



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 16-835

Board Meeting Date: 12/12/2017

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Lisa Mancini, Director, Aging and Adult Services

**Subject:** Amendment to the Agreement with the San Mateo Community Health Authority dba the Health Plan of San Mateo to Provide Health Benefits to Independent Providers of the In-Home Supportive Services Program

### **RECOMMENDATION:**

Acting as the Governing Board of the Public Authority, adopt a resolution authorizing an amendment to the agreement with the San Mateo Community Health Authority, dba the Health Plan of San Mateo, to provide health benefits to independent providers of the In-Home Supportive Services program to extend the term to December 31, 2018 and to add \$3,500,000 for a total contract amount not to exceed \$11,000,000.

### **BACKGROUND:**

In 1993, your Board approved an Ordinance establishing a separate legal entity, the San Mateo County Public Authority (PA), to administer the individual provider components for the In-Home Supportive Services (IHSS) program and designated the San Mateo County Board of Supervisors as the PA's Governing Board (Board). The IHSS program's mission is to assist eligible aged, blind, and disabled individuals with remaining in their own homes as long as safely possible. The program uses independent providers to assist residents with a wide variety of daily living activities such as bathing, feeding, meal preparation, and certain paramedical services authorized by a physician.

In 2000, 2013, and 2015, your Board adopted Memoranda of Understanding with Service Employees International Union, Local 521, under which the PA administers salaries and benefits, including health benefits, for independent providers.

In 2001, your Board, as the PA's Governing Board, approved an agreement with Health Plan of San Mateo (HPSM) to provide health benefits through the HealthWorx plan for independent providers.

In November 2012, your Board authorized an agreement in an amount not to exceed \$9,134,934. As part of the pilot Coordinated Care Initiative (CCI), the IHSS Statewide Authority (IHSS Authority)

officially assumed collective bargaining responsibility for San Mateo’s IHSS providers on February 23, 2015. In July 2015, your Board authorized a subsequent agreement for the term July 1, 2015 through June 30, 2016, with HPSM to provide health benefits for independent providers in an amount not to exceed \$3,000,000.

The IHSS Authority had requested that the PA extend its health benefits contract through HealthWorx for an additional eighteen months in order to prevent a lapse in benefit coverage for IHSS providers. As a result, an amendment for \$4,500,000 was most recently created to extend the term to December 31, 2017 for a total contract amount of \$7,500,000.

**DISCUSSION:**

The State Budget enacted June 27, 2017, confirmed the end of the CCI Pilot for IHSS, which resulted in the development of a new IHSS Maintenance of Effort (IHSS MOE) cost structure and shifted the bargaining responsibilities of the IHSS providers back to Counties. To allow time for the PA to engage with labor, we are requesting an amendment to the agreement to extend the term through December 31, 2018 and to add \$3,500,000 for a total contract amount of \$11,000,000.

The new HealthWorx premium for health benefits is \$300.46 per member, per month for the term January 1, 2018 through December 31, 2018. This represents a 20% increase from the previous monthly rate of \$242.50 per member. The increase was determined by HPSM based on their medical loss ratio for the HealthWorx product line.

The Resolution contains the County’s standard provisions allowing amendment of the fiscal obligations by maximum of \$25,000 (in aggregate).

The amendment and Resolution have been reviewed and approved by County Counsel as to form.

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing independent providers to stay healthy and continue their employment as caregivers to at-risk individuals. It is anticipated that 100% of eligible IHSS home care providers who apply for health benefits will be enrolled.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Percent of eligible IHSS home care providers who apply for health benefits to be enrolled	100% 1,000 providers	100% 1,000 providers

**FISCAL IMPACT:**

The term of the amended agreement is July 1, 2015 through December 31, 2018. The amount of the amended agreement is not to exceed \$11,000,000. The amendment increases the contract amount by \$3,500,000. Funds for these services are included in the PA FY2017-18 Adopted Budget and will be included in the FY’2018-19 Recommended Budget.

The County pays a fixed annual IHSS MOE amount for the provision of IHSS services of approximately 20% of total costs related to this agreement. The remaining 80% of the costs are funded by federal (50%) and state (30%) reimbursements. The payment provisions and levels of

service are generally the same as the original contract.