct Support Professional workforce survey participation.
- Competitive integrated employment placements.
- Employment Specialist training completion.
- Timely service delivery for early intervention services.

Quality is difficult to define and measure for the services provided to the I/DD population. Advocates, families, providers, and consumers have acknowledged that quality is an important value for the future and care of this population, but struggled to find a path forward. The one-time quality payments are largely process-driven and not outcome-driven; however, the goal is to use these as a starting point. According to the Legislative Analyst's Office, DDS has stated that findings from the Provider Directory might inform its allocation of Community Placement Plan and Community Resource Development Plan funding.

The PAVE Project. As outlined in the Senate Budget Sub Committee #3's Agenda: In 2020, the California Community Living Network, through a grant from the California State Council on Developmental Disabilities, began a project to identify service outcomes for individuals with I/DD. PAVE is working with stakeholders to create clear, consistent, and measurable service outcomes that could be used to inform service improvement, training, and value-based purchasing.

The PAVE Project will create a portal for individuals, authorized representatives, service providers, and others in the circle of support to contribute information on a person's wants, needs, and goals. PAVE, when developed, will consist of three main components: (1) a software platform with tools to support planning and monitor outcomes in a person-centered way at the individual level; (2) training for people receiving services, direct support professionals, families, and others involved in the person's circle of support, and (3) a system for evaluating the quality, accuracy, and reliability of the data gathered from the software platform, incorporating the views and lived experiences of the people using the services.

According to DDS, PAVE could help to provide information to inform the individual outcomes for the quality incentive component of the rate model, either as a standalone platform, or incorporated into the Life Outcomes Improvement System, which will modernize the current case management and financial systems.

Author's Statement: According to the Author, "[This bill] is an overdue measure that will provide consistency and clarity to individuals, regional centers, service providers, and the state on the outcomes and effectiveness of California's Developmental Disability Services. Establishing reliable and quantifiable outcome-based measures will ensure the system's equity, consistency, and accountability in promoting the choice, autonomy, and life-quality of individuals with intellectual and developmental disabilities and their families."

Equity Implications: Individuals with I/DDs are entitled to services, yet consistently must endure lengthy wait periods to access these services. When they are finally approved for services, these individuals deserve quality providers that can serve a diverse clientele. *This bill* aims to provide consistency in the delivery of services to ultimately improve the daily lives of the individuals served as well as their families.

Policy Considerations: This bill aims to address the quality concerns within the I/DD system; however, there are existing efforts, as referenced above, which are not accounted for and create duplicative requirements

Should this bill move forward, the author may wish to remove the formal workgroup, and instead require DDS to consult with stakeholders when developing measures. The author may wish to strike information technology provisions to avoid duplicative efforts.

Proposed Committee Amendments: In order to address the above policy and technical considerations, the Committee proposes the author take the following amendments:

On page 4, in line 31, strike out "life-quality" and insert: life quality

On page 5, strike out lines 1 to 12, inclusive, in line 13, strike out "measures described in subdivision (c), the" and insert: 4573. (a) The

On page 5, in line 14, strike out "comprehensively survey,"

On page 5, in line 34, strike out "comprehensive survey,"

On page 5, in line 35, strike out "____." and insert: July 1, 2026.

On page 5, strike out lines 36 and 37, in line 38, strike out “subdivision (b), the” and insert: (b) Notwithstanding any other law, on or before January 1, 2027, the

On page 6, in line 2, strike out “recommendations regarding all” and insert: both

On page 6, in line 3, strike out “(A) Quality,” and insert: (1) A uniform set of quality,

On page 6, strike out lines 6 to 33, inclusive, and insert:

(2) A tracking mechanism to measure, compare, and track over time, at the individual, regional center, and systemwide level, the consistency, equity, and accountability in promoting the choice, autonomy, and life quality of persons with intellectual and developmental disabilities and their families.

(c) (1) On or before January 1, 2028, the department shall submit a report to the Legislature that includes, but is not limited to, the data, methodology, and progress of implementation of quality, performance, and outcome measures.

On page 6, in line 34, strike out “(B)” and insert: (2)

On page 6, in line 34, strike out “subparagraph (A)” and insert: paragraph (1)

On page 6, in line 38, strike out “(c)” and insert: (b)

On page 7, strike out lines 8 to 26, inclusive, in line 27, strike out “(3)” and insert: (2)

RELATED AND PRIOR LEGISLATION:

AB 136 (Committee on Budget), Chapter 76, Statutes of 2021, see comments above.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file.

Opposition

None on file.

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