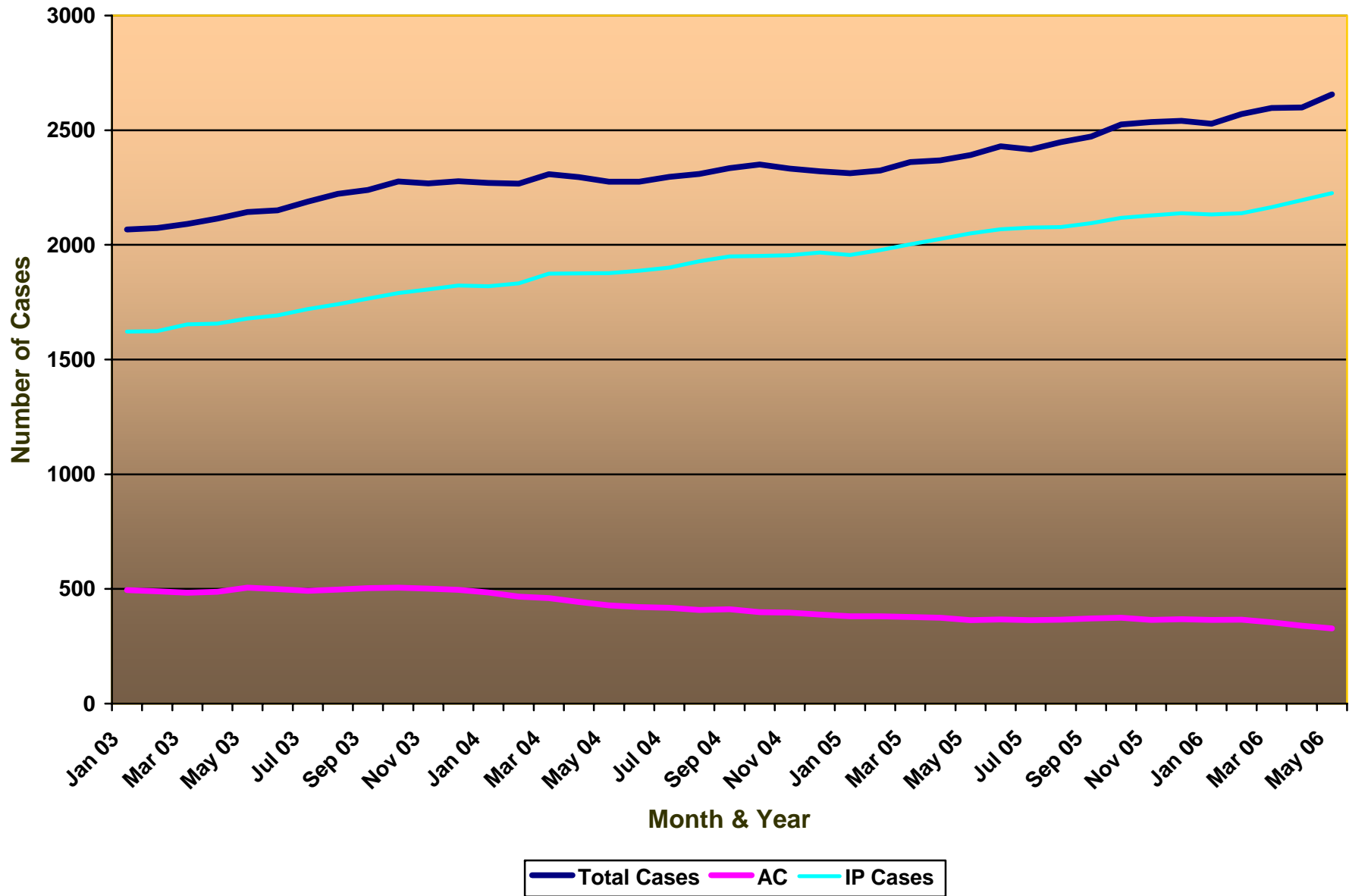
