

California State Auditor

B U R E A U O F S T A T E A U D I T S

In-Home Supportive Services:

*Since Recent Legislation Changes the Way
Counties Will Administer the Program,
The Department of Social Services
Needs to Monitor Service Delivery*



September 1999
96036

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CALIFORNIA STATE AUDITOR

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September 9, 1999

96036

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As required by Chapter 206, Statutes of 1996, the Bureau of State Audits presents its audit report concerning the performance of public authorities in delivering in-home supportive services to aged, blind, or disabled individuals who cannot safely remain in their homes without assistance.

This report concludes that many counties will likely create public authorities to meet the requirement of recent legislation to act as the employer for individual providers of program services for purposes of negotiating wages and benefits. Although these actions will likely increase program costs, neither the Department of Social Services nor the existing public authorities can definitively demonstrate that counties with public authorities deliver program services more effectively than counties without public authorities.

Respectfully submitted,

KURT R. SJOBERG
State Auditor

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SUMMARY

Audit Highlights . . .

Our review of the In-Home Supportive Services program disclosed:

- More counties will likely establish public authorities to serve as employers for collective bargaining purposes and to limit county liabilities.*
- Generally, counties without public authorities pay individual providers minimum wage while civil service and contract workers earn up to \$16.50 and \$14.75 per hour, respectively.*
- Rising wage and benefit costs may encourage counties to use more expensive contract employees, which garner higher state reimbursements.*

Finally, although no definitive performance data exist, our analysis reveals few differences in the level of services provided between counties with and without public authorities.

RESULTS IN BRIEF

California's operation of the In-Home Supportive Services (IHSS) program, which assists aged, blind, and disabled individuals who need help to remain in their own homes, will change significantly because the Legislature recently enacted laws that will affect how counties administer the program. Legislation enacted in July 1999 requires California's 58 counties to act as or establish employers for individual providers of program services so that they have an opportunity for collective bargaining. Counties are just beginning to decide which steps they will take to meet this requirement. For some counties with smaller caseloads, the requirements of the new legislation are not clear. We expect that many counties will establish public authorities to meet the new requirement. Public authorities will function separately from the counties, administer the delivery of in-home supportive services, and serve as the employers for individual providers. To project how counties will respond to the new law, we looked at the new and existing legislation related to IHSS, counties' current choices for program providers, recent costs for IHSS, the counties' possible liabilities if they assume the role of employer to individual providers, and comments and reports from selected counties throughout California.

The history of existing public authorities, current funding provisions, and the ability of the State to limit its funding of cost increases for individual providers, indicate that program costs in general will rise and costs to the counties in particular will likely increase. County administrators, who are aware that the law continues to limit the State's payments of program expenses, have expressed concerns that the new mandate will increase costs to the counties mainly because they believe collective bargaining will bring about higher pay for individual providers. As of April 1999, individual providers supplied more than 98 percent of in-home supportive services in the State. However, as the costs for individual providers increase, some counties may turn to more expensive methods of delivering program services, such as home-care contractors. Because the

State pays a greater portion of the hourly costs of home-care contractors than it does for individual providers, using contractors may become a more cost-effective option for the counties while increasing the costs to the State.

Currently, six counties have created public authorities for IHSS. With the likelihood that many counties will establish public authorities to employ individual providers, both the counties and the Department of Social Services (department), which oversees IHSS, will need to collect data on public authorities' activities to ensure they increase the benefits to recipients. Our audit attempted to compare the performance of counties using public authorities to the performance of those utilizing other services. Although definitive performance data do not exist, evidence reveals that the performance of counties with established public authorities differs little from that of other counties. Some other counties report using systems similar to those the public authorities provide. Those systems include registries for matching providers with recipients, training for providers and recipients, and background checks of applicants for individual provider positions. In addition, we found that the three counties with public authorities we visited perform at about the same level of service as they did before establishing their public authorities. Further, because the legal and departmental requirements for IHSS are vague, both the public authorities and the counties have developed their own standards for implementing IHSS requirements, and their practices differ.

