

July 6, 2018

ALL-COUNTY LETTER (ACL) NO. 18-79

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

SUBJECT: UPDATED IN-HOME SUPPORTIVE SERVICES (IHSS)  
PUBLIC AUTHORITY (PA) NONPROFIT CONSORTIUM  
(NPC) RATE FORM (SOC 449) AND RATE CHANGE  
REQUEST PROCESS

REFERENCES: [ACL NO. 15-78, Dated October 9, 2015](#)  
[ACL NO. 18-01, Dated January 9, 2018](#)  
[ACL NO. 18-35, Dated March 22, 2018](#)

The purpose of this ACL is to inform counties that an updated SOC 449 form is available and to provide instructions on how to complete the form. Additionally, this ACL reminds counties of the process for submitting a rate change package and outlines a simplified rate change request process for minimum wage and continuing wage supplement rate change requests.

**Updated SOC 449 Rate Change Form**

The SOC 449 Rate Change Form has been updated to include the negotiation options available under the new Maintenance of Effort (MOE) and to further clarify the types of rate changes available. The form now includes the following categories:

- Wage Supplement (one-time MOE adj.)
- Wage Supplement (continued – no MOE adj.)
- 10 percent increase over three-year period (check box)
- Hourly Wage (by ordinance)
- Non-Health Benefits \_\_\_\_\_(type)

**Wage Supplement Increase (one-time MOE adj.)**

When a county originally establishes a wage supplement or when a county makes a change to the amount of a wage supplement, the rate change should be reflected on the Wage Supplement Increase (one-time MOE adj.) row on the new SOC 449 rate change form. For information on how a wage supplement may impact the county MOE, please refer to [ACL No. 18-35](#).

**Wage Supplement (continued – no MOE adj.)**

After a county has established a wage supplement, the wage supplement will be subsequently applied each time the state minimum wage equals or exceeds the county provider wage absent the wage supplement amount. To ensure the county receives no adjustment to the MOE for the continuing wage supplement, the change should be reflected on the Wage Supplement (continued – no MOE adj.) row on the new SOC 449 rate change form.

Below is an example of how to complete the new SOC 449 rate change form when the wage supplement is established, and then again when it is subsequently applied.

**County A:**

*Current wage in January 2018 is \$11.00. On March 1, 2018, the county established a \$0.50 wage supplement creating a county individual provider wage of \$11.50. When the minimum wage increases to \$12.00 on January 1, 2019, the county's hourly wage will be \$12.50.*

**SOC 449 For Initial Wage Supplement Rate Change Request****Wage Supplement Rate Change – March 1, 2018**

		Current Rate	Requested Rate	Difference
Hourly Wage (locally negotiated)	1	\$11.00	\$11.00	\$0.00
Hourly Wage (non-locally negotiated)	2			
Hourly Wage (by ordinance)	3			
Wage Supplement (one-time MOE adj.)	4		\$0.50	\$0.50
Wage Supplement (continued – no MOE adj.)	5			
<b>Wage Total (sum of lines 1-5)</b>		<b>\$11.00</b>	<b>\$11.50</b>	<b>\$0.50</b>
Health Benefits (locally negotiated)	6	\$0.30	\$0.30	\$0.00
Health Benefits (non-locally negotiated)	7			
<b>Health Benefits Total (sum of lines 6-7)</b>		<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.00</b>
Non-Health Benefits _____ (type)	8			
Payroll Taxes (FUTA, SUI, FICA)	9	\$0.79	\$0.79	\$0.00
Administrative Rate	10	\$0.14	\$0.14	\$0.00
<b>PA/NPC Rate Total</b>		<b>\$12.23</b>	<b>\$12.73</b>	<b>\$0.50</b>