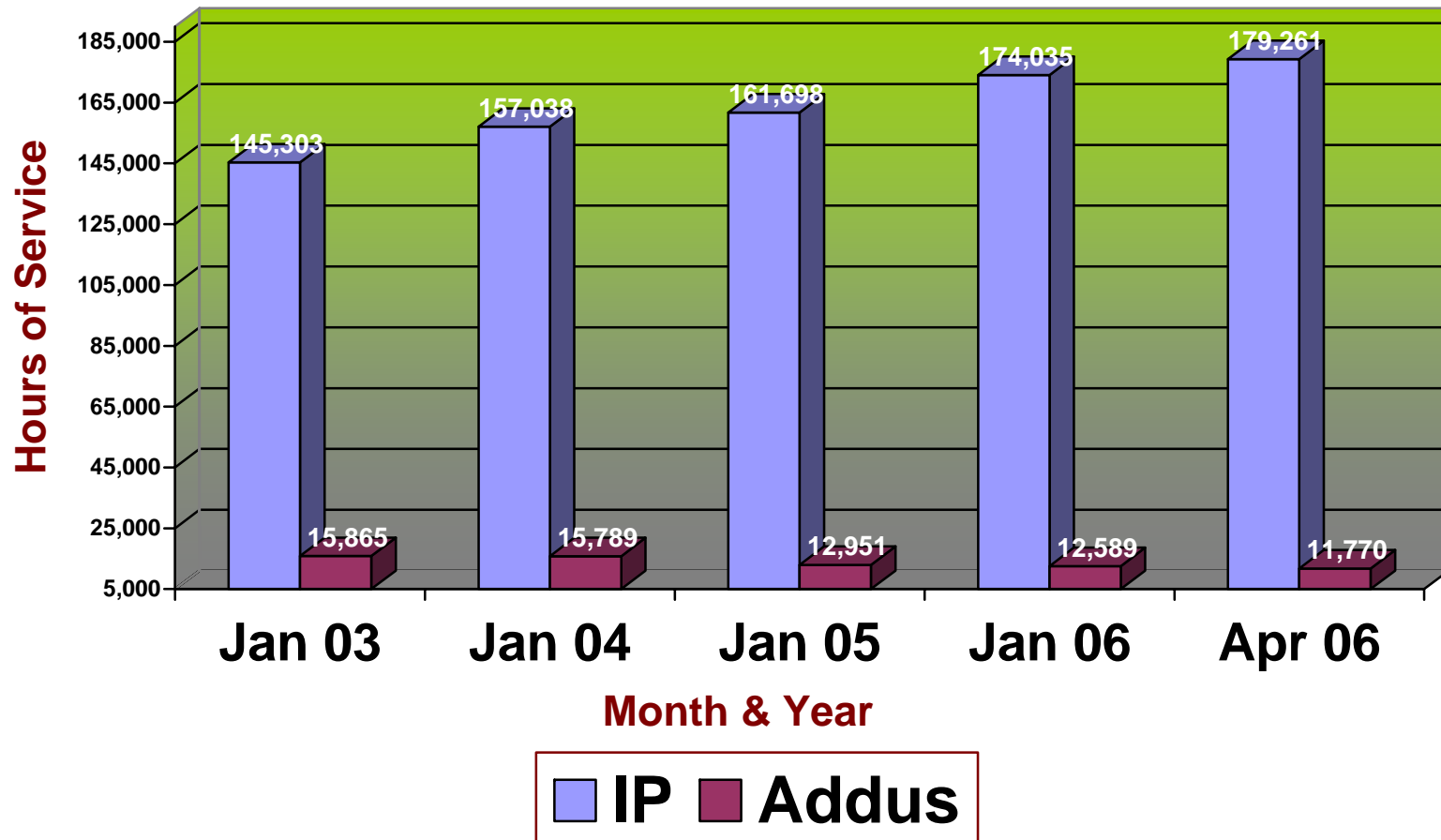