RECOMMENDATIONS

Given the growth that will likely occur in the public authority program statewide and the potential for increased costs, the State will need more and better information to gauge the program's effectiveness for both recipients and providers relative to the available alternatives for administering the delivery of IHSS. The department should take the lead and work with local entities to develop standards of performance for local IHSS programs and implement a system to gather and evaluate data that measure the performance of public authorities, nonprofit organizations, home-care contractors, and any other service providers counties use. In addition to indicating whether the various methods are benefiting the health and welfare of recipients, the data should allow the department to compare the activities of these various agencies or contractors responsible for IHSS.

To assure the integrity of the information the department uses to evaluate program performance, local entities should develop and implement procedures to accurately and completely enter performance-measuring data into the department's information system.

Moreover, the department together with local agencies should better define program functions to improve their consistency and effectiveness. These functions include training for providers and recipients, background checks for provider applicants, and the use of registries for provider referrals.

Given the pending changes in the counties' administration of in-home supportive services, the Legislature should require the department to report on the operational and fiscal impact of the recently enacted legislation to determine whether the new law promotes a more effective and efficient program.

In addition, the Legislature should clarify the requirement in the Welfare and Institutions Code, Section 12305.25, which calls for each county to establish an employer for individual providers for the purposes of wages and benefits and other terms and conditions. This clarification will furnish the counties with the guidance they need to ensure they comply with the intent of the legislation. Specifically, the Legislature should clarify the requirement for counties with more than 500 in-home supportive services cases to offer an individual provider employer option upon the request of a recipient, and the implications of that requirement on counties with 500 or fewer cases.

AGENCY COMMENTS

The Department of Social Services concurs with our recommendations relative to its statewide role in serving in-home supportive services recipients. The three public authorities we reviewed, San Francisco, San Mateo, and Alameda, generally agree with most of our recommendations. However, the public authorities expressed some concern over our conclusions relative to the performance of IHSS in counties with and without public authorities. ■

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INTRODUCTION

BACKGROUND

Created in 1973 and funded with federal, state, and local money, the In-Home Supportive Services (IHSS) program serves eligible recipients who are not able to remain in their homes without assistance. Those eligible are the aged, blind, or otherwise disabled recipients of public assistance as well as persons similarly disabled who have low incomes.

The IHSS program has two main benefits: It allows recipients the comfort of living in their own homes, thus avoiding institutionalization, and it supplies services that are less expensive than out-of-home care. Those eligible for the program receive a wide variety of basic services, including domestic assistance, such as housecleaning, meal preparation, laundry, and shopping; personal care, such as feeding and bathing; transportation; protective supervision; and certain paramedical services ordered by a physician. Based on assessments of their ability to function independently, recipients may be eligible for up to 283 hours per month of services. Authorized through the Social Security Act, federal funding can provide program services to the aged, blind, or disabled under Title XX, and to Medicaid-eligible individuals under the personal care provisions of Title XIX of the Act.

ADMINISTRATION OF THE IHSS PROGRAM

The State and counties share administrative responsibilities for the IHSS program. In general, the Department of Social Services (department) administers the IHSS program at the state level. The department's primary functions include overseeing the payroll system for IHSS providers, unemployment insurance, and workers' compensation, as well as supplying financial resources for the program and collecting reimbursements from the counties for costs the State incurs on their behalf. Further, the department writes regulations for the IHSS program and maintains a database that includes eligibility and other information on recipients and providers. The State's Department of Health Services receives the portion of IHSS funding furnished by Title XIX of the federal Social Security Act and transfers this money to the department. The Department of Health Services is

also responsible for reviewing any rate changes that counties request to make sure the changes comply with federal requirements and the federal government assumes appropriate costs of the services supplied under Title XIX.

The day-to-day administration of the program is the responsibility of the counties, which determine an individual's eligibility for the program and the nature of services each recipient needs. Using the department's guidelines, county social workers determine how many hours of service per month recipients qualify for. The counties then help those individuals find service providers. To ensure delivery of program services, counties have used various types of providers, including county civil service employees, employees of home-care contractors, and "individual providers" who are not employees of any government or private entity.

Although the counties help recipients find providers, the recipients themselves can hire, fire, and supervise their caregivers. In fact, many recipients hire family members or friends, who receive their pay through the IHSS program.

PUBLIC AUTHORITIES AND NONPROFIT GROUPS ARE ALTERNATIVE ADMINISTRATORS OF IHSS

Services That Public Authorities Are Required to Provide

- Establish a provider registry that will assist recipients in finding IHSS providers.
- Investigate the qualifications and background of potential providers.
- Develop a system to refer IHSS providers to recipients.
- Provide training for both providers and recipients.
- Perform any other functions related to the delivery of program services.
- Ensure that providers meet the requirements of Title XIX of the Social Security Act.

