



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

October 9, 2015

ALL-COUNTY LETTER (ACL) NO: 15-78

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

SUBJECT: PROCESS FOR REQUESTING PUBLIC AUTHORITY/NON-PROFIT CONSORTIUM RATE CHANGES

REFERENCES: [ACL 00-68, DATED SEPTEMBER 20, 2000](#)
[ACL 12-63, DATED DECEMBER 11, 2012](#)
[ACIN I-03-14, DATED JANUARY 3, 2014](#)
[ACL 15-23, DATED FEBRUARY 19, 2015](#)

REASON FOR THIS TRANSMITTAL

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

This All County Letter (ACL) provides clarification on the processes, timelines, and supporting documentation required when requesting a Public Authority/Non-Profit Consortium (PA/NPC) rate change.

PA/NPC Rate Change Process

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 (DHCS).

A request 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 Payroll System (CMIPS) prior to the requested effective date.

Example:

For counties wanting to implement a rate change effective January 1, 2016, CDSS must be notified in writing by October 31, 2015. There is no guarantee that CDSS can process a rate change to meet the January 1, 2016 deadline, if it is submitted after October 31, 2015.

Requests for PA/NPC rate changes require approval from CDSS and DHCS. In order 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, 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 (*Updated in February 2015, see attached*)
- In-Home Supportive Services rate worksheet (*sample format attached*)
- Line item budget (*sample format attached*)
- County Board of Supervisors (BOS) approval (*including appropriate signatures and stamped with County Seal*)
- Current Memorandum of Understanding (*including a minimum of two signatures, one from the PA/NPC, and one from the recognized labor organization*)

In order to initiate the process, scanned copies of the information above can be sent via electronic mail (e-mail) to the CDSS analyst assigned to your county with a copy to the CDSS Public Authority Unit manager (Karen.LaRose@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
Public Authority Unit
744 P Street, MS 9-9-04
Sacramento, CA 95814

To help streamline these processes, when requesting a PA/NPC rate change please also provide CDSS with two points of contact, a primary contact and a secondary contact, including telephone numbers (office and cell, if applicable) and email addresses. This information will be used for notification purposes and/or in the event that information is missing or incomplete.

Please Note:

If the MOU includes more than one rate change scheduled to occur on different effective dates, each rate change requires a separate rate change request with all corresponding documents.

When a rate change is locally negotiated, mediated, or imposed, it should be indicated on the locally negotiated line on the SOC 449 and the county Maintenance of Effort (MOE) will be adjusted for the county share of that increase.

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When a rate change is non-locally negotiated, such as the minimum wage increase effective on January 1, 2016, it should be indicated on the non-locally negotiated line of the SOC 449 and the rate change will not impact the county MOE.

However, if a locally negotiated, mediated, or imposed rate increase is scheduled to occur on the same date as the minimum wage increase and the county reflects both increases on the locally negotiated line on the SOC 449, the county MOE will be impacted by the county share of the combined amount.

Additionally, counties should be aware that rate changes negotiated prior to a county's transition to the Statewide Authority may have impacts to the county MOE and are subject to limitations as outlined in WIC Section 12306.15.

Rate Changes for Counties that Transition to Statewide Authority with Existing MOUs that Include Future Rate Changes

Counties that transition to the Statewide Authority with existing MOUs that include future rate changes, shall utilize the same process for submitting rate change requests that is outlined above. The requests shall be made at least 60 calendar days but no more than 90 calendar days prior to the requested effective date. This will ensure proper approvals are obtained and that the necessary changes are made in the CMIPS prior to the requested effective date.

For any questions or concerns regarding the processes for PA/NPC rate changes, please contact Karen La Rose, Manager, Public Authority Unit, at (916) 653-1908.

Camera Ready Copies and Translations

For camera-ready copies in English, contact the Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access you may obtain this form from the CDSS webpage at: http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm.

Sincerely,

Original Document Signed By:

Eileen Carroll, Deputy Director
Adult Programs Division

c: CWDA

Attachments

**IN-HOME SUPPORTIVE SERVICES PROGRAM
PUBLIC AUTHORITY/NON-PROFIT
CONSORTIUM RATE**

COUNTY:	
CONTACT NAME:	
PA NAME:	
TELEPHONE: ()	FAX NUMBER: ()
ADDRESS:	
EMAIL ADDRESS:	

To: California Department of Social Services
Adult Programs Division
Public Authority Unit
744 P Street, MS 9-9-04
Sacramento, CA 95814

Please address questions regarding this form to the Public Authority Unit, at (916) 651-3488.

