



Legislation Text

File #: 17-0257, **Version:** 1

Health and Human Services Agency, Social Services Division, recommending the Board approve and authorize the Chair to sign a letter to the State opposing the discontinuation of the In-Home Supportive Services (IHSS) Coordinated Care Initiative, which dismantles the IHSS Maintenance of Effort cost sharing arrangement.

FUNDING: 1991 Realignment.

DEPARTMENT RECOMMENDATION:

Health and Human Services Agency (HHSA) recommending the Board of Supervisors approve and authorize the Chair to sign a letter to the State which opposes the discontinuation of the In-Home Supportive Services (IHSS) Coordinated Care Initiative (CCI) effective January 1, 2018. The impact of discontinuing the CCI will result in the existing Maintenance of Effort (MOE) cost sharing arrangement between the County and State ending June 30, 2017, and an increase in Net County cost.

DISCUSSION / BACKGROUND:

The County is mandated to provide IHSS services to Medi-Cal beneficiaries who meet eligibility criteria. These mandated services provide assistance to the most vulnerable populations - helping to sustain the health, safety, and well-being of aged and disabled adults, disabled children, and families. The intent is to help these clients achieve the highest level of independence possible while living in their own home, thereby avoiding costly institutionalization. Each individual receiving IHSS services is managed by an IHSS worker and IHSS caseloads in El Dorado County continue to increase: FY 2013-14 IHSS managed 788 cases; FY 2014-15 IHSS managed 905 cases; FY 2015-16 IHSS managed 1033 cases; and in January 2017 IHSS managed 1228 cases.

Enacted in 2005, the Managed Care Organization (MCO) tax allowed the State to increase their participation in IHSS costs by creating a County Maintenance of Effort (MOE) that capped the County financial responsibility. Then, in fiscal year (FY) 2013-14, the Coordinated Care Initiative (CCI) was implemented statewide, which provided coordinated care services (including IHSS) to all Medi-Cal dual eligible beneficiaries. The CCI legislation contained language that allows the CCI along with the MOE, to be terminated under specific circumstances. These circumstances include that the MCO tax must remain in place, and that the State Director of Finance must annually determine the program is cost effective. In the release of the Governor's 2017-18 State Proposed Budget, Finance Director Cohen declared that CCI costs exceeded state savings by \$42.4 million, thereby triggering the discontinuance of the CCI effective January 1, 2018, and dismantling the MOE effective July 1, 2017.

As a result, the County's cost for IHSS are estimated to increase approximately \$1.6 million over the current cost capped by the MOE. This cost will also incrementally increase over the next few years with the State minimum wage increases and the recent Fair Labor Standards Act ruling which requires overtime to be paid to the IHSS providers.

The assumption is that counties will use 1991 Realignment to cover the increase in IHSS cost.

However, currently 1991 Social Services Realignment covers the County mandated share of cost for multiple programs: (1) IHSS Services and Administration; (2) CalWORKs Administration and Assistance Payments; (3) Children and Adult Protective Services Administration; (4) Foster Care and Adoptions Assistance Payments; (5) a portion goes to Probation for Title IV-E services; and (6) a portion funds California Children Services. Historically, 1991 Realignment revenue has not been sufficient to cover all of the required County share of costs for the Social Service programs.

Growth of 1991 Realignment, comprised of sales tax and vehicle license fee collections is currently half of what was projected last year at this time. The economy is growing at a substantially slower rate than previously predicted, and counties were already concerned that collections will not be sufficient to cover cost increases for currently funded programs, even without taking into consideration this \$1.6 million increase in IHSS cost.

ALTERNATIVES:

The Board could decline to sign letters opposing the dismantling of the IHSS CCI and MOE.

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

N/A

CAO RECOMMENDATION:

It is recommended that the Board approve this item.

FINANCIAL IMPACT:

There is no Net County Cost associated with this Agenda item. 1991 Realignment is being considered to cover this \$1.6M shortfall, which will impact multiple programs in HHSA.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Clerk of the Board to obtain signature of Chair on attached letter.
- 2) Clerk of the Board to immediately mail signed letter to the recipient.
- 3) Clerk of the Board to return one (1) copy of signed letter to the HHSA Contracts Unit at 3057 Briw Road.

STRATEGIC PLAN COMPONENT:

N/A

CONTACT

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