Legislation passed in 1992 offers counties two alternatives for administering the delivery of IHSS on their own. This legislation arose after some counties said they could improve services for recipients if they gave providers higher wages and benefits and better training. Now, each county can elect to contract with a nonprofit group or to establish by ordinance a public authority to deliver in-home supportive services. These public authorities and nonprofit groups function separately from the counties and have all powers necessary to deliver IHSS, including the ability to contract for services and pay directly providers recipients choose. Under the program, public authorities and nonprofit groups administer the providers' delivery of services, but county departments continue to ensure services are provided to recipients.

The 1992 legislation also outlines increased expectations for these entities. In addition to establishing requirements for the governing body of any public authority, the law directs public authorities or nonprofit groups to provide certain services. For example, they must establish registries of IHSS service providers as well as provider referral systems for recipients.

Further, the legislation includes an apparent advantage for

counties that work through public authorities or nonprofit groups: It indicates counties will not be liable for any actions arising from program services delivered by the public authorities or nonprofit groups.

Methods Available to Counties As of 1992 for Delivering Program Services

- Establishing a public authority
- Contracting with nonprofit groups
- Contracting with proprietary companies, individual voluntary nonprofit agencies, city or county agencies, or local health districts
- Using county civil service or merit system employees
- Using individual providers who are not county employees (modified by legislation enacted on July 16, 1999)
- Paying recipients directly for the purchase of services from individual providers they employ
- Using a combination of the above

Any contracting nonprofit group or any public authority created under the legislation is to act as the providers' employer for the purpose of collective bargaining over wages, hours, and other terms and conditions of employment. This provision also applies to any providers whom recipients choose without using a referral from a nonprofit group or public authority. However, any increase in wages or benefits negotiated would not take effect until the Department of Health Services determined the rate change complied with federal requirements.

As of June 1999, 6 of the State's 58 counties—Alameda, San Mateo, San Francisco,

Santa Clara, Los Angeles, and Contra Costa—had elected to create public authorities for the delivery of in-home supportive services. Of these 6, only the public authorities for Alameda, San Mateo, San Francisco, and Santa Clara counties had state-approved rates that allow them to receive increased funding for administration as of June 30, 1999. However, Santa Clara's public authority was newly-established and had contracted out with a nonprofit organization for the operation of its registry. No county had contracted with a nonprofit group for the administration of the IHSS program. Therefore, in our following discussions of the program and related legislation, we refer only to public authorities. In each of the 6 counties with public authorities, the IHSS providers have union representation.

The staff of the three public authorities that we visited in San Mateo, Alameda, and San Francisco counties include an administrator and subordinate personnel who may interview potential providers, check their background references, or handle county IHSS payroll functions. For San Mateo County and Alameda County, the counties' boards of supervisors also act as the governing boards of the public authorities. The exception, the public authority of San Francisco, has a governing body that includes representatives of city government, consumers, and IHSS service providers. Although the Alameda public authority has six contracted community registries throughout the county, the other two counties operate central registries to provide referral lists of screened home-care workers to IHSS recipients.

The new law also identifies certain indicators of the success or failure of public authorities. These include the degree to which public authorities have delivered all required services, the promptness of responses to recipients' complaints, and the numbers of eligible individuals placed outside their homes because needed care is not available from local IHSS programs. Additionally, the department has determined that the frequency of both recipient abuse and worker turnover and the availability of workers to meet special or hard-to-fill needs are important in measuring the performance of public authorities.

PROFILES OF THE STATE'S RECIPIENTS AND IHSS PROVIDERS

According to department data, approximately 172,000 providers serve 217,000 IHSS recipients in California. Although the IHSS program is available throughout the State, different areas have different ranges of needs and counties' programs vary in size. Alpine County, for example, reported 352 hours of service for 7 individuals during May 1999, whereas Los Angeles County reported approximately 6.5 million hours of service for more than 92,000 individuals during the same period.

