



**California Association of Public Authorities  
for In-Home Supportive Services**

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The Honorable Sheila Kuehl  
Chair, Senate Health Committee  
California State Capitol, Room 2191  
Sacramento, CA 95814

January 8, 2008

**RE: AB x1 1  
CAPA Position: Oppose Unless Amended**

Dear Senator Kuehl:

On behalf of the California Association of Public Authorities for In-Home Support Services (CAPA) and its 52 Public Authority members representing 55 California counties, I am writing to affirm that CAPA opposes AB x1 1 unless amended. Absent amendment, this bill will severely hamper county and public authority ability to ensure provision of timely, appropriate, and cost-effective IHSS services to those most in need. In addition, the bill will hamper CAPA member ability to ensure the best and most cost-effective health insurance for IHSS providers.

Specifically, CAPA has three objections to the bill:

- 1) **The language in the amendments was not discussed with the Public Authorities nor was the language of the amendments available to the public prior to the bill's passage by the Assembly.**
- 2) **The language in the amendments contradicts the language and the intent of the legislation that created the Public Authorities (AB 1682 – Chapter 90 of 1999).**  
Specifically, the legislation states that:

Any nonprofit consortium contracting with a county pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients pursuant to paragraph (3) of subdivision (d) for the purposes of collective bargaining over wages, hours, and other terms and conditions of employment.

We believe that the amendments to AB x1 1 would eliminate the power of public authorities to act as the employer of IHSS providers in negotiating benefits as a term and condition of employment. Since Public Authorities are local entities with fiscal acumen regarding cost constraints of the county the ability to negotiate benefits is a critical part of the Public Authorities mandates.

**3) CAPA objects to the following language noted below and found on page 162, lines 29-36 of the bill, which mandates the use of a union healthcare trust to provide benefits:**

(g) In any county with employee representation, the employee representative may elect to provide health benefits through a trust fund and the public authority or nonprofit consortium shall agree to those terms.

By requiring the use of a union healthcare trust, this language ties the hands of the Public Authorities to ensure quality and will drive up the cost of health benefits. Elimination of standard business practices such as the need to remain competitive removes all incentive to contain healthcare costs. The language eliminates the ability of Public Authorities to negotiate the best insurance coverage for IHSS providers. And most importantly, the language of AB x1 1 eliminates all health coverage choices for IHSS providers.

Furthermore, CAPA does not believe that a mandated union-controlled trust will serve IHSS consumers effectively or provide the cost effective savings that the state seeks through health care reform.

Currently, the SEIU Healthcare Trust solely determines the limits of the coverage provided to IHSS providers. The Trust maximum is \$50,000 per year per provider. The SEIU Healthcare Trust was not intended for and is not capable financially of handling a catastrophic provider incident. For example, in the event a provider has a spinal cord injury, the cost of treatment could easily exceed \$1 million before the provider leaves the hospital. The SEIU Trust is not prepared to handle such serious injuries.

In the extensive experience CAPA members have had with healthcare trusts, we have learned that the only time a trust relationship has worked successfully, is when the county elects to embrace a Trust and has the authority to negotiate the terms. Removing the ability to negotiate benefit options eliminates local control and capacity for improvement of benefit packages at reasonable costs. In addition, many counties already provide healthcare coverage to providers that far exceeds what a union healthcare trust would offer. Some counties provide this extensive coverage through their county healthcare system. The impact of forcing Public Authorities to utilize a union healthcare trust instead of their county healthcare system could be financially devastating to counties. Removing local control is a backward step that will not contain costs.

Furthermore, the language of the bill indicates that if a Public Authority opts to provide benefits they will be required to pay whatever the maximum/cap is at the time. That maximum is now

\$.85/hr and could go as high as 1.35/hr – per paid hour. Such a jump could devastate many of our counties.

As written, this bill is not only bad for Public Authorities and counties, it is devastating for IHSS providers and consumers.

We look forward to the opportunity to work with the Senate Health Committee and other members of the Legislature to craft appropriate language that serves the needs of IHSS providers, provides counties and Public Authorities with necessary flexibility, and furthers the State's healthcare reform efforts.

Best Regards,

Tom Riley  
Legislative Advocate