

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



September 22, 2003

**ALL-COUNTY LETTER NO. 03-45**

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERS

**REASON FOR THIS TRANSMITTAL**

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

SUBJECT: **ASSEMBLY BILL 632 CHAPTER 209, STATUTES OF 2003, CONTRACT PROVIDERS WORKERS' COMPENSATION COVERAGE**

**INTRODUCTION**

The purpose of this All-County Letter (ACL) is to provide counties with instructions for implementing the provisions of Assembly Bill (AB) 632, Chapter 209, Statutes of 2003.

**Background**

Under existing law, the State is required to provide workers' compensation coverage for individual In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP) providers employed by recipients.

AB 632 adds Section 12302.21 to the Welfare and Institutions Code requiring the State to provide workers' compensation coverage for IHSS/PCSP providers that are employed under IHSS/PCSP contracts entered into by a county with a nonprofit or proprietary agency under the contract mode. This section also requires that counties that have existing contracts with nonprofit agencies or proprietary agencies to provide IHSS/PCSP services reduce the contract hourly rate by fifty cents (\$0.50) per hour effective on the date that the department implements AB 632. AB 632 was enacted as an "urgency statute."

The interagency agreement between California Department of Social Services and State Compensation Insurance Fund (SCIF) has been amended to include contract mode providers under the workers' compensation coverage provided by SCIF.

The effective date of State coverage of workers' compensation for contract mode providers and the amendment reducing the IHSS/PCSP contract hourly rate is the first day of the first month beginning no earlier than September 1, 2003 in which the contract amendment reducing the IHSS contract rate by at least 50 cents is effective.

IHSS/PCSP contractors remain responsible for workers' compensation premiums and the costs arising from workers' compensation claims filed prior to the date on which such an amendment is effective.

Counties should note that AB 632 only applies to contract mode providers. Workers' compensation coverage of other employees of an IHSS/PCSP contractor remains the responsibility of the contractor.

### County Responsibilities

1. Counties must notify their IHSS/PCSP contractor(s) that their contract must be amended to reflect the \$0.50 per hour reduction in the current contract rate.
2. When the contract amendment is executed counties must send a letter indicating that the contract amendment has been agreed to and the effective date of the amendment. Send the letter to:

California Department of Social Services  
Adult Programs Division  
744 P Street, M.S. 8-17-12  
Sacramento, California 95814

3. Counties should provide their IHSS/PCSP contractors with a copy of the In-Home Supportive Services Workers' Compensation Claims Manual. Counties needing a copy of this manual should contact California Department of Social Services Adults Programs Division at (916) 653-5403. Contractors should also be informed that their IHSS provider employees should file workers' compensation claims at:

State Compensation Insurance Fund  
P.O. Box 59901  
Riverside, California 92517  
Telephone: 1-866-794-2510

4. County contracts with IHSS agencies must also establish a requirement that the contractor provide the county with a quarterly report (*Contractor Employed IHSS/PCSP Provider Report*) listing all of the providers employed by the contractor who delivered services under IHSS or PCSP during each calendar quarter. In accordance with the requirement of the SCIF the required '*Contractor Employed IHSS/PCSP Provider Report*' must be submitted on microfiche and contain the following information for each contractor-employed IHSS or PCSP provider:

- Name,

- Social Security Number,
- “Beginning” date of employment and “End” date of employment, when applicable,
- Hours worked during the report period,

Gross wage during the report period, and IHSS recipient(s) served during the report period identified by IHSS case number.

The first quarterly report must be submitted for the quarter ending September 30, 2003. The county must send each quarterly Contractor Employed IHSS/PCSP Provider Report directly to:

Claims Manager  
State Compensation Insurance Fund, IHSS Unit  
6301 Day Street  
Riverside, California 92507

Once the State assumes responsibility for workers’ compensation coverage of a county’s contract mode providers’ neither the contract hourly rates under a new contract term nor the rates bid by entities competing for an IHSS contract in a county are to include a cost component for workers’ compensation for the contractor’s IHSS/PCSP providers.

If you have questions or concerns, please contact the Adults Programs Division at (916) 653-5403.

Sincerely,

***Originally Signed By  
Donna L. Mandelstam on 9/22/03***

DONNA L. MANDELSTAM  
Deputy Director  
Disability and Adult Programs Division