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DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

February 19, 2015

ALL-COUNTY LETTER (ACL) NO. 15-23

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL IHSS PROGRAM MANAGERS
PUBLIC AUTHORITY EXECUTIVE DIRECTORS

SUBJECT: REVISED IN-HOME SUPPORTIVE SERVICES (IHSS) PUBLIC AUTHORITY(PA)/NONPROFIT CONSORTIUM RATE FORM (SOC 449) WHICH INCLUDES A NEW TABLE TO ASSIST COUNTIES IN SEPARATING LOCALLY VS. NON-LOCALLY NEGOTIATED COSTS FOR IHSS MAINTENANCE OF EFFORT (MOE) ADJUSTMENTS.

REFERENCES: [ACIN I-03-14, DATED JANUARY 3, 2014;](#)
[ACL NO. 10-54, DATED DECEMBER 9, 2010;](#)
[ACL NO. 11-56, DATED JULY 29, 2011;](#)
[ACL NO. 12-63, DATED DECEMBER 11, 2012;](#)
[CFL NO. 12/13-28, DATED JANUARY 24, 2013;](#)
[CFL NO. 13/14-48, DATED MAY 13, 2014;](#)

This letter provides counties with additional instructions for notifying the California Department of Social Services (CDSS), on the IHSS Public Authority/Nonprofit Consortium Rate Form (SOC 449), of any wage and health benefit (HB) changes, whether locally negotiated, mediated, or imposed. Please be aware that a SOC 449 should be submitted each time there is a change regardless of the reason for the change.

Instructions on SOC 449 For The PA Rate Change Package

Attachment 1 displays a supplemental table on the revised SOC 449 form that counties will be required to use when submitting any future rate packages in 2015. The information captured will assist counties in separating locally and non-locally negotiated costs that CDSS will utilize for the county specific IHSS MOE adjustment calculations for each Fiscal Year (FY).

On the SOC 449, counties shall specify the change in the hourly wage or change in the total contribution amount resulting from a locally negotiated HB change. These rates (line 4 and line 6b) will be used to calculate the county MOE adjustment.

Determining the hourly rate change resulting from a locally negotiated HB change may be more complicated depending on the HB structure of the county:

1. There are a few counties that pay a *fixed total amount* for HBs for IHSS providers. If these counties negotiate and agree to pay a different fixed total amount, then the full amount of the difference between the original fixed total amount and the newly-negotiated total amount shall be reported on the SOC 449.
2. Some counties pay a *fixed hourly rate* for HBs for IHSS providers, for example \$0.60 per hour. If these counties negotiate and agree to pay a different fixed hourly amount, then the amount of the difference between the original fixed hourly amount and the newly-negotiated hourly amount shall be reported on the SOC 449.
3. There are also counties that pay a *capitated amount* per eligible IHSS provider. If these counties negotiate and agree to pay a different capitated amount per eligible provider and/or negotiate a change in eligibility criteria that would impact the number of enrollees, then these counties will have to calculate the hourly rate. The amount of the difference between the hourly rate calculated prior to the locally negotiated HB change and the hourly rate calculated after the locally negotiated HB change shall be reported on the SOC 449. Counties should be aware that because the hourly rate calculated is an estimate, a revised SOC 449 should to be submitted once twelve months of actual costs are known in order to ensure the MOE is adjusted appropriately. For more info about MOE Adjustment, please see CFL NO. 14/15-44, which will be released soon.

On the following page are examples to assist counties in determining if the rate change will have an impact to their MOE. The examples reflect changes to wages and HBs that were negotiated and included in a single PA rate package. If a county negotiated and ratified a wage/HB increase, and then negotiated and ratified a HB/wage decrease on a subsequent rate package within the same FY, the two changes would not net out and the MOE adjustment would only apply to the increase.

Scenario	Wages	Locally-Negotiated HBs	Difference – MOE Adjustment
1	Decrease \$0.40	Increase \$0.50	\$0.10 net increase to MOE
2	Decrease \$0.50	Increase \$0.40	\$0.10 net decrease - No Change to MOE
3	Increase \$0.50	Decrease \$0.40	\$0.10 net increase to MOE
4	Increase \$0.40	Decrease \$0.50	\$0.10 net decrease - No Change to MOE
5	Decrease \$0.50	Increase \$0.50	No change to MOE
6	Increase \$0.50	Decrease \$0.50	No change to MOE
7	Increase of total prior HB contribution	Decrease of total prior HB contribution	No change to MOE

New - Signature Required on the SOC 449 Form

The SOC 449 form (Attachment I) is also being changed to include certification by the county. When counties submit a rate package with a change to the HB rate, and the change is not the result of a local negotiation with IHSS provider representatives, counties must certify (please see attachment, area just above the signature line) that the change to the HB rate is not the result of a locally negotiated benefit change (only applies to non-locally negotiated health benefit rates).

If you have any questions regarding the revised SOC 449 Form, please contact Ruben Romero, Chief, Systems and Administrative Branch at ruben.romero@dss.ca.gov. Any questions regarding these county specific IHSS MOE adjustments should be directed to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

EILEEN CARROLL
Deputy Director
Adult Programs Division

Attachment

**IN-HOME SUPPORTIVE SERVICES PROGRAM
PUBLIC AUTHORITY/NON-PROFIT
CONSORTIUM RATE**

COUNTY:	
CONTACT NAME:	
PA NAME:	
TELEPHONE: ()	FAX NUMBER: ()
ADDRESS:	
EMAIL ADDRESS:	

To: California Department of Social Services
Adult Programs Division
Public Authority Unit
744 P Street, MS 9-9-04
Sacramento, CA 95814

Please address questions regarding this form to the Public Authority Unit, at (916) 651-3488.

Please complete the budget narrative below and attach supporting documentation explaining how each component of the rate was determined. The total Public Authority (PA) and Non-profit Consortium (NPC) rate should include a rate for services (wage and benefits) and a rate for administrative costs. The total rate for wages and benefits should be broken down to include an hourly wage, payroll taxes, health and non-health benefits. The State is legally authorized to share only in the costs of individual health benefits for IHSS providers, however, these costs may be eligible for Title XIX reimbursement.

- The state will only participate in hourly wage and benefits up to \$12.10 per hour unless otherwise provided for in the Annual Budget Act or appropriated by statute.
- The state will not participate in increases to wages or employment taxes, or increases or expansions of benefits negotiated or agreed to by a PA or NPC unless provided for in the Annual Budget Act or appropriated by statute.
- No increase in wages or benefits negotiated or agreed to by a PA or NPC shall take effect until it has been approved by the State (CDSS/DHCS) or unless provided for in the Annual Budget Act or appropriated by statute.

I hereby certify that the proposed IHSS MOE adjustment includes no locally negotiated health benefit rate changes and no changes that modify who is eligible for health benefits (only applies to non-locally negotiated health benefit rates).

Approved by: _____ Date: _____

BUDGET NARRATIVE

		Current Rate	Requested Rate	Difference
PA/NPC Hourly Rate:	1			
PA/NPC Hourly Administrative Cost:	2			
Hourly Services Cost: Total	3			
Hourly Wage (locally negotiated)	4			
Hourly Wage (non-locally negotiated)	5			
Payroll Taxes (FUTA, SUI, FICA)	6a			
Health Benefits (locally negotiated)	6b			
Health Benefits (non-locally negotiated)	7			
Non-Health Benefits (if any)	8			

Comments: Please include the Line-by-Line Budget Narrative with PA Rate Change Package