



California Association of Public Authorities
for In-Home Supportive Services

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April 24, 2009

The Honorable Leland Yee
California State Senate
State Capitol
Sacramento, CA 95814

RE: SB 791 (Yee)
CAPA Position: CONCERNS

Dear Senator Yee,

The California Association of Public Authorities (CAPA) has several concerns regarding SB 791, your bill concerning delivery of the enhanced COBRA benefits available under the American Recovery and Reinvestment Act of 2009 (ARRA). CAPA represents 52 Public Authorities and Non-Profit Consortia operating in 55 counties, each of whom serve as the local employer of record for the IHSS program and maintain the provider registries.

SB 791 seems to clarify that either counties or Public Authorities be responsible for providing the premium assistance available to IHSS providers for the duration of federal stimulus period. The State, the consumer, and public authorities all serve as employers for various aspects of the IHSS program. While Public Authorities do serve as the employers of record for wages and health benefits (the latter perhaps more by inference rather than clear statute), PAs may be an imperfect fit for administering the enhanced COBRA benefit for several reasons:

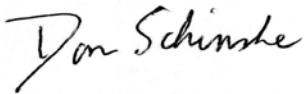
- 1) Public Authorities negotiate wages and benefits but are not directly involved in the payroll process. The termination of a provider by a consumer – particularly if the pairing did not originate through a PA registry – is not a transaction in which most PAs currently play a role. Depending on the county, a PA may have no direct knowledge of who is COBRA-eligible.
- 2) The vehicle for reimbursement for the federal premium assistance is the quarterly employer payroll tax report, IRS form 941. Public Authorities do not submit the 941 for IHSS providers.
- 3) Whichever entity gets charged floating the premium subsidy must have the capacity to do so. When offered, COBRA coverage has typically been out of reach for most terminated providers owing to the cost. However, with 65 percent of the premium

subsidized, COBRA participation is likely to increase. We just don't know by how much. And so we don't know how much float will be required, nor of whom.

We believe SB 791 will benefit from additional work, and CAPA appreciates your willingness to sort through this welcome piece of the federal stimulus package.

We ask that you, the Department of Social Services, the counties, and CAPA work to further clarify the roles of the various entities and the mechanics of delivery, so we can all ensure that IHSS providers receive full and timely access to this benefit.

Thank you for your consideration,



Don Schinske
Legislative Advocate

cc. The Honorable Carol Liu, Chair
Senate Human Services Committee
The Honorable Abel Maldonado, Vice Chair
Members, Senate Human Services
Jack Hailey, Senate Human Services
Mary Tinker, Legislative Chair, CAPA
Bernadette Lynch, Board President, CAPA
Trula LaCalle, Executive Director, CAPA