Please complete the budget narrative below and attach supporting documentation explaining how each component of the rate was determined. The total Public Authority (PA) and Non-profit Consortium (NPC) rate should include a rate for services (wage and benefits) and a rate for administrative costs. The total rate for wages and benefits should be broken down to include an hourly wage, payroll taxes, health and non-health benefits. The State is legally authorized to share only in the costs of individual health benefits for IHSS providers, however, these costs may be eligible for Title XIX reimbursement.

- The state will only participate in hourly wage and benefits up to \$12.10 per hour unless otherwise provided for in the Annual Budget Act or appropriated by statute.
- The state will not participate in increases to wages or employment taxes, or increases or expansions of benefits negotiated or agreed to by a PA or NPC unless provided for in the Annual Budget Act or appropriated by statute.
- No increase in wages or benefits negotiated or agreed to by a PA or NPC shall take effect until it has been approved by the State (CDSS/DHCS) or unless provided for in the Annual Budget Act or appropriated by statute.

I hereby certify that the proposed IHSS MOE adjustment includes no locally negotiated health benefit rate changes and no changes that modify who is eligible for health benefits (only applies to non-locally negotiated health benefit rates).

Approved by: _____ Date: _____

BUDGET NARRATIVE

		Current Rate	Requested Rate	Difference
PA/NPC Hourly Rate:	1			
PA/NPC Hourly Administrative Cost:	2			
Hourly Services Cost: Total	3			
Hourly Wage (locally negotiated)	4			
Hourly Wage (non-locally negotiated)	5			
Payroll Taxes (FUTA, SUI, FICA)	6a			
Health Benefits (locally negotiated)	6b			
Health Benefits (non-locally negotiated)	7			
Non-Health Benefits (if any)	8			

Comments: Please include the Line-by-Line Budget Narrative with PA Rate Change Package

County NAME: IHSS PA Rate Worksheet

Projected yearly hours

13,565,700

#	ITEM	BUDGET	SERVICES	ADMIN	Portion of RATE
	Provider Costs				
1	IP Wages = proj yearly hours @ per hr	\$ 110,560,455	\$ 110,560,455		8.15
2	IP Employer Taxes @	\$ 10,613,804	\$ 10,613,804		0.78
3	Health Benefits	\$ 8,139,420	\$ 8,139,420		0.60
		\$ -			9.53
	Total Provider Costs	\$ 129,313,679	\$ 129,313,679		
	Public Authority Administrative costs				
	Salaries & Benefits	\$ 1,006,621		\$ 1,006,621	0.07
	Overhead Expenses	\$ 374,766		\$ 374,766	0.03
	Other Charges	\$ 123,156		\$ 123,156	0.01
	Total Public Authority Administrative costs	\$ 1,504,543		\$ 1,504,543	0.11
	TOTAL	\$ 130,818,222	\$ 129,313,679		\$ 0.11
	Total hourly rate: The hourly rate is computed by adding total services costs and total administrative costs and dividing by the number of IHSS hours.				
		Services Cost	Adm Costs	Total Hours	Total PA Hourly Rate
	PA Rate	\$ 129,313,679	# \$ 1,504,543.00	/ \$ 13,565,700	= \$ 9.64
	Services Rate = Services Cost Divided by Total Hours	\$ 129,313,679	\$ -	/ \$ 13,565,700	= \$ 9.53
	Admin Rate = Admin Cost Divided by Total Hours		\$ 1,504,543.00	/ \$ 13,565,700	= \$ 0.11

