Department of Developmental Services

It Cannot Verify That Vendor Rates for In-Home Respite Services Are Appropriate and That Regional Centers and Vendors Meet Applicable Requirements

Key Findings

- DDS has not assessed the appropriateness of the hourly rates it pays to vendors for in-home respite services in more than 10 years.
  - DDS believes legislative changes made more than a decade ago generally froze the amount that vendors could receive for temporary or permanent rates.
  - DDS stopped collecting and reviewing vendors’ cost information that is critical in verifying whether its hourly payment rates are appropriate.
  - DDS plans to conduct a comprehensive rate study, but it will not be available for nearly three years.

- Vendors may be retaining more funds than reasonable to cover their administrative costs and earn a profit based on our review of four high-earning vendors.
  - One reported retaining 12 percent of its payment rate as net profit and another reported 39 percent for administrative costs.
  - All four vendors reported using only between 40 and 54 percent of the rate for respite worker’s hourly wage.

- Although the five regional centers we reviewed ensure vendors meet requisites for providing in-home respite services when authorizing vendors, once vendors are authorized, the centers provide minimal monitoring.
  - They do not review vendors biennially as required to ensure they continue to meet requirements.
  - They do not ascertain whether vendors ensure respite workers are sufficiently trained.

- DDS has not adequately monitored the regional centers’ administration of in-home respite services.

Background

To assist families with the care of individuals with developmental disabilities (consumers), the Department of Developmental Services (DDS) oversees the provision of in-home respite services through the State’s network of 21 regional centers. A regional center coordinator identifies the eligible consumers’ needs and each consumer can use an authorized in-home service vendor or an individual to provide the respite services. Regional centers must authorize vendors before they can provide in-home respite services. Upon authorization, vendors were historically paid a temporary rate until a permanent rate could be established based on cost data.

Our Key Recommendations

The Legislature should do the following:

- Clarify its position on whether legislative changes made over a decade ago were intended to continue the freeze on the rates paid to vendors and require DDS to resume collecting cost data.

- Require DDS to collect and analyze detailed vendors’ cost data to ensure that vendors’ in-home respite hourly payment rates are reasonable and appropriate, and to submit the results to the Legislature.

- DDS should perform audits of each regional center every two years as required and ensure that in-home respite vendors comply with requirements on an on-going basis by requiring regional centers to conduct biennial reviews of vendor files they maintain and ensure regional centers address any non-compliance found.