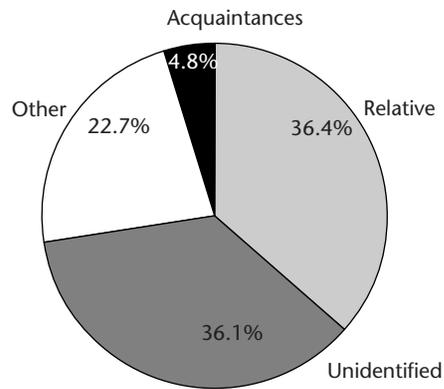
Additionally, the methods of service delivery vary among counties. Although all 58 counties use individual providers, who furnish most in-home supportive services, some counties use different types of providers. Twelve counties also use home-care contractors, and 6 others use county employees as well as individual providers. Currently, a relatively small number of the State's recipients and providers, approximately 9 percent of the

total, participate in IHSS programs of the three public authorities we visited as of June 1999. With the additions of Los Angeles, Contra Costa, and Santa Clara counties, this percentage increases substantially.

Data from the department further suggest that many individual providers are family members or friends of the recipients they serve, even in those counties served by public authorities. Thus, apparently many providers participate in the program to serve specific recipients. We have no information on how many of these providers remain with the program once specific recipients no longer need their services. Providers identified as “other” in the department’s data include home-health and other businesses. Figure 1 displays the types of relationships between individual providers and recipients that the department has identified and also for those on which the department has no relevant data. For individual providers working through public authorities, the data are similar.

FIGURE 1

Who Provides Services to IHSS Recipients?



Program Costs and Sources of Program Funds

Using formulas detailed in the State’s Welfare and Institutions Code, the federal, state, and county governments share the costs for IHSS. A combination of state and federal funds pays 65 percent of the service costs for the approximately 45,300 individuals eligible under Title XX of the federal Social Security Act, and local funds cover 35 percent. Of the service costs for the approximately 174,000 individuals eligible under Title XIX, the

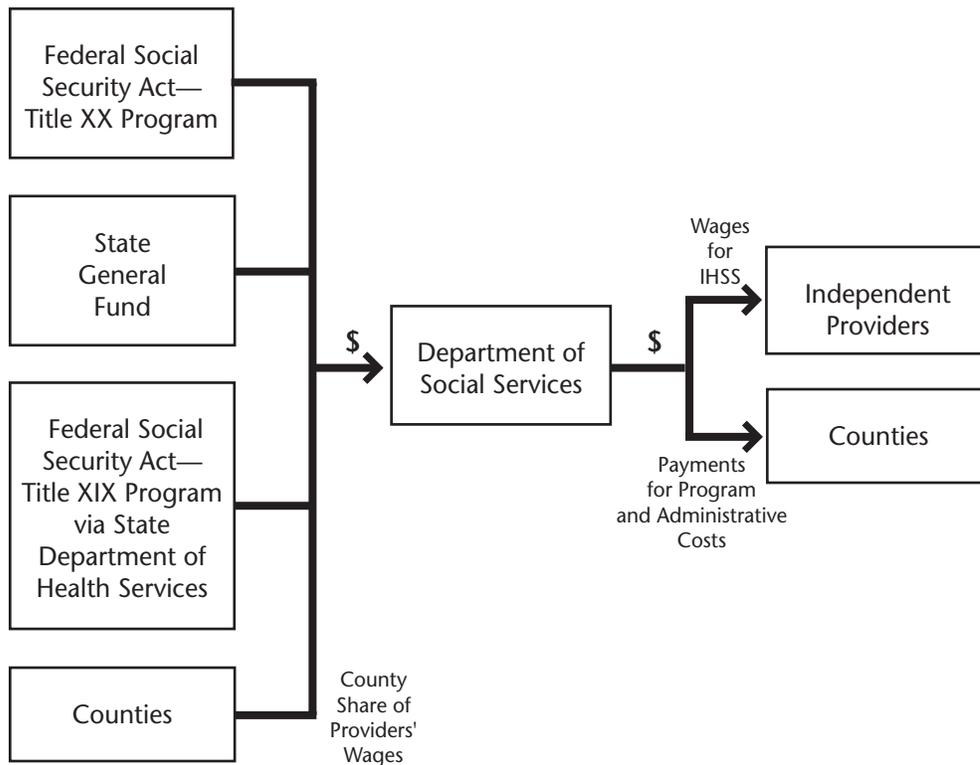
federal government determines and pays its share of program costs, and the State and counties pay 65 percent and 35 percent, respectively, of the remaining amount.

