

SSI/SSP – Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program. The SSI program, authorized by Title XVI of the Social Security Act, replaced the prior federal/state matching grant program of adult assistance to the aged, blind, and disabled in January 1974. The SSI/SSP program is a cash assistance program for low-income aged, blind, and disabled persons. California opted to supplement the SSI payments, creating the SSP program. The Social Security Administration (SSA) administers the SSI/SSP program at California's option.

The maximum amount of aid is dependent on the following factors:

- Whether one is aged, blind, or disabled;
- The living arrangement;
- Marital status; and,
- Minor status.

As a result of the various factors determining the maximum amount of aid, there are 19 different payment standards in the SSI/SSP program.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- SSI/SSP caseload is decreased to reflect the recipients who become ineligible for SSI/SSP due to various grant reductions. These grant reductions include the withholding of the pass-through of the 2009 federal cost of living adjustment (COLA), effective May 1, 2009; the 2.3 percent SSI/SSP grant reduction, effective July 1, 2009; and the 0.6 percent SSP grant reduction for individuals and SSI/SSP couples to the federal maintenance of effort floor, both effective November 1, 2009.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI and SSP average grants are based on actual data from July 2008 to June 2009 and are as follows:

| | <u>SSI</u> | <u>SSP</u> |
|----------|------------|------------|
| Aged | \$319.38 | \$227.63 |
| Blind | 403.25 | 283.58 |
| Disabled | 440.85 | 226.18 |

SSI/SSP – Basic Costs

METHODOLOGY:

The SSI/SSP basic costs are computed for each aged, blind, and disabled component, then summed to produce total basic costs. Both the SSI and SSP basic average grants were adjusted to exclude the effects of payments to recipients residing in medical facilities. The adjusted average grants were multiplied by the estimated caseloads to arrive at an adjusted basic cost. Estimated expenditures for recipients in medical facilities were then added to total basic costs.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent General Fund. Costs for each component are computed separately.

CHANGE FROM THE APPROPRIATION:

The Current Year total costs have increased due to the impact of the January 2009 federal COLA, which is now contained in the SSI average grant amounts, offset by a decrease in projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year increase is due to an increase in the projected caseload.

CASELOAD:

| | 2009-10 | 2010-11 |
|----------------------------|-----------|-----------|
| Average Monthly Persons | 1,251,326 | 1,270,974 |

EXPENDITURES:

(in 000's)

| | 2009-10 Grant | 2010-11 Grant |
|----------------|------------------|------------------|
| Total | \$9,391,921 | \$9,544,299 |
| Federal | 6,013,507 | 6,112,714 |
| State | 3,378,414 | 3,431,585 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Withhold Pass-Through of the January 2009 Federal COLA

DESCRIPTION:

This premise reflects the savings resulting from a one-time withholding of the pass-through of the federal Supplemental Security Income (SSI) cost-of-living adjustment (COLA) beginning May 2009. The January 2009 federal COLA took effect on January 1, 2009, and increased the SSI for a typical, independent SSI/State Supplementary Payment (SSP) recipient by \$37 per month. Effective May 1, 2009, the SSP portion of the SSI/SSP grant will be reduced by the increase in the federal SSI portion. Withholding the pass-through of the federal COLA will revert the SSI/SSP payment standards back to December 2008 levels. Cash Assistance Program for Immigrants (CAPI) recipients and California Veterans Cash Benefit (CVCB) recipients will also be affected because their benefits are linked to the SSI/SSP rates. The impacts to CAPI and CVCB recipients are reflected in their respective premises.

IMPLEMENTATION DATE:

This premise implemented on May 1, 2009.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The federal COLA, based on the Consumer Price Index (CPI), is 5.8 percent for 2009, and was withheld on May 1, 2009.
- Withholding the pass-through of the 2009 federal COLA does not reduce the SSI portion of the SSI/SSP grant. The state can only reduce the SSP portion of the SSI/SSP grant, but not below the federally required Maintenance of Effort (MOE) level of the 1983 payment standards. The reduction in SSP grant equals the value of the increase of the SSI grant.
- Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX Medical Facilities recipients are excluded from this reduction.

METHODOLOGY:

- The SSI average grants for the three categories (aged, blind, and disabled) change as a result of the 2009 federal COLA.
- The CPI percentage is applied to the 2008 SSI payment standards and the result is the new SSI payment standards for 2009.
- The new payment standards are put into a statistical model to determine the value of the 2009 federal COLA for each of the three categories. The value of the 2009 federal COLA is added to each category's average SSI grant and the result is the increased average SSI grant for each category. These increased grants are multiplied by the caseload and the result is the increased costs to the SSI/SSP program.

Withhold Pass-Through of the January 2009 Federal COLA

METHODOLOGY (CONTINUED):

- The average SSP grants for the three categories decrease as a result of withholding the pass-through of the 2009 federal COLA. The value of the 2009 federal COLA is subtracted from each category's average SSP grant and the result is the decreased average SSP grant for each category. These decreased grants are multiplied by the caseload and the result is the decreased costs to the SSI/SSP program.

FUNDING:

The SSP portion of the SSI/SSP program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The decrease in the Current Year is due to a lower caseload projection.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year change is due to an increase in the projected caseload.

EXPENDITURES:

| (in 000's) | 2009-10 | 2010-11 |
|----------------|------------|------------|
| Total | -\$348,333 | -\$354,647 |
| Federal | 0 | 0 |
| State | -348,333 | -354,647 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce SSI/SSP Grants by 2.3 Percent

DESCRIPTION:

This premise reflects the savings associated with reducing the Supplemental Security Income /State Supplementary Payment (SSI/SSP) grant amounts by 2.3 percent. The impact of this reduction applies only to the SSP portion of the payment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- The savings associated with reducing SSI/SSP grant amounts for Cash Assistance Program for Immigrants recipients and California Veterans Cash Benefit recipients are reflected in their corresponding premises.
- Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX Medical Facilities recipients are excluded from this reduction.
- This premise takes into account the withholding of the pass-through of the 2009 federal cost of living adjustment (COLA), effective May 1, 2009.

METHODOLOGY:

- The reduced SSP grant amounts are calculated by using a statistical model which determines the change to the basic SSI/SSP average grant due to the 2.3 percent reduction. The reduced average grant amounts are multiplied by the caseload to determine the reduced costs to the SSI/SSP program.
- The SSP payment standards were decreased as a result of reducing the SSI/SSP grant by 2.3 percent. The reduced SSP grants are subtracted from the current law SSP grant amounts.

FUNDING:

The SSP portion of the SSI/SSP program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The increase in savings in the Current Year is due to updated caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase of savings in the Budget Year is due to an increase in the projected caseload.

Reduce SSI/SSP Grants by 2.3 Percent

EXPENDITURES:

(In 000's)

| | 2009-10 | 2010-11 |
|----------------|------------|------------|
| | Grant | Grant |
| Total | -\$230,814 | -\$234,839 |
| Federal | 0 | 0 |
| State | -230,814 | -234,839 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce SSI/SSP for Couples to MOE Floor

DESCRIPTION:

This premise reflects the savings associated with reducing the State Supplementary Payment (SSP) standard of the Supplemental Security Income (SSI)/SSP program to the federally required Maintenance of Effort (MOE) level of the 1983 payment standards for couples only. MOE refers to a federal provision that limits the reduction a state can make to their SSP benefit levels without penalty. If a state were to reduce its SSP benefit levels below MOE levels, it would lose federal funding for Medi-Cal. SSI/SSP eligibility also establishes automatic eligibility for Medi-Cal.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- Section 416.096 of Title XX of the Code of Federal Regulations defines the loss of federal funding for Medi-Cal if a state reduces SSP payments below MOE levels.
- The savings associated with reducing SSP grant amounts for Cash Assistance Program for Immigrants (CAPI) recipients are reflected in the CAPI premise.
- Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX Medical Facilities recipients are excluded from this reduction.

METHODOLOGY:

- The reduced grant amounts are calculated by using a statistical model to determine a change to the basic SSI/SSP average grant due to the SSP MOE floor reduction for couples only. The reduced average grant amounts are multiplied by the caseload to determine the reduced costs to the SSI/SSP program.
- The SSP payment standards were decreased as a result of reducing the SSI/SSP grant to the MOE floor for couples only. The reduced SSP grants are subtracted from the July 2009 SSP grant amounts.

FUNDING:

The SSP portion of the SSI/SSP program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The Current Year loss of savings is due to a one month delay in implementation.

Reduce SSI/SSP for Couples to MOE Floor

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year reflects a full year of savings.

EXPENDITURES:

(In 000's)

| | 2009-10 | 2010-11 |
|----------------|-----------|-----------|
| | Grant | Grant |
| Total | -\$60,688 | -\$92,361 |
| Federal | 0 | 0 |
| State | -60,688 | -92,361 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce SSI/SSP for Individuals to MOE Floor

DESCRIPTION:

This premise reflects the savings associated with reducing the State Supplementary Payment (SSP) standard of the Supplemental Security Income (SSI)/SSP program to the federally required Maintenance of Effort (MOE) level of the 1983 payment standards for individuals only. MOE refers to a federal provision that limits the reduction a state can make to their SSP benefit levels without penalty. If a state were to reduce its SSP benefit levels below MOE levels, it would lose federal funding for Medi-Cal. SSI/SSP eligibility also establishes automatic eligibility for Medi-Cal.

IMPLEMENTATION DATE:

This premise assumes a March 1, 2010 enactment of legislation with a June 1, 2010 implementation date.

KEY DATA/ASSUMPTIONS:

- The federal Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- Section 416.096 of Title XX of the Code of Federal Regulations defines the loss of federal funding for Medi-Cal if a state reduces SSP payments below MOE levels.
- The savings associated with reducing SSP grant amounts for Cash Assistance Program for Immigrants and California Veterans Cash Benefit recipients are reflected in this premise.
- Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX Medical Facilities recipients are excluded from this reduction.

METHODOLOGY:

- The reduced grant amounts are calculated by using a statistical model to determine a change to the basic SSI/SSP average grant due to the SSP MOE floor reduction for individuals only. The reduced average grant amounts are multiplied by the caseload to determine the reduced costs to the SSI/SSP program.
- The SSP payment standards were decreased as a result of reducing the SSI/SSP grant to the MOE floor for individuals only. The reduced SSP grants are subtracted from the July 2009 SSP grant amounts.

FUNDING:

The SSP portion of the SSI/SSP program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

Reduce SSI/SSP for Individuals to MOE Floor

REASON FOR YEAR-TO-YEAR CHANGE:

The Current Year reflects one month of savings, the Budget Year reflects a full year of savings.

EXPENDITURES:

(In 000's)

| | 2009-10 | 2010-11 |
|----------------|-----------|------------|
| | Grant | Grant |
| Total | -\$13,672 | -\$177,859 |
| Federal | 0 | 0 |
| State | -13,672 | -177,859 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce SSP Grants by 0.6 Percent for Individuals Only

DESCRIPTION:

This premise reflects the savings associated with reducing the Supplemental Security Income (SSI)/State Supplementary Payment (SSP) grant amounts by 0.6 percent for individuals only.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- The savings associated with reducing SSI/SSP grant amounts for Cash Assistance Program for Immigrants recipients and California Veterans Cash Benefit recipients are reflected in their corresponding premises.
- Non-Medical Out-of-Home Care, Restaurant Meal Allowance, and Title XIX Medical Facilities recipients are excluded from this reduction.
- This premise takes into account the withholding of the pass-through of the 2009 federal cost of living adjustment (COLA), effective May 1, 2009, and the 2.3 percent grant reduction, effective July 1, 2009.

METHODOLOGY:

- The reduced grant amounts are calculated by using a statistical model which determines the change to the basic SSI/SSP average grant due to the 0.6 percent reduction for individuals only. The reduced average grant amounts are multiplied by the caseload to determine the reduced costs to the SSI/SSP program.
- The SSP payment standards were decreased as a result of reducing the SSI/SSP grant by 0.6 percent for individuals only. The reduced SSP grants are subtracted from the current law SSP grant amounts.

FUNDING:

The SSP portion of the SSI/SSP program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The Current Year decrease in savings is due to a one month delay in implementation.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year reflects a full year of savings.

Reduce SSP Grants by 0.6 Percent for Individuals Only

EXPENDITURES:

(In 000's)

| | 2009-10 | 2010-11 |
|----------------|-----------|-----------|
| | Grant | Grant |
| Total | -\$30,744 | -\$46,880 |
| Federal | 0 | 0 |
| State | -30,744 | -46,880 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

SSI/SSP – 2010 Federal COLA

DESCRIPTION:

This premise reflects the impact of the cost-of-living adjustment (COLA) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) program recipients in 2010. The estimated -2.1 percent Consumer Price Index (CPI) for 2010 eliminates the pass through of an SSI COLA to recipients. As a result, the SSI portion of the grant payment will not increase but, instead, will remain at the January 2009 level.

IMPLEMENTATION DATE:

The CPI COLA will implement on January 1, 2010.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Since the CPI is estimated at -2.1 percent for 2010, there will be no COLA to be passed through to recipients on January 1, 2010, pursuant to current law.

METHODOLOGY:

- The SSI average grants will not change as a result of the 2010 COLA. The 2010 SSI payment standards will remain at the January 2009 level.
- The maximum monthly payment for an aged or disabled SSI/SSP individual living independently with no other income will not change as a result of the 2010 COLA.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(In 000's):

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Grant | Grant |
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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SSI/SSP – 2010 State COLA

DESCRIPTION:

This premise reflects the suspension of the cost-of-living adjustment (COLA) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) program recipients in 2010 as a cost avoidance measure. The state COLA is based on the California Necessities Index (CNI) of 1.53 percent. Assembly Bill X4 8 (Chapter 8, Statutes of 2009, Fourth Extraordinary Session) authorizes the suspension of the 2010 State COLA, and all prospective state COLA's, indefinitely.

IMPLEMENTATION DATE:

As a result of ABX4 8, the June 1, 2010, implementation of the CNI COLA will not take effect.

KEY DATA/ASSUMPTIONS:

- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- ABX4 8 authorizes the suspension of this COLA.
- The estimated state COLA is based on the CNI. For 2010, the CNI is 1.53 percent and will be suspended on June 1, 2010.
- On June 1, 2010, an SSI/SSP recipient's grant amount will not change from the payment levels in effect on May 31, 2010.

METHODOLOGY:

By suspending the 2010 state COLA, the SSP portion of the SSI/SSP grant will not change.

FUNDING:

The SSP portion is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

SSI/SSP – 2010 State COLA

EXPENDITURES:

(In 000's):

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Grant | Grant |
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

SSI/SSP – 2011 Federal COLA

DESCRIPTION:

This premise reflects the impact of the cost-of-living adjustment (COLA) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) program recipients in 2011. The estimated SSI Consumer Price Index (CPI) COLA of 2.0 percent will be passed through to recipients resulting in an increase in the SSI portion of the January 1, 2011 grant payment.

IMPLEMENTATION DATE:

The CPI COLA will implement on January 1, 2011.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- The CPI is estimated at 2.0 percent for 2011, and will be passed through to recipients on January 1, 2011 pursuant to current law.

METHODOLOGY:

- The SSI average grants for the three categories (aged, blind, and disabled) change as a result of the 2011 federal COLA.
- The CPI percentage is applied to the 2010 SSI payment standards and the result is the new SSI payment standards for 2011.
- The new payment standards are put into a statistical model to determine the value of the 2011 federal COLA for each of the three categories. The value of the 2011 federal COLA is added to each category's average SSI grant and the result is the increased average SSI grant for each category. These increased grants are multiplied by the caseload and the result is the increased costs to the SSI/SSP program.
- The impact to the Cash Assistance Program for Immigrants (CAPI) is included under the CAPI premise.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise takes effect in the Budget Year only.

SSI/SSP – 2011 Federal COLA

EXPENDITURES:

(In 000's):

| | 2009-10 | 2010-11 |
|----------------|---------|----------|
| | Grant | Grant |
| Total | \$0 | \$67,668 |
| Federal | 0 | 67,668 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

SSI/SSP – SSP Administration

DESCRIPTION:

The Social Security Administration (SSA) formerly administered the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program benefit payments without charge to the states. The Omnibus Budget Reconciliation Act of 1993 shifted costs for administration of SSP to the state, effective October 1, 1993. It also provided for additional service fees to be charged if SSA provides services beyond the expected level, such as payment standard reductions or increases made outside of the normal January 1 schedule.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to administration fees for SSP payments. For each Federal Fiscal Year (FFY) from 1998 through 2002, administration fees increased from an initial \$5.00 per payment to \$8.50 per payment in FFY 2002. Increases after FFY 2002 are based on the Consumer Price Index (CPI).
- Effective October 1, 2009, the fee is projected to stay at the 2008 level, \$10.45, due to a projected negative CPI percentage. Effective October 1, 2010, the fee will increase from \$10.45 to \$10.67, based on the increase in the CPI from June of the Budget Year compared to June of the Current Year.
- Administrative costs associated with the California Veterans Cash Benefit program are included in this premise.

METHODOLOGY:

The projected number of payments is based on the projected caseload plus the six-month moving average of the difference between the actual caseload and the number of payments. The projected number of payments is then multiplied by the respective cost per payment.

FUNDING:

The administration costs consist of 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The increase in the Current Year is due to the one month delay in the implementation of the reduction of the SSP grants by 0.6 percent and reduction of SSI/SSP couples to the federal maintenance of effort floor, offset by a caseload that is lower than what was projected in the Appropriation.

SSI/SSP – SSP Administration

REASON FOR YEAR-TO-YEAR CHANGE:

The change in the Budget Year is due to an increase in caseload.

CASELOAD:

| | 2009-10 | 2010-11 |
|--------------------------|-----------|-----------|
| Average Monthly Payments | 1,275,859 | 1,295,449 |

EXPENDITURES:

(in 000's)

| | 2009-10 Admin | 2010-11 Admin |
|----------------|------------------|------------------|
| Total | \$159,993 | \$164,993 |
| Federal | 0 | 0 |
| State | 159,993 | 164,993 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Interest for Delayed SSI/SSP Payments

DESCRIPTION:

This premise addresses the interest owed to the federal government for the August and September 2009 advanced payments it forwarded to Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients while the state was unable to make payment due to budget issues.

KEY DATA/ASSUMPTIONS:

- Assumes an amount of \$130,000 for the month of August 2009.
- Assumes an amount of \$33,000 for the month of September 2009.

METHODOLOGY:

The amounts of interest charged for August and September were provided by the Social Security Administration, which is based on 31 days of interest for August, and four days of interest for September, with an interest rate of 11.25 percent.

FUNDING:

The interest will be paid with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This premise deals with the Current Year (CY) months of advanced payment only.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise is a CY item only.

EXPENDITURES:

(In 000's):

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Grant | Grant |
| Total | \$163 | \$0 |
| Federal | 0 | 0 |
| State | 163 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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California Veterans Cash Benefit Program

DESCRIPTION:

This premise reflects the cost of providing benefits at the same level as State Supplementary Payment (SSP) benefits to certain veterans of World War II who 1) return to the Republic of the Philippines and no longer have a place of residence in the state; and 2) were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit (CVCB) payments are authorized under Assembly Bill 1978 (Chapter 143, Statutes of 2000).

IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12400.
- The grant costs associated with the implementation of this bill are the equivalent of SSP benefits the veterans would receive under the Supplemental Security Income (SSI)/SSP program.
- An average benefit payment of \$177.28 will be paid to eligible recipients, which takes into account the withholding of the pass-through of the 2009 federal cost-of-living adjustment, effective May 1, 2009, and the 2.3 percent SSI/SSP grant reduction, effective July 1, 2009. The average benefit payment will decrease to \$172.26, effective November 1, 2009, due to the 0.6 percent SSP grant reduction for individuals only.
- The Social Security Administration (SSA) administers the CVCB program in conjunction with benefits under Title VIII of the federal Social Security Act.
- Administrative costs associated with the CVCB program are reflected in the "SSI/SSP Administration" premise.
- The average monthly number of participating veterans is 1,389 in Fiscal Year (FY) 2009-10, and 1,236 in FY 2010-11.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit.

FUNDING:

This program is funded 100 percent with General Fund.

CHANGE FROM THE APPROPRIATION:

The decrease is due to a lower average monthly caseload based on actual data and the impacts of the 2.3 percent SSI/SSP grant reduction and the 0.6 percent SSP grant reduction for individuals only.

California Veterans Cash Benefit Program

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year decrease is due to a lower average monthly caseload based on actual data.

EXPENDITURES:

(in 000's)

| | 2009-10 Grant | 2010-11 Grant |
|-------------------|------------------|------------------|
| CVCB Costs | | |
| Total | \$2,900 | \$2,625 |
| Federal | 0 | 0 |
| State | 2,900 | 2,625 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

SSI Extension (P.L. 110-328)

DESCRIPTION:

This premise reflects the costs and savings associated with qualified Cash Assistance Program for Immigrants (CAPI) recipients transferring to the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program, and SSI/SSP recipients who will remain on SSI/SSP for two more years. Prior to the enactment of Public Law (P.L.) 110-328, refugees and other humanitarian immigrants became eligible for the 100 percent state-funded CAPI benefit once the seven-year period of SSI/SSP eligibility expired. They obtained CAPI eligibility because they were aged, blind or disabled, and no longer eligible for SSI/SSP due to their non-citizen immigration status. Under the federal law, refugees and other humanitarian immigrants are eligible to receive up to two more years of SSI benefits. However, the law does place conditions on this extended eligibility. The affected immigrants will have to show some evidence of having adjusted their immigration status to Lawful Permanent Resident (LPR) within certain timeframes, or be under age 18, or age 70 or older, in order to be eligible for reinstatement to SSI/SSP.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2008.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration (SSA) will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code (W&IC) defines the maximum payment standard available under each living arrangement.
- Chapter 10.3 of the W&IC gives the California Department of Social Services the authority to administer the CAPI program.
- Section 18940 of the W&IC states that the CAPI program will be governed by the same federal and state regulations which govern the SSI/SSP program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP program, except that the schedule for individuals and couples shall be reduced \$10 per individual and \$20 per couple per month.
- Assumes a monthly average of 51 cases will stay on SSI/SSP for Fiscal Year (FY) 2009-10, beginning July 1, 2009, and a monthly average of 42 cases that will stay on SSI/SSP for FY 2010-11.
- SSI/SSP and CAPI average grants reflect the withholding of the pass-through of the 2009 federal cost of living adjustment (COLA), effective May 2009; the 2.3 percent SSI/SSP grant reduction, effective July 2009; the 0.6 percent SSP grant reduction for individuals only, effective November 2009, the SSI/SSP couples to the maintenance of effort (MOE) floor, effective November 2009, the 2010 federal COLA, effective January 2010; the suspension of the 2010 state COLA, effective June 2010, and the 2011 federal COLA, effective January 2011.
- This premise does not take into account the Reduce SSI/SSP Individuals MOE Floor and the Elimination of CAPI proposals.

SSI Extension (P.L. 110-328)

METHODOLOGY:

SSI/SSP costs and CAPI savings were calculated by multiplying the average grant amounts by the number of cases staying on SSI/SSP.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent General Fund (GF). The CAPI program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The Current Year (CY) decrease is due to calculating only the prospective SSI/SSP cases that will reach their seven year term and would have transferred to CAPI, but now stay on for two more years. The impact to the CAPI cases that moved to SSI/SSP in FY 2008-09 can be found under the CAPI premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year (BY) increase is due to the accumulation of cases from CY through BY.

EXPENDITURES:

(In 000's)

| | 2009-10 | 2010-11 |
|----------------|----------|----------|
| SSI/SSP | | |
| | Grant | Grant |
| Total | \$3,181 | \$6,645 |
| Federal | 2,400 | 5,038 |
| State | 781 | 1,607 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |
| | 2009-10 | 2010-11 |
| CAPI | | |
| Total | -\$3,786 | -\$7,896 |
| Federal | 0 | 0 |
| State | -3,786 | -7,896 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

This premise reflects the costs associated with providing benefits to aged, blind, and disabled legal immigrants under the Cash Assistance Program for Immigrants (CAPI). CAPI benefits are equivalent to Supplemental Security Income (SSI) and/or State Supplemental Payment (SSP) program benefits, less \$10 per individual and \$20 per couple. This premise includes costs for both the grant and administrative costs necessary for implementation.

CAPI recipients in the base program include the following immigrants: 1) those who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and 2) those who entered the U.S. on or after August 22, 1996, but meet special sponsorship restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI program.
- Section 18940 of the W&IC states that the CAPI program will be governed by the same federal and state regulations which govern the SSI/SSP program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP program, except that the schedule for individuals and couples shall be reduced \$10 per individual and \$20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 9,029 in Fiscal Year (FY) 2009-10, and 10,886 in FY 2010-11.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is \$640.85 for the Base CAPI cases, based on actual expenditures through February 2009. The average grant decreased due to withholding the pass-through of the 2009 federal cost of living adjustment (COLA), effective May 1, 2009. The average grant will again decrease due to the 2.3 percent SSI/SSP grant reduction, effective July 1, 2009. The average grant will again decrease due to the 0.6 percent SSP reduction for individuals only, and the SSI/SSP couples reduction to the maintenance of effort floor, both effective November 1, 2009. The average grant will remain at the 2009 level in 2010 to reflect a -2.1 percent federal COLA effective January 1, 2010, and will increase due to the January 2011 federal COLA, effective January 1, 2011.
- The average monthly grant is \$789.64 for the Extended CAPI cases, based on actual expenditures through February 2009. The average grant will change as discussed above for the Base CAPI cases.
- The average monthly administrative cost per case for FY 2009-10 and 2010-11 of \$152.17 is based on actual expenditures through February 2009.

METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly caseload by the Base CAPI average grant and administrative cost per case. Extended CAPI costs are estimated by multiplying the Extended CAPI caseload by the Extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI costs are then added to determine total CAPI Program costs.

FUNDING:

The program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The Current Year costs have decreased due to the impact of the SSI Extension (Public Law 110-328). Qualified CAPI cases shifted to the SSI/SSP program in the Prior Year, therefore decreasing the CAPI caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year increase is due to an increase in caseload, namely those cases that left CAPI beginning October 2008 due to the SSI Extension premise, and returning after the two year limit expires, beginning October 2010.

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES:

| (in 000's) | 2009-10 | 2010-11 |
|----------------|-------------|-------------|
| Total CAPI | Grant/Admin | Grant/Admin |
| Total | \$93,869 | \$115,158 |
| Federal | 0 | 0 |
| State | 93,869 | 115,158 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| (in 000's) | 2009-10 | 2010-11 |
|----------------|----------|---------|
| Base CAPI | | |
| Total | \$12,349 | \$7,976 |
| Federal | 0 | 0 |
| State | 12,349 | 7,976 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| (in 000's) | 2009-10 | 2010-11 |
|----------------|----------|-----------|
| Extended CAPI | | |
| Total | \$81,520 | \$107,182 |
| Federal | 0 | 0 |
| State | 81,520 | 107,182 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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Elimination of CAPI

DESCRIPTION:

This premise reflects the savings associated with the elimination of the Cash Assistance Program for Immigrants (CAPI). The CAPI program provides benefits to aged, blind, and disabled legal immigrants which are equivalent to Supplemental Security Income and/or State Supplemental Payment (SSI/SSP) program benefits, less \$10 per individual and \$20 per couple.

CAPI recipients in the base program include the following immigrants: 1) those who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and 2) those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

IMPLEMENTATION DATE:

This premise assumes a March 1, 2010 enactment of legislation with a June 1, 2010 implementation date.

KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI program.
- Section 18940 of the W&IC states that the CAPI program will be governed by the same federal and state regulations which govern the SSI/SSP program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP program, except that the schedule for individuals and couples shall be reduced \$10 per individual and \$20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 9,029 in Fiscal Year (FY) 2009-10, and 10,886 in FY 2010-11.
- The average monthly grant is \$640.85 for the Base CAPI cases, based on actual expenditures through February 2009. The average grant will remain at the 2009 level in 2010 given no federal cost of living adjustment will be provided January 1, 2010.

Elimination of CAPI

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average monthly grant is \$789.64 for the Extended CAPI cases, based on actual expenditures through February 2009. The average grant will change as discussed above for the Base CAPI cases.
- The average monthly administrative cost per case for FY 2009-10 and 2010-11 of \$152.17 is based on actual expenditures through February 2009.
- The savings associated with reducing SSP grant amounts for CAPI recipients, individuals only, to the Maintenance of Effort (MOE) floor, effective June 1, 2010, are reflected in the Reduce SSI/SSP Individuals to MOE Floor premise.
- Statutory changes would be needed to eliminate the CAPI program.

METHODOLOGY:

Base CAPI program savings are estimated by multiplying the projected monthly caseload by the Base CAPI average grant and administrative cost per case. Extended CAPI savings are estimated by multiplying the Extended CAPI caseload by the Extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI savings are then added to determine total CAPI program savings.

FUNDING:

The program is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The Current Year reflects one month of savings, the Budget Year reflects a full year.

EXPENDITURES:

| (in 000's) | 2009-10 | 2010-11 |
|----------------|-------------|-------------|
| Total CAPI | Grant/Admin | Grant/Admin |
| Total | -\$8,113 | -\$107,262 |
| Federal | 0 | 0 |
| State | -8,113 | -107,262 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

DESCRIPTION:

This premise reflects the State Supplementary Payment (SSP) expenditures countable towards the state Temporary Assistance for Needy Families (TANF) program maintenance of effort (MOE). More specifically, the increase in SSP expenditures for disabled SSP children in California Work Opportunity and Responsibility to Kids (CalWORKs) families since the inception of the TANF program is countable as MOE.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the TANF program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. As a result of the state having consistently met its work participation agreement, the MOE level has been lowered from \$2.9 billion (80 percent) to \$2.7 billion, which constitutes 75 percent of the 1994 level.

