



NORTH LOS ANGELES COUNTY REGIONAL CENTER

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April 27, 2012

RE: Regulatory Changes regarding Electronic Records & Electronic Signatures

The purpose of this letter is to notify all service providers of changes in regulations regarding Electronic Records and Electronic Signatures that went into effect on February 16, 2012. Regulations were added to the California Code of Regulations (CCR) to regional centers and service providers to maintain records electronically.

Title 17, Section 50602 (j) was added that defined an electronic signature to mean an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.

Additionally, Title 17, section 50602 (h), was added to define an electronic record as a record created, generated, sent, communicated, received, or stored by electronic means.

Furthermore, Title 17, Sections, 50604(d), 50605(a), 50612(a), 50612(f), and 54326(a)(3)(A) were added to allow electronic records to satisfy record maintenance requirements. The new regulations allow electronic records under two (2) conditions. First the electronic record must accurately reflect the information set forth in the record at the time it was first generated. Secondly, the electronic record must remain accessible for later reference.

While this correspondence provides you a summary of the changes in Title 17 regulations, a copy of the changes in Title 17 regulations are enclosed for your review to ensure compliance if you are using electronic records.

If you have questions regarding these regulatory changes, please contact either Editha Docot, Audit & Revenue Supervisor at 818-756-6310, or Rowena DeGuzman, Fiscal Monitor, at 818-756-6321, for assistance.

Electronic Records and Signatures
Amendments to Title 17, California Code of Regulations
Division 2.
Chapter 1: General Provisions
SubChapter 6: Service Provider Accountability
Article 1: General Provisions

§ 50602. Definitions.

The following definitions govern the construction of sections within this subchapter unless the context requires otherwise:

. . . . (h) "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

(i) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.

~~(h)~~ (j) "Final Audit Report" means the written document prepared by the regional center pursuant to Section 50606(f). "Final audit report" is synonymous with "audit report" as defined in Section 50701(g).

~~(i)~~ (k) "Parent Organization" means a separate and distinct corporation or entity which operates two or more programs and/or services.

~~(j)~~ (l) "Preliminary Audit Report" means the written document prepared by the regional center and forwarded to the Department pursuant to Section 50606(e)(1) when the audit involves the review of documentation relied upon as the basis for establishing a rate of payment for a service provider. Preliminary audit reports include the following items:

- (1) The regional center's draft audit report;
- (2) The service provider's response to the draft audit report; and
- (3) The regional center's reply to the service provider's response.

~~(k)~~ (m) "Record" means any book or document evidencing operational, financial, and service activities of a service provider or regional center pertaining to the service program and/or the provision of services to persons with developmental disabilities. Examples include books of account, general ledgers, subsidiary ledgers, check registers, canceled checks, contracts, correspondence, financial statements, internal reports, bank statements, standard cost statements,

consumer files, purchase of service authorizations, and documents evidencing consumer services. All consumer records shall be treated as confidential.

~~(l)~~ (n) "Service" means the process by which the regional center, or service provider, delivers a service directed towards the alleviation of a developmental disability or toward the social, personal, physical, or economic habilitation or rehabilitation of an individual with such a disability, and consistent with the requirements set forth in Title 17, California Code of Regulations Section 56551(d) and Welfare and Institutions Code, Sections 4646.5(a)(4) and 4648(a). Such services include, but are not limited to those specified in Section 4512 of the Welfare and Institutions Code.

~~(m)~~ (o) "Service Provider" means a person, program, or any other entity, or any other person connected therewith, vendored to provide services to regional center consumers. Service providers do not include those applicants specified in Title 17, California Code of Regulations, Section 54310(d) and (e).

~~(n)~~ (p) "Service Record" means a book or document evidencing the service activities provided by a service provider or regional center.

~~(o)~~ (q) "Source Documentation" means the medium upon which evidence of a transaction is initially recorded. Examples of source documents include, but are not limited to, purchase requisitions, purchase orders, purchase of service authorizations, staffing schedules, employee hourly time reports, invoices and attendance documents for regional center consumers and all other persons provided services. Source documents are used to prepare records and reports.

~~(p)~~ (r) "Unique Consumer Identifier" means a unique number assigned to identify each regional center consumer which is used instead of the consumer name to maintain confidentiality.

~~(q)~~ (s) "Units of Service" means increments of service provided to regional center consumers which are used to charge and invoice the regional center for services provided. The increment of service is specified as hours, days or transportation mileage or any other increment of service agreed to by the Department, regional center and service provider. It is used by the Department to determine a rate of reimbursement.

~~(r)~~ (t) "Vendored" means the successful completion of the process used to determine whether an applicant meets all legal and regulatory requirements to provide service to regional center consumers. This process must be completed in order for a person, program or facility to receive payment from a regional center for services rendered a regional center consumer.

~~(s)~~ (u) "Vendoring Regional Center" means the regional center in the service catchment area in which the service provider is located, and to which a potential

service provider must submit an application for vendorization. Service catchment area is defined in Section 50501(a)(18).

Note: Authority cited: Chapter 722, Statutes of 1992, Section 147; and Sections 4648(a), 4648.2 and 4791(i), Welfare and Institutions Code. Reference: Sections 4512(b), 4641.5, 4646.5, 4648, 4648.1 and 4791, Welfare and Institutions Code.

§ 50604. Service Provider Record Maintenance Requirements.