The federal government limits its funding in the IHSS program to a maximum hourly cost equivalent to 150 percent of the minimum hourly wage for counties without public authorities and 200 percent of the minimum hourly wage for counties with public authorities. The State also limits its participation to a maximum hourly cost for services. Historically, the State used the minimum hourly wage as its basis for pay rates to individual providers, although reimbursement rates are higher for contract services. For fiscal year 1999-2000, the department budgeted approximately \$1.6 billion for IHSS. The counties are responsible for all provider costs that exceed the maximum rates established by the state and federal governments.

In addition to funding for hourly program costs, counties receive a separate allocation from the State for administrative costs. Public authorities with state-approved rates also receive

FIGURE 2

Flow of IHSS Program Funds



Significant New Changes in the 1999 Legislation for IHSS

- Each county must act as, or establish, an employer for individual providers for purposes of collective bargaining.
- Counties without public authorities need to set up an IHSS advisory committee.
- At a recipient's request, each county with a caseload exceeding 500 must offer services through an individual provider.
- The State established its funding contribution limit for fiscal year 1999-2000.

reimbursement for their administrative costs. Currently, the State reimburses public authorities with approved rates at 7 cents to 21 cents per hour of program service provided.

New Legislation Affecting the IHSS Program

In July 1999, the governor signed into law Assembly Bill 1682 and Senate Bill 710, which may significantly affect the administration, methods of service delivery, and costs of the IHSS program. In particular, on or before January 1, 2003, counties must themselves act as the employers for individual providers in the IHSS program for purposes of collective bargaining or establish or contract with entities that will fill this role. Although the counties still have the same service options described in the

1992 legislation, individual providers will now have an employer for the purposes of collective bargaining.

SCOPE AND METHODOLOGY

Chapter 206, Statutes of 1996, requires the Bureau of State Audits (bureau) to review the performance of the first IHSS public authority with a reimbursement rate approved by the State. The bureau was to begin the review one year after the effective date of the public authority's approved reimbursement rate and was to give special attention to the health and welfare of the recipients under the public authority. Specifically, the bureau was to determine the degree to which the public authority delivered all required services, affected out-of-home placement rates, responded promptly to recipients' complaints, and fulfilled any other expectations the department deemed relevant. The bill also directed the bureau to recommend any changes to the law governing public authorities that will further ensure the well-being of recipients and the most efficient delivery of required services.

In March 1998, the public authority in San Mateo County was the first to have the State approve its reimbursement rate. In addition to reviewing the San Mateo public authority, we also evaluated the public authorities in Alameda and San Francisco counties because we believed that they had functioned long enough to allow us to draw conclusions about their operations

and that inclusion of data from these counties would help us present a better overview of public authorities' performances. Alameda and San Francisco counties have operated public authorities for in-home supportive services since May 1996 and September 1996, respectively. The Alameda County public authority received rate approval in February 1999 and the State approved San Francisco's rate in September 1998. In contrast, the public authorities of Contra Costa, Los Angeles, and Santa Clara counties had not sufficiently established their operations or did not have their rates approved at the time of our review. We also surveyed 11 counties that do not have public authorities to allow us to compare their services with those public authorities furnish.

To obtain an understanding of the IHSS program in general as well as the public authorities' responsibilities and requirements in supporting IHSS, we reviewed relevant laws, regulations, and policies. We also conducted interviews with staff at the department as well as at the Department of Health Services, the counties, and the public authorities.

In addition, we interviewed representatives of a home-care contractor, representatives of employee unions, and other interested parties to obtain their perspective on the impact of public authorities. Overall, the representatives expressed support for the concept of the public authority program, but voiced concerns about inadequate training, the difficulty of providers in obtaining higher wages because of the State's limited funding of program costs, a lack of program standards for carrying out and measuring program performance, or the inability of registered providers in some counties to find work.

We obtained statistical data and available anecdotal evidence on the three public authorities' registries to determine if they meet the statutory requirement that each public authority establish a registry to assist recipients in finding IHSS providers.

To determine if the three public authorities we reviewed are complying with other statutory mandates, we examined their policies and procedures for screening provider applicants, training, and tracking and resolving complaints. Further, we reviewed selected attendance records for orientation and training sessions offered by the public authorities. At the San Mateo public authority, we verified that county background checks were done and that providers received orientation handbooks.

