



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



**Date:** July 8, 2014  
**Board Meeting Date:** August 5, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors, Acting as the Governing Board of the In-Home Supportive Services Public Authority

**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 authorizing an amendment with Addus HealthCare, Inc., extending the term through September 30, 2014, and increasing the amount by \$983,250 for an amount not to exceed \$15,569,100.

**BACKGROUND:**

In 2009, Aging and Adult Services (AAS), acting on behalf of the Public Authority (PA), issued a Request for Proposals for In-Home Supportive Services (IHSS) for a three-year period beginning July 1, 2010. Based on the criteria and an independent 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 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 ultimately was - substantially lower than the maximum number of hours available, the new rate formula

resulted in an annual savings of approximately \$100,000. All other terms remained the same.

San Mateo County is one of eight California counties participating in the State's Coordinated Care Initiative (CCI), focused on coordinating the care for Medi-Cal and Medicare dual eligible clients. Beginning April 1, 2014, all dual eligible IHSS recipients under the CCI receive their long-term care, medical, and behavioral health services (including home and community-based services) through the Health Plan of San Mateo (HPSM). As a result, the HPSM became the contracting entity for the IHSS program and assumed the contracting authority for the IHSS contract with Addus.

**DISCUSSION:**

Acting on the PA's behalf, AAS would like to extend the current agreement with Addus for three months (July 2014 through September 2014) to enable a transition of contract administration to HPSM.

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 is included in the Health System's Continuing Resolution.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing the PA to provide IHSS to clients who are unable to hire, supervise or fire their provider due to the type or severity of their disabilities. This in turn helps maintain the client in the least restrictive setting and improves their quality of life. It is anticipated that 95% 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 2013-14 Actual	FY 2014-15 Projected
Percent of consumer indicating their quality of living situation has improved as a result of serviced received through the Public Authority	95%	95%

**FISCAL IMPACT:**

The term of the agreement is July 1, 2010 through September 30, 2014. The agreement amount is being increased by \$983,250 to a new amount not to exceed \$15,569,100, of which \$1,165,908 is Net County Cost. The remaining \$14,403,192 will be paid for through federal reimbursement and realignment funds. The payment provisions and levels of service in this contract are essentially the same as the prior contract. Funds for these services are incorporated into the PA FY 2014-15 Recommended Budget.