

December 14, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 23-103**

The purpose of this letter is to notify counties of the updated Maximum Allowable Contract Rates effective July 1, 2023. This applies to counties that have contracts with private agencies.



KIM JOHNSON  
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



GAVIN NEWSOM  
GOVERNOR

December 14, 2023

ALL COUNTY LETTER NO. 23-103

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 \(a\),  
WIC 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 2023  
CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT'S  
OCCUPATIONAL EMPLOYMENT AND WAGE STATISTICS  
\(OEWS\) SURVEY  
ALL COUNTY LETTER \(ACL\) NO. 02-95, DATED  
DECEMBER 18, 2002  
ACL NO. 22-88, DATED OCTOBER 25, 2022](#)

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, 2023.

**MAXIMUM ALLOWABLE CONTRACT RATES 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.

Previously, the methodology for developing the MACRs utilized the most recent labor market information from the California Employment Development Department's (EDD) Occupational Employment and Wage Statistics ([OEWS](#)) Survey as detailed in [ACL No. 22-88](#). This year, the metropolitan statistical area (MSA) average was used

from the previous year and adjusted with the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) as of July 2023. The occupational category of Home Health Aides and Personal Care Aides (HHPCA) was still used for wage level information. 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 2022 EDD OEWS MSA data.

**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 4.7 percent as of July 2023 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 No. 22-88](#).

**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 MAXIMUM ALLOWABLE CONTRACT RATES**

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 claiming costs for contracted IHSS services, the hourly rate 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 non-federal cost for the portion above the MACR in accordance with [WIC](#) Section 12303 (a), WIC 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).

**MAXIMUM ALLOWABLE CONTRACT RATE 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 (APD), Public Authority Unit (PAU) at [APD\\_FMU@dss.ca.gov](mailto:APD_FMU@dss.ca.gov). The inquiry will be directed to the assigned APD PAU analyst for each county.

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) as of July 2023

4.7%

Average Contract Overhead

91.45%

A. County	B. 2022 County MSA HHPCA Average Wage Adjusted for CPI	C. MSA Adjusted for CPI Rate (Bx1.047)	D. Average Contract Overhead (Bx0.9145)	E. Adjusted Cost Rate (D+E)	F. Add 10% to create MACR (Fx1.1)
Alameda	\$ 19.41	\$ 20.32	\$ 17.75	\$ 38.08	\$ 41.88
Alpine	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Amador	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Butte	\$ 16.35	\$ 17.12	\$ 14.95	\$ 32.07	\$ 35.28
Calaveras	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Colusa	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Contra Costa	\$ 19.41	\$ 20.32	\$ 17.75	\$ 38.08	\$ 41.88
Del Norte	\$ 16.52	\$ 17.30	\$ 15.11	\$ 32.40	\$ 35.65
El Dorado	\$ 17.06	\$ 17.86	\$ 15.60	\$ 33.46	\$ 36.81
Fresno	\$ 16.23	\$ 17.00	\$ 14.85	\$ 31.84	\$ 35.03
Glenn	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Humboldt	\$ 16.52	\$ 17.30	\$ 15.11	\$ 32.40	\$ 35.65
Imperial	\$ 16.41	\$ 17.19	\$ 15.01	\$ 32.20	\$ 35.42
Inyo	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Kern	\$ 16.37	\$ 17.14	\$ 14.97	\$ 32.11	\$ 35.33
Kings	\$ 16.22	\$ 16.99	\$ 14.84	\$ 31.82	\$ 35.01
Lake	\$ 16.52	\$ 17.30	\$ 15.11	\$ 32.40	\$ 35.65
Lassen	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Los Angeles	\$ 17.63	\$ 18.46	\$ 16.12	\$ 34.59	\$ 38.04
Madera	\$ 16.13	\$ 16.89	\$ 14.75	\$ 31.64	\$ 34.80
Marin	\$ 19.68	\$ 20.60	\$ 17.99	\$ 38.59	\$ 42.45
Mariposa	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Mendocino	\$ 16.52	\$ 17.30	\$ 15.11	\$ 32.40	\$ 35.65
Merced	\$ 16.25	\$ 17.01	\$ 14.86	\$ 31.86	\$ 35.05
Modoc	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Mono	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Monterey	\$ 17.79	\$ 18.63	\$ 16.27	\$ 34.90	\$ 38.39
Napa	\$ 18.77	\$ 19.65	\$ 17.16	\$ 36.81	\$ 40.49
Nevada	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Orange	\$ 17.74	\$ 18.57	\$ 16.22	\$ 34.79	\$ 38.27
Placer	\$ 17.06	\$ 17.86	\$ 15.60	\$ 33.46	\$ 36.81
Plumas	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Riverside	\$ 16.47	\$ 17.24	\$ 15.06	\$ 32.30	\$ 35.53
Sacramento	\$ 17.06	\$ 17.86	\$ 15.60	\$ 33.46	\$ 36.81
San Benito	\$ 17.58	\$ 18.41	\$ 16.08	\$ 34.48	\$ 37.93
San Bernardino	\$ 16.47	\$ 17.24	\$ 15.06	\$ 32.30	\$ 35.53
San Diego	\$ 17.25	\$ 18.06	\$ 15.78	\$ 33.84	\$ 37.22
San Francisco	\$ 19.36	\$ 20.27	\$ 17.70	\$ 37.97	\$ 41.77
San Joaquin	\$ 17.47	\$ 18.29	\$ 15.98	\$ 34.27	\$ 37.70
San Luis Obispo	\$ 16.65	\$ 17.43	\$ 15.22	\$ 32.65	\$ 35.92
San Mateo	\$ 19.36	\$ 20.27	\$ 17.70	\$ 37.97	\$ 41.77
Santa Barbara	\$ 17.15	\$ 17.95	\$ 15.68	\$ 33.63	\$ 36.99
Santa Clara	\$ 17.58	\$ 18.41	\$ 16.08	\$ 34.48	\$ 37.93
Santa Cruz	\$ 18.13	\$ 18.98	\$ 16.58	\$ 35.56	\$ 39.12
Shasta	\$ 17.28	\$ 18.10	\$ 15.81	\$ 33.90	\$ 37.29
Sierra	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Siskiyou	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Solano	\$ 18.70	\$ 19.58	\$ 17.10	\$ 36.68	\$ 40.35
Sonoma	\$ 17.53	\$ 18.35	\$ 16.03	\$ 34.38	\$ 37.82
Stanislaus	\$ 16.45	\$ 17.22	\$ 15.04	\$ 32.26	\$ 35.49
Sutter	\$ 17.03	\$ 17.83	\$ 15.57	\$ 33.40	\$ 36.74
Tehama	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Trinity	\$ 16.71	\$ 17.50	\$ 15.28	\$ 32.78	\$ 36.06
Tulare	\$ 16.46	\$ 17.23	\$ 15.05	\$ 32.28	\$ 35.51
Tuolumne	\$ 16.66	\$ 17.44	\$ 15.23	\$ 32.67	\$ 35.94
Ventura	\$ 17.24	\$ 18.05	\$ 15.77	\$ 33.82	\$ 37.20
Yolo	\$ 17.06	\$ 17.86	\$ 15.60	\$ 33.46	\$ 36.81
Yuba	\$ 17.03	\$ 17.83	\$ 15.57	\$ 33.40	\$ 36.74