ITEM		BUDGET	SERVICES	ADMIN	RATE
Individual Providers					
1	IP Wages	\$ 5,084,699	\$ 5,084,699		\$ 10.50
	Hours	484,257			
	Rate	\$ 10.50			
2	IP Employer Taxes	203,388	203,388		0.4200
	Rate	4.00%			
3	IP Health Plan	290,554	290,554		0.6000
PA Salaries and Benefits					
4	Administrative Salaries				
	Executive Director	1.00 FTE	52,790	52,790	
	Office Assistant II	1.00 FTE	30,030	30,030	
	Training/Registry Specialists	1.00 FTE	35,497	35,497	
	Total Salaries	118,317		118,317	0.2400
5	Administrative Benefits and Taxes				
	Group Insurance	5,323		5,323	0.0100
	FICA	0.0620	7,336	7,336	0.0200
	Workers Comp. Ins	1.68%	250	250	0.0000
	Medicare	0.0140	1,715	1,715	0.0000
	Cell Phone Allowance		560	560	0.0000
	401A		667	667	0.0000
	Physical Fitness Reimbursement		469	469	0.0000
	Total Admin Benefits and Taxes	16,321		16,321	0.0300
Operating Costs					
6	Communications				
	Telephone	1,000		1,000	0.0000
7	Insurance Liability				
	General Liability Insurance	181		181	0.0004
	Miscellaneous Insurance	0		0	0.0000
8	Maintenance Equipment	133		133	0.0003
9	Maintenance Building	0		0	0.0000
10	Memberships	1,000		1,000	0.0021
11	Office Expense				
	Office Supplies	10,000		10,000	0.0207
12	Training				
	Staff	2,000		2,000	0.0041
	Providers	3,000		3,000	0.0062
13	Professional Services: Other				
	Interagency Agreement	31,115			
	Auditor-Controller			0	
	Annual Audit Cost			0	
	CEO Office			0	
	Personnel			0	
	County Counsel			0	
	Risk Management			0	
	ITS			0	
	Communications			0	
	Public Works			0	
	Total Interagency Agreement	31,115		31,115	0.0643
	Care Tracker Software	3,600		3,600	0.0074
14	Publications/Notices	1,000		1,000	0.0021
15	Rents/Lease Equipment	0		0	0.0000
16	Rents/Lease Building				
	Carithers Rent Lease Agreement	8,351		8,351	0.0172
17	Postage	3,667		3,667	0.0076
18	SDE: Other				
	Marketing	0		0	0.0000
	Background Checks	0		0	0.0000
	Miscellaneous	2,500		2,500	0.0052
19	Computer Peripheral	1,000		1,000	0.0021
20	Transportation and Travel				
	Conferences	2,000		2,000	0.0041
21	Private Vehicle Mileage	667		667	0.0014
22	Utilities	200		200	0.0004
23	Management Information Systems	7,639		7,639	0.0158
	TOTALS	\$ 5,784,693	\$ 5,578,641	\$206,052	\$ 11.95

Hours are FY04/05 Projected Base with
10% Growth for FY05/06

4% based upon invoicing

Set Percentage Re: Payroll Distribution Report

Set Percentage Re: Payroll Distribution Report

\$125 average per month

PUBLIC AUTHORITY UNIT - COUNTY ASSIGNMENT

Zenaida Solis	Joseph Smith	Sonja Washburn	Gloria Licea
(916) 653-3911	(916) 651-2787	(916) 651-3327	(916)651-2919
Amador (3) Butte (4) Colusa (6) Del Norte (8) Glenn (11) Humboldt (12) Lake (17) Lassen (18) Shasta (45) Siskiyou (47) Sutter (51) Tehama (52) Trinity (53) Yuba (58)	Contra Costa (7) Imperial (13) Kern (15) Kings (16) Marin (21) Mendocino (23) Monterey (27) Napa (28) San Joaquin (39) San Luis Obispo (40) Santa Cruz (44) Solano (48) Stanislaus (50) Tulare (54) Ventura (56)	Calaveras (5) El Dorado (9) Madera (20) Mariposa (22) Merced (24) San Benito (35) Yolo (57) IP MODE ONLY Alpine (2) Tuolumne (55) JPA Nevada (29) - JPA Plumas (32) - JPA Sierra (46) - JPA NPC ONLY Inyo (14) - NPC Modoc (25) - NPC Mono (26) - NPC	Alameda (1) Fresno (10) Los Angeles (19) * Orange (30) * Placer (31) Sacramento (34) San Bernardino (36) * San Diego (37) * Santa Barbara (42) Santa Clara (43) * Sonoma (49) CONTRACT MODE (SOC 432) Riverside (33) * San Francisco (38) San Mateo (41) *

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* CCI Counties