The state may count toward the MOE both local and state expenditures made by the California Department of Social Services (CDSS) or other departments on behalf of TANF/CalWORKs-eligible families. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations Section 263.2.
- The average number of SSP children living in a CalWORKs household for April through June 2009, was 9,406, or 11.5 percent of total SSP children living with relatives.
- SSP expenditures for SSP children living with relatives were \$52.8 million in 1995. SSP expenditures for the same population are estimated at \$79.7 million in Fiscal Year (FY) 2009-10.
- Expenditures for SSP children living in a CalWORKs household in 1995 are estimated at \$8.5 million.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

METHODOLOGY:

- Expenditures for FY 2009-10 and FY 2010-11 are forecasted based on the increase or decrease in the SSP payment standard from year to year. For FY 2009-10, the SSP payment standard will decrease on July 1, 2009, due to the 2.3 percent SSI/SSP grant reduction, and will decrease again on November 1, 2009, due to the 0.6 percent SSP grant reduction for individuals. On June 1, 2010, the SSP payment standard may decrease again, due to the Reduce SSI/SSP Individuals to MOE Floor premise. However, this population is already at the federal MOE floor, and will remain at that level for FY 2009-10 and FY 2010-11.
- The percentage of SSP children living in a CalWORKs household is multiplied by the estimated SSP expenditures for each fiscal year to arrive at expenditures attributable to SSP children living in a CalWORKs household. For FY 2009-10 and FY 2010-11, SSP expenditures for this population are estimated at \$9.1 and \$9.2 million, respectively.
- For FY 2008-09, the amount by which allowable current year expenditures exceed total state program expenditures in 1995 is \$0.6 million (\$9.1 - \$8.5 million).
- For FY 2009-10, the amount by which allowable SSP expenditures will exceed total state program expenditures in 1995 is \$0.7 million (\$9.2 - \$8.5 million).

FUNDING:

The SSP expenditures are funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The increase is due to a one month delay in the implementation of the 0.6 percent SSP grant reduction for individuals.

REASON FOR YEAR-TO-YEAR CHANGE:

The Budget Year increase is due to an increase in caseload.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Grant | Grant |
| Total | \$578 | \$643 |
| Federal | 0 | 0 |
| State | 578 | 643 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the In-Home Supportive Services (IHSS) program. Assembly Bill (AB) 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Care Services (DHCS) to submit a Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services (CMS) (formerly the Health Care Financing Administration) to include a portion of the IHSS program as a Title XIX eligible service. This portion of the IHSS program is known as the Personal Care Services Program (PCSP).

In 2004, DHCS received approval for an Independence Plus Section 1115 Demonstration Project to allow certain IHSS Residual program recipients to receive services under the new IHSS Independence Plus Waiver (IPW). Effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option, titled the IHSS Plus Option (IPO), was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system.

The IHSS program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible recipients are aged, blind or disabled individuals who receive public assistance or have low incomes.

Assembly Bill (AB) 925 (Chapter 1088, Statutes of 2002) allows recipients to utilize authorized personal care services in locations outside of the home, including their place of employment, as authorized by the director. Services and service hours remain limited to those authorized for the recipient in their own home.

The PCSP and IPO programs provide services which including the following:

- Domestic services such as meal preparation, laundry, shopping, and errands.
- Non-medical personal care services.
- Assistance while traveling to medical appointments or to other sources of supportive services.
- Teaching and demonstration directed at reducing the need for supportive services.
- Certain paramedical services ordered by a physician.
- Protective supervision tasks.

The following six categories of services are unique to the IPO:

Advance Pay
Restaurant Meal Allowance (RMA)
Services Provided by Parent/Spouse
Protective Supervision by Parent/Spouse
Domestic Services by Parent/Spouse
Multiple Services

The third component of the IHSS program is the state-only Residual program, which provides services to recipients who are ineligible for the federal PCSP and IPO programs.

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

DESCRIPTION (CONTINUED):

IHSS is provided in any of three service delivery modes. Those service modes are the individual provider (IP) mode, the county contract (CC) mode, and the welfare staff (WS) mode. The WS mode is also referred to as the county homemaker mode. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The contractor employs the individuals who provide the services to the recipient. The WS mode utilizes county employees to provide services for recipients.

The State Compensation Insurance Fund (SCIF), under contract, administers the workers' compensation insurance for the IPs providing services for IHSS recipients.

The Department of General Services (DGS), under contract, acts as agent for the California Department of Social Services (CDSS) in the management and supervision of SCIF. DGS also monitors high cost cases (\$50,000 and over in paid costs) on a quarterly basis.

The IHSS Case Management Information and Payrolling System (CMIPS) authorizes payments and provides CDSS and the counties with information regarding wages, taxes, hours per case, cost per hour, PCSP/IPO and Residual program caseload and funding ratios, share of cost, RMA, and the number of providers in the IP mode. (See the CMIPS premises for more information.)

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300-12314 and 14132.95.
- The projected caseload percentages for the PCSP/IPO and Residual program are 91.99 percent and 8.01 percent, respectively, based on the average caseloads to date for Current Year (CY) 2009-10 and Budget Year (BY) 2010-11. (Note: An adjustment to caseload is made under the Title XIX Eligible Recipients Adjustment premise to account for recipients who are eligible to receive services under a Title XIX program, and therefore FFP, but who are not accounted for as such under this premise. The adjustment results in a caseload increase to 98.46 percent for PCSP/IPO and decrease to 1.54 percent for Residual in the CY, and a caseload increase to 98.56 percent for PCSP/IPO and decrease to 1.44 percent for Residual in the BY. For more information, please see the Title XIX Eligible Recipients Adjustment premise [formerly titled the Waiver for Residual Program.]
- The average monthly PCSP/IPO caseloads for CY 2009-10 are projected to be 2,237 (CC), 66 (WS), and 420,902 (IP), and Residual caseloads were 774 (CC), 43 (WS), and 36,019 (IP).
- The average monthly PCSP/IPO caseloads for BY 2010-11 are projected to be 2,383 (CC), 70 (WS), and 448,286 (IP), and Residual caseloads were 825 (CC), 46 (WS), and 38,362 (IP).
- The PCSP/IPO CC mode average monthly hours per case is assumed to be 68.09 hours at a cost per hour of \$20.24. The WS average monthly hours per case is assumed to be 8.84 hours at a cost per hour of \$19.48.

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Residual CC mode average monthly hours per case is assumed to be 27.63 hours at a cost per hour of \$18.74. The Residual WS average monthly hours per case is assumed to be 7.32 hours at a cost per hour of \$18.63.
- The IP wage rate and average monthly hours per case are based on the individual counties data.
- The payroll tax rate associated with IP wages is assumed at ten percent.
- Based on actuals for Fiscal Year 2008-09, the average PCSP/IPO program recipient's share of cost (SOC) in the IP mode of service is assumed to be \$408 per case, and in the CC/WS modes of service \$292 in the CY and the BY. The average Residual program recipient's share of cost in the IP mode of service is assumed to be \$432, and in the CC/WS modes of service \$173 in the CY and the BY.
- In the PCSP/IPO program, the average monthly SOC caseload is assumed to be 8,415 (IP) and 77 (CC and WS) in the CY, and 8,963 (IP) and 77 (CC and WS) in the BY.
- In the Residual program, the average monthly SOC caseload is assumed to be 698 (IP) and 9 (CC and WS) in the CY, and 744 (IP) and 9 (CC and WS) in the BY.
- The RMA cost per case is \$62.
- The RMA cost is estimated to be \$476,662 in the CY and \$507,675 in the BY.
- The SCIF contract cost is assumed to be \$48.5 million in the CY and \$48.5 million in the BY.
- The DGS contract cost is set at \$120,000 for both the CY and the BY.
- The CY and the BY include costs for the Los Angeles County Back-Up Attendant Program.
- This premise will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- Effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, the IPO was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.

METHODOLOGY:

The estimated PCSP/IPO basic cost is computed by multiplying the casemonths times the average hours per case, times the cost per hour, plus the associated payroll taxes, minus the share of cost. In addition, the PCSP/IPO caseload percentage of the SCIF and DGS contract costs are added.

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

METHODOLOGY (CONTINUED):

The estimated Residual basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus associated payroll taxes, minus the share of cost. In addition, the Residual program caseload percentage of the SCIF and DGS contract costs, and RMA are added.

FUNDING:

For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.

The nonfederal share of the PCSP/IPO is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

Under the Residual program, total basic service costs are split 65 percent state and 35 percent county. The counties' share of the cost is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

The CY decrease reflects a decrease in caseload growth, a decrease in cost per hour, an increase in hours per case, and wage and/or benefit adjustments for nine counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects caseload growth and a full year of wage increases.

CASELOAD:

| | 2009-10 | 2010-11 |
|--|---------------|---------------|
| PCSP/IPO Average Monthly Caseload | 423,205 | 450,739 |
| Residual Program Average Monthly Caseload | <u>36,836</u> | <u>39,233</u> |
| PCSP/IPO & Residual Programs Average Monthly Caseload Totals | 460,041 | 489,972 |

Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs

EXPENDITURES:

(in 000's)

| TOTAL | 2009-10 | 2010-11 |
|-------------------------|-------------|--------------|
| Total | \$5,461,127 | \$5,817,847 |
| Federal | 0 | 0 |
| State | 1,897,461 | 2,022,373 |
| County | 0 | 0 |
| Reimbursements | 3,563,666 | 3,795,474 |
| | | |
| PCSP/IPO | 2009-10 | 2010-11 |
| Total | \$4,986,643 | \$ 5,312,744 |
| Federal | 0 | 0 |
| State | 1,592,996 | 1,698,263 |
| County | 0 | 0 |
| Reimbursements | 3,393,647 | 3,614,481 |
| | | |
| Residual Program | 2009-10 | 2010-11 |
| Total | \$474,484 | \$505,103 |
| Federal | 0 | 0 |
| State | 304,465 | 324,110 |
| County | 0 | 0 |
| Reimbursements | 170,019 | 180,993 |

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Case Management Information and Payrolling System (CMIPS) and Associated Costs

DESCRIPTION:

This premise reflects the costs associated with the operation and maintenance of the In-Home Supportive Services (IHSS) Case Management Information and Payrolling System (CMIPS). The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility, needs assessment, share of cost, if appropriate, and all changes affecting a recipient's case. The CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. The CMIPS further allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers (CINs) facilitate the identification of common clients and the exchange of data with other systems. CIN transactions are processed through the Office of Systems Integration server.

Management Information

The CMIPS provides periodic management reports that include fiscal and statistical data on a case-by-case, worker-by-worker, office-by-office, county-by-county, and statewide basis.

Payrolling System

The CMIPS provides for the authorization and issuance of warrants for payments for services provided by the individual-provider mode and prepares all employer tax forms and reports. These reports are used for bookkeeping, accounting, and tax preparation purposes on behalf of recipients, County Welfare Departments, and the California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract with CDSS, issues payroll checks to the individual providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.

The State Treasurer's Office (STO), under contract with CDSS, performs bank reconciliation of IHSS warrants, and redeems all valid warrants issued for IHSS providers.

IMPLEMENTATION DATE:

This premise implemented on February 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The estimated costs for the SCO contract were updated. In the Current Year (CY) and Budget Year (BY), there are no provider direct deposit costs associated with the SCO contract.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated CIN transaction costs are based on a projection of the number of transactions and a cost of 70 cents per transaction.

| | <u>2009-10</u> | <u>2010-11</u> |
|--------------------|---------------------|---------------------|
| EDS | \$11,637,648 | \$12,130,932 |
| STO | \$915,987 | \$915,987 |
| SCO | \$5,745,000 | \$8,113,170 |
| CIN Transaction | \$8,307 | \$8,307 |
| Total Costs | \$18,306,942 | \$21,168,396 |

METHODOLOGY:

The estimate is computed by summing the EDS, STO, SCO, and CIN data and transaction fee costs. The total cost is split between the Personal Care Services Program (PCSP)/IHSS Plus Option (IPO) and the Residual program based on a caseload percent to total.

FUNDING:

- In the PCSP/IPO, the federal Title XIX reimbursement represents 50 percent of the total funding in the CY and BY. The nonfederal share is split 70 percent state and 30 percent county.
- In the Residual program, the state share is 70 percent of the total, and the county share is 30 percent.

CHANGE FROM THE APPROPRIATION:

The CY change is due to a decrease in EDS costs for payroll processing.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase is due to increased EDS and SCO costs.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

EXPENDITURES:

(in 000's)

| TOTAL | 2009-10 | 2010-11 |
|-------------------------|-----------|----------|
| Total | \$18,307 | \$21,168 |
| Federal | 0 | 0 |
| State | 6,920 | 8,002 |
| County | 2,966 | 3,429 |
| Reimbursements | 8,421 | 9,737 |
| PCSP/IPO | 2009-10 | 2010-11 |
| Total | \$ 16,841 | \$19,474 |
| Federal | 0 | 0 |
| State | 5,894 | 6,816 |
| County | 2,526 | 2,921 |
| Reimbursements | 8,421 | 9,737 |
| Residual Program | 2009-10 | 2010-11 |
| Total | \$1,466 | \$1,694 |
| Federal | 0 | 0 |
| State | 1,026 | 1,186 |
| County | 440 | 508 |
| Reimbursements | 0 | 0 |

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Case Management Information and Payrolling System (CMIPS) Legacy Enhancements

DESCRIPTION:

This premise reflects the funding required for several Case Management Information and Payrolling System (CMIPS) enhancements needed to meet the documentation and data collection and reporting requirements of the In-Home Supportive Services (IHSS) program. This premise includes programming, implementation and ongoing costs for enhancements, systems operation and maintenance, monthly outreach mailing, Help Desk staffing and forms processing for Provider Direct Deposit (PDD) and Conlan. It also includes programming and implementation costs for the Share of Cost (SOC) Buyout Program, IHSS Cost Containment implementation, IHSS Cost Containment reversal (V.L. v. Wagner), Provider Enrollment Statement Form/Process, IHSS Plus Option (IPO) – Administration, and IHSS Anti-Fraud Initiative. PDD was successfully implemented on May 1, 2008.

This premise was formerly known as the CMIPS Enhancements. The word “Legacy” was added to clarify that this premise includes costs associated with the original CMIPS program, commonly referred to as CMIPS Legacy, and differentiate it from the new CMIPS II system.

IMPLEMENTATION DATE:

This premise implemented on August 31, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12317 [Chapter 229, Statutes of 2004 (Senate Bill 1104)] and section 12304.4 [Chapter 75, Statutes of 2006 (Assembly Bill 1808)].
- The PDD cost assumes 40 percent provider participation. The Current Year (CY) PDD cost is \$1.7 million total funds (TF). The Budget Year (BY) cost is \$1.8 million TF.
- The Conlan cost assumes \$0.1 million TF in the CY and the BY.
- The SOC Buyout cost assumes \$0.1 million TF in the CY.
- The IHSS Cost Containment implementation cost assumes \$0.2 million TF in the CY.
- The reversal of programming to implement the IHSS Cost Containment premise, resulting from V.L. v. Wagner, assumes \$20,000 TF in the CY.
- The Provider Enrollment Statement Form/Process cost assumes \$1.4 million TF in the CY.
- The IPO - Administration cost assumes \$10,000 TF in the CY.
- The IHSS Anti-Fraud Initiative cost assumes \$50,000 TF in the CY.

METHODOLOGY:

The estimate is computed by summing the programming, implementation, and ongoing costs for enhancements, systems operation and maintenance, ongoing monthly outreach mailing, Help Desk staffing and forms processing for the impacted programs.

Case Management Information and Payrolling System (CMIPS) Legacy Enhancements

FUNDING:

- Under the Personal Care Service Program (PCSP)/IPO, the federal Title XIX reimbursement represents 50 percent of the total funding. Apart from the IHSS Anti-Fraud Initiative, which has a 50 percent federal and 50 percent General Fund (GF) share, the nonfederal share for all other impacted programs is split 70 percent GF and 30 percent county.
- For the Residual program, the GF share is 70 percent of the total, and the county share is 30 percent.

CHANGE FROM THE APPROPRIATION:

The CY increases represent one-time CMIPS Legacy programming and implementation costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a decrease due to one-time CY costs.

EXPENDITURES:

(in 000's)

| TOTAL | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$3,379 | \$1,950 |
| Federal | 0 | 0 |
| State | 1,283 | 737 |
| County | 539 | 316 |
| Reimbursements | 1,557 | 897 |

| PCSP/IPO | 2009-10 | 2010-11 |
|-----------------|---------|---------|
| Total | \$3,110 | \$1,794 |
| Federal | 0 | 0 |
| State | 1,095 | 628 |
| County | 458 | 269 |
| Reimbursements | 1,557 | 897 |

Case Management Information and Payrolling System (CMIPS) Legacy Enhancements

EXPENDITURES (CONTINUED):

(in 000's)

| Residual Program | 2009-10 | 2010-11 |
|-----------------------------|---------|---------|
| Total | \$269 | \$156 |
| Federal | 0 | 0 |
| State | 188 | 109 |
| County | 81 | 47 |
| Reimbursements | 0 | 0 |

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Case Management, Information and Payrolling System (CMIPS) II Contract Procurement

DESCRIPTION:

This premise reflects the costs for contracting with the Health and Human Services Agency Office of Systems Integration (OSI) for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) Case Management, Information and Payrolling System (CMIPS). This project proposes to replace the existing CMIPS with new technologies that provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2008.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

METHODOLOGY:

The estimated costs are detailed in the October 2007 Implementation Advance Planning Document, and in the Supplementary Premise Information Spring 2009.

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is a blended rate of 64 percent.
- The nonfederal share is funded 100 percent General Fund (GF).
- In the Residual Program, the funding is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2009-10 costs have been adjusted for Employee Compensation and Retirement, as well as for legislatively mandated enhancements.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2010-11 costs have been adjusted for Pro Rata, Employee Compensation, and Retirement.

Case Management, Information and Payrolling System (CMIPS) II Contract Procurement

EXPENDITURES:

(in 000's)

| Total | 2009-10 | 2010-11 |
|----------------|---------------|---------------|
| | County Admin. | County Admin. |
| Total | \$116,340 | \$115,598 |
| Federal | 0 | 0 |
| State | 47,333 | 47,031 |
| County | 0 | 0 |
| Reimbursements | 69,007 | 68,567 |

| PCSP | 2009-10 | 2010-11 |
|----------------|---------------|---------------|
| | County Admin. | County Admin. |
| Total | \$107,824 | \$107,136 |
| Federal | 0 | 0 |
| State | 38,817 | 38,569 |
| County | 0 | 0 |
| Reimbursements | 69,007 | 68,567 |

| Residual Program | 2009-10 | 2010-11 |
|-------------------------|---------------|---------------|
| | County Admin. | County Admin. |
| Total | \$8,516 | \$8,462 |
| Federal | 0 | 0 |
| State | 8,516 | 8,462 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

CDSS/OSI PARTNERSHIP:

| (in 000's) | 2009-10 | 2010-11 |
|------------|-----------|-----------|
| Total | \$116,340 | \$115,598 |
| CDSS | 24,187 | 24,187 |
| OSI | 92,153 | 91,411 |

Public Authority Administration

DESCRIPTION:

This premise reflects the Public Authority (PA) administrative costs for the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP), the IHSS Plus Option (IPO), and non-Title XIX eligible IHSS recipients in the Residual program. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of the PAs. PAs are the employers of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. IHSS recipients, however, retain the right to hire, fire, and supervise the work of any IHSS worker providing services to them. A county board of supervisors may elect to establish a PA to provide for the delivery of IHSS. PAs are separate entities from the county in which they operate. Employees of PAs shall not be employees of the county for any reason.

The PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS providers through the establishment of a registry.
- The investigation of the qualifications and background of potential providers.
- The establishment of a referral system under which IHSS providers shall be referred to recipients.
- The provision of training for providers and recipients.
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administrative costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Care Services (DHCS) for final approval. After DHCS approves the rate, the PA is notified of the new rate at which it can claim costs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.
- Effective September 30, 2009, the IHSS Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option, titled the IHSS Plus Option, was implemented. The new 1915(j) absorbed the IPW caseload, and provides the same services plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.

Public Authority Administration

METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

FUNDING:

In the PCSP/IPO, the Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share is split 65 percent state and 35 percent county.

In the Residual program, the state share is 65 percent of the total, and the county share is 35 percent of the total.

CHANGE FROM THE APPROPRIATION:

The Current Year was held to Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

This Budget Year increase reflects caseload growth and administrative rate changes.

EXPENDITURES:

(in 000's)

| TOTAL | 2009-10 | 2010-11 |
|----------------|----------|----------|
| Total | \$65,022 | \$66,431 |
| Federal | 0 | 0 |
| State | 23,318 | 23,809 |
| County | 0 | 0 |
| Reimbursements | 41,704 | 42,622 |

| PCSP/IPO | 2009-10 | 2010-11 |
|-----------------|----------|----------|
| Total | \$58,297 | \$59,604 |
| Federal | 0 | 0 |
| State | 18,946 | 19,371 |
| County | 0 | 0 |
| Reimbursements | 39,351 | 40,233 |

Public Authority Administration

EXPENDITURES (CONTINUED):

(in 000's)

| Residual Program | 2009-10 | 2010-11 |
|------------------|---------|---------|
| Total | \$6,725 | \$6,827 |
| Federal | 0 | 0 |
| State | 4,372 | 4,438 |
| County | 0 | 0 |
| Reimbursements | 2,353 | 2,389 |

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Reduce Public Authority Administration

DESCRIPTION:

This premise reflects a reduction to Public Authority (PA) administrative costs for the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP), the IHSS Plus Option (IPO), and non-Title XIX eligible IHSS recipients in the Residual program.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administrative costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Care Services (DHCS) for final approval. After DHCS approves the rate, the PA is notified of the new rate at which it can claim costs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill X4 1 (Chapter 1, Statutes of 2009, Fourth Extraordinary Session).
- Assumes a 20 percent reduction plus an \$8.7 million reduction as a result of the Governor's veto.
- Effective September 30, 2009, the IHSS Independence Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, the IPO was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IPO – Administration premise description.

METHODOLOGY:

The estimated savings is computed by applying a 20 percent reduction to the total PA administrative hourly rates for each PA plus the additional Governor's veto reduction of \$8.7 million General Fund (GF).

FUNDING:

- In the PCSP/IPO, the Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share is split 65 percent GF and 35 percent county.
- In the Residual program, the GF share is 65 percent of the total, and the county share is 35 percent of the total.

CHANGE FROM THE APPROPRIATION:

The Current Year was held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Reduce Public Authority Administration

EXPENDITURES:

(in 000's)

| TOTAL | 2009-10 | 2010-11 |
|----------------|-----------|-----------|
| Total | -\$37,896 | -\$37,896 |
| Federal | 0 | 0 |
| State | -13,318 | -13,318 |
| County | -7,162 | -7,162 |
| Reimbursements | -17,416 | -17,416 |

| PCSP/IPO | 2009-10 | 2010-11 |
|-----------------|-----------|-----------|
| Total | -\$34,850 | -\$34,850 |
| Federal | 0 | 0 |
| State | -11,338 | -11,338 |
| County | -6,096 | -6,096 |
| Reimbursements | -17,416 | -17,416 |

| Residual Program | 2009-10 | 2010-11 |
|-------------------------|----------|----------|
| Total | -\$3,046 | -\$3,046 |
| Federal | 0 | 0 |
| State | -1,980 | -1,980 |
| County | -1,066 | -1,066 |
| Reimbursements | 0 | 0 |

PCSP Three-Month Retroactive Benefits

DESCRIPTION:

This premise reflects the service and administrative costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) personal care services rendered up to three months prior to application. This premise applies to the Personal Care Services Program (PCSP), IHSS Plus Option (IPO), and Residual program.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 2004.
- Based on the number of approvals in July 2008 through June 2009, 1.69 percent of cases each month will be new applicants.
- Based on Medi-Cal data, it is assumed that 0.02 percent of all applicants will be eligible to receive at least one month of retroactive benefits for the period prior to the month of application. It is also assumed that, on average, these applicants will receive 1.16 months of retroactive benefits.
- In addition, it is assumed that 2.58 percent of applicants will be eligible to receive a retroactive benefit for a portion of the month in which they applied. The average period of retroactive benefit is assumed to be two weeks.
- The administrative cost of processing the retroactive payments is assumed to require one additional hour to review incoming claims to determine eligibility and 1.5 additional hours to process eligible claims. It is assumed that ten percent of all applicants will submit a claim. The social worker cost per hour is assumed to be \$60.55.
- Effective September 30, 2009, the IHSS Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option, titled the IHSS Plus Option, was implemented. The new 1915(j) absorbed the IPW caseload, and provides the same services plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.
- This premise will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The Budget Year (BY) reflects the impact of the “Limit IHSS Services to Recipients with FI Score of 4.00 and Above” premise.

METHODOLOGY:

The number of cases to receive retroactive benefits was derived using the percentage of new cases and the percentage of cases that are eligible to receive retroactive benefits.

PCSP Three-Month Retroactive Benefits

METHODOLOGY (CONTINUED):

Estimated costs for benefits are based on the number of eligible retroactive cases, the average monthly cost per case and the assumption that each case will receive either two weeks or 1.16 months of retroactive benefits.

The administrative costs are based on the number of claims received and eligible retroactive claims, the time to review or process each case and the IHSS social worker cost per hour.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The nonfederal share for PCSP/IPO services is split 65 percent General Fund (GF) and 35 percent county.
- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the Current Year (CY) is 49.62 percent and 49.49 percent in the BY.
- For Residual program services, the GF share is 65 percent and county share is 35 percent.
- The nonfederal share of administrative costs for PCSP/IPO and Residual are split 70 percent GF and 30 percent county.

CHANGE FROM THE APPROPRIATION:

For services, the CY change is a result of a decrease in new cases.

For administration, the CY change was held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

For the services and administration, the BY change reflects decreased caseload.

EXPENDITURES:

(in 000's)

Services

| | 2009-10 | 2010-11 |
|--------------------------------|---------|---------|
| Total PCSP/IPO/Residual | | |
| Total | \$1,211 | \$166 |
| Federal | 0 | 0 |
| State | 427 | 58 |
| County | 0 | 0 |
| Reimbursements | 784 | 108 |

PCSP Three-Month Retroactive Benefits

EXPENDITURES (CONTINUED):

(in 000's)

| PCSP/IPO | 2009-10 | 2010-11 |
|-----------------|---------|---------|
| Total | \$1,106 | \$152 |
| Federal | 0 | 0 |
| State | 359 | 49 |
| County | 0 | 0 |
| Reimbursements | 747 | 103 |

| Residual Program | 2009-10 | 2010-11 |
|-------------------------|---------|---------|
| Total | \$105 | \$14 |
| Federal | 0 | 0 |
| State | 68 | 9 |
| County | 0 | 0 |
| Reimbursements | 37 | 5 |

| Administration (PCSP/IPO/Residual) | 2009-10 | 2010-11 |
|---|---------|---------|
| | Admin. | Admin. |
| Total | \$796 | \$108 |
| Federal | 0 | 0 |
| State | 281 | 38 |
| County | 120 | 16 |
| Reimbursements | 395 | 54 |

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Reduce State Participation to \$9.50 in Wages and \$0.60 in Health Benefits

DESCRIPTION:

This premise reflects the savings associated with reducing the state's participation in the costs of In-Home Supportive Services (IHSS) wages to up to \$9.50 per hour and health benefits up to \$0.60 per hour.

Under current law, IHSS providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the Current Year (CY), state law provides that the state will share in wages up to \$12.10 per hour for IHSS providers and health benefits in the counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). For the counties that have neither a PA nor an NPC, the law requires the state to share in the cost of wages only up to the state minimum wage plus 5.31 percent (\$8.42/hour) with no state share in health benefits. Effective July 1, 2009, current law will implement reduced costs in wages up to \$9.50 per hour and benefits up to \$0.60 per hour. For the counties that have a Contract Mode, current statute provides for state participation in the costs up to the maximum allowable contract rate (MACR).

After the Legislature and the Governor approved this reduction in the State's participation in wages and benefits in the February 2009 Budget Act, the SEIU and other parties filed a lawsuit against the reduction. On June 26, 2009, the U.S. District Court issued a preliminary injunction against the reduction in the State's participation. The court amended the injunction in July 2009 requiring counties to change their wages and benefits to pre-July 1, 2009, levels. On August 7, 2009, an appeal of the injunction was filed with the U.S. 9th Circuit Court of Appeal. The case will continue to be litigated in the district court.

IMPLEMENTATION DATE:

The wage reduction to Reduce State Participation to \$9.50 in Wages and \$0.60 in Health Benefits that was proposed in the February 2009 Budget Act was not implemented due to a court injunction.

KEY DATA/ASSUMPTIONS:

- Assumes the state will share in wages up to \$9.50 per hour and benefits up to \$0.60 per hour.
- Assumes twelve months of eroded savings in the CY.
- Assumes zero savings in the Budget Year (BY).
- This reduction was not implemented due to a court injunction.
- Effective September 30, 2009, the Independence Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option titled the IHSS Plus Option (IPO) was implemented. The new 1915(j) absorbed the IPW caseload, and provides the same plus some enhanced services. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.

Reduce State Participation to \$9.50 in Wages and \$0.60 in Health Benefits

METHODOLOGY:

Savings are calculated by taking the difference between the product of current Individual Provider wages and benefits in each county, by the number of recipients and hours of service, and the product of the new state share up to \$9.50 in wages plus up to \$0.60 in health benefits in each county, by the number of recipients and hours of service.

FUNDING:

For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.

For PCSP/IPO, the non-federal share is split 65 percent state and 35 percent county.

The state-only Residual program share is split 65 percent state and 35 percent county.

CHANGE FROM THE APPROPRIATION:

The CY reflects twelve months of eroded savings due to the pending court injunction.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects zero savings.

EXPENDITURES:

(in 000's)

| Total | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce State Participation to \$9.50 in Wages and \$0.60 in Health Benefits

EXPENDITURES (CONTINUED):

(in 000's)

| PCSP/IPO | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| Residual | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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Reduce State Participation to \$8.00 in Wages and \$0.60 in Health Benefits

DESCRIPTION:

This premise reflects the savings associated with reducing the state's participation in the costs of In-Home Supportive Services (IHSS) provider wages to the minimum wage level of \$8.00 per hour and health benefits to \$0.60 per hour. Due to lower revenue projections and increased caseload driven costs, budget reductions are needed in the Current Year (CY) and the Budget Year (BY) as part of an ongoing need to balance the budget.

Under current law, IHSS providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the CY, state law provides that the state will share in wages up to \$12.10 per hour and health benefits for IHSS providers in the counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). For the counties that have neither a PA nor an NPC, the law requires the state to share in the cost of wages only up to the state minimum wage plus 5.31 percent (\$8.42 per hour), with no state share in health benefits. For the counties that have a Contract Mode, current statute provides for state participation in the costs up to the maximum allowable contract rate (MACR).

IMPLEMENTATION DATE:

This premise assumes a March 1, 2010 enactment of legislation with a June 1, 2010 implementation date.

KEY DATA/ASSUMPTIONS:

- Assumes statutory changes will be made prior to the reduction in the state share of costs.
- Assumes the state minimum wage is currently \$8.00 per hour and that the state will share in health benefits up to \$0.60 per hour.
- This premise will be impacted by the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- Effective September 30, 2009, the Independence Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, the IHSS Plus Option (IPO) was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IPO – Administration premise description.

METHODOLOGY:

- Savings are calculated by taking the difference between the product of current individual provider wages and benefits in each county, by the number of recipients and hours of service, and the product of the new state share at the minimum wage of \$8.00 plus up to \$0.60 in health benefits in each county, by the number of recipients and hours of service.
- The statewide savings reflect the estimated caseload and hours in each county.

Reduce State Participation to \$8.00 in Wages and \$0.60 in Health Benefits

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- For PCSP/IPO, the non-federal share is split 65 percent General Fund (GF) and 35 percent county.
- The state-only Residual program share is split 65 percent GF and 35 percent county.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The CY reflects one month of savings and the BY reflects a full year of savings.

EXPENDITURES:

(in 000's)

| Total | 2009-10 | 2010-11 |
|----------------|-----------|------------|
| Total | -\$26,459 | -\$338,161 |
| Federal | 0 | 0 |
| State | -26,459 | -338,161 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| | 2009-10 | 2010-11 |
|-----------------|-----------|------------|
| PCSP/IPO | | |
| Total | -\$22,378 | -\$286,006 |
| Federal | 0 | 0 |
| State | -22,378 | -286,006 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

Reduce State Participation to \$8.00 in Wages and \$0.60 in Health Benefits

EXPENDITURES (CONTINUED):

(in 000's)

| Residual | 2009-10 | 2010-11 |
|-----------------|----------|-----------|
| Total | -\$4,081 | -\$52,155 |
| Federal | 0 | 0 |
| State | -4,081 | -52,155 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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Conlan

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) personal care services rendered up to three months prior to application, during the evaluation period and post approval. In *Conlan v. Bontá*, the San Francisco Superior Court ordered the Department of Health Care Services (DHCS) to ensure that Medi-Cal recipients entitled to reimbursement for covered services 90 days prior to the Medi-Cal application date are promptly reimbursed. The DHCS implementation plan to comply with *Conlan v. Bontá* is the subject of *Conlan v. Shewry*. Beginning December 2006, DHCS sent notices to current and former Medi-Cal beneficiaries regarding the process to file a Beneficiary Reimbursement claim. To process the claims, DHCS contracted with Electronic Data Systems (EDS) to establish the Beneficiary Services Center (BSC). Claims for reimbursement for IHSS are forwarded to the California Department of Social Services (CDSS) Adult Programs Branch (APB) by EDS/BSC. Claims regarding missed share of cost (SOC) buyouts and excess SOC claims, also known as X-27 SPEC Transactions, are forwarded by counties to CDSS' APB in the same manner as requests for review under the Conlan decision. Both types of claims are processed in the same manner as it cannot be determined which of the two types (X-27 SPEC Transactions or Conlan) have been submitted until they have been fully reviewed and prepared for processing.

IMPLEMENTATION DATE:

The court ordered a start date of November 16, 2006.

KEY DATA/ASSUMPTIONS:

- Implemented by All-County Letters No. 07-11 (February 20, 2007) and No. 07-32 (September 13, 2007).
- Based on current data from EDS/BSC, it is assumed that approximately 34 claims will be forwarded to APB per month, of which each qualified analyst will process an average of 12 Conlan and nine X-27 SPEC Transactions per month. The average cost per claim is assumed to be \$654 for Conlan claims and \$409 for X-27 SPEC Transaction claims in Fiscal Year (FY) 2009-10 and 2010-11.
- Effective September 30, 2009, the IHSS Independence Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, the 1919(j) State Plan Option, titled the IHSS Plus Option (IPO), was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.

METHODOLOGY:

The estimated cost is computed by multiplying the number of claims by the approval rate, then by the average cost per claim.

Conlan

FUNDING:

Conlan claims are paid 65 percent state and 35 percent county. The county share is reflected as a reimbursement.

X-27 SPEC Transactions are paid 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The Current Year has been updated to reflect current, updated data.

REASON FOR YEAR-TO-YEAR CHANGE:

This increase reflects the ability to process more claims in the Budget Year.

EXPENDITURES:

(in 000's)

| PCSP/IPO | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$190 | \$258 |
| Federal | 0 | 0 |
| State | 124 | 168 |
| County | 0 | 0 |
| Reimbursements | 66 | 90 |

IHSS Cost Containment

DESCRIPTION:

This premise reflects the savings associated with establishing a baseline functional index (FI) score (or minimum threshold) and a baseline FI rank for domestic and related services (i.e. housework, shopping for food, meal preparation and clean-up, and laundry) for those persons receiving In-Home Supportive Services (IHSS). Under this premise, individuals with an FI score below 2.00 would be ineligible for IHSS and only individuals with an FI rank of 4 and 5 would be eligible to receive Domestic and Related activities. These baseline thresholds, however, would not apply to recipients with protective supervision or paramedical services.

The goal of this proposal is to target reductions in services to the highest functioning individuals who have been identified as having the lowest need for services. The IHSS program's Uniform Assessment Tool is used by counties to assess an individual's need for IHSS based on one's functioning ability across a spectrum of average daily activities. The Uniform Assessment is conducted to determine initial eligibility for IHSS and at annual reassessments, or following any change in a recipient's condition. As a result of the assessment, each recipient is provided an FI ranking in each of the eleven activities of daily living (ADLs). The weighted average of these rankings is calculated to determine the FI score. The level of need is established by the FI ranks and FI score.

Due to lower revenue projections and increased caseload driven costs, this budget reduction is needed in the Current Year (CY) and the Budget Year (BY) as part of an ongoing need to balance the budget.

After the Legislature and the Governor approved the IHSS Cost Containment service reduction in the 2009 Budget Act, individual IHSS recipients and the SEIU filed a lawsuit against these reductions. On October 19, 2009, the U.S. District Court issued a preliminary injunction that halted the implementation of this reduction, stating that this reduction violated several federal laws.

IMPLEMENTATION DATE:

The IHSS Cost Containment service reduction that was included in the 2009 Budget Act was not implemented due to a court injunction. The manual cost for rescinded terminations and reduced services on the impacted cases can be found under the V.L. v. Wagner (County Admin.) premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12309 and 12309.1.
- Assumes an average provider wage based on current law (based on individual provider mode wages).
- This premise is eligible to benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- This reduction was not implemented due to a court injunction.

IHSS Cost Containment

METHODOLOGY:

- The estimated savings were based on the number of IHSS service hours for recipients with an FI score of 1.99 and below, and the number of domestic and related services hours for recipients with an FI rank of 4 and 5, assuming an average of 95 percent of a recipient's authorized hours would actually be utilized.
- The savings were adjusted to reflect costs associated with potential appeals. The adjusted costs consisted of the assumed number of hours restored as a result of successful appeals, as well as state and county administrative costs for processing appeals.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010.
- The non-federal share is split 65 percent General Fund and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

The CY reflects nine months of eroded savings.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects zero savings.

EXPENDITURES:

(in 000's)

| Total | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

IHSS Cost Containment

EXPENDITURES (CONTINUED):

(in 000's)

| PCSP/IPO | 2009-10 | 2010-11 |
|-----------------|---------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |
| | | |
| Residual | 2009-10 | 2010-11 |
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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Limit IHSS Services to Recipients with FI Score 4.00 and Above

DESCRIPTION:

This premise reflects the savings associated with establishing a baseline functional index (FI) score (or minimum threshold) of 4.00 in order for individuals to be eligible to receive In-Home Supportive Services (IHSS).

The goal of this proposal is to target reductions in services to the highest functioning individuals who have been identified as having the lowest need for services. The IHSS program's Uniform Assessment Tool is used by counties to assess an individual's need for IHSS based on one's functioning ability across a spectrum of average daily activities. The Uniform Assessment is utilized to determine initial eligibility for IHSS and at annual reassessments, or following any change in a recipient's condition. As a result of the assessment, each recipient is provided an FI ranking in each of the eleven activities of daily living (ADLs). The weighted average of these rankings is calculated to determine the FI score. The level of need is established by the FI ranks and FI score.

Due to lower revenue projections and increased caseload driven costs, this budget reduction is needed in the Current Year (CY) and the Budget Year (BY) as part of an ongoing need to balance the budget.

IMPLEMENTATION DATE:

This premise assumes a March 1, 2010 enactment of legislation with a June 1, 2010 implementation date.

KEY DATA/ASSUMPTIONS:

- Assumes 400,665 recipients in the CY have an FI score of 3.99 or lower and would not be eligible to receive IHSS for one month in the CY (includes adjustment for successful appeals). A total of 59,376 recipients will remain eligible with an FI score of 4.00 or above for one month in the CY.
- Assumes 426,733 recipients in the BY have an FI score of 3.99 or lower and would not be eligible to receive IHSS for the entire BY (includes adjustment for successful appeals). A total of 63,239 recipients will remain eligible with an FI score of 4.00 or above for the entire BY.
- Assumes a CY caseload of 98.46 percent PCSP/IPO and 1.54 percent Residual, and a BY caseload of 98.56 percent PCSP/IPO and 1.44 percent Residual.
- The average monthly hours of this population is 74.4 hours.
- Assumes 20 percent of impacted cases will appeal the elimination of these services. Of that 20 percent, it is assumed 76 percent will have their cases reviewed by a social worker (SW), and will not go to hearing. It is assumed that the remaining 24 percent will be reviewed by a SW, will receive a full hearing and will get their hours restored.
- Assumes 75 percent of the 20 percent of impacted cases that appeal will call within ten days and receive three months of Aid Paid Pending (APP).

Limit IHSS Services to Recipients with FI Score 4.00 and Above

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes the cost of administrative law judges is included.
- Assumes a SW cost of \$60.55 per hour, and that SWs require 0.5 hours per case to work on/review appeals, plus 1.0 hour per case to work on, prepare for, and present at hearings.
- Assumes an average provider wage of \$8.00 per hour plus up to \$0.60 in benefits (using Individual Provider mode wages) based on the "Reduce State Participation to \$8.00 in Wages and \$0.60 in Benefits" premise.
- This premise will be impacted by the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.

METHODOLOGY:

- The estimated savings are based on the number of IHSS service hours for recipients with an FI score of 3.99 and below, assuming an average of 95 percent of a recipient's authorized hours will actually be utilized.
- The savings were adjusted to reflect costs associated with potential appeals. The adjusted costs consist of the assumed number of hours restored as a result of successful appeals, as well as state and county administrative costs for processing appeals.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The non-federal share is split 65 percent General Fund and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a full year of savings.

Limit IHSS Services to Recipients with FI Score 4.00 and Above

EXPENDITURES:

(in 000's)

| Total | 2009-10 | 2010-11 |
|-----------------|------------|--------------|
| Total | -\$234,258 | -\$3,470,856 |
| Federal | 0 | 0 |
| State | -77,267 | -1,141,876 |
| County | -41,459 | -618,639 |
| Reimbursements | -115,532 | -1,710,341 |
| PCSP/IPO | 2009-10 | 2010-11 |
| Total | -\$232,430 | -\$3,445,505 |
| Federal | 0 | 0 |
| State | -76,077 | -1,125,433 |
| County | -40,821 | -609,731 |
| Reimbursements | -115,532 | -1,710,341 |
| Residual | 2009-10 | 2010-11 |
| Total | -\$1,828 | -\$25,351 |
| Federal | 0 | 0 |
| State | -1,190 | -16,443 |
| County | -638 | -8,908 |
| Reimbursements | 0 | 0 |

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IHSS Anti-Fraud Initiative Savings

DESCRIPTION:

This premise reflects the savings associated with multiple anti-fraud measures which together enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud for the In-Home Supportive Services (IHSS) program. These measures are intended to significantly increase the prevention and detection of fraud within the IHSS program, thereby ensuring that scarce resources are being used to serve eligible people and to pay for actual services rendered rather than misdirected.

The following measures constitute the primary components of the IHSS Anti-Fraud Initiative:

- Related Activities – Includes targeted mailings, fraud training for county staff, notices of actions to inform of authorized services, provider orientations, and reviews of criminal records, subsequent arrest notifications, and appeals of provider terminations.
- 78 county investigators, and unannounced home visits to confirm services are being provided as authorized.
- County anti-fraud plans/activities in collaboration with county District Attorneys.
- Fingerprinting IHSS recipients.
- Face-to-Face provider enrollment.
- Timecard accountability.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- The savings to program costs generated as a result of this premise will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA federal medical assistance percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- Estimated net General Fund (GF) savings for eight months of Fiscal Year (FY) 2009-10 is \$116.3 million and twelve months of savings for FY 2010-11 is \$54.2 million at the 50 percent FMAP rate. Calculation assumes a ten percent savings of the adjusted IHSS Basic Cost, accounting for the wage/benefit and service reductions. The net GF savings assumes no impact from anti-fraud administrative activities.
- Estimated net GF savings for eight months of FY 2009-10 at the 61.594 percent enhanced FMAP rate as a result of the ARRA is \$95.5 million and twelve months of savings in FY 2010-11 is \$50.0 million. Calculation assumes a ten percent savings of the adjusted IHSS Basic Cost, accounting for the wage/benefit and service reductions. The net GF savings assumes no impact from anti-fraud administrative activities.

IHSS Anti-Fraud Initiative Savings

KEY DATA/ASSUMPTIONS (CONTINUED):

- Savings are generated as a result of the anti-fraud activities performed under the following premises: IHSS Anti-Fraud Initiative – County/DA Activities; IHSS Anti-Fraud Initiative – County Investigation; IHSS Anti-Fraud Initiative - Related Activities; and IHSS Anti-Fraud Initiative - Fingerprinting Recipients, plus costs for programming CMIPS Legacy and CMIPS II, and the requirement for face-to-face provider enrollment under the Provider Enrollment Statement Form/Process premise.
- This premise assumes the anti-fraud administrative activities will cover the cost of the anti-fraud activities themselves, as well as produce a resulting net savings.
- The Current Year (CY) and the Budget Year (BY) reflect the impact of the “Limit IHSS Services to Recipients with FI Score of 4.00 and Above” premise.
- The CY reflects eight months of cost and savings and the BY reflects one full year of cost and savings.

METHODOLOGY:

The amount of net savings is determined by calculating ten percent of the basic cost for IHSS for each fiscal year. The net savings on this line are then increased by the total cost of the anti-fraud activities, thereby accounting for the costs which are also assumed to be covered as a result of the anti-fraud activities.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- In the Residual program, the GF share is 65 percent of the total, and the county share is 35 percent of the total.

CHANGE FROM THE APPROPRIATION:

The CY reflects eight months of savings due to a delayed implementation.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a full year of cost/savings.

IHSS Anti-Fraud Initiative Savings

EXPENDITURES:

(in 000's)

| Totals | 2009-10 | 2010-11 |
|--------------------------|------------|------------|
| PCSP/IPO/Residual | | |
| Total | \$-387,102 | \$-245,673 |
| Federal | 0 | 0 |
| State | -135,129 | -70,933 |
| County | -73,877 | -57,968 |
| Reimbursements | -178,096 | -116,772 |

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Waiver Personal Care Services

DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill (AB) 668), reflects the costs for personal care services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

AB 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) Home and Community Based Services (HCBS) Waiver program. The SNFLOC waiver program was approved by the Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration, effective July 1, 1999.

On January 1, 2007, CMS approved the renewal of the Nursing Facility A and B Levels of Care (NF A/B) Waiver for a five-year period effective January 1, 2007, through December 31, 2011. At the time of renewal, the NF Subacute (NF S/A) and In-Home Medical Care (IHMC) Waivers were combined with the NF A/B Waiver and the name was changed to the Nursing Facility/Acute Hospital (NF/AH) Waiver. The NF/AH Waiver maintains the NF A/B, NF S/A, and Acute Hospital levels of care (LOC) that were previously in the separate waivers. The combining of these waivers helped streamline the administrative and reporting process of three waivers into one.

On January 1, 2007, CMS also approved the In-Home Operations (IHO) Waiver for a three-year period effective January 1, 2007, through December 31, 2009. The IHO Waiver has enrolled Medi-Cal beneficiaries who have continuously been enrolled in a Department of Health Care Services (DHCS)-administered HCBS waiver since prior to January 1, 2002, have received and continue to receive direct care services primarily rendered by licensed nurses, and whose HCBS costs exceed the level of care cost cap under the NF/AH Waiver. DHCS is preparing a renewal of the IHO Waiver, and anticipates CMS approval for a five-year period effective January 1, 2010, through December 31, 2014.

"Waiver Personal Care Services" (WPCS) has been redefined under these two waivers to include services that differ from those in the State Plan which allow beneficiaries to remain at home. Although there is no longer a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided by the counties' IHSS program providers and will be paid via an interagency agreement with DHCS, or will be provided by home health agencies and other qualified HCBS waiver provider types who will be paid via the Medi-Cal fiscal intermediary.

Senate Bill (SB) 643 (Chapter 551, Statutes of 2005) required DHCS to increase the number of NF A/B Waiver slots by 500, reserving a minimum of 250 for Medi-Cal beneficiaries transitioning from facilities, and adding community transition services and habilitation services as available waiver services. These slot increases were approved for the NF/AH Waiver, and new services were implemented on July 1, 2007, when new procedure codes were implemented. SB 643 allows implementation of the expansion only to the extent fiscal neutrality within DHCS's budget as a department for these slots, and federal fiscal neutrality as required under the terms of the federal waiver, can be demonstrated.

Waiver Personal Care Services

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The average number of NF A/B LOC beneficiaries using the WPCS is estimated to increase by an average of 20 per month in Fiscal Year (FY) 2009-10, and 21 per month in FY 2010-11.
- The average number of NF S/A LOC beneficiaries using the WPCS is estimated to increase by an average of five per month in FY 2009-10, and five per month in FY 2010-11.
- The Current Year (CY): The NF A/H Waiver NF A/B LOC total hours are 1,708,985 and NF S/A LOC total hours are 1,287,090. The IHO Waiver NF A/B LOC total hours are 169,104 and NF S/A LOC total hours are 33,945.
- The Budget Year (BY): The NF A/H Waiver NF A/B total hours are 2,242,888 and NF S/A total hours are 1,513,890. The IHO Waiver NF A/B total hours are 169,104 and NF S/A total hours are 36,573.
- The cost per hour is assumed at \$10.60 in the CY and the BY.
- This premise will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The IHO Waiver is set to expire on December 31, 2009. DHCS is preparing a renewal of the IHO Waiver and anticipates CMS approval of the renewal for a five-year period effective January 1, 2010, through December 31, 2014. This premise assumes an approval of the renewal request and a continuation of services through the BY for the IHO Waiver.

METHODOLOGY:

The CY and the BY estimated costs are computed by multiplying the average monthly caseload by projected monthly hours per case by the cost per hour by twelve months.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The nonfederal share of the service costs is reimbursed 100 percent by DHCS.

Waiver Personal Care Services

CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current caseload and cost per hour information.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects caseload growth.

EXPENDITURES:

(in 000's)

| PCSP | 2009-10 | 2010-11 |
|----------------|----------|----------|
| Total | \$33,910 | \$42,002 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 33,910 | 42,002 |

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Title XIX Eligible Recipients Adjustment

DESCRIPTION:

This premise reflects an adjustment in the shares of cost for the In-Home Supportive Services (IHSS) Personal Care Services Program (PCSP)/IHSS Plus Option (IPO) and Residual populations. Due to the inclusion of a portion of Title XIX federally-eligible recipients under the Residual program in the "Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs" premise, a technical adjustment is necessary for the correct amount of federal financial participation (FFP) to be identified and drawn down, and savings to be generated to the state and counties.

The IHSS basic cost estimate uses a report to identify PCSP/IPO and Residual caseloads and calculate corresponding percentages. The categories of that report include a portion of the IHSS programs' federally-eligible recipients under the state-only IHSS Residual program. Through the use of a separate report with an identifier that provides an accurate count of the Residual population, a calculation is subsequently made to determine the cost and number of recipients in the original report under the IHSS Residual program who should be identified as federally-eligible. The adjustment made for this population allows FFP to be drawn down, and corresponding savings to be applied the state and county shares.

The Current Year (CY) projected caseload percentages for the PCSP/IPO and Residual programs are 91.99 percent and 8.01 percent, respectively, as identified under the "Personal Care Services Program/IHSS Plus Option/Residual IHSS Basic Costs" premise. The adjustments resulting from this premise reflect the true total PCSP/IPO caseload of 98.46 percent and true total Residual caseload of 1.54 percent for Fiscal Year (FY) 2009-10. Adjusted Budget Year (BY) projected caseload percentages are 98.56 percent and 1.44 percent, respectively.

In 2004, the Department of Health Care Services (DHCS) received approval from the federal Centers for Medicaid and Medicare Services for an Independence Plus Section 1115 Demonstration Project to allow certain recipients in the state-only IHSS Residual program to receive services under the new IHSS Plus Waiver (IPW). This premise became necessary following the implementation of the IPW in order to more accurately account for Title XIX eligible recipients who were shifting into the IPW. Effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option, titled the IHSS Plus Option, was implemented. The new 1915(j) absorbed the IPW caseload and provides the same services plus some enhanced services.

This premise was formerly titled the Waiver for Residual Program.

IMPLEMENTATION DATE:

This premise implemented on August 1, 2004.

KEY DATA/ASSUMPTIONS:

- Assumes 7,062 recipients for the CY and 912 for the BY are not eligible to participate in the Title XIX IHSS programs, and constitute an accurate count of the IHSS Residual population.

Title XIX Eligible Recipients Adjustment

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes a total cost of \$91 million in the CY for the 7,062 recipients under the IHSS Residual program, and a total cost of \$12 million in the BY for 912 recipients.
- Assumes a Residual program average monthly cost per case of \$1,073.41 for the CY, and \$1,072.87 for the BY.
- This premise will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA Federal Medical Assistance Percentage (FMAP) increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The BY reflects the impact of the "Limit IHSS Services to Recipients with FI Score of 4.00 and Above" premise.

METHODOLOGY:

The cost of the recipients identified as actually being Title XIX eligible is subtracted from the total cost for IHSS Residual Basic. This cost is then re-shared using a 50 percent FMAP rate for the federal share with the nonfederal share split 65 percent General Fund (GF) and 35 percent county.

FUNDING:

- For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.
- The nonfederal share is split 65 percent GF and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- The Title XIX funds are shown as a reimbursement.

CHANGE FROM THE APPROPRIATION:

The increase in CY savings reflects an increase in average monthly cost per case.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease in savings reflects a decrease in the number of Title XIX eligible cases identified in the Residual program that are re-shared as federally-eligible cases.

Title XIX Eligible Recipients Adjustment

EXPENDITURES:

(in 000's)

| Residual Program | 2009-10 | 2010-11 |
|-------------------------|----------|---------|
| Total | \$0 | \$0 |
| Federal | 0 | 0 |
| State | -130,195 | -75,564 |
| County | -260 | - 278 |
| Reimbursements | 130,455 | 75,842 |

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Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

DESCRIPTION:

This premise reflects the federal financial participation (FFP) associated with Title XIX eligible services as authorized under Title XIX of the federal Social Security Act (42 U.S.C., Section 1396, et. seq.). Certain In-Home Supportive Services (IHSS), assessment and eligibility activities, County Services Block Grant (CSBG) activities, and Adult Protective Services (APS) are eligible to receive Title XIX federal funding. Additionally, certain health-related (HR) activities in Child Welfare Services (CWS) are also eligible to receive these funds.

The California Department of Social Services (CDSS) coordinates with the Department of Health Care Services (DHCS) to establish claiming processes to pull down applicable FFP.

Title XIX reimbursements for the IHSS program are displayed in the CDSS tables as follows:

- Line 367 represents Personal Care Services Program (PCSP) Title XIX reimbursements.
- Line 368 represents Waiver Personal Care Services Title XIX reimbursements from DHCS.
- Line 369 represents the PSCP county share of Title XIX reimbursements.
- Line 370 represents the Title XIX reimbursements for federally-eligible recipients identified under the Residual program who are eligible for and recipients of the PSCP or IHSS Plus Option (IPO) programs.
- Line 371 represents the Residual county share of the Title XIX reimbursements.
- Line 372 represents the administrative costs eligible for Title XIX reimbursements.

KEY DATA/ASSUMPTIONS:

IHSS

- Authorizing statute: Welfare and Institutions Code (W&I) sections 12300 through 12317.2.
 - The PCSP and IPO are eligible to receive Title XIX funding at the applicable Federal Medical Assistance Percentages (FMAP).
 - Qualified IHSS activities performed by Skilled Professional Medical Personnel (SPMP) are eligible to receive Title XIX funding at the enhanced administrative FMAP rate of 75 percent. Qualified activities performed by non-SPMP are eligible to receive the non-enhanced administrative FMAP rate of 50 percent.
 - Effective September 30, 2009, the IHSS Independence Plus Waiver (IPW) expired and will not be renewed. On October 1, 2009, the IPO was implemented. The new IPO absorbed the IPW caseload, and provides the same services as the IPW plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IPO – Administration premise description.
 - The PCSP and IPO under IHSS services will benefit from the American Recovery and Reinvestment Act of 2009 (ARRA). Temporary ARRA FMAP increases have been placed under the ARRA premise. Administrative and other activities eligible to receive enhanced FMAP are not eligible to receive temporary FMAP increases as a result of the ARRA. For more information, please see the ARRA premise description.
-

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

KEY DATA/ASSUMPTIONS (CONTINUED):

CWS

- Authorizing statute: W&IC section 16500.
- CWS program costs are eligible for Title XIX funding at the enhanced administrative rate of 75 percent for SPMP and 50 percent for non-SPMP.

CSBG/APS

- Authorizing statute: W&IC sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).

METHODOLOGY:

IHSS PCSP/IPO

For PCSP/IPO services, the Title XIX FMAP rate will temporarily increase to 61.594 percent effective October 1, 2008, through December 31, 2010. This increase may be extended until June 30, 2011. The extension of the ARRA must be approved by the federal government. Temporary ARRA FMAP increases have been placed under the ARRA premise. For more information, please see the ARRA premise description.

IHSS Administration

- HR activities in support of Medi-Cal eligible recipients are eligible to receive Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible to receive Title XIX reimbursement at the enhanced FMAP rate of 75 percent.
- The administrative Title XIX reimbursement rate uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the Current Year (CY) is 49.62 percent and 49.49 percent in the Budget Year (BY).

CWS

For the CY and the BY, the Title XIX reimbursement was calculated using prior year actual expenditures.

CSBG/APS

- HR activities in support of Medi-Cal eligible recipients are eligible to receive Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible to receive Title XIX reimbursement at the enhanced FMAP rate of 75 percent.
 - Estimated costs are based on actual expenditures.
-

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

CHANGE FROM THE APPROPRIATION:

This estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects decreases due to changes in program costs and savings, and the ARRA.

EXPENDITURES:

| (in 000's) | 2009-10 | 2010-11 |
|----------------------------------|--------------------|--------------------|
| <u>Title XIX Total</u> | \$3,431,002 | \$1,033,769 |
| IHSS Services | \$3,065,638 | \$820,623 |
| PCSP | 2,865,338 | 704,370 |
| IPO | 200,300 | 116,253 |
| Health Related Activities | \$365,364 | \$213,146 |
| IHSS Administration | 207,515 | 52,874 |
| CWS | 92,616 | 96,788 |
| CSBG | 20,873 | 20,873 |
| APS/APS Training | 44,360 | 42,611 |

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In-Home Supportive Services Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of administering the In-Home Supportive Services (IHSS) program through the Personal Care Services Program (PCSP), IHSS Plus Option (IPO) and Residual programs. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Care Services to submit a Medicaid state plan amendment to the federal Centers for Medicaid and Medicare Services, formerly the Health Care Financing Administration, to include a portion of the IHSS program as a covered service. The IHSS program provides in-home services to the aged, blind, and disabled to help individuals maintain an independent living arrangement and avoid institutionalization. This premise also includes administrative costs for completion of the emergency contact and back-up form.

IMPLEMENTATION DATE:

The Title XIX eligible PCSP was implemented in April of 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The social worker (SW) unit cost is held at \$60.55 per hour in both the Current Year (CY) and the Budget Year (BY).
- The standard hours per case are 11.58 hours, including five minutes for completing the required emergency contact and emergency back-up plan form.
- The Supported Individual Provider (SIP) expenditures are assumed to increase with caseload growth. The estimated caseload decrease is 86.3 percent in the BY.
- The estimated Title XIX reimbursement percentage for Fiscal Year (FY) 2009-10 is 49.62 percent and 49.49 percent in FY 2010-11, based on actual expenditure information as reported on the County Expense Claim for the past four quarters.
- Effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, a Social Security Act Section 1915(j) State Plan Option titled the IPO was implemented. The new 1915(j) absorbed the IPW caseload, and provides the same services plus an enhanced support system. Service costs are expected to be the same for this same population. For more information, please see the IHSS Plus Option (IPO) – Administration premise description.
- The BY reflects the impact of the “Limit IHSS Services to Recipients with FI Score of 4.00 and Above” premise.

METHODOLOGY:

The estimated cost is computed by multiplying the caseload times the standard hours per case times the SW unit cost, plus the estimated SIP costs.

In-Home Supportive Services Administration – Basic Costs

FUNDING:

- Skilled professional medical personnel (SPMP) are reimbursed at the enhanced Federal Medical Assistance Percentage (FMAP) rate of 75 percent. Non-SPMP are reimbursed at the FMAP rate of 50 percent.
- Under the PCSP/IPO, the non-federal share is split 70 percent General Fund (GF) and 30 percent county.
- The state-only Residual program share is split 70 percent GF and 30 percent county.

CHANGE FROM THE APPROPRIATION:

The CY was held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY change reflects a decreased caseload.

CASELOAD:

| | 2009-10 | 2010-11 |
|---|---------|---------|
| Average Monthly Caseload (before service reduction) | 460,041 | 489,972 |
| Average Monthly Caseload (after service reduction) | 425,512 | 63,239 |

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|-----------|----------|
| | Admin. | Admin. |
| Total | \$333,283 | \$45,494 |
| Federal | 0 | 0 |
| State | 117,536 | 16,084 |
| County | 50,373 | 6,893 |
| Reimbursements | 165,374 | 22,517 |

County Employer of Record (AB 2235)

DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county which is not in compliance with the mandates of AB 1682 to act as the employer of record (within a specified timeframe) for collective bargaining purposes. To comply, counties had to provide documentation no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that did not provide required documentation or meet the delayed compliance deadline automatically defaulted to act as the employer of record.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- This estimate assumes that Alpine and Tuolumne counties will act as employer of record for both the Current Year (CY) and the Budget Year (BY).
- The estimated Title XIX reimbursement percentage for the CY is 49.62 percent and 49.49 percent for the BY based on actual expenditure information as reported on county administrative expense claims for the past four quarters.

METHODOLOGY:

The CY and the BY estimated costs are the sum of the projected annual costs for each county.

FUNDING:

The Title XIX Federal Medical Assistance Percentage (FMAP) rate is 50 percent. The nonfederal share for the Personal Care Services Program (PCSP) administrative costs is split 70 percent state and 30 percent county.

For state-only Residual program administrative costs, the state share is 70 percent and the county share is 30 percent.

CHANGE FROM THE APPROPRIATION:

There is no change.

County Employer of Record (AB 2235)

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Admin. | Admin. |
| Total | \$352 | \$352 |
| Federal | 0 | 0 |
| State | 124 | 124 |
| County | 53 | 53 |
| Reimbursements | 175 | 175 |

Court Cases

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees related to the In-Home Supportive Services (IHSS) program. Costs include the settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

The estimate is based in part on actual payments for cases in the Current Year (CY), and the California Department of Social Services (CDSS) Legal Division's projection of costs to be paid in both the CY and the Budget Year (BY).

METHODOLOGY:

The CY and the BY estimates of costs reflect known and anticipated settlements and attorney fees related to the IHSS program. These are state-only costs.

FUNDING:

IHSS costs for case settlement and attorney fees are funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The CY increase is due to new pending litigation and attorney fees.

REASON FOR YEAR-TO-YEAR CHANGE:

This decrease reflects the latest projected attorney fees from the CDSS Legal Division.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Admin. | Admin. |
| Total | \$741 | \$245 |
| Federal | 0 | 0 |
| State | 741 | 245 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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Advisory Committees

DESCRIPTION:

This premise reflects the costs of establishing and operating In-Home Supportive Services (IHSS) advisory committees as required by Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999). AB 1682 mandated that counties act as or establish an employer-of-record for IHSS providers on or before January 1, 2003, and establish advisory committees for IHSS purposes. The advisory committees are to submit recommendations to their respective county boards of supervisors on the preferred mode of IHSS service to be utilized in their counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The estimate assumes the average annual cost for advisory committees is \$52,966 per county.
- The estimate assumes that all counties have established and will operate advisory committees in the Current Year (CY) and the Budget Year (BY).
- The estimated Title XIX reimbursement percentage is 47 percent in the CY and the BY, based on actual expenditures as reported on county administrative expense claims for Fiscal Year 2005-06.

METHODOLOGY:

The estimated cost is computed by multiplying the average annual cost per county by 58 counties.

FUNDING:

The federal Title XIX reimbursement represents 47 percent of the total funding in the CY and the BY. The remaining nonfederal share is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Advisory Committees

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Grant | Grant |
| Total | \$3,072 | \$3,072 |
| Federal | 0 | 0 |
| State | 1,628 | 1,628 |
| County | 0 | 0 |
| Reimbursements | 1,444 | 1,444 |

Quality Assurance

DESCRIPTION:

The Quality Assurance (QA) Initiative was mandated by Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The intent of this initiative is to improve the quality of services, enhance program integrity, and detect and prevent program fraud and abuse. SB 1104 mandated ongoing staff training for county In-Home Supportive Services (IHSS) workers and required the California Department of Social Services to collaborate with the California Department of Health Care Services (DHCS) on annual error rate studies and investigations of suspected fraud in the receipt or provision of services. The QA methodology derived savings from improved assessments and reassessments completed after social workers received training.

This premise reflects the administrative costs of implementing the QA program.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.7 and 12305.71.
- County QA staff and additional IHSS workers were hired in Fiscal Year (FY) 2004-05 and FY 2005-06.
- The "Hourly Task Guidelines Implementation Analysis: Fiscal Year 2006-07" produced by the Institute for Social Research (ISR) at the California State University, Sacramento concluded that there is greater consistency in authorized hours for certain ranks and tasks. Also, the hourly task guidelines (HTGs) have been successful in bringing greater uniformity to the assessment process.
- The ISR analysis also concluded that there has been a modest decrease in authorized hours for assessments (two minutes) and reassessments (five minutes).

METHODOLOGY:

COSTS

County Staff

- It is assumed there are 220 county QA staff or additional IHSS workers working on the QA Initiative.
- The annual cost per Social Worker (SW) is assumed to be \$129,083.
- County QA staff costs are estimated at \$14.2 million for both the Current Year (CY) and the Budget Year (BY), with \$5.0 million in General Fund (GF) each year.
- The CY includes costs for a contract with the ISR to evaluate the impact of the HTGs.

Quality Assurance

METHODOLOGY (CONTINUED):

State Level Training for SWs

- Training costs include curriculum development, classroom training, and post-training evaluation.
- Training will be provided in the CY and the BY on an ongoing basis.

FUNDING:

The Title XIX reimbursement percentage rate for FY 2009-10 is 49.62 percent and 49.49 percent in FY 2010-11.

The nonfederal share is split 70 percent state and 30 percent county.

CHANGE FROM THE APPROPRIATION:

The CY increase is due to a slight increase of the SW training contract.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects an updated HTG contract.

EXPENDITURES:

(in 000's)

| Administration | 2009-10 | 2010-11 |
|-----------------------|----------|----------|
| | Admin. | Admin. |
| Total | \$32,399 | \$31,797 |
| Federal | 0 | 0 |
| State | 11,426 | 11,241 |
| County | 4,897 | 4,818 |
| Reimbursements | 16,076 | 15,738 |

Reduce IHSS County Administration

DESCRIPTION:

This premise reflects the savings from reducing county administration costs by five percent effective July 1, 2008, with reassessments continuing to occur annually.

IMPLEMENTATION DATE:

This premise implemented July 1, 2008.

KEY DATA/ASSUMPTIONS:

The reduction to IHSS county administration costs were held to the Budget Act of 2008 Appropriation.

METHODOLOGY:

Projected savings are based on a five percent across-the-board cut.

FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate.
- The nonfederal share is split 70 percent state and 30 percent county.

CHANGE FROM THE APPROPRIATION

The savings for the Current Year were held to the Budget Act of 2008 Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The savings for the Current Year were held to the Budget Act of 2008 Appropriation.

EXPENDITURES:

(in 000's)

| PCSP/Residual | 2009-10 Grant | 2010-11 Grant |
|----------------|------------------|------------------|
| Total | -\$14,993 | -\$14,993 |
| Federal | 0 | 0 |
| State | -5,295 | -5,295 |
| County | -2,270 | -2,270 |
| Reimbursements | -7,428 | -7,428 |

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IHSS Plus Option (IPO) - Administration

DESCRIPTION:

In 2008, the federal Centers for Medicare and Medicaid Services (CMS) informed the California Department of Social Services (CDSS) that it would not renew the In-Home Supportive Services (IHSS) Independence Plus Waiver (IPW) following its July 31, 2009, expiration date. In an effort to continue providing the same services to this same population, as well as draw down federal financial participation (FFP), CDSS worked closely with the Department of Health Care Services (DHCS) to discuss options. As a result of the discussions, the Social Security Act section 1915(j) State Plan Option was identified as the only alternative which allowed for the continuation of services and ability to draw down FFP.

Following a CMS approved extension of the IPW until September 30, 2009, a Social Security Act section 1915(j) State Plan Option, titled the IHSS Plus Option (IPO), was implemented on October 1, 2009. The new IPO absorbed the IPW caseload and provides the same services plus an enhanced support system. The 1915(j) State Plan Option is based on person-centered planning and concepts of self-direction. It includes enhanced development of service plans and risk management, and a supports-broker/consultant component.

This premise reflects the costs for activities necessary to maintain compliance with 1915(j) requirements. Implementation of the IPO requires social workers (SWs) to be trained in the concepts and methods of being a supports-broker. SWs must also complete assessments of a risk management process for all recipients to be able to identify, mitigate and assume unmitigated risks. IPO service costs are included under the Personal Care Services Program (PCSP)/IPO/Residual IHSS Basic Costs premise.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2009.

KEY DATA/ASSUMPTIONS:

- Assembly Bill X4 4, (Chapter 4, Statutes of 2009-10, Fourth Extraordinary Session), Section 42, required the CDSS to develop a risk management form, with input from the counties and stakeholders representing recipients and providers, and to commence testing of the form in three representative counties no later than 90 days from the date of approval of the 1915(j) State Plan Option to assess the actual implementation costs of this program. To the extent that the actual implementation costs differ from the amount estimated in the budget, CDSS shall submit a revised budget to the Legislature based on actual costs to support statewide implementation.
- For the Risk Management Process, the estimate assumes twenty minutes of SW time to complete the initial assessment of the risk management process for all current and new PCSP/IPO and Residual program recipients. A phase-in of the initial assessment will occur over Fiscal Year (FY) 2009-10 and FY 2010-11 for all current IHSS recipients. For all ongoing assessments, 15 minutes of SW time is allotted to review and update the risk management process.
- The estimate assumes 252,992 of current recipients will receive their first risk management assessment during nine months of the Current Year (CY), and 63,293 in the Budget Year (BY), with no ongoing assessments.

IHSS Plus Option (IPO) - Administration

KEY DATA/ASSUMPTIONS (CONTINUED):

- For Supports Broker Training, the estimate assumes three hours of supports-broker training for each SW. Four training sessions will be needed in the CY at an assumed cost of \$15,000 per session. Four training sessions will be needed in the BY at an assumed cost of \$2,000 per session. One-time training development costs assumed at \$30,000 in the CY. The estimate assumes a total of 2,250 active SWs statewide in the CY and 41 in the BY, with ten percent of SWs requiring training as part of ongoing requirement starting in the BY.
- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the BY.
- Assumes the total caseload of IHSS recipients in the CY is 460,041, and in the BY is 63,239.
- Assumes the total number of SWs in the CY is 2,250, and 412 in the BY.
- Assumes the BY reflects the impact of the "Limit IHSS Services to Recipients with FI Score of 4.00 and Above" premise.
- Assumes a SW rate of \$60.55 per hour.
- Assumes IPO service costs are expected to be the same as those under the IPW.
- The IPO absorbed the IPW caseload and provides the same services plus an enhanced support system for this same population.

METHODOLOGY:

- The cost for implementing the risk management process is determined by multiplying the amount of SW time required (20 minutes per initial assessment; 15 minutes per ongoing assessment), by the total number of IHSS recipients (current and new), by the SW rate for each fiscal year.
- The cost for training SWs is determined by multiplying the time needed to train all SWs by the SW rate. Ongoing training assumes ten percent of current SWs will enter the program as new SWs each year and will require training.

FUNDING:

This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the BY. The nonfederal share is split 70 percent General Fund and 30 percent county.

IHSS Plus Option (IPO) - Administration

CHANGE FROM THE APPROPRIATION:

The CY reflects a decrease in costs due to the rescission of sending a one-time notification of the elimination of the IPW and two month delay in implementation.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY change reflects a reduced caseload.

EXPENDITURES:

(in 000's)

| Totals | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Admin. | Admin. |
| Total | \$5,387 | \$1,552 |
| Federal | 0 | 0 |
| State | 1,900 | 549 |
| County | 814 | 235 |
| Reimbursements | 2,673 | 768 |

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Provider Enrollment Statement Form/Process

DESCRIPTION:

This premise reflects the costs associated with revising the Provider Enrollment Statement Form (SOC 426) to bring it into compliance with the requirements of Welfare and Institutions Code (W&IC) section 12305.81, Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The new compliant form indicates that a person shall not be eligible to provide or receive payment for providing supportive services for ten years following a conviction for, or incarceration following a conviction for fraud against a government health care or supportive services program. It also states that each person seeking to provide supportive services shall complete, sign under penalty of perjury, and submit to the county their completed SOC 426. This premise also includes costs associated with sending one-time notifications of provider enrollment deadlines to providers as part of the Anti-Fraud Initiative. Lastly, it includes various statements and declarations regarding:

- An applicant's criminal history regarding fraud against a government health care or supportive services program and corresponding penalties for enrollment as a provider, including the inability of supportive services providers to receive payment for providing supportive services,
- An agreement that providers reimburse the state for overpayments,
- Subdivision (a) of Section 273a of the Penal Code and Section 368 regarding crimes which cause harm, death, suffering, pain, or injury to children, elders or dependent adults, and
- A statement that a public authority or non-profit consortium shall exclude a provider from its registry if it is notified by the Department of Health Care Services (DHCS) that a supportive service provider is ineligible to receive payments under this chapter or under Medi-Cal law, and shall report to DHCS any determinations and/or findings that a registry provider is not eligible to provide supportive services.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12305.81, SB 1104 (Chapter 229, Statutes of 2004).
- 385,000 In-Home Supportive Services (IHSS) providers will be phased-in during the Current Year (CY) and 23,232 IHSS providers will be enrolled during the Budget Year (BY).
- Ongoing enrollment of 15,000 new IHSS providers monthly.
- The Social Worker (SW) rate is \$60.55 per hour.
- In bringing the Provider Enrollment Statement Form into compliance with W&IC section 12305.81, the counties will have additional responsibilities per associated tasks, including:
 - Fifteen minutes to mail and verify forms, copy documents/identifications, and schedule appointments for providers.
 - Ten minutes to resolve errors on forms, reschedule appointments and send reminders for appointments; this applies to 20 percent of providers.

Provider Enrollment Statement Form/Process

KEY DATA/ASSUMPTIONS (CONTINUED):

- Fifteen minutes to resolve issues for clients when a particular provider is ineligible; this applies to 20 percent of providers.
- Five minutes to cross reference applicants with the ineligible provider list, and place providers on the ineligible list; this applies to three percent of providers.
- Five minutes for the new face-to-face provider enrollment requirement that provides notification to providers that have not yet submitted fingerprints or attended mandatory orientation; this applies to 25 percent of providers. This new requirement affects the CY only. This activity was added as part of the anti-fraud efforts.
- The BY reflects the impact of the “Limit IHSS Services to Recipients with FI Score of 4.00 and Above” premise.

METHODOLOGY:

The estimate is computed by summing the newly enrolled and phased-in supportive services providers, then applying the SW rate of pay, applicable time per activity, and percentage of providers impacted.

FUNDING:

- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the Budget Year (BY).
- The nonfederal share is split 70 percent General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

The CY increase is due to the new face-to-face provider enrollment requirement and the processing of all current providers during the CY.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease is due to completion of provider enrollment for all current providers in the CY and a decrease caseload.

Provider Enrollment Statement Form/Process

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|----------|---------|
| | Admin. | Admin. |
| Total | \$10,771 | \$473 |
| Federal | 0 | 0 |
| State | 3,798 | 167 |
| County | 1,628 | 72 |
| Reimbursements | 5,345 | 234 |

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IHSS Anti-Fraud Initiative – County DA/Activities

DESCRIPTION:

This premise reflects the administrative costs associated with the county district attorney activities premise which forms part of the In-Home Supportive Services (IHSS) Anti-Fraud Initiative. Together with three other administrative cost and one savings premise, these anti-fraud measures will enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud in the IHSS program.

The Budget Act of 2009 appropriated \$10 million General Fund (GF) for the purpose of fraud prevention, detection, referral, investigation and additional program integrity efforts related to the IHSS program. If a county wishes to participate in this program, it must first submit a plan specifying how it intends to utilize the funding to enhance the integrity of the IHSS program. Counties must receive approval of this plan in order to receive a portion of the appropriated funds.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill X4 1 (Chapter 1, Statutes of 2009, Fourth Extraordinary Session)
- The California Department of Social Services shall allocate the sum of \$10 million GF, for Fiscal Year (FY) 2009-10 and FY 2010-11, based on approved plans and utilizing a distribution method developed in consultation with the counties.
- The Current Year (CY) and the Budget Year (BY) reflect a full year of cost.
- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs in FY 2010-11 as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for FY 2009-10 is 45.98 percent and for FY 2010-11 is 49.49 percent.
- The sum of \$10 million GF ties to \$28.3 million total funds (TF) in the CY and \$26.4 million TF in the BY.

METHODOLOGY:

The sum of \$10 Million GF was appropriated from the GF as an augmentation, and includes corresponding federal and county shares.

FUNDING:

The Title XIX reimbursement percentage rate for FY 2009-10 is 49.62 percent and 49.49 percent in FY 2010-11. The nonfederal share is split 70 percent GF and 30 percent county.

IHSS Anti-Fraud Initiative – County DA/Activities

CHANGE FROM THE APPROPRIATION:

The CY was held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY GF was held to the Appropriation while the Title XIX reimbursements reflect an updated reimbursement rate.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|----------|----------|
| | Admin. | Admin. |
| Total | \$26,446 | \$28,286 |
| Federal | 0 | 0 |
| State | 10,000 | 10,000 |
| County | 4,286 | 4,286 |
| Reimbursements | 12,160 | 14,000 |

IHSS Anti-Fraud Initiative – County Investigations

DESCRIPTION:

This premise reflects the administrative costs associated county investigation measures which form part of the In-Home Supportive Services (IHSS) Anti-Fraud Initiative. Together with three other administrative cost and one savings premise, these anti-fraud measures will enhance state and county efforts to prevent fraud identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud for the IHSS programs.

This premise reflects the costs associated with 78 county program integrity positions that will have the authority to monitor a recipient's receipt of services and investigate fraud in the IHSS program pursuant to the protocols of the IHSS anti-fraud measures. Activities aimed to protect program integrity include unannounced home visits; the review, analysis, and actions related to: criminal background record checks for provider enrollment, facilitation of new and existing provider orientations, tracking and reporting fraud data, and random review of timesheet fingerprints. The monitoring of program fraud in targeted cases may involve the visit of county investigators to the recipient's home to verify the receipt of appropriate services. The exact date and time of a home visit will not be announced to the supportive services recipient or provider. All coordinated activities to detect and prevent fraud by IHSS providers and recipients will be performed in accordance with federal and state laws and regulations.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12305.71.
- This estimate assumes that 78 county investigators will be conducting anti-fraud activities.
- Assumes that each county investigator will receive the Social Worker (SW) rate of \$129,083 per year.
- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the Current Year (CY) is 49.62 percent and 49.49 percent in the Budget Year (BY).
- The CY reflects eight months of cost and the BY reflects a full year of cost.

METHODOLOGY:

The estimated costs are computed by multiplying the total number of assumed county investigators by the SW rate and applying the appropriate months of cost for the CY and the BY.

FUNDING:

The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the BY.

The nonfederal share is split 70 percent General Fund and 30 percent county.

IHSS Anti-Fraud Initiative – County Investigations

CHANGE FROM THE APPROPRIATION:

The decrease in the CY is due to a three month delay in implementation.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the BY is due to a full year of cost.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|----------|
| | Admin. | Admin. |
| Total | \$6,712 | \$10,068 |
| Federal | 0 | 0 |
| State | 2,367 | 3,559 |
| County | 1,014 | 1,526 |
| Reimbursements | 3,331 | 4,983 |

IHSS Anti-Fraud Initiative – Related Activities

DESCRIPTION:

This premise reflects the administrative costs of various anti-fraud activities which form part of the In-Home Supportive Services (IHSS) Anti-Fraud Initiative. Together with three other administrative cost and one savings premise, these anti-fraud measures will enhance state and county efforts to prevent fraud identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud for the IHSS programs.

The Related Activities premise reflects funding for targeted mailing, fraud training for county staff, mandatory orientation for all providers, and the review and processing of criminal records and appeals for terminated providers. As part of the IHSS Anti-Fraud Initiative, all prospective providers must complete a provider orientation at the time of enrollment to be an eligible IHSS provider. The California Department of Social Services (CDSS) will also develop a written appeal process for the current and prospective providers who are determined ineligible to receive payment for the provision of services in the IHSS program.

A temporary restraining order (TRO) was issued in the case of Mark Beckwith v. John A. Wagner, which limits the criminal convictions that would disqualify an individual from becoming an IHSS provider. The restraining order directs CDSS to stop using IHSS provider enrollment forms or other documents requiring individuals to declare that they never have been convicted of a felony crime or serious misdemeanor and/or state that persons convicted of such crimes are not eligible to be IHSS providers. CDSS must stop disqualifying or finding individuals ineligible to be IHSS providers on the basis that they have been convicted of a felony or a serious misdemeanor at some point in their life and who are otherwise not disqualified. The TRO has not eliminated or stopped the provider fingerprinting and criminal background check requirement.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12301.24, 12301.6, 12305.71, 12305.82 and 12305.86.
- The Current Year (CY) assumes that 505,000 current and new providers will be impacted.
- The Budget Year (BY) assumes that 23,232 new providers will be impacted.
- Assumes an annual cost of \$35,000 General Fund (GF) for the targeted mailing and an annual cost of \$50,000 GF for fraud training for county staff.
- Assumes the state will hold back \$835,000 Total Funds (TF) in the CY and \$52,000 TF in the BY for a contract to develop/translate/distribute a DVD/accompanying materials for training.
- Assumes 20 percent of the total impacted universe of providers will have a criminal record with that will require ten minutes of Social Worker (SW) time for review. Assumes 2.56 percent of the 20 percent of providers will have a non-exemptible crime and, as such, eight minutes of SW time to generate a notice to the provider.

IHSS Anti-Fraud Initiative – Related Activities

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes 4.1 percent of the total impacted universe of providers will have a follow-up criminal record review with a crime that that will require 10 minutes of SW time for review. Assumes 0.22 percent of the 4.1 percent of providers will have a non-exemptible crime and, as such, eight minutes of SW time to generate a notice to the provider.
- Assumes one hour of SW time for the review of an assumed 4.24 percent of the providers with non-exemptible crimes who will file an appeal.
- Assumes a SW rate of \$60.55 per hour.
- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the BY for costs associated with targeted mailings, fraud training for county staff and provider orientations.
- Costs for reviewing and processing criminal records and provider appeals of terminations are split 50 percent federal and 50 percent GF, with no county share.
- The CY will reflect eight months of cost and the BY will reflect a full year of cost.
- The BY reflects the impact of the “Limit IHSS Services to Recipients with FI Score of 4.00 and Above” premise.

METHODOLOGY:

The estimated costs are computed by adding the total cost associated with targeted mailings, fraud training for county staff, mandatory orientations for providers and the review and processing of criminal records and provider appeals of terminations, then applying the appropriate months of cost for the CY and the BY.

FUNDING:

- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for the CY is 49.62 percent and 49.49 percent in the BY for costs associated with targeted mailings, fraud training for county staff and provider orientations. The nonfederal share is split 70 percent GF and 30 percent county.
- Costs for reviewing and processing criminal records and provider appeals of terminations are split 50 percent federal and 50 percent GF, with no county share.

CHANGE FROM THE APPROPRIATION:

The decrease in the CY is due to a one month delay in implementation and the transfer of the cost of the face-to-face provider enrollment requirement, which is now being reflected in the “Provider Enrollment Statement Form/Process” premise.

IHSS Anti-Fraud Initiative – Related Activities

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the BY is due to a completed phase-in of all the current providers in the CY as well as a reduced provider caseload due to the impact of the service reduction.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11 |
|----------------|---------|---------|
| | Admin. | Admin. |
| Total | \$5,378 | \$786 |
| Federal | 0 | 0 |
| State | 2,088 | 287 |
| County | 625 | 110 |
| Reimbursements | 2,665 | 389 |

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IHSS Anti-Fraud Initiative – Fingerprinting Recipients

DESCRIPTION:

This premise reflects costs associated fingerprinting In-Home Supportive Services (IHSS) recipients which forms part of the IHSS Anti-Fraud Initiative. Together with three other administrative cost and one savings premise, these anti-fraud measures will enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections, and detect and refer suspected incidences of fraud for the IHSS programs.

The California Department of Social Services (CDSS), in consultation with the county welfare departments, will develop protocols and procedures for obtaining fingerprint images of all IHSS recipients. Any IHSS recipient whose initial client assessment occurs on or after April 1, 2010, will be fingerprinted at the same time of initial assessment by a social worker. Recipients that already receiving IHSS services on April 1, 2010, will be fingerprinted by a social worker during the recipient's next reassessment.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions code sections 12305.73.
- This premise includes costs associated with personnel, networking, training and site maintenance, establishing infrastructure, ongoing circuit costs, portable units on Statewide Fingerprinting Imaging System (SFIS) desktops which transmit data to the central unit, and management of remote stations, fingerprint ink and cards, and Polaroid cameras.
- Fingerprint ink, cards and Polaroid cameras will be used as an interim solution until rollout of handheld portable SFIS devices following thorough testing.
- The Current Year (CY) assumes 2,250 social workers (SW), and the Budget Year (BY) assumes 412 SW.
- The BY reflects the impact of the "Limit IHSS Services to Recipients with FI Score of 4.00 and Above" premise.

METHODOLOGY:

The CY and the BY estimated costs are computed by applying the number of SW to the one-time setup and ongoing costs.

FUNDING:

This premise is shared 54 percent General Fund (GF) and 46 percent Title XIX reimbursement, with no county share in the CY, and 51 percent GF, 49 percent Title XIX reimbursement in the BY, with no county share. (The BY fingerprinting costs are covered under the SFIS line under Item 141, and are included here for display purposes only.)

IHSS Anti-Fraud Initiative – Fingerprinting Recipients

CHANGE FROM THE APPROPRIATION:

The CY was held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY change reflects a decrease in IHSS SW as the result of the IHSS service reduction saving premise.

EXPENDITURES:

(in 000's)

| | 2009-10 | 2010-11* |
|----------------|---------|----------|
| | Admin. | Admin. |
| Total | \$8,200 | \$5,650 |
| Federal | 0 | 0 |
| State | 4,430 | 2,900 |
| County | 0 | 0 |
| Reimbursements | 3,770 | 2,750 |

*The BY 2010-11 IHSS fingerprinting costs are covered in the SFIS line under Item 141, but are included here for display purposes only.

V.L. v. Wagner (County Admin)

DESCRIPTION:

This premise reflects the one-time county administrative costs for complying with a court injunction from the case of V.L., et al. v. John A. Wagner, et al., to halt implementation of the In-Home Supportive Services (IHSS) Cost Containment reduction, previously scheduled to go into effect on November 1, 2009.

On October 19, 2009, the United States District Court for the Northern California District of California issued a preliminary injunction that directed the California Department of Social Services to halt implementation of the IHSS service reduction provisions (Welfare and Institutions Code sections 12303 (e) and 12309.2) of Assembly Bill X4 4 (Chapter 4, Statutes of 2009, Fourth Extraordinary Session).

In order to implement this change as soon as possible prior to November 1, 2009, counties had to manually rescind the terminations on terminated cases and restore reduced hours on reduced cases.

For more information on the service reduction, see the IHSS Cost Containment premise description.

IMPLEMENTATION DATE:

This premise implemented October 19, 2009, per a preliminary injunction issued by the United States District Court for the Northern California District of California on that date.

KEY DATA/ASSUMPTIONS:

- Assumes the Social Worker (SW) rate of \$60.55 per hour.
- Assumes 100 percent of SW time will be at the overtime rate of \$90.83 per hour.
- Assumes 18 minutes of SW time per impacted recipient.
- Assumes 113,568 IHSS recipients will be impacted.
- Assumes this is a one-time cost reflected in the Current Year only.

METHODOLOGY:

The estimate is computed by multiplying the SW time by the impacted population by the SW overtime rate.

FUNDING:

- This premise uses actual expenditures as reported on county administrative expense claims for the past four quarters to determine the Title XIX reimbursement percentage rate for administrative costs as applicable to federally eligible recipients. The Title XIX reimbursement percentage rate for Fiscal Year (FY) 2009-10 is 49.62 percent.
- The nonfederal share is 100 percent General Fund, with no county share.

V.L. v. Wagner (County Admin)

CHANGE FROM THE APPROPRIATION

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a one-time cost in FY 2009-10 only.

EXPENDITURES:

(in 000's)

| PCSP/IPO/Residual | 2009-10 Admin. | 2010-11 Admin. |
|-------------------|-------------------|-------------------|
| Total | \$3,094 | \$0 |
| Federal | 0 | 0 |
| State | 1,559 | 0 |
| County | 0 | 0 |
| Reimbursements | 1,535 | 0 |

Eligibility Income Adjustment

DESCRIPTION:

This premise reflects the costs associated with the eligibility income adjustment for certain In-Home Supportive Services (IHSS) recipients. Assembly Bill 2779 (Chapter 329, Statutes of 1998), allows the California Department of Social Services (CDSS) to buy down IHSS Personal Care Services Program (PCSP) recipients' share of cost (SOC) from the higher Medi-Cal SOC level to the lower IHSS level. The Medi-Cal SOC is determined by taking the countable income of the Medi-Cal family unit and subtracting a maintenance allowance of \$600 (medically needy). The IHSS SOC is determined by taking the countable income of the individual recipient, and subtracting the Supplemental Security Income/State Supplementary Payment (SSI/SSP) payment standard. Senate Bill 68 (Chapter 78, Statutes of 2005) extended the SOC buyout to include IHSS Independence Plus Waiver (IPW) program participants. The eligibility income adjustment applies to those recipients for whom Medi-Cal eligibility has been determined. The premise's titled Cap the SOC Buyout Enrollment and Eliminate SOC Buyout are now reflected in this premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- Assumes the SOC caseload was capped at the July 1, 2009, level.
- Assumes the SOC program was eliminated October 1, 2009.
- Based on the three months of actual data (July 2009 through September 2009), there was an average of 8,176 SOC recipients per month with an average monthly buyout of \$355.
- The Current Year (CY) assumes three months of actual cost based on the capped caseload and elimination of the program.
- The Budget Year (BY) assumes zero cost.

METHODOLOGY:

This estimate is calculated using actual costs of cases through September 30, 2009.

FUNDING:

This premise is funded with 100 percent General Fund.

CHANGE FROM THE APPROPRIATION:

The CY reflects three months of payments.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects the October 1, 2009, elimination of the program.

Eligibility Income Adjustment

Expenditures:

(in 000's)

| PCSP/IPO | 2009-10 | 2010-11 |
|----------------|---------|---------|
| Total | \$8,720 | \$0 |
| Federal | 0 | 0 |
| State | 8,720 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |