

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 6/12/06
Department Name: DSS
Department No.: 044
Agenda Date: 6/27/06
Placement: Departmental
Estimate Time: 15 Minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Kathy Gallagher, Director
Social Services Department

STAFF CONTACT: Kathy Gallagher
x4451

SUBJECT: In-Home Supportive Services (IHSS) Service Delivery - Contract vs. Public Authority

Recommendation(s):

That the Board of Supervisors/Board of Directors of the IHSS Public Authority:

1. Receive and accept this status report regarding IHSS Service Delivery.
2. Approve and authorize the Chair to execute Amendment No. 1 to the contract with Addus HealthCare, Inc. (Addus), not a local vendor, at the current rate of \$17.06 for the period of July 1, 2006 through December 31, 2006, for a total contract amount not to exceed \$3,771,966.00.

Alignment with Board Strategic Plan:

This action is aligned with the County's Strategic Goal II: A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

Current Status

The Department of Social Services took action in March 2006 to advise Addus that we would not be renewing their contract after it expires on June 30, 2006. The ability to do so is included in the agreement. This was a business financial decision to shift from the more expensive contract to the less expensive Public Authority registry. Subsequently, there were numerous concerns expressed by consumers and caregivers that more time should be allowed in order to effect a smooth and seamless transition from the contract to the Public Authority independent provider service delivery mode. Although Addus serves less than 13% of our IHSS recipients, DSS wishes to be sensitive to recipient concerns and recommends a six month extension to ease this transition period. On June 1, 2006, both parties met and agreed to extend services at the current contract rate through December 31, 2006 (Attachment E). The Department of Social Services has a prepared transition plan (Attachment F) which is being coordinated with Addus and which becomes effective only

upon Board action. The plan calls for new referrals to the contractor to end as of July 1, 2006 and for a measured and orderly reduction in caseload over the ensuing six month period.

Program Description

The In-Home Supportive Services (IHSS) program authorizes in-home assistance to low-income aged, blind and disabled clients, enabling them to remain safely in their own homes. The types of services include personal care (paramedical, toileting, bathing, grooming) and domestic services (laundry, cooking, cleaning). There are more than 2,600 IHSS clients in Santa Barbara County served in two modes of service, contract (350 clients) and independent provider (2300 clients).

All counties were required by legislation to identify a formal employer of record for IHSS Individual Providers (IP). Santa Barbara established the IHSS Public Authority in January 2003. This has resulted in many improvements for caregivers and consumers of IHSS. The Public Authority began to operate the In-Home Caregiver Network Public Authority registry to provide consumers with lists of screened IHSS workers, and arrange training and support services for workers and consumers. The growth and development of the IHSS Public Authority registry will enable the Department of Social Services to provide the same level of service to the IHSS recipients as the contractor has provided.

As primary reasons for having a contract delivery mode for IHSS services has been to help those individuals who do not have any prospective providers and do not know how to locate, interview and hire a provider. The implementation of the Public Authority has created a new resource for these IHSS recipients, as it is mandated to recruit, screen, and train IHSS caregivers. With over 3 years of experience in this county the IHSS Public Authority has the capability and capacity to provide the required services to IHSS recipients currently receiving contract mode of service.

Role of DSS and the IHSS Program in Service Delivery

- Santa Barbara County Department of Social Services is one of only two counties in southern California and one of only six in the State still utilizing the contract mode to provide in-home caregivers to some IHSS consumers. Fifty-Two counties use only their Public Authority Registry/Non Profit Consortium.
- The Department of Social Services has been planning the phase-out of contract mode service delivery for the past three years, and during that time referrals to the contractor have diminished by over 34% in cases and 26% in authorized hours. Currently, Addus HealthCare employs an estimated 130 in-home caregivers who provide care for approximately 350 of the 2,600 IHSS consumers in Santa Barbara County (see Attachments A and B).
- The Department of Social Services is responsible for the oversight of all of its programs, including administrative and programmatic standards. Attachment C outlines administrative and program standards relative to IHSS service delivery and oversight.

Contractor Service Delivery

- Addus HealthCare employs approximately 130 caregivers who are assigned to 350 Santa Barbara County IHSS recipients. They have all the responsibilities of any business, including insurance, bonding, payroll taxes, etc. They also negotiate for wages and benefits with United Domestic Workers.

- Addus HealthCare provides in-home supervision of their caregivers, as well as replacement caregivers when the regularly scheduled caregiver is unable to work, and in situations requiring a response within 4 hours.

Capacity and Function of the IHSS Public Authority

- The Santa Barbara County In-Home Supportive Services Public Authority (PA) has, for over three years, recruited, screened and trained caregivers, and has also developed the capacity to provide a comprehensive scope of services for all IHSS consumers, including all those services provided by Addus HealthCare. (Attachment C)
- The PA staff matches consumers with caregivers, assists with interviewing and hiring when necessary, and facilitates problem resolution.
- The PA staff also works closely with the IHSS social workers to ensure that the consumer is safe and stable in their home.
- The PA has an on-call list of providers to fill in during the absence of a scheduled caregiver, and is developing an urgent need registry to respond to urgent or after-hours requests.
- The PA offers support and training to the consumers, as well as to caregivers, to promote positive employee/employer relationships and longer term matches.
- The PA has a written plan in place with the IHSS program to ensure a 100% seamless transition for clients from the contract mode to the IP mode.