IHSS Total Cases vs. Independent Provider Cases vs. Addus Cases



Data From: State of California IHSS Recipient Summary Characteristics Listing (IH2RRCHR) (5/06)

In-Home Supportive Services Authorized Hours of Service: Independent Provider vs. Addus

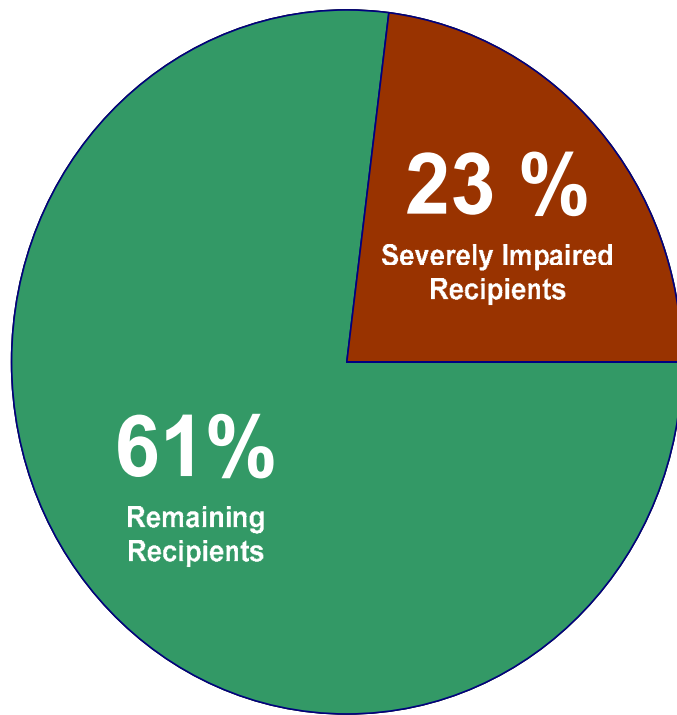


Data From: IHSS Management Statistics Summary (IH2L540N)

