



PROPOSED RULE MAKING

CR-102 (June 2024)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: May 16, 2025

TIME: 11:17 AM

WSR 25-11-059

Agency: Department of Social and Health Services, Division of Vocational Rehabilitation (DVR)

☒ **Original Notice**

☐ **Supplemental Notice to WSR** _____

☐ **Continuance of WSR** _____

☒ **Preproposal Statement of Inquiry was filed as WSR 25-08-060 ; or**

☐ **Expedited Rule Making--Proposed notice was filed as WSR** _____; or

☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**

☐ **Proposal is exempt under RCW** _____.

Title of rule and other identifying information: (describe subject) 388-892-0500 What is DVR's payment system for VR service contracts?

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
June 24, 2025	10:00 a.m.	Virtually via Teams or Call in	Hearings are held virtually, see the DSHS website at https://www.dshs.wa.gov/sesa/rpau/proposed-rules-and-public-hearings for the most current information.

Date of intended adoption: No earlier than June 25, 2025 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name DSHS Rules Coordinator

Address PO Box 45850, Olympia WA 98504

Email DSHSRPAURulesCoordinator@dshs.wa.gov

Fax 360-664-6185

Other

Beginning (date and time) noon on May 21, 2025

By (date and time) 5:00 p.m. on June 24, 2025

Assistance for persons with disabilities:

Contact Shelley Tencza, Rules Consultant

Phone 360-664-6036

Fax 360-664-6185

TTY 711 Relay Service

Email shelley.tencza@dshs.wa.gov

Other

By (date) 5:00 p.m. on June 10, 2025

Purpose of the proposal and its anticipated effects, including any changes in existing rules: This proposal amends existing rule to provide more information to interested parties as to the process DVR uses to set rates for service fees and the cadence of these processes. Greater clarity around this topic will benefit interested parties..

Reasons supporting proposal: The proposed rulemaking is necessary pursuant to a Corrective Action Plan required by the Department of Education's Rehabilitation Services Administration for DVR to come into compliance with 34 CFR 361, which is a condition of receiving federal Vocational Rehabilitation funding. DVR must align WAC with current practices and provide clarity to stakeholders. Failure to implement this change immediately could result in disciplinary action by the Rehabilitation Services Administration and could include loss of federal funds.

Statutory authority for adoption: RCW 43.20A.310(2), 74.29.020(3) and 74.29.080(8)

Statute being implemented:

Is rule necessary because of a:

Federal Law?

☐ Yes ☒ No

Federal Court Decision?

☐ Yes ☒ No

State Court Decision?

☐ Yes ☒ No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization) Department of Social and Health Services, DVR

Type of proponent: ☐ Private. ☐ Public. ☒ Governmental.

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting	Mari Heusman	PO Box 45340, Olympia WA 98504	360-280-2044
Implementation	Mari Heusman	PO Box 45340, Olympia WA 98504	360-280-2044
Enforcement	Mari Heusman	PO Box 45340, Olympia WA 98504	360-280-2044

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?☐ Yes ☒ No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

Is a cost-benefit analysis required under [RCW 34.05.328](#)?☐ Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

☒ No: Please explain: Rule amendment is exempt because it falls under RCW 34.05.328 (5)(b)(ii) Rules relating only to internal governmental operations that are not subject to violation by a nongovernment party;**Regulatory Fairness Act and Small Business Economic Impact Statement**Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.**(1) Identification of exemptions:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

☒ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description: DVR must amend this rule to come into compliance with 34 CFR 361, which is a condition of receiving federal Vocational Rehabilitation funding.

☐ This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

☐ This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

☒ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

- ☒ [RCW 34.05.310](#) (4)(b)
(Internal government operations)
- ☐ [RCW 34.05.310](#) (4)(c)
(Incorporation by reference)
- ☐ [RCW 34.05.310](#) (4)(d)
(Correct or clarify language)

- ☐ [RCW 34.05.310](#) (4)(e)
(Dictated by statute)
- ☐ [RCW 34.05.310](#) (4)(f)
(Set or adjust fees)
- ☐ [RCW 34.05.310](#) (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4). (Does not affect small businesses).

☐ This rule proposal, or portions of the proposal, is exempt under RCW ____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- ☒ The rule proposal: Is fully exempt. (*Skip section 3.*) Exemptions identified above apply to all portions of the rule proposal.
- ☐ The rule proposal: Is partially exempt. (*Complete section 3.*) The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- ☐ The rule proposal: Is not exempt. (*Complete section 3.*) No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- ☐ No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____
- ☐ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

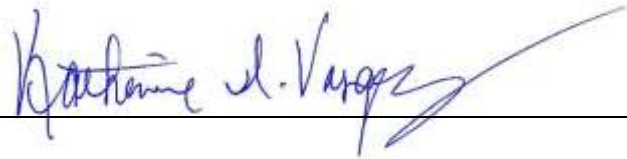
Name
Address
Phone
Fax
TTY
Email
Other

Date: May 12, 2025

Name: Katherine I. Vasquez

Title: DSHS Rules Coordinator

Signature:



WAC 388-892-0500 What is DVR's payment system for VR service contracts? To establish reasonable reimbursement rates for vocational rehabilitation services while providing informed choice and access, DVR establishes fixed fees for VR contract services as follows:

(1) ((DVR identifies geographic VR service delivery areas based on economic cost of living data)) Every six years, or on an interval as announced, and with input received from the service providers, DVR will conduct a fee study to establish community rehabilitation program/independent living and preemployment transition services/transition rates for the services outlined in WAC 388-891A-0527, 388-891A-0705, 388-891A-0715, 388-891A-0725 through 388-891A-0732, 388-891A-0760 through 388-891A-0769.

(2) ((Every two years or on an interval as announced in the contract RFQ, with input received from the service providers, DVR will establish and publish a schedule of fixed payment fee for each contracted VR service)) As needed, DVR will establish and publish a schedule of fixed payment fees for each contracted VR service, which may include an increase, if the budget allows, based on the following:

(a) The percentage increase of the Consumer Price Index (CPI), CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. department of labor or successor agency for the 12 months preceding the previous May 1; or

(b) Five percent, whichever is smaller, but in no event shall the fees or maximums be decreased.

(3) ((All VR service contractors, within each geographic VR service delivery area, are paid the fixed payment fee for each contracted VR service)) DVR will publish a schedule of the new fixed payment fee for each contracted VR service.

(4) All VR service contractors are paid the fixed payment fee for each contracted VR service.