IHSS Population

- Our IHSS caseload in March 2006 was 2,597 cases. The IHSS caseload has been steadily increasing at a rate of 8% each year.
- The IHSS population is comprised of low income blind, disabled, and elderly people who can live safely at home if they have services provided by an in-home caregiver.
- 87% of the IHSS consumers receive in-home care through the Independent Provider (IP) mode compared to 13% who receive the same services through the contractor. Contract mode consumer referrals have decreased by 34% and assigned hours under the contract have decreased by 26% since January, 2003. (Attachments A and B) It is important to note that the reduction in contract mode service delivery has occurred during the same period that the total IHSS caseload has increased 20%.

Transition Plan

- The Department of Social Services has a prepared transition plan which is being coordinated with Addus and which becomes effective only upon Board action. The plan calls for new referrals to the contractor to end as of July 1, 2006 and for a measured and orderly reduction in caseload over the ensuing six month period.

- The plan covers all aspects of transferring the service delivery for IHSS clients from contract providers to IPs to avoid any gaps in service. Every effort will be made to ensure a smooth and seamless transition and to avoid confusion and frustration for consumers and caregivers.
- Every IHSS consumer has an assigned social worker that is in frequent contact with each of their clients. IHSS Social Workers visit the client's home and have a thorough understanding of the living situation, and unique needs and circumstances of each of their clients. The transition plan provides for home visits to meet face to face with each consumer to provide support and to facilitate their transition from the contract to IP mode.
- IHSS Social Workers have reviewed all of their IHSS contract cases and identified the most critical and highest risk consumers, specifically those with serious medical conditions, multiple providers, and those in need of providers. Individualized support strategies will be developed for high risk consumers.
- The Public Authority staff has already been trained to conduct home visits to assist IHSS consumers with the process of interviewing and hiring a provider. They also assist when supervision is necessary and the consumer is unable to perform that aspect of their responsibility.
- The PA will facilitate employment for those Addus HealthCare employees who wish to continue as caregivers, whether for their current consumers and/or for other IHSS consumers. Informational meetings will be held county-wide to assist providers who wish to continue working as caregivers to answer their questions, assist with paperwork, and acquaint them with the IP mode.
- The Workforce Investment Act (WIA) program Rapid Response system will also be assisting the Addus employees in seeking and finding new employment, either with the Public Authority or with other private health care agencies.

Other Issues

- The contract (Addus) mode currently costs \$5.11 more per hour than the same service provided by the Public Authority.
- Only 4% of those served by Addus are considered "Severely Impaired"; whereas 23% of consumers served by IP caregivers are categorized as "Severely Impaired" IHSS recipients. (see Attachment D).
- Addus employees' wages range from \$8.50 to \$11.00 per hour. As employees of the PA, caregivers will receive \$10.00 per hour effective July 1, 2006. 93% of Addus employees currently earn less and will actually receive a wage increase.
- As employees of the PA, caregivers are eligible to health benefits through a plan provided by the Santa Barbara Regional Health Authority.
- The State does not reimburse the County for certain benefits (vacation, sick leave, holidays, and mileage). Employees eligible to receive these benefits with Addus HealthCare will not receive them as an IP.

- We believe that many Addus HealthCare caregivers will wish to continue employment with their current IHSS consumer and may also join the Public Authority Registry. Some may decide to seek new employment.

Summary

The Department of Social Services is confident that the Public Authority has the capability and capacity to provide the required services to existing contract mode IHSS clients and will be working closely not only with the contractor, but with community advocates and the IHSS Advisory Committee to assure a smooth and seamless transition of service to this frail population of consumers, while preserving employment opportunities for the IHSS caregivers previously employed by the contractor. Consumers will be assisted in learning how to interview, hire, schedule and direct their own providers and caregivers will be provided a number of services and information about how to continue to work for their consumer, as an Independent Provider, and/or how to use the Public Authority Registry so they can find additional work.

Mandates and Service Levels:

There is no change to the level of service.

Fiscal and Facilities Impacts:

Extending the Addus contract for six months of Fiscal Year 2006-07 at a cost of \$1,257,322 will be funded (46.6% or \$586,456) by the federal government, (35.1% or \$441,618) by the State of California and (18.9% or \$237,794) by the County. All but \$60,237 of the County share has been included in the Department's FY 06/07 recommended budget.

This contract is \$364,297 above costs that would be incurred by the IHSS Public Authority. Of this amount, included in above figures, \$178,476 would be funded by the federal government; \$125,584 would be funded by the State, leaving \$60,237 that would need to be funded by the County. The Department of Social Services is currently working with the County Executive Office to identify local funds to cover the County's mandated portion. A budget revision will be presented to the Board of Supervisor's when an agreement for additional local funds has been identified.

Special Instructions:

After execution by the chair, please return one (1) original agreement for the contractor, the Department copy of the agreement, and one (1) copy of the minute order to the Department of Social Services, Attention: Paula Haines.

Concurrence:

Auditor Controller Office, County Counsel, Risk Management, County Executive Office and Human Resources

Attachments:

- A – IHSS Total Cases vs. Addus Cases vs. Independent Provider Cases
- B – IHSS Authorized Hours of Service: Independent Provider vs. Addus
- C – Comparison of Requirements for Addus and Independent Provider Programs
- D – Severely Impaired IHSS IP Recipients vs. Severely Impaired IHSS Recipients Served by Addus
- E – Contract Amendment
- F – Transition Plan