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DATE: November 13, 2026

SUBJECT: NON-AGENCY PROVIDERS AND VENDORIZATION ALIGNMENT

This letter reminds regional centers that they must correctly assign service codes to the services being received by individuals. The Individual Program Planning team always determines the appropriate services and supports for an individual. The correct service code shall be applied to that service. Regional centers must have all purchases of service assigned to the correct service codes.

If it is found that a service is improperly assigned to a service code, it must be corrected. Regional centers must transition all service providers who are not agencies out of service codes that were designed for agency providers. Service codes for agency providers include such cost factors as supervision, agency overhead, and business operations costs. Complete rate models which show these rate factors can be found for each regional center here.

Page 2 of Directive D-2026-Quality Incentive Program-005 states the following:

> "…all individuals or family members vendored to coordinate their own services under parent-coordinated services, participant-directed services, and the Self Determination Program (SDP), are not included [in the QIP] and do not need to meet QIP requirements ongoing. These services have reimbursement rates structured for their specific service models, while rate reform rates, including the QIP rate component, are designed for service providers who are not individuals or family members who coordinate their own services and that employ direct care professionals and other staff."

As just one example, this means that individuals or family members vendored under service provider agency codes such as Service Code 062 for personal assistance, must have their vendorizations and rates moved to appropriate service codes. In this example, that would be Service Code 456 for non-agency service providers of personal assistance.

Regional Centers must certify that Self-Determination Program Individual Budgets are based on what the regional center would have paid for services if the individual was not in the program. This means that the same amount of funding would occur regardless of an individual's participation in the SDP.

Regional center questions about this correspondence should be addressed to providerdirectory@dds.ca.gov, SDP@dds.ca.gov or EVV@dds.ca.gov. Questions from individuals and families should be directed to their regional center.