However, because so many factors affect out-of-home placement rates, reliable data were not available on the specific effect of public authorities on these rates.

We also interviewed public authority staff about how they met the requirement for providing the personal-care option for recipients qualifying under Title XIX of the Social Security Act.

Using the department's database of IHSS information, we identified certain characteristics of IHSS recipients and providers in the State and searched for similarities and differences between those populations in counties with and without public authorities. In addition, we assessed the level of service for IHSS recipients in each county by comparing IHSS service hours authorized and paid for, or delivered, during a recent 12-month period. Further, we compared the levels of service delivered by the three counties we assessed both before and after they established their public authorities so that we could determine whether the public authorities have had any impact on the level of services for IHSS recipients.

Finally, we requested a legal opinion from the Office of Legislative Counsel (Counsel) regarding the extent to which the use of a public authority relieves the State or county of the liability potentially arising from the provision of IHSS services. The Counsel's opinion is that the existing code adequately exempts the State and counties from the liabilities associated with negligence or intentional acts committed by individual providers of IHSS who are employees of a public authority. ■

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AUDIT RESULTS

Implementation of New Requirements for In-Home Supportive Services Will Require Close Monitoring

SUMMARY

Because legislation enacted in July 1999 will affect the way many counties administer the delivery of the In-Home Supportive Services (IHSS) program for the aged, blind, and disabled, and increase counties' costs for this program, the State's Department of Social Services (department) will need to monitor each county's effectiveness to ensure the program benefits both recipients and service providers. The new legislation requires counties to act as, or establish, an employer for IHSS individual providers for the purpose of wages and benefits and other terms and conditions of employment. However, the new law does not clearly state which counties have to comply with that requirement. To limit costs and exposure to liabilities, most counties that must comply with the new requirement will probably use public authorities, which are separate public entities established by counties for specific purposes, such as to act as an employer for individual providers. A few counties may increase their use of home-care contractors to provide program services. However, neither the department nor the relatively small number of existing public authorities have accumulated data necessary to show that public authorities serve program recipients any more effectively or efficiently than do other methods of administering program services. In addition, many counties that do not have public authorities report delivering in-home supportive services similar to those supplied by counties with public authorities. In fact, because the department has not established definite program standards, existing public authorities differ in the manner and extent that they supply expected benefits to recipients, provide access to training for individual providers, and obtain information on providers' backgrounds.

NEW LEGISLATION WILL PROBABLY PROMPT MANY COUNTIES TO ESTABLISH PUBLIC AUTHORITIES TO ADMINISTER THE DELIVERY OF IHSS

Recently enacted legislation will cause counties to examine their IHSS programs and prompt many counties to change how they administer the delivery of services. Although the new legislation needs clarification, it still allows counties several options for the delivery of IHSS. It is too early to predict with assurance how counties will respond to the new law. However, even though little information exists to demonstrate how IHSS recipients are benefited, many counties will probably establish a public authority or contract with a nonprofit group or association to serve as the employer for individual providers. We base this conclusion on our analysis of the legislation's requirements and the liabilities associated with acting as employer for individual providers, as well as interviews with county IHSS administrators.

The new legislation does not require each county to establish a public authority, but the law does require that each county act as, or establish, an employer for purposes of negotiating wages and benefits and other terms and conditions of employment between public employers and public employee organizations. This new mandate allows counties to choose one or a combination of these current modes of delivering services: using public authorities or nonprofit groups or associations; contracting with government, nonprofit, or proprietary agencies; hiring county civil service employees; or directly acting as the employers of individual providers. The law further allows counties to enter into regional agreements with other counties to provide an employer for purposes of negotiating wages and benefits and other terms and conditions of employment.

Because home-care contractors and county civil service employees currently cost more than individual providers and because of concerns over the continuity of services, many counties may keep using individual providers to deliver program services. To avoid the potential liabilities associated with acting as employers for individual providers, we anticipate that counties continuing to use individual providers for program services will likely establish public authorities or contract with nonprofit groups to act as the employer for these providers.

Liabilities associated with acting as employer for individual providers will likely cause many counties to establish public authorities to avoid these risks.

