

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
January 31, 2006

To: Board of Supervisors

From: Department of Health and Human Services

Subject: Approve Appropriation Adjustment Request No. 26-043 Reducing Contingencies And Increasing Appropriations For In-Home Supportive Services Provider Payments By \$1,685,225

Contact: Thomas R. Burkart, Budget Officer (875-1979)

Overview

The Department of Health and Human Services operates the In-Home Supportive Services Program (IHSS). IHSS provides in-home care for elderly and dependent adults, provided by individuals employed by the IHSS Public Authority. The cost of the wages and benefits for these service providers is shared between federal, state, and local governments. The projected local cost of IHSS provider wages for Sacramento County exceeds the Fiscal Year 2005-06 Adopted Budget by \$600,327. The non federal caseload is higher than anticipated resulting in a higher local share of cost.

Additionally, the County recently agreed to a \$0.50 per hour raise and an increase in the Health Care Premium, effective January 1, 2006. The projected county cost of this agreement is \$1,084,898 for the remainder of the fiscal year.

Recommendation

- Approve the attached Appropriation Adjustment Request No. 26-043 reducing contingencies and adding \$1,685,225 in appropriations to the Department's Fiscal Year 2005-06 Final Adopted Budget.

Measures/Evaluation

Not applicable.

Fiscal Impact

The projected local cost of IHSS provider wages for Sacramento county exceeds the Fiscal Year 2005-06 Adopted Budget by \$600,327. Additionally, the projected County cost of increased wages and health care premium is \$1,084,898 for the remainder of the fiscal year. The total additional cost for Fiscal Year 2005-06 is \$1,685,225. The Department's Fiscal Year 2006-07 Requested Budget will include a full-year estimate of provider wages and benefits, based on the increased wage amounts and estimated caseload increases.

BACKGROUND

The IHSS program allows seniors and disabled persons to remain in their homes with the assistance of care providers. The cost of the wages and benefits for these service providers is shared between federal, state, and local governments, subject to federal eligibility requirements. In 2005, the federal government approved a waiver request submitted by the State of California. The waiver allowed more elderly and dependent adults to qualify for federal participation in the cost of services. This resulted in a decrease in cost to the County. Fiscal Year 2005-06 is the first full year subject to increased federal eligibility from the State's federal "Residual Program" waiver.

DISCUSSION

The IHSS Provider Payment budget for Fiscal Year 2005-06 is \$36,878,673. The projected local cost of IHSS provider wages for Sacramento County exceeds this budget by \$600,327. The budget amount was based on an estimate of the federally and non-federally eligible cases. Federally eligible cases have a lower county share of cost than non-federal cases. The non-federal caseload is higher than estimated resulting in a higher local share of cost.

The County recently agreed to a \$0.50 per hour raise and an increase in the Health Care Premium, effective January 1, 2006. The projected county cost of this agreement is \$1,084,898 for the remainder of the fiscal year.

FINANCIAL ANALYSIS

The projected local cost of IHSS provider wages for Sacramento County exceeds the budget by \$600,327. Additionally, the projected County cost of increased wages and health care premium is \$1,084,898 for the remainder of the fiscal year. The total additional cost for Fiscal Year 2005-06 is \$1,685,225. The Department's Fiscal Year 2006-07 Requested Budget will include a full year estimate of provider wages and benefits, based on the increased wage amounts, estimated caseload increases, and the mix of federal and non-federal cases.

Respectfully submitted,

APPROVED

LYNN FRANK, Director
Department of Health and Human Services

TERRY SCHUTTEN
County Executive

By: _____
Penelope Clarke, Administrator
Countywide Services Agency