SOC 449 For Continued Wage Supplement Rate Change Request

## Minimum Wage Increase – January 1, 2019

		Current Rate	Requested Rate	Difference
Hourly Wage (locally negotiated)	1	\$11.50		
Hourly Wage (non-locally negotiated)	2		\$12.00	\$0.50
Hourly Wage (by ordinance)	3			
Wage Supplement (one-time MOE adj.)	4			
Wage Supplement (continued – no MOE adj.)	5		\$0.50	\$0.50
<b>Wage Total (sum of lines 1-5)</b>		<b>\$11.50</b>	<b>\$12.50</b>	<b>\$1.00</b>
Health Benefits (locally negotiated)	6	\$0.30	\$0.30	\$0.00
Health Benefits (non-locally negotiated)	7			
<b>Health Benefits Total (sum of lines 6-7)</b>		<b>\$0.30</b>	<b>\$0.30</b>	<b>\$0.00</b>
Non-Health Benefits _____ (type)	8			
Payroll Taxes (FUTA, SUI, FICA)	9	\$0.79	\$0.79	\$0.00
Administrative Rate	10	\$0.14	\$0.14	\$0.00
<b>PA/NPC Rate Total</b>		<b>\$12.73</b>	<b>\$13.73</b>	<b>\$1.00</b>

**10 Percent Increase Over Three-Year Period**

The state shall participate in a cumulative total of up to 10 percent within a three-year period in the sum of the combined total of changes in wages or individual health benefits or both for a county that is at or above that state participation cap (currently \$12.10 per hour in combined wages and individual benefits). A three-year period is defined as three consecutive years. A new three-year period can only begin after the conclusion of the previous three-year period. The State shall participate for no more than two three-year periods after which time the county shall pay the entire non-federal share of any future increases in wages and health benefits that exceed the then current cap. To be eligible for state participation, a 10 percent increase is required to be commenced prior to the date that the minimum wage reaches \$15.00/hour on January 1, 2022. (WIC 12306.1 (3) (A-D).

If a county is at or above the state participation cap and chooses to utilize the 10 percent option, the county will check the box at the bottom of the SOC 449 and will sign and date the form. If a county does not check the box and sign and date the form, the State will apply the traditional sharing ratio when applying the adjustment to the county MOE.

See example below:

The State shall participate (65 percent of the non-federal share) in a cumulative total up to 10 percent of the sum of the combined total of wages or health benefits or both over a three-year period. **Check the box and sign on the line below if you are choosing to utilize the 10 percent increase over the three-year period option.**

☐ Authorizing Officer Signature \_\_\_\_\_ Date: \_\_\_\_\_

### **Hourly Wage (by ordinance)**

In addition to any other method provided by law, ordinances may be enacted by any county pursuant to Article 1 section 9100 of Chapter 2 County Elections. If a wage is increasing due to ordinance, please put the rate increase on the Hourly Wage (by ordinance) row on the new SOC 449 rate change request form.

### **Non-Health Benefits (type)**

When including non-health benefits rate on the SOC 449, please specify the type of the non-health benefits on the line provided on the Non-Health Benefits \_\_\_\_\_(type) row on the new SOC 449 rate change request form. Please see [ACL 18-35](#) for a list of non-health benefits the state participates in.

### **Paid Sick Leave**

The Paid Sick Leave provisions established through Senate Bill 3 will be implemented on July 1, 2018. This new benefit to IHSS providers will not require a rate change package. For more information regarding Paid Sick Leave, please see [ACL 18-01](#).

### **PA Rate Change Requests Process**

The process for submitting PA rate change requests has not changed. Counties will continue to follow the previously established rules for submitting PA rate change requests with the exception of when requesting Minimum Wage Increases and Continuing Wage Supplements with no MOE adjustment. The simplified rate change request process for those two situations is outlined later in this ACL. The rate change process for all other types of rate changes is shown below. To process a PA/NPC rate change request, the following documentation is required:

- Letter from the County Welfare Director or Chief Fiscal Officer that includes the requested effective date and requested rate on County letterhead. (The rate should be broken down by hourly wage, wage supplement, benefits, non-health, taxes, administrative and total PA/NPC rate)
- SOC 449
- IHSS PA rate worksheet
- Line item budget
- County Board of Supervisors (BOS) approval (including appropriate signatures)
- Current Memorandum of Understanding (MOU) including a minimum of two signatures, one from the PA/NPC, and one from the recognized labor organization

### **Minimum Wage Increase Rate Change Process**

The following documentation is required for minimum wage rate change requests:

- Letter from the County Welfare Director or Chief Fiscal Officer that includes the requested effective date and requested rate on County letterhead. (The rate should be broken down by hourly wage, benefits, taxes and administrative costs to allow CDSS to validate that the County is aware of all aspects of the rate change that is being submitted by the PA/NPC.)
- SOC 449 with increase reflected in the Hourly Wage Increase (non-locally negotiated) row.

#### **Please note:**

*If there is a change in health benefits, non-health benefits or administrative costs that occurs at the same time as the minimum wage increase, a full rate change package with all the additional components (IHSS PA rate worksheet, Line item budget, County Board of Supervisors (BOS) approval (including appropriate signatures) and Current Memorandum of Understanding (MOU) including a minimum of two signatures, one from the PA/NPC, and one from the recognized labor organization) will be required.*

### **Wage Supplement (continued – no MOE adj.) Rate Change Process**

The following documentation is required for continuing wage supplement rate change requests:

- Letter from the County Welfare Director or Chief Fiscal Officer that includes the requested effective date and requested rate on County letterhead. (The rate should be broken down by hourly wage, benefits, taxes and administrative costs to allow CDSS to validate that the County is aware of all aspects of the rate change that is being submitted by the PA/NPC.)
- SOC 449 with increase reflected in the Wage Supplement (continued – no MOE adj.) row.

#### **Please note:**

*A BOS approval and Current MOU are not required if the continuing wage supplement was clearly outlined in both documents that were submitted with the rate change package when the wage supplement was established. However, if there is a change in health benefit, non-health benefits or administrative costs that occurs at the same time as the continued wage supplement, a full rate change package with all the additional components (IHSS PA rate worksheet, Line items budget, County BOS approval (including appropriate signatures) and Current MOU including a minimum of two signatures, one from the PA/NPC and one from the recognized labor organization) will be required.*

Please remember, all requests to change a PA/NPC rate must be made at least 60 calendar days but not more than 90 calendar days prior to the requested effective date. This timeframe is necessary to ensure proper approvals are obtained and the necessary changes are made in the Case Management, Information and Payrolling System (CMIPS) prior to the requested effective date. In accordance with the Welfare and Institutions Code (WIC) section 12306.1(b), any change made to the PA/NPC rate shall take effect commencing the first day of the month following final approval received by the California Department of Social Services (CDSS) and the Department of Health Care Services.

To initiate the process, scanned copies of the rate change package can be sent via electronic mail (e-mail) to the CDSS Financial Management Unit (FMU) analyst assigned to your county with a copy to the CDSS FMU manager, Danielle Morris ([Danielle.Morris@dss.ca.gov](mailto:Danielle.Morris@dss.ca.gov)). However, originals must be mailed to the address below via certified mail and must be received by CDSS prior to the requested effective date.

California Department of Social Services  
Financial Management Unit  
744 P Street, MS 9-11-91  
Sacramento, CA 95814

To help streamline these processes, when requesting a PA/NPC rate change, please also provide two points of contact; a primary contact and a secondary contact, including telephone numbers (office and cell, if applicable) and e-mail addresses. CDSS will use this information for notification purposes and/or if information is missing or incomplete.

For any questions or concerns regarding the processes for PA/NPC rate changes, questions regarding the revised SOC 449 form, or to obtain a copy of the revised SOC 449 form, please contact the Adult Programs Division, Financial Management Unit at (916) 653-3850.

Sincerely,

**Original Document Signed By:**

DEBBI THOMSON  
Deputy Director  
Adult Programs Division