Although new legislation will require counties with more than 500 IHSS cases to offer the “individual provider employer option” to recipients, the law does not give clear guidance to those with fewer cases.

The New Legislation Does Not Clearly State Which Counties Must Provide Employers for Individual Providers

One provision of the new law requires that counties with more than 500 IHSS cases must offer the “individual provider employer option” upon the request of a recipient, in addition to any type of service provider counties may choose. This implies those counties with 500 or fewer cases do not have to comply with the requirement. However, the statute does not clearly define an individual provider employer option. Alternative interpretations could be that either counties with 500 or less IHSS cases do not have to offer individual providers to their IHSS recipients, or that those smaller counties would not have to comply with the requirement to provide an employer for individual providers in their communities. To interpret the requirement in a manner that is consistent with federal law and regulations and relevant state law, counties with 500 or less IHSS cases would have to allow their recipients to employ anyone they chose, including individual providers, but those counties would not have to provide an employer for individual providers for the purposes of negotiating wages and benefits and other terms and conditions of employment. Because the law is not clear, 20 counties in the State with 500 or fewer IHSS cases will not be certain how they must comply with the new legislation.

Counties We Surveyed Are Not Certain How They Will Comply With New Program Requirements

We asked 17 counties that currently do not have a public authority how each intended to provide an employer for individual providers. Overall, they responded that they were just beginning to assess the new legislation and its impact on their programs and were uncertain how they would meet the new requirements. Because they have not had sufficient time to study the options available for providing an employer for individual providers, most county administrators were tentative in their responses to our questions. Although only one county reported it was in the process of establishing a public authority, approximately half of the county administrators did say they probably would consider a public authority. Two counties said they were considering contracting with a nonprofit group to act as the employer for individual providers and another county said it was considering using a home-care contractor to provide program services. Another county responded that it does not intend to formulate plans until it receives more guidance from the State. Some of the counties that are considering establishing

public authorities cited multiple reasons for doing so, including the counties' wish to eliminate the liabilities associated with being employers, recipients' opposition to providers supplied by contractors, the counties' preference for using individual providers, and the higher cost of contract providers. In addition, managers from 11 counties voiced concern over the anticipated additional cost of delivering program services. Three also indicated their concern about the State's lack of commitment in sharing those additional costs.

Many Counties Will Probably Continue Using Individual Providers as the Primary Means of Delivering IHSS

The new law allows counties to continue the methods they currently use to supply IHSS, and we anticipate that many counties will continue to rely on individual providers as their primary means of delivering services. Counties and public authorities currently use individual providers to deliver 98 percent of program services because of these providers' availability and the higher costs of the other options. As we mentioned in the Introduction, many individual providers are relatives or acquaintances of the recipients they serve.

Most counties furnish a high percentage of their authorized services through individual providers. From May 1998 through April 1999, counties met the demand for individual providers from approximately 53 percent to 99 percent of the time, with 49 counties achieving 90 percent or higher. These high percentages are due, in part, to the fact that many recipients had already arranged for their providers when they applied for assistance. As of April 1999, the percentages for IHSS recipients in the State's 58 counties who indicated they required help in locating providers ranged from zero to 62 percent, with less than 20 percent of recipients in 38 counties requiring help.

Of the available options for service providers, individual providers are currently the least expensive alternative, another factor that we expect to encourage the use of individual providers. Generally, all of the counties that have not established public authorities pay individual providers the state minimum wage of \$5.75 per hour. In addition to wages, hourly costs include employers' payroll taxes. Some counties also use county civil service employees or home-care contractors to deliver IHSS. The 6 counties that also use civil service employees pay hourly costs ranging from \$5.75 to \$16.50 for employees. The 12 counties that engage home-care contractors as well are currently paying

Historically, individual providers have been the least expensive way to deliver in-home supportive services. Generally, those counties without public authorities pay individual providers minimum wage.

them \$9.77 to \$14.75 per hour. Often, counties and public authorities use the relatively costly contractors or county employees when recipients have hard-to-fill needs or they cannot locate an individual provider.

Civil service and contract workers earn up to \$16.50 and \$14.75 per hour, respectively.

