

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
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Agenda Number:

Prepared on: 5/25/2004
Department: Public Health Department
Budget Unit: 041
Agenda Date: 6/22/2004
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Roger E. Heroux, MPA
Director, Public Health Department

STAFF CONTACT: Susan Lindman, RN, PHN (x 5452)
Director, Chronic Disease and Aging

SUBJECT: Multipurpose Senior Services Program (MSSP) Contract MS-0405-15

Recommendation(s):

That the Board of Supervisors:

- A. Execute an Agreement between the California Department of Aging and the County of Santa Barbara, Public Health Department (PHD) for the Multipurpose Senior Services Program (MSSP) Fiscal Year 2004-05 Contract MS-0405-15 in the amount of \$683,634.
- B. Execute Certification to legally bind the PHD to the clauses: Statement of Compliance; Drug-Free Workplace Requirements; National Labor Relations Board Certification; Union Organizing; Conflict of Interest; and, Corporate Qualifications to do Business in California.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with:

Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit;
Goal No. 5. A High Quality of Life for All Residents.

Executive Summary and Discussion:

The Multipurpose Senior Services Program (MSSP) provides both social and health care management for frail elderly clients who are certifiable for placement in a nursing facility but who wish to remain in the community. The goal of the program is to arrange for and monitor the use of community services to prevent or delay premature institutional placement of these frail elderly clients. The services must be provided at a lower cost than that for nursing facility care. Clients eligible for the program must be sixty-five (65) years or older, live within the site's service area, be able to be served within MSSP's cost limitations, be appropriate

for care management services, currently eligible for Medi-Cal and certified or certifiable for placement in a nursing facility. This program is a cost-effective alternative to the high cost of long-term institutional care. Cost effectiveness is defined as the program's ability to provide community-based care for clients who are below 95% of the average monthly public cost of a Skilled Nursing Facility (SNF) or an Intermediate Care Facility (ICF). According to a study by the Centers for Medicare and Medicaid (source: CMS 372 for MSSP, 2002 -03), each MSSP client saves \$9,870 (36%) annually over the cost of nursing home care - \$17,600 in total Medi-Cal State and Federal costs versus \$27,470 average Medi-Cal nursing home cost. Care Management activities include identification and coordination of existing services for the MSSP clients, as well as the ability to purchase additional services that enable the individual to remain at home. Purchased services may include, but are not limited to, respite for caregivers, in-home assistance on weekends, escort transportation to medical appointments, home delivered meals, purchase of emergency response systems, and minor home repairs or maintenance.

MSSP serves a fraction of the current need and is the key component of the State's response to the Olmstead decision that calls for states to provide care to persons with disabilities in the most integrated setting.

The Public Health Department anticipates an amendment to this contract to restore full funding, according to the Governor's May 2004 revised budget, from \$683,634 to \$799,930. The May 21, 2004 letter from the California Department of Aging stated, "The Governor's May Revision, released May 13, 2004 proposes to withdraw Medi-Cal provider rate reductions, but until we clarify the details of that proposal we cannot begin the process of amending contracts. The contracting process, whether for new contracts or amendments to existing contracts, because of new contracting requirements implemented earlier this year, is taking up to four months from the time we receive your budgets to the time funds are available at Electronic Data Systems (EDS). If the California Department of Aging (CDA) were to stop the current contracting process and re-issue new contract packages with updated amounts for your sites, it is likely that monies would not be available to you until October 2004. In addition, we would not be able to issue advances to those site requesting them because there would be no fully executed contract in place."

In summary, the California Department of Aging will need more time to clarify and process the Governor's revised budget. Meanwhile, all 43 Multipurpose Senior Service Programs statewide are held to the original proposed budget including the 15% reduction. The MSSP contract for fiscal year 2003-04 was executed at the lower amount and has already been restored through an amended contract. We are hopeful the process will be the same for fiscal year 2004-05.

Mandates and Service Levels:

This is a non-mandated program. Acceptance of the MSSP Agreement obligates the County to comply with the applicable statutes: Home and Community-Based Waiver Program, Section 1915(c) of the Social Security Act. The MSSP program was established by Chapter 1434, Statutes of 1982. Additionally, Chapter 1318, Statutes of 1989, authorized the program to remain in effect so long as a federal waiver has been granted. In April 2004, the Centers for Medicaid and Medicare re-authorized the MSSP waiver for an additional five years, through June 30, 2009. The Governor's May 2004 budget revision proposes to withdraw the Medi-Cal rate reduction of fifteen percent (15%). Therefore, the service level in Santa Barbara County will most likely remain at two hundred (200) frail elderly residents per month if the revised state budget is adopted. Otherwise, many clients will be facing long-term care institutionalization in the event the MSSP contract is terminated due to reduced program funding. There are a total of 43 Multipurpose Senior Services Programs operated in the State of California.

The fully funded budget of \$799,930 still incurs a subsidy from the Public Health Department in the amount of \$90,120. Four (4) Health Service Aide, Seniors have been reduced from .75 FTE to .625 FTE, a loss of 20 hours of care management time per week for the 200 seniors served by the program. Care management staff provides direct services to the clients such as making home visits to monitor the provision of services needed, arranging for equipment to be delivered and for scheduling rides to medical appointments. In addition, the Director has taken a leave of absence for 6 pay periods to help offset the uncovered costs in the budget for fiscal year 2004–05 and 1.0 FTE Office Assistant Senior position has been eliminated. In recent years and historically in this particular program, reductions in staff and decreased funding for clients services have resulted in a staffing model that cannot be further compromised.

Fiscal and Facilities Impacts:

The chart below highlights the differences between reduced and restored funding for fiscal year 2004-05 based on the Governor’s proposal:

CONTRACT FOR BOS APPROVAL	ANTICIPATED AMENDMENT
Reduced amount: \$683,634	Restored amount: \$799,930
Projected use of General funds: \$179,036	Projected use of General funds: \$90,120

The Public Health Department cannot subsidize the program on the reduced budget with no other sources to offset the shortfall. In the unlikely event the contract amount is not amended and restored to the full amount, the Public Health Department will have no other choice but to enact the 180-day termination clause of the contract. The impact of terminating this contract would be to discontinue the care management and waived services that currently enable these frail elderly clients to remain safely in their home. If the contract is terminated and no other provider assumes the contract, many MSSP clients in Santa Barbara County will need to be placed in a Medi-Cal bed in institutional care.

This Agreement will not result in any additional need for facilities.

Special Instructions:

Please request the Chair to execute five (5) original Standard Agreement Pages and two (2) original Certification documents. Please return four (4) original signed Standard Agreements and one (1) original signed Certification. Please also send four (4) Certified Minute Orders referencing the agreement number MS-0405-15. The number of original signature pages and minute orders are the requirements of the State.

Please return the required documents to PHD Contracts Unit, 300 N. San Antonio Road, Bldg 8, Santa Barbara, CA 93110 Attn: Margaret A. Granger (x5367)

Concurrence:

Not applicable.