

October 25, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 22-88

The purpose of this letter is to notify counties of the updated Maximum Allowable Contract Rates effective July 1, 2022. This applies to counties that have contracts with private agencies.



KIM JOHNSON
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

October 25, 2022

ALL COUNTY LETTER NO. 22-88

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY PROGRAM MANAGERS
ALL COUNTY WELFARE FISCAL OFFICERS

SUBJECT: UPDATED MAXIMUM ALLOWABLE CONTRACT RATES
ESTABLISHED FOR IN-HOME SUPPORTIVE SERVICES
COUNTIES

REFERENCE: [WELFARE AND INSTITUTIONS CODE \(WIC\) SECTIONS 12303 \(a\), 12306.16 \(d\)\(4\)](#)
[MANUAL OF POLICIES AND PROCEDURES \(MPP\) SECTION 10-205.1 TO 10-205.8](#)
[U.S. BUREAU OF LABOR STATISTICS CPI INDEX JULY 2022](#)
[CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT'S OCCUPATIONAL EMPLOYMENT AND WAGE STATISTICS SURVEY](#)
[ALL COUNTY LETTER NO. 02-95, DATED DECEMBER 18, 2002](#)

The purpose of this All County Letter (ACL) is to notify counties of the updated Maximum Allowable Contract Rates (MACR) for counties that have contracts with private agencies as an option for delivering In-Home Supportive Services (IHSS) to recipients. The new rates are effective July 1, 2022.

MACR METHODOLOGY

The MACRs were developed in accordance with Welfare and Institutions Code ([WIC](#)) Section 12303 (a) and the Manual of Policies and Procedures ([MPP](#)) Section 10-205.1 to 10-205.3.

In developing the methodology for the MACRs, the most recent labor market information from the California Employment Development Department's (EDD) Occupational Employment and Wage Statistics ([OEWS](#)) Survey was used.

The occupational description most consistent with the services performed by an IHSS provider was for "Home Health Aide and Personal Care Aides" (HHPCA). The EDD wage level information for a HHPCA was used to develop the allowable cost rate and ultimately the MACR for each county. The methodology for calculating the MACRs is

summarized below and is also displayed across the header row of the attached spreadsheet (Attachment A).

Step 1: Identify the relevant county-specific hourly wage rates for HHPCA.

- The average entry-level wage for a HHPCA in each county was determined from the most current available EDD OEWS metropolitan statistical area (MSA) data. The MSA wage information for many counties is only available as an aggregate by multi-county region. In these cases, the same wage figure was used for all the counties in a region.

Step 2: Adjust county wage-levels for inflation.

- Each county specific MSA wage was adjusted by applying the annual U.S. Bureau of Labor Statistics, Consumer Price Index ([CPI](#)) factor of 5.9 percent as of July 2022 to reflect the current cost of living.

Step 3: Develop the contract administrative cost component.

- The allowable cost rate includes a historical assumption for contractor overhead (administrative) costs of 91.45 percent as shown in [ACL 02-95](#).

Step 4: Establish the (Gross) MACR.

- Apply a 10 percent factor to the allowable cost rate according to Department regulations, [MPP Section 10-205.1](#).

EFFECT OF NEW MACRS

The MACRs provided in this letter do not create a new county financial obligation and should not be construed to be a standard or required rate of payment for IHSS contract services (see [MPP Section 10-205.6](#)). Counties should conduct a bid process that encourages and secures the lowest price possible.

Counties can establish a contract rate above their MACR. However, for counties that are claiming costs for contracted IHSS services, the hourly rate that is shown on the attached spreadsheet (Attachment A) is the maximum dollar amount for which the state will provide contributing funds.

State participation in the contract mode rate is conditioned upon the availability of funding in the annual Budget Act or as appropriated by statute. As noted above, state financial sharing is only available for contract rates at or below the MACR. See WIC 12306.16 (d)(4). Counties that agree to pay a contract rate higher than the MACR are reminded that they must pay the full amount of the nonfederal cost for the portion above the MACR in accordance with [WIC](#) Sections 12303 (a), 12306.16 (d)(4), and [CDSS](#) MPP Section 10-205.1. Title XIX federal financial participation is available for contract rates, with the approval of the California Department of Social Services (CDSS).

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MACR APPEALS

Counties may appeal to CDSS for an adjustment to the MACR as outlined in state regulations [MPP Section 10-205.5](#). Counties must initiate an appeal by filing a written request for an adjustment no later than 15 working days from the mailing date of this ACL.