. . . . (d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. This requirement may be satisfied by retaining an electronic record of the information in the record, if the record reflects accurately the information set forth in the record at the time it was first generated in its final form as an electronic record or otherwise, and the electronic record remains accessible for later reference. Service records used to support service providers' billing/invoicing shall include, but not be limited to:

(1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;

(2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center.

(3) A record of services provided to each consumer. The record shall include:

(A) For the purchase of medical equipment and/or supplies, and/or other merchandise, the date of the purchase, name of the entity/individual from whom the equipment, supplies, and/or merchandise is purchased, the item(s) purchased, and the cost of each item; or

(B) For transportation services, the dates of service, city or county where service was provided, and the number of miles driven or trips provided; or

(C) For community-based day programs, the dates of service, place where service was provided, the start and end times of service provided to the consumer, and the daily or hourly units of service provided. For community-based day program services provided solely in natural environments, the city and county where service was provided shall be reported as the place where service was provided. For community-based day programs whose services are provided at the facility only or at both the facility and in the community, the street address of the facility shall be reported as the place where service was provided; or

(D) For all other services, the date, the start and end times of service provided to the consumer, street address where service was provided, and daily or hourly units of service provided.

(E) For goods and/or services purchased utilizing a voucher or Participant-Directed Services, as described in California Code of Regulations, Title 17, Section 58884(a)(1), in addition to the information specified above, the name of the actual provider of the goods and/or services. For services provided by an individual selected by the consumer or family member, the date of birth, social security number (or a copy of any document accepted by the federal government which establishes identity and employment eligibility which has been compared to the original by the vendored family member and declared under penalty of perjury to be a true and correct copy), address, and telephone number of the individual who actually provided the service must also be maintained.

(F) For contracts reimbursed based on units of service other than as specified above, units of service shall also be maintained pursuant to (A), (B), (C), or (D) above, as applicable. . . .

Note: Authority cited: Sections 4631(a)(2) and 4648.12(c)(1)(B), Welfare and Institutions Code. Reference: Sections 4631, 4641.5, 4648.1 and 4648.12(c), Welfare and Institutions Code.

§ 50605. Service Provider Record Retention Requirements.

(a) All service providers' financial and service records, including source documentation, shall be retained for a minimum of five years from the date of final payment for the State fiscal year in which services were rendered. This requirement may be satisfied by retaining an electronic record of the information in the record, if the record reflects accurately the information set forth in the record at the time it was first generated in its final form as an electronic record or otherwise, and the electronic record remains accessible for later reference. . . .

. . . . (c) Copies made by microfilming or electronic data processing methods may be substituted for any original record, ~~with the exception of source documentation.~~

Note: Authority cited: Section 4648.2, Welfare and Institutions Code. Reference: Sections 4641.5 and 4648.1, Welfare and Institutions Code.

§ 50607. Regional Center Contracting Requirements.

When a regional center enters into a contract with a service provider, the contract shall include, but not be limited to, the following general provisions.

. . . . (b) A contract provision requiring a signature by authorized representatives of all contracting parties. An electronic signature shall satisfy this requirement. . . .

Note: Authority cited: Sections 4405, 4631 and 4648.2, Welfare and Institutions Code; and Section 11152, Government Code. Reference: Sections 4629(f), 4631, 4641.5, 4648.1, 4690.1 and 4691, Welfare and Institutions Code.

§ 50612. Regional Center Purchase of Service Requirements.

(a) A purchase of service authorization shall be obtained from the regional center for all services purchased out of center funds. This requirement may be satisfied if the information is provided, sent, or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. . . .

. . . . (f) A copy of the purchase of service authorization shall be retained by the regional center. This requirement may be satisfied by retaining an electronic record of the information in the record, if the record reflects accurately the information set forth in the record at the time it was first generated in its final form as an electronic record or otherwise, and the electronic record remains accessible for later reference.

Note: Authority cited: Sections 4405, 4631 and 4648.2, Welfare and Institutions Code; and Section 11152, Government Code. Reference: Sections 4629(f), 4631, 4641.5 and 4648.1, Welfare and Institutions Code.

Electronic Records and Signatures
Amendments to Title 17, California Code of Regulations
Division 2.
Chapter 3: Community Services
SubChapter 2: Vendorization
Article 2: Vendorization Process

§ 54326. General Requirements for Vendors and Regional Centers.

(a) All vendors shall:

- (1) Be prohibited from transferring vendorization of their service to another person or entity;
- (2) Provide access to regional center and/or Department staff, on an announced or unannounced basis, for the purposes specified in the Welfare and Institutions Code, Section 4648.1;
- (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed:

(A) Such records shall be maintained for a minimum of five years from the date of final payment for the State fiscal year in which services were rendered or until audit findings have been resolved, whichever is longer. This requirement may be satisfied by retaining an electronic record of the information in the record, if the record reflects accurately the information set forth in the record at the time it was first generated in its final form as an electronic record or otherwise, and the electronic record remains accessible for later reference. . . .

Note: Authority cited: Chapter 157, Statutes of 2003; Section 4648.12(c)(1)(A), Welfare and Institutions Code; and Section 11152, Government Code.
Reference: Sections 4500, 4501, 4502, 4641.5, 4648, 4648.1, 4648.12 and 4742, Welfare and Institutions Code; and Title 42, Code of Federal Regulations, Sections 455.104, 455.105 and 455.106.