



CDSS

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

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EDMUND G. BROWN JR.
GOVERNOR

February 22, 2013

ALL-COUNTY LETTER (ACL) NO.:13-07

TO:

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

SUBJECT:

**COUNTY SHARE REQUIREMENT FOR PROVIDER WAGES
AND BENEFITS UNDER THE COORDINATED CARE INITIATIVE
(CCI) MAINTENANCE OF EFFORT (MOE)**

REFERENCES:

Department of Finance (DOF) Letter to Counties,
dated November 2, 2012; and Welfare and Institutions Code (WIC)
Sections 12300.7, 12306.15, 110011, 12306.1, and 12306.1(b).

This ACL reconfirms the State's interpretation of Senate Bill (SB) 1008 and SB 1036 as it relates to county share requirements concerning provider wages and benefits.

Background

The CCI was enacted as part of the Budget Act of 2012, Chapter 33, Statutes of 2012 (SB 1008) and Chapter 45, Statutes of 2012 (SB 1036). Among other changes, SB 1036 shifts the responsibility of IHSS provider collective bargaining functions (wages, benefits, and other economic terms and conditions) from county Public Authorities (PA) to a Statewide Authority. This change will occur in each county when its transition to managed care is complete, in accordance with WIC Section 12300.7.

**Locally Negotiated Wage and Benefit Increases not Approved by California
Department of Social Services (CDSS)**

In a letter from DOF to counties dated November 2, 2012, counties were informed they must follow a process for CDSS approval of rate increases outside of the Statewide Authority. If CDSS does not approve the rates and other economic terms for a locally negotiated, mediated or imposed increase, the county shall pay the entire non-federal share of the cost increase.

REASON FOR THIS TRANSMITTAL

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

As provided under WIC Section 12306.15, locally negotiated rates and other economic terms will be reviewed by CDSS and DHCS during the approval process. A part of the approval process will include a review of the following:

- A) The net increase in the combined total of wages and health benefits of up to 10% per year above the current combined total of wages and health benefits paid in that county.
- B) The cumulative total of up to 20% in the sum of the combined total of changes in wages or health benefits, or both, until the Statewide Authority assumes the responsibilities set forth in WIC Section 110011 of the Government Code for a given county as approved in WIC Section 12300.7.

These provisions, which apply only to counties for which the Statewide Authority has not yet assumed collective bargaining responsibilities, ensure that increases negotiated locally meet the criteria specified above and the existing rate approval requirements specified in WIC Section 12306.1. CDSS and DHCS have 60 days to review and approve all Rate Change Requests to ensure that all criteria and requirements have been met before approving or denying the request.

This ACL reiterates CDSS' policy that, for any net increases that exceed the thresholds listed in sections A and B above, the county shall pay for the entire non-federal share of the cost increase.

Examples of this Policy:

1. The current county rate for wages is \$8.00 per hour and benefits are \$0.60 equating to \$8.60 per hour. The county submits a PA Rate Request for an increase in the wage by \$0.50 per hour and the benefits by \$0.10 per hour, which equates to \$9.20 per hour.

- $\$8.60 \times 10\% = \0.86 Allowable 10% Maximum = $\$8.60 + \$0.86 = \underline{\$9.46}$
- $\$8.60 \times 20\% = \1.72 Allowable 20% Maximum = $\$8.60 + \$1.72 = \underline{\$10.32}$

In the example above, the combined wage and benefit increases total \$0.60. This request is reviewed and approved by CDSS in consultation with DHCS, as this total increase does not exceed the 10% per year or the 20% cumulative total thresholds.

2. The county in example 1 above now has approved wages and benefits of \$9.20 per hour. One year later, the county submits another PA Rate Request for an increase in the wage of \$1.30 per hour, which equates to a combined wage and benefit rate of \$10.50 per hour.

- $\$9.20 \times 10\% = \0.92 Allowable 10% Maximum = $\$9.20 + \$0.92 = \underline{\$10.12}$
- $\$8.60 \times 20\% = \1.72 Allowable 20% Maximum = $\$8.60 + \$1.72 = \underline{\$10.32}$

In this example, the combined wage and benefit increase to \$10.50 per hour (\$9.20 + \$1.30) exceeds the 10% per year allowable percentage of \$10.12, and also exceeds the 20% cumulative total of \$10.32. This request is reviewed and disapproved by CDSS in consultation with DHCS.

Rate Change Request Process

Counties are required to follow the previously established rules for submitting PA Rate Change Requests. State approval of the PA rate requires approval from both CDSS and Department of Health Care Services (DHCS); however, in an effort to assist the counties, the State will continue to accept a scanned copy of the PA Rate Change Request with all documentation attached. The county and/or PA may scan and e-mail the PA Rate Change package to the PA analyst assigned to your county and provide a copy to Rolonda Moen, at Rolonda.Moen@dss.ca.gov. Original copies of the scanned PA Rate Change Request package will need to be submitted by certified mail to:

**CDSS, Adult Programs Division
Attn: Rolonda Moen
744 P Street, MS 9-7-92
Sacramento, CA 95814**

In accordance with WIC Section 12306.1(b), any change made to the PA Rate shall take effect commencing the first day of the month following final approval received by CDSS and DHCS. Counties should keep in mind that the State approval process can take up to 60 days.

Please refer all questions on this ACL to the Adult Programs Fiscal, Administrative & Systems Bureau at (916) 651-1069.

Sincerely,

Original Document Signed By:

EILEEN CARROLL
Deputy Director
Adult Programs Division

c: CWDA
Department of Health Care Services