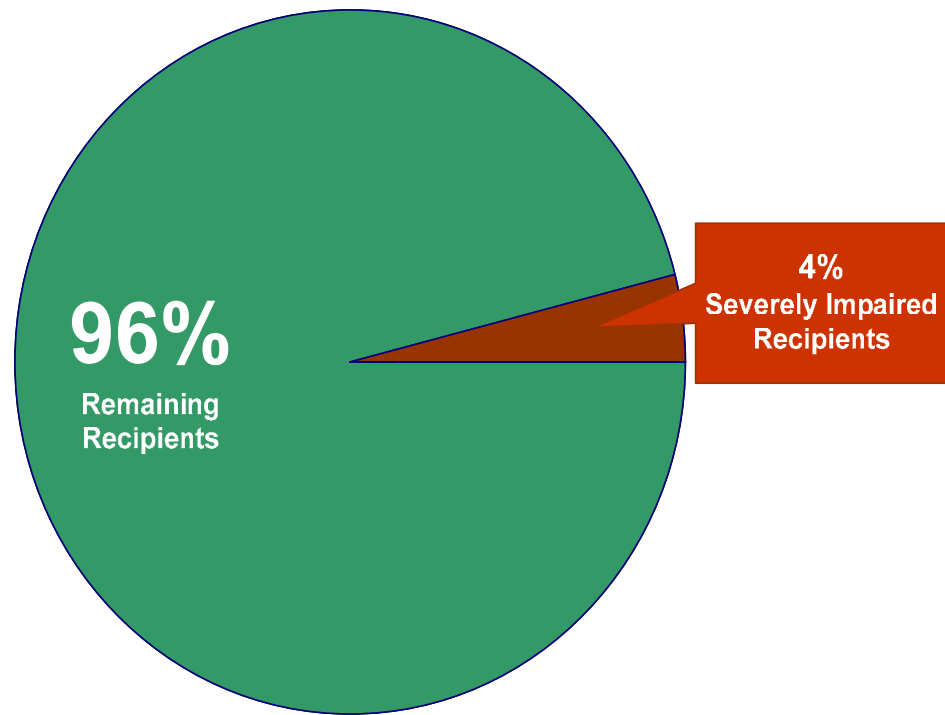
COMPARISON OF REQUIREMENTS FOR ADDUS AND INDEPENDENT PROVIDER PROGRAMS

Administrative Standards	Agency Responsibility	Public Authority Responsibility	DSS Responsibility
Compliance Audits	Yes	No	DSS
Financial Audits	Yes	No	DSS
Quality Assurance monitoring of the care provided	Yes	Yes	
Maintenance and reporting of budget, fiscal and statistical, program data	Yes	Yes	DSS
Consumer compensation for theft/damage	Yes	No	None
General Liability Insurance and a fidelity bond	Yes	No, not required	
Program Standards			
Regular Service Evaluations	Yes	Yes	IHSS
Notification of changes in the recipient's need for services	Yes	Yes	Consumer
Notification of non-receipt of scheduled services	Yes	No	Consumer or IP
Immediate notification of possible danger to the safety of the recipient including suspected abuse	Yes	Yes	IPs are mandated reporters of abuse
Immediate availability of substitute workers for holidays, vacations, sick/ personal absence, short term replacement and to start emergency cases	Yes	Yes	
Assessment of the skill level of each home care aide	Yes	Yes	
Orientation, training and provision of initial and ongoing skill development for all home care aides	Yes	Yes, Registry required; others as requested	
Maintain personnel records of all home care aides including their skills and training	Yes	Yes	
Monthly activity reports including grievances	Yes	Yes	
Create and maintain personnel files	Yes	Yes	
Aide supervision and supervisory home visits	Yes	Yes, as needed	Consumer
24/7 contact available for consumers and aides	Yes	Yes, for consumers only	
Ensure non-discriminatory employment practices	Yes	Yes	
Ensure all applicants undergo a screening, reference check and criminal background check	Yes	Yes, for registry only	
Safety programs to limit workers compensation injuries	Yes	Yes	
Verification that time sheets have been properly completed	Yes	No	DSS
Collect recipient share of cost obligations and report delinquencies	Yes	No	IP, DSS
Consumer can self-direct their service	Yes	Yes	Consumer
Consumer can choose not to self-direct their service	Yes	No	Not Available

Severely Impaired IHSS “IP” Recipients vs. Severely Impaired IHSS Recipients Served by Addus



IP Recipients



Addus Served Recipients

Data From: State of CA IHSS Service Assessment Summary Report (IH2LSASR) (2/06)

CONTRACT TO PROVIDE IN-HOME SUPPORTIVE SERVICES

Santa Barbara County-Department of Social Services

First Amendment-Contract Extension Effective 7/1/06

This is an amendment to the contract by and between the **County of Santa Barbara** (COUNTY) and **Addus HealthCare, Inc.** (CONTRACTOR), for the continued provision of In-Home Supportive Services (IHSS) from the existing contractor pursuant to the renewal clause in the Agreement for Services of Independent Contractor (page 1, paragraph 4) of the current contract. Current contract is effective through June 30, 2006.

The COUNTY has approved this six-month contract renewal to allow time for Addus providers to transition to the Independent Provider (IP) mode. This amended Contract is let in accordance with Title XIX and Title XX, of the Social Security Act; California State Welfare and Institutions Code (WIC), Sections 12300 et seq.; California State Department of Social Services (CDSS) Manual of Policy and Procedures (MPP), Divisions 10, 19, 21, 22, 23, 25, 30 and 46, et seq., Office of Management and Budget (OMB) Circulars. CONTRACTOR shall comply with all provisions specified in this Contract.

This amended contract incorporates the terms and conditions set forth in the existing contract numbered BC# 06-028, approved by the County Board of Supervisors on June 28, 2005 with the following exceptions:

1. **Amendments**

a) The current Contract is amended as follows:

1. **DESIGNATED REPRESENTATIVE.** Kim Kruser at phone number (805) 559-324-6513 is the authorized representative for CONTRACTOR.
2. **NOTICES.** To CONTRACTOR: Kim Kruser, Regional Vice President, 264 Clovis Ave Suite 106, Clovis, CA 93612
4. **TERM.** For the extension period, CONTRACTOR shall commence performance on July 1, 2006 and end performance upon completion, but no later than December 31, 2006 unless otherwise directed by COUNTY or unless earlier terminated.
5. **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this agreement in accordance with the terms of Revised Exhibit B1(revised June 2006). Revised Exhibit B1 is attached hereto and incorporated herein by reference.

Replace the following sections in EXHIBIT A, STATEMENT OF WORK

5.1 Rate

The hourly rate for each service hour for the period 7/1/06 through 12/31/06 shall continue to be \$17.06 with a maximum total service hours of 73,700.