A provision of the new legislation will ensure that many counties continue to use individual providers as well. The new law requires that counties with more than 500 IHSS cases offer recipients the option of using individual providers upon the request of a recipient. As of April 1999, 32 of the 52 counties that have not already established public authorities had a caseload greater than 500. Because the department's data indicate that many individual providers statewide are relatives or acquaintances of the recipients they serve, we believe it is highly probable that many recipients in each of the 32 counties will ask to retain current providers. Consequently, we anticipate these counties will have to offer their recipients the option of choosing individual providers.

DUE TO DIFFERING REIMBURSEMENT FORMULAS, RISING COSTS FOR INDIVIDUAL PROVIDERS MAY LEAD SOME COUNTIES TO USE A MORE EXPENSIVE METHOD OF DELIVERING SERVICES

The history of existing public authorities, current funding provisions, and the ability of the State to limit its funding of cost increases for individual providers, all indicate that program costs in general will rise, and costs to the counties in particular will likely increase. However, as the costs for individual providers rise, it may become practical for some counties to increase their use of contract providers, although this is a more expensive method of delivering program services. Because the State pays a greater portion of the total hourly costs of contract providers than it does for individual providers, the more expensive contract providers may become a cost-effective option for the counties while increasing the costs to the State.

Establishing an Employer For Individual Providers May Increase Costs

Several factors encourage rising program costs, especially for counties. At each of the public authorities with approved rates individual providers have joined employee groups and collectively bargained for higher wages and benefits. In the future, individual providers of some new public authorities will

The State establishes its level of funding independent of agreements counties and public authorities reach through collective bargaining with providers.

probably do the same. Moreover, the State continues to establish its financial participation in the costs of individual providers independent of agreements reached by counties and public authorities with employee groups. Further, counties may not reduce any recipient's hours of service below the amount determined necessary under the department's uniform assessment guidelines. Without a commitment from the State to share in higher costs, counties may assume a greater portion of higher service costs when employee groups negotiate for higher wages and benefits. We contacted 17 counties that currently do not have public authorities, 10 of which were concerned about their potentially increased financial burden.

In the three counties with public authorities that we visited, individual providers currently earn negotiated wages of \$6, \$6.05, and \$7 per hour—25 cents to \$1.25 above the State's hourly minimum wage. Another county's public authority has entered into an agreement with its employee organizations to pay \$6.25 per hour now and \$6.75 beginning in April 2000. Furthermore, as of June 1999, the San Francisco public authority is paying an additional \$1.23 per hour for health care benefits for its individual providers who enroll in the county's health care program. Three union representatives we interviewed indicated that higher wages and benefits for IHSS providers are a priority. If future public authorities follow current patterns, the counties that currently pay the State's hourly minimum wage will eventually be paying higher wages and benefits to individual providers of in-home supportive services.

Even if counties agree with employee groups to pay higher wages and benefits, the State, through the annual budget act or other statutes, can limit its financial participation in those increased costs. During fiscal year 1999-2000, for wages negotiated by public authorities, the State will pay 80 percent of the nonfederal share of increased costs, but will limit its added participation to 50 cents above the hourly statewide minimum wage. However, the legislation is silent on the State's participation in the costs of benefits. As a result, for fiscal year 1999-2000, the counties will be responsible for the nonfederal portion of hourly wages that exceed \$6.15 per hour. In addition, the degree to which the State helps to pay future increases in costs for individual providers may vary.

Under Current Funding Provisions, Rising Costs May Cause Some Counties to Use More Contractors to Deliver Program Services

Although we expect many counties will establish public authorities to employ individual providers, some counties may choose to increase their use of home-care contractors to deliver in-home supportive services. Two of the three union representatives we interviewed indicated that some counties may use more contract providers because of the funding provisions in the new law and the accompanying need for collective bargaining, and because contractors create fewer administrative demands on the counties than public authorities.

Because the State pays a greater portion of hourly wages for contract providers, state and federal program costs would increase while county costs may not.

We interviewed the administrators from 20 selected counties and 12 indicated that their counties did not see much benefit in using contract providers. They cited such reasons as limited services from contractors and contractors fail to provide additional benefit to program recipients beyond the supervision and limited training the providers receive. Three counties reported that higher costs for contract providers would prohibit their extensive use. However, one county reported that a program that engages contractors is easier to administer than one involving independent providers because such a program does not require establishing a public authority and additional staff.

Under certain circumstances, switching to contractors for IHSS will add to the program costs of the state and federal governments, but may not significantly increase counties' costs. Contract providