



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** July 1, 2013  
**Board Meeting Date:** August 6, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jean S. Fraser, Chief, Health System  
Lisa Mancini, Director Aging and Adult Services

**Subject:** Amendment to the agreement with Addus HealthCare, Inc.

**RECOMMENDATION:**

Acting as the Governing Board of the In-Home Supportive Services Public Authority, adopt a Resolution waiving the Request for Proposals process and authorizing an amendment to the agreement with Addus HealthCare, Inc., extending the term through June 30, 2014, and increasing the amount by \$3,933,000 to an amount not to exceed \$14,585,850.

**BACKGROUND:**

In December 2009 Aging and Adult Services (AAS), acting on behalf of the Public Authority (PA), issued a Request for Proposals (RFP) for In-Home Supportive Services (IHSS) for a three-year period beginning July 1, 2010. Based on the criteria and a committee's evaluation, Addus HealthCare, Inc., (Addus) was selected to provide IHSS contract service for the three-year period.

On May 25, 2010, your Board authorized Resolution 70767 approving an agreement with Addus for the administration of contracted components of the IHSS program for the term July 1, 2010 through June 30, 2013, in an amount not to exceed \$10,652,850. This Resolution also authorized the Chief of the Health System or designee to make minor contract modifications.

On July 20, 2012, the Chief of the Health System authorized an amendment to the agreement changing the payment formula from an hourly wage of \$19.02 plus a fixed annual administrative fee of \$270,000, to a per-hour amount of \$22.80 with the administrative cost built into the hourly rate. This would have increased the maximum amount authorized under the amended agreement. However, because the number of service hours purchased on an annual basis was projected to be, and was, substantially

lower than the maximum number of hours available, the new rate formula has resulted in an annual savings of approximately \$100,000. All other terms remained the same.

**DISCUSSION:**

The State has established the Coordinated Care Initiative (CCI) in eight demonstration counties to coordinate the care for Medi-Cal and Medicare dual eligible clients. San Mateo County is one of the demonstration counties. Under this initiative, all dual eligible IHSS recipients will receive their long-term care, medical, behavioral health, and long-term supports and services, including home and community-based services, through the Health Plan of San Mateo (HPSM). The date for the implementation of CCI has been delayed to January 2014. Through CCI, greater responsibility for IHSS will fall to HPSM and it is likely that the provision of home health services will move to HPSM next fiscal year. AAS is requesting a waiver of the RFP process this fiscal year to continue the agreement with Addus Healthcare, Inc. for one additional year until the anticipated transfer to HPSM to ensure the health and safety of IHSS clients.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. The Contractor meets insurance certification requirements.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing AAS to provide IHSS to clients who are unable to hire, supervise or fire their provider due to the type or severity of their disabilities; thus helping maintain the client in the least restrictive setting and improving their quality of life. It is anticipated that 96% of consumers of IHSS will indicate that their quality of living situation has improved as a result of services received through the PA.

**PERFORMANCE MEASURE:**

Measure	FY 2012-13 Estimate	FY 2013-14 Projected
Percent of consumer indicating their quality of living situation has improved as a result of serviced received through the Public Authority	98%*	96%

\*The PA is estimated to exceed its target of 96% in FY 2012-13

**FISCAL IMPACT:**

The term of the agreement is July 1, 2010 through June 30, 2014, The amount is being increased by \$3,933,000 to a new amount not to exceed \$14,585,850. State and federal funds pay approximately 82.17% of the cost of this Agreement. The remaining 17.83% (\$2,600,657) represents the estimated County's obligation for the agreement and is funded through Realignment funding. Funds for these services will be included in

the AAS FY 2013-14 Recommended Budget. The payment provisions for this agreement are the same as for FY 2012-13.