If you have any questions or need additional guidance regarding the information in this letter, contact the Adult Programs Division, Financial Management Unit at (916) 653-3850 or via email to APD_FMU@dss.ca.gov

Sincerely,

Original Document Signed By

LEORA FILOSENA, P.M.P.
Deputy Director
Adult Programs Division

Attachment

ATTACHMENT A

MAXIMUM ALLOWABLE CONTRACT RATES FOR ALL COUNTIES

Consumer Price Index (CPI) 5.9%

Average Contract Overhead 91.45%

County	County MSA HHPCA Average Wage	MSA Adjusted for CPI Rate (Bx1.059)	Average Contract Overhead	Adjusted Cost Rate (D+E)	Add 10% to create MACR (Fx1.1)
Alameda	\$ 18.33	\$ 19.41	\$ 16.76	\$ 36.17	\$ 39.79
Alpine	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Amador	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Butte	\$ 15.44	\$ 16.35	\$ 14.12	\$ 30.47	\$ 33.52
Calaveras	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Colusa	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Contra Costa	\$ 18.33	\$ 19.41	\$ 16.76	\$ 36.17	\$ 39.79
Del Norte	\$ 15.60	\$ 16.52	\$ 14.27	\$ 30.79	\$ 33.87
El Dorado	\$ 16.11	\$ 17.06	\$ 14.73	\$ 31.79	\$ 34.97
Fresno	\$ 15.33	\$ 16.23	\$ 14.02	\$ 30.25	\$ 33.28
Glenn	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Humboldt	\$ 15.60	\$ 16.52	\$ 14.27	\$ 30.79	\$ 33.87
Imperial	\$ 15.50	\$ 16.41	\$ 14.17	\$ 30.59	\$ 33.65
Inyo	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Kern	\$ 15.46	\$ 16.37	\$ 14.14	\$ 30.51	\$ 33.56
Kings	\$ 15.32	\$ 16.22	\$ 14.01	\$ 30.23	\$ 33.26
Lake	\$ 15.60	\$ 16.52	\$ 14.27	\$ 30.79	\$ 33.87
Lassen	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Los Angeles	\$ 16.65	\$ 17.63	\$ 15.23	\$ 32.86	\$ 36.14
Madera	\$ 15.23	\$ 16.13	\$ 13.93	\$ 30.06	\$ 33.06
Marin	\$ 18.58	\$ 19.68	\$ 16.99	\$ 36.67	\$ 40.33
Mariposa	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Mendocino	\$ 15.60	\$ 16.52	\$ 14.27	\$ 30.79	\$ 33.87
Merced	\$ 15.34	\$ 16.25	\$ 14.03	\$ 30.27	\$ 33.30
Modoc	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Mono	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Monterey	\$ 16.80	\$ 17.79	\$ 15.36	\$ 33.15	\$ 36.47
Napa	\$ 17.72	\$ 18.77	\$ 16.20	\$ 34.97	\$ 38.47
Nevada	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Orange	\$ 16.75	\$ 17.74	\$ 15.32	\$ 33.06	\$ 36.36
Placer	\$ 16.11	\$ 17.06	\$ 14.73	\$ 31.79	\$ 34.97
Plumas	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Riverside	\$ 15.55	\$ 16.47	\$ 14.22	\$ 30.69	\$ 33.76
Sacramento	\$ 16.11	\$ 17.06	\$ 14.73	\$ 31.79	\$ 34.97
San Benito	\$ 16.60	\$ 17.58	\$ 15.18	\$ 32.76	\$ 36.04
San Bernardino	\$ 15.55	\$ 16.47	\$ 14.22	\$ 30.69	\$ 33.76
San Diego	\$ 16.29	\$ 17.25	\$ 14.90	\$ 32.15	\$ 35.36
San Francisco	\$ 18.28	\$ 19.36	\$ 16.72	\$ 36.08	\$ 39.68
San Joaquin	\$ 16.50	\$ 17.47	\$ 15.09	\$ 32.56	\$ 35.82
San Luis Obispo	\$ 15.72	\$ 16.65	\$ 14.38	\$ 31.02	\$ 34.13
San Mateo	\$ 18.28	\$ 19.36	\$ 16.72	\$ 36.08	\$ 39.68
Santa Barbara	\$ 16.19	\$ 17.15	\$ 14.81	\$ 31.95	\$ 35.15
Santa Clara	\$ 16.60	\$ 17.58	\$ 15.18	\$ 32.76	\$ 36.04
Santa Cruz	\$ 17.12	\$ 18.13	\$ 15.66	\$ 33.79	\$ 37.16
Shasta	\$ 16.32	\$ 17.28	\$ 14.92	\$ 32.21	\$ 35.43
Sierra	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Siskiyou	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Solano	\$ 17.66	\$ 18.70	\$ 16.15	\$ 34.85	\$ 38.34
Sonoma	\$ 16.55	\$ 17.53	\$ 15.13	\$ 32.66	\$ 35.93
Stanislaus	\$ 15.53	\$ 16.45	\$ 14.20	\$ 30.65	\$ 33.71
Sutter	\$ 16.08	\$ 17.03	\$ 14.71	\$ 31.73	\$ 34.91
Tehama	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Trinity	\$ 15.78	\$ 16.71	\$ 14.43	\$ 31.14	\$ 34.26
Tulare	\$ 15.54	\$ 16.46	\$ 14.21	\$ 30.67	\$ 33.74
Tuolumne	\$ 15.73	\$ 16.66	\$ 14.39	\$ 31.04	\$ 34.15
Ventura	\$ 16.28	\$ 17.24	\$ 14.89	\$ 32.13	\$ 35.34
Yolo	\$ 16.11	\$ 17.06	\$ 14.73	\$ 31.79	\$ 34.97
Yuba	\$ 16.08	\$ 17.03	\$ 14.71	\$ 31.73	\$ 34.91