

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



September 24, 1996

ALL-COUNTY LETTER NO. 96-55

TO: ALL-COUNTY WELFARE DIRECTORS

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: **IMPLEMENTATION OF FEDERAL BILL H.R. 3448, MINIMUM WAGE INCREASE, WHICH IMPACTS IN-HOME SUPPORTIVE SERVICE (IHSS) EFFECTIVE OCTOBER 1, 1996**

MINIMUM WAGE

This letter is to inform you of federal bill H.R. 3448 regarding a minimum wage increase. Effective October 1, 1996, the minimum wage will increase \$0.50 bringing the minimum wage to \$4.75 per hour. Effective September 1, 1997, there will be an additional increase of \$0.40 which will increase the minimum wage to \$5.15 per hour.

The minimum wage increase will impact all IHSS providers. The Department will request funds to cover the minimum wage increase to all IHSS providers whose wages are below the new minimum wage increase. However, the Department will not request funds to increase wages or wage steps that are already at or above the new minimum wage increase. Providers who are already receiving more than \$4.75 per hour will not receive an increase until September 1, 1997, which will then be \$5.15 per hour.

The Department will automate the wage increase for IHSS individual providers (IP) through the Case Management, Information and Payrolling System (CMIPS) during the week of September 16, 1996. There are also statutory maximum benefit level increases for recipients on October 1, 1996. Both increases will occur simultaneously through CMIPS. No increases should be entered on CMIPS by counties prior to the automated increase. Following are additional CMIPS instructions.

CONTRACTS/HOMEMAKER MODES OF DELIVERY

Statutory Benefit Level Increases

Recipients served in modes of delivery other than the IP mode shall be limited in the maximum number of service hours per month of 195 or 283 hours times the statewide wage rate per hour for the IP as calculated by the Department and dividing this by the hourly cost of the mode of delivery. Those hours are:

IHSS residual non-severely impaired 195 hours x \$4.75 = \$926.25 ÷ hourly cost of mode of delivery.

IHSS residual severely impaired 283 hours x \$4.75 = \$1344.25 ÷ hourly cost of mode of delivery.

IHSS/PCSP 283 hours x \$4.75 = \$1344.25 ÷ hourly cost of mode of delivery.

Contracts

Existing contracts that provide a wage scale with an entry level, effective October 1, 1996, which is currently at or above the new minimum wage of \$4.75 per hour will not be affected by this change, and will not need a contract amendment for this purpose. Counties in this group include: Riverside, San Diego, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Tehama and Ventura.

Existing contracts that provide a wage scale with an entry level that is below the minimum wage or continuing beyond October 1, 1996, that provide a wage scale with one or more steps below the new minimum wage will probably require an amendment initiated by the contractor to reflect a new wage scale effective October 1, 1996. This change includes amending existing contracts for any wages below \$4.75 per hour. The proposed contract amendment must incorporate the new wage scale, line item budget and budget narrative which clearly display the calculations justifying the cost impact, i.e., composite wage rate. Funds will not be provided to avoid the compaction of wage steps at or above \$4.75 per hour. According to our records, the following counties are impacted: Butte and Nevada.

Contract renewals being renegotiated for an additional year that provide a wage with one or more steps below the new minimum wage will require an adjustment to reflect a new wage scale effective October 1, 1996. The same rules as outlined above will apply.

Contract renewals being renegotiated for an additional year that provide a wage scale with an entry level, effective October 1, 1996, which is already at or above the new

minimum wage (\$4.75 per hour) will not be affected by this change and need no adjustment for this purpose.

CMIPS

Individual Provider Wages

All IP wages will be increased to \$4.75, except for those counties who pay more than the minimum wage. Counties impacted: Marin, Merced, and San Francisco.

A notice will be on all IP timesheets printed between September 15, 1996, and October 15, 1996, that the minimum wage has increased to \$4.75 per hour effective October 1, 1996.

IHSS Recipients

Some contract-only served or mixed mode cases with an unmet need will have services automatically changed to reflect correct adjustments of services authorized to be purchased. An automated Notice of Action (NOA) will be generated to the recipient with message number 382 or 383:

- o 382 Your unmet need for IHSS is decreased because the state payment maximum has been increased to \$_____. Your unmet need is now _____ services hours. W&IC 12303.4.
- o 383 You no longer have an unmet need for IHSS because the increased state payment maximum of \$_____ will cover the cost of your authorized need for service. W&IC 12303.4.

Turnaround Documents

Both recipient and provider turnaround documents (TADS) will be automated with a message on top which reads "minimum wage increase."

Exceptions Reports

Some recipient and provider cases will not be automated. Such cases will be identified on exception reports. The most likely cases will be cases in "L" status or cases with an overdue assessment, i.e., cases with an end date in Field ZZ4 of September 30, 1996, or earlier.

When the Social Service Worker has completed a reassessment and entered a new end date in field ZZ4, CMIPS will recalculate the case record and generate both a correct TAD and NOA, if applicable.

It may be necessary to also update the provider's file in those cases. It may also be necessary to generate a supplemental warrant if the IP was not paid at the correct minimum wage.

TAD/NOA Printing

All TADS will be printed by EDS and mailed to the counties. All NOAs will be printed at the county sites and mailed by the county to the recipients. The only NOA printing exceptions are for those counties for whom EDS normally prints and mails NOAs.

Questions regarding CMIPS procedures should be addressed to Craig Tanaka at (916) 229-4017. Questions regarding program issues should be addressed to Marie August at (916) 229-4592.

Sincerely,



KAROL Z. WIDEMON
Deputy Director
Adult Services Division