Replace the following section in EXHIBIT B, PAYMENT ARRANGEMENTS

- A. For CONTRACTOR services to be rendered under this contract, CONTRACTOR shall be paid an amount, including cost reimbursement, not to exceed \$2,514,644.00 for the period of 7/1/05 through 6/30/06. For the amended period of 7/1/06 through 12/31/06, CONTRACTOR shall be paid an amount not to exceed \$1,257,322.00. Adding the amendment period, the new total contract not to exceed amount is \$3,771,966.00.

IN WITNESS WHEREOF, this First Amendment to the Contract has been executed by parties hereto upon this date first above written.

CONTRACTOR:

By _____ Date _____
Kim Kruser, Regional Vice President
Addus HealthCare, Inc.

Taxpayer ID Number: On-File

COUNTY OF SANTA BARBARA:

ATTEST:
MICHAEL F. BROWN
Clerk of the Board

By _____

By _____
Deputy

Date _____

APPROVED AS TO FORM:
STEPHEN SHANE STARK
County Counsel

APPROVED AS TO INSURANCE:
RAY AROMATORIO

By _____
Deputy County Counsel

By: _____
Risk Program Administrator

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS
Auditor-Controller

By _____

PROJECT ACTION PLAN

Contingent upon the Board of Supervisor's June 27, 2006 action to extend the contract, the following transition plan will be put into place. The success of this transition plan is predicated upon the full cooperation of Addus with the terms and timelines outlined:

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
1	Original transition plan created by In Home Supportive Services (IHSS) and Public Authority (PA) staff regarding transition from contract mode to Independent Provider (IP) mode	3/06		3/06	Completed and submitted to DSS
2	DSS sends letter to Addus regarding the non-renewal of the contract, with current contract to end 6/30/06	3/28/06		3/28/06	Completed
3	PA has streamlined orientation and hiring process in place for Addus workers who will transfer to the IP mode	5/1/06		5/1/06	Completed
4	PA and IHSS develop expanded on-call and urgent need plans, policies and procedures.	5/15/06		6/19/06	Recruitment for on-call caregivers is ongoing.
5	IHSS sends letter to all IHSS consumers served by Addus. IHSS and PA conduct home visits to contract mode consumers most at-risk and nearly all other IHSS consumers served by Addus.	5/20/06		5/20/06	Completed. Over 80% of IHSS consumers served by Addus received an in person visit

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
6	DSS meeting with CEO's office regarding contract termination	6/1/06		6/1/06	Completed. DSS Director met with CEO's staff and agreed to request contract extension for up to 6 months.
7	Meeting between Addus and DSS executive and program staff to discuss the contract extension and plans for transition	6/1/06		6/1/06	Completed. Addus agreed to an extension of 6 months in order to plan for an orderly transition of clients under their care to the IP mode. DSS will present a transition plan to Addus for their review.
8	Letters submitted to Clerk of the Board regarding the hearing date for Contract extension and transition plan	6/8/06		6/13/06	Completed. Scheduled to be heard June 27, 2006.
9	Letter drafted to United Domestic Workers of America regarding contract extension	6/14/06		6/14/06	Completed. Letter submitted to DSS for review and mailed to UDWA
10	Original transition plan updated due to proposed six month contract extension	6/16/06			
11	Board of Supervisors meeting regarding Addus contract. Contingent upon Board action, this plan is activated.	6/27/06			

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
12	IHSS Acting Division Chief notifies IHSS staff in a written memo that no referrals will be made to Addus effective July 1, 2006	6/28/06			
13	Intensive client outreach efforts will be ongoing throughout the contract extension period and will include home visits and phone call by IHSS and PA staff	Week of 6/26/06			Discuss the transition plan and the projected date of transition to IP mode. Assistance given with paperwork if necessary. Consumer-Caregiver Manual given to each consumer. On call registry access explained.
14	PA provides IHSS staff information regarding expanded on call and urgent need registry and how to assist IHSS consumers in utilizing these services.	Week of 6/26/06			
15	IHSS & Public Authority supervisory staff meet to discuss the transition process and any outstanding concerns	Week of 6/26/06			Presented at a special joint meeting of the divisions
16	DSS, IHSS and PA meet with Addus to discuss transition plan. DSS, IHSS and PA will work collaboratively with Addus in a geographic approach to transitioning consumers.	Week of 6/26/06			Accept plan with any necessary revision

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
17	PA provides itemized list of needed information to Addus. Requested items will be for information maintained by Addus under the terms and conditions of the current contract (currently set to end 6/30/06).	Week of 6/26/06			
18	Referrals to Addus cease	7/1/06			Any exceptions need approval of IHSS Division Chief and PA Director
19	IHSS begins transfer of up to 20% of original July 1, 2006 Addus caseload	7/3/06			
20	IHSS and PA begin to identify Addus caregivers who want to continue with their IHSS clients and/or who want to work through the Registry	7/3/06			This will continue throughout the transition
21	Informational letter sent to IHSS consumers served by Addus regarding the contract extension in order to explain the new transition process	Week of 7/3/06			
22	Addus will provide to the PA all requested information necessary to transition interested Addus employees into the IP mode. The PA will work collaboratively with Addus to ensure the success of the transition for interested Addus employees.	Week of 7/3/06			Absent the timely receipt of information from Addus, Community Forums will be scheduled for interested Addus employees.
23	PA requests meeting with UDWA	Week of 7/3/06			DSS and PA to share transition plan and respond to concerns.

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
24	Send final transition plan to IHSS Advisory Committee	Week of 7/3/06			
25	Meet with Addus to secure a smooth transition of IHSS consumers and interested Addus employees according to the provisions and timeline of this transition plan	Week of 7/10/06			We believe Addus will cooperate fully in this plan based on their contractual agreement for transitioning to IP mode (see existing contract "Statement of Work" 5.7k)
26	Update DSS Director and involved Deputies	Week of 7/24/06			Ongoing monthly meetings
27	PA and IHSS staff meet to review progress	Week of 7/31/06			
28	IHSS and PA staff begin monthly meetings with Addus to ensure a smooth transition of all clients.	Week of 7/31/06			Meetings will be held at the DSS building in Santa Maria, and schedule will be set for the remaining transition period at the first meeting.
29	Continue transition of up to 20% of original Addus caseload (40% of total)	8/1/06			
30	PA begins 30 – 45 – 60 day follow up calls for quality assurance.	8/1/06			Ongoing part of Public Authority QA process, in addition to other current QA activities

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
31	PA schedules meetings with Santa Barbara Regional Health Authority and Pacific Union Dental to discuss transitioning Addus caregivers to PA health and dental plans	Month of 8/06			
32	Intensive outreach efforts to recipients/consumers continue	Month of 8/06			
33	Update IHSS Advisory Committee of progress	8/3/06			Regularly scheduled meeting
34	PA and IHSS staff to review progress and make report to Director	Week of 8/14/06			
35	Intensive outreach efforts to recipients/consumers continue	Month of 9/06			
36	Continue transfer of cases up to 20% of original caseload (60% of total)	9/1/06			
37	PA and IHSS staff review progress and make report to Director	Week of 9/11/06			

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
38	Update DSS Director and involved deputies on progress	Week of 9/18/06			
39	Intensive outreach to recipients/consumers efforts continue	Month of 10/06			
40	Continue transfer of up to 20% of original Addus caseload (80% of total)	10/1/06			
41	Update DSS Director and involved deputies on progress	Week of 10/16/06			
42	Intensive outreach efforts to recipients/consumers continue	Month of 11/06			
43	Continue transfer of remaining Addus caseload	11/1/06			
44	Update for IHSS Advisory Committee	11/2/06			

PROJECT ACTION PLAN

Action Item #	Major Milestones	Action Dates			Status/Comments
		Target	Revision	Actual	
45	PA and IHSS staff review progress	Week of 11/13/06			
46	Update DSS Director and involved deputies on progress	11/30/06			
47	Intensive outreach efforts to recipients/consumers continue	Month of 12/06			
48	Transfer of all Addus cases completed	12/15/06			
49	IHSS and PA present final report to DSS Directors and involved Deputies.	Month of 01/07			
50	IHSS and PA present final report to Board of Supervisors/ Board of Directors	Month of 01/07			
51	IHSS and PA present final Report to IHSS Advisory Committee	2/1/07			Regularly scheduled meeting
52	Addus submits final reports to DSS	2/28/07			