

County of Santa Clara
Social Services Agency
Department of Aging and Adult Services Programs
In-Home Supportive Services (IHSS) Bureau



SSA04 062409

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DATE: June 24, 2009

TO: Board of Supervisors

FROM: 
Will Lightbourne
Agency Director, Social Services Agency

SUBJECT: The Interagency Agreement between the Santa Clara County Board of Supervisors and the Santa Clara County In-Home Supportive Services (IHSS) Public Authority.

RECOMMENDED ACTION

Approve Fifteenth Amendment to the Interagency Agreement between the Santa Clara County Board of Supervisors and the Santa Clara County IHSS Public Authority Governing Board, regarding notification to the California Department of Social Services (CDSS) of changes to the Public Authority hourly rate.

FISCAL IMPLICATIONS

There is no impact on the County General Fund as a result of the new Public Authority rate. The County is requesting changes that increase the current rate of \$15.91 per hour to \$16.20 per hour. The elements of this rate are included in the assumptions used to develop the FY 2010 IHSS budget. The new Public Authority rate does not change the current IHSS Independent Provider (IP) wage of \$12.35 per hour, nor does it change the level of health, vision and dental

benefits allowable under the existing Memorandum of Understanding with Service Employees International (SEIU) Local 521, which expires on September 30, 2009.

The increase to the Public Authority rate is due to two factors: a 31-cent increase in the benefits line item from \$2.33 to \$2.64 due to increased utilization and increases in benefit premiums, and a 2-cent decrease in the administrative line item from \$0.10 to 0.008 due to an increase in overall paid hours and a decrease in the Public Authority administrative costs and overhead expenses. No change is requested in the payroll taxes line item.

CONTRACT HISTORY

In September 1996 the Santa Clara County Board of Supervisors adopted an ordinance creating the Santa Clara County In-Home Supportive Services Public Authority. This Agreement is pursuant to Welfare and Institutions Code Section 12301.6 which mandates that a county which elects to provide in-home supportive services through a public authority, enter into an interagency agreement with the public authority. The first Interagency Agreement was executed on February 22, 1999.

The Interagency Agreement was first revised on June 29, 1999 to reflect new language created by the California Department of Social Services. It was subsequently revised on June 6, 2000 to include health care benefits effective September 1, 2000. The agreement was again revised on December 5, 2000 to make adjustments for the State's minimum wage change that took effect on January 1, 2001 increasing the independent providers' wages from \$6.75 to \$7.25 per hour. The fourth revision to the agreement was adopted on April 24, 2001 to increase the Independent Providers' wages from \$7.25 to \$8.50 per hour effective June 1, 2001 following a negotiated salary increase between SEIU Local 715 and the Public Authority. The fifth revision was adopted on June 26, 2001 to reflect the Public Authority hourly rate change due to the approved FY 02 budget adopted for the Public Authority. The sixth revision to the Interagency Agreement was approved on August 7, 2001 reflecting a contractual wage increase and the implementation of new dental/vision benefits to independent providers. The seventh revision to the Interagency Agreement was approved on August 6, 2002 implementing a contractual wage increase. The eighth revision to the Interagency Agreement was approved on October 8, 2002 to implement a \$1.00 wage increase from \$9.50 to \$10.50/hour for IHSS independent providers. The ninth revision to the agreement was adopted on May 18, 2004 and amended the hourly rate due to increased program costs associated with the Valley Health Plan insurance premium costs offered to the independent providers. The tenth revision (amended) to the Interagency Agreement was approved on December 13, 2005 to implement a contractual wage increase. The eleventh revision to the Interagency Agreement was approved on June 6, 2006 to maximize federal and state participation in costs associated with increases in the provider's benefits premiums. The twelfth revision to the Interagency Agreement was approved on March 27, 2007 to implement a contractual wage increase. The thirteenth revision to the Interagency Agreement was approved on September 25, 2007 to implement another contractual wage increase. The fourteenth revision to the Interagency Agreement was approved on January 29, 2008 to implement another contractual wage increase raising the homecare provider's hourly wage to \$12.35 effective April 1, 2008.

This is the fifteenth revision to the Interagency Agreement.

REASONS FOR RECOMMENDATION

Currently the State participates in a county's negotiated IHSS Individual Provider (IP) wage up to \$11.50 and any health benefits costs up to \$0.60 for a total of \$12.10. Senate Bill X3 6 (Chapter 13, Statutes of 2009) approved on February 20, 2009 reduces the level of state participation in IHSS Individual Providers (IP) wages and health benefits from \$12.10 to \$10.10 per hour effective July 1, 2009. Following this date, the State's participation towards wages will be \$9.50 and the participation towards benefits costs will remain at \$0.60.

Due to the reduction of the level of state participation in wages and benefits, the state assumed that all counties would reduce their funding participation to match the wages and benefits, and is therefore requiring all counties to submit new Public Authority rates. Although the County is not automatically reducing the wage and benefits for IPs on July 1, 2009, the Board of Supervisors is still required to submit a new Public Authority rate at this time due to the overall hourly rate increasing. A letter of intent for a Rate Change Request was submitted to CDSS on May 29, 2009 to amend our county's Public Authority hourly rate from \$15.91 to \$16.20 effective July 1, 2009. An increase in the county's Public Authority hourly rate requires Board of Supervisor/Public Authority Governing Board approval prior to implementation. CDSS has assured the County that approval of this item will permit the rate change effective July 1, 2009.

CONSEQUENCES OF NEGATIVE ACTION

Failure to authorize the revised Interagency Agreement will prevent the County from accessing reimbursement from both state and federal funding available to the IHSS Public Authority.

STEPS FOLLOWING APPROVAL

Following approval, the Social Services Agency will forward a signed copy to CDSS for approval of the new hourly rate.

ATTACHMENTS

- 7/09 Interagency Agreement
- Letter of Intent re: PA Rate Change
- Attachment 4p: PA Hourly Rate (SOC 449)
- Attachment 4: PA Rate Worksheet