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An act to amend Section 12306.15 of the Welfare and Institutions Code,
relating to public social services.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12306.15 of the Welfare and Institutions Code is amended to read:

12306.15. (a) Commencing July 1, 2012, all counties shall have a County IHSS Maintenance of Effort (MOE). In lieu of paying the nonfederal share of IHSS costs as specified in Sections 10101.1, 12306, and 12306.1, counties shall pay the County IHSS MOE.

(b) (1) The County IHSS MOE base year shall be the 2011–12 state fiscal year. The County IHSS MOE base shall be defined as the amount actually expended by each county on IHSS services and administration in the County IHSS MOE base year, as reported by each county to the department, except that for administration, the County IHSS MOE base shall include no more or no less than the full match for the county's allocation from the state.

(2) Administration expenditures shall include both county administration and public authority administration. The County IHSS MOE base shall be unique to each individual county.

(3) For a county that made 14 months of health benefit payments for IHSS providers in the 2011–12 fiscal year, the Department of Finance shall adjust that county's County IHSS MOE base calculation.

(4) The County IHSS MOE base for each county shall be no less than each county's 2011–12 expenditures for the Personal Care Services Program and IHSS used in the caseload growth calculation pursuant to Section 17605.



(c) (1) On July 1, 2014, the County IHSS MOE base shall be adjusted by an inflation factor of 3.5 percent.

(2) Beginning on July 1, 2015, and annually thereafter, the County IHSS MOE from the previous year shall be adjusted by an inflation factor of 3.5 percent.

(3) (A) Notwithstanding paragraphs (1) and (2), in fiscal years when the combined total of 1991 realignment revenues received pursuant to Sections 11001.5, 6051.2, and 6201.2 of the Revenue and Taxation Code, for the prior fiscal year is less than the combined total received for the next prior fiscal year, the inflation factor shall be zero.

(B) The Department of Finance shall provide notification to the appropriate legislative fiscal committees and the California State Association of Counties by May 14 of each year whether the inflation factor will apply for the following fiscal year, based on the calculation in subparagraph (A).

(d) In addition to the adjustment in subdivision (c), the County IHSS MOE shall be adjusted for the annualized cost of increases in provider wages or health benefits that are locally negotiated, mediated, or imposed before the Statewide Authority assumes the responsibilities set forth in Section 110011 of the Government Code for a given county as provided in Section 12300.7. Additionally, the County IHSS MOE shall be adjusted for the annualized cost of rate increases for existing contracts or rates for new contracts entered into by a county under Section 12302, in accordance with Sections 12302.1 and 12303.

(1) (A) If the department approves the rates and other economic terms for a locally negotiated, mediated, or imposed increase in the provider wages, health benefits, or other economic terms pursuant to Section 12306.1 and paragraph ~~(3)~~, ~~(4)~~, the state



shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the cost increase in accordance with subparagraph (B).

(B) With respect to any increase in provider wages or health benefits approved after July 1, 2012, pursuant to subparagraph (A), the state shall participate in that increase as provided in subparagraph (A) up to the amount specified in subdivision (d) of Section 12306.1. The county shall pay the entire nonfederal share of any cost increase exceeding the amount specified in subdivision (d) of Section 12306.1.

(C) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase.

(2) (A) If the department does not approve the rates and other economic terms for a locally negotiated, mediated, or imposed increase in the provider wages, health benefits, or other economic terms pursuant to Section 12306.1 or paragraph ~~(3)~~, (4), the county shall pay the entire nonfederal share of the cost increase.

(B) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any increase in provider wages or health benefits that becomes effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the wage or health benefit increase.



(3) (A) With respect to any rate increases for existing contracts or rates for new contracts entered into by a county pursuant to Section 12302, the state shall pay 65 percent, and the affected county shall pay 35 percent, of the nonfederal share of the cost of rate increases or rates for new contracts up to the maximum amounts established pursuant to Sections 12302.1 and 12303. The county shall pay the entire nonfederal share of any cost of rate increases or rates for new contracts exceeding the maximum amount established pursuant to Sections 12302.1 and 12303.

(B) The county share of these expenditures shall be included in the County IHSS MOE, in addition to the amount established under subdivisions (b) and (c). For any rate increases for existing contracts or rates for new contracts entered into by a county pursuant to Section 12302 that become effective on a date other than July 1, the Department of Finance shall adjust the county's County IHSS MOE to reflect the annualized cost of the county's share of the nonfederal cost of the rate increase or rate for new contracts.

(3)

(4) In addition to the rate approval requirements in Section 12306.1, it shall be presumed by the department that locally negotiated rates and other economic terms within the following limits are approved:

(A) A net increase in the combined total of wages and health benefits of up to 10 percent per year above the current combined total of wages and health benefits paid in that county.

(B) A cumulative total of up to 20 percent in the sum of the combined total of changes in wages or health benefits, or both, until the Statewide Authority assumes



the responsibilities set forth in Section 110011 of the Government Code for a given county as provided in Section 12300.7.

(e) The County IHSS MOE shall only be adjusted pursuant to subdivisions (c) and (d).

(f) The Department of Finance shall consult with the California State Association of Counties to implement the County IHSS MOE, which shall include, but not be limited to, determining each county's County IHSS MOE base pursuant to subdivision (b), developing the computation for the annualized amount pursuant to subdivision (d), and the process by which it will be determined that each county has met its County IHSS MOE each year.

SEC. 2. The Legislature finds that the amendments made in this act to Section 12306.15 of the Welfare and Institutions Code are clarification of existing law.

SEC. 3. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services may implement, interpret, or make specific the amendments made in this act to Section 12306.15 of the Welfare and Institutions Code through all-county letters or similar instructions without taking any regulatory action.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____

General Subject: In-Home Supportive Services; county maintenance of effort.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization. Existing law authorizes services to be provided under the IHSS program through the employment of individual providers, a contract between the county and an entity for providing services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.

Existing law establishes the California In-Home Supportive Services Authority and requires, in counties that meet specified conditions, the authority to be the entity authorized to meet and confer in good faith regarding wages, benefits, and other terms and conditions of employment with representatives of recognized employee organizations for any individual provider who is employed by a recipient of supportive



services. Existing law, as part of the Coordinated Care Initiative, requires all counties to have a County IHSS Maintenance of Effort (MOE), and requires counties to pay the County IHSS MOE instead of paying the nonfederal share of IHSS costs. Existing law requires the County IHSS MOE to be adjusted for the annualized cost of increases in provider wages or health benefits that are locally negotiated, mediated, or imposed before the Statewide Authority assumes specified responsibilities.

This bill would also require the County IHSS MOE to be adjusted for the annualized cost of rate increases for existing contracts or rates for new contracts entered into by a county, as specified. The bill would require, with respect to any rate increases or rates for new contracts, the state to pay 65%, and the affected county to pay 35%, of the nonfederal share of the rate increases or rates for new contracts up to the specified maximum amounts, and would require the county share of these expenditures to be included in the County IHSS MOE. The bill would state the Legislature's finding that these amendments are clarification of existing law, and would authorize the department to implement, interpret, or make specific the amendments made in this act by means of all-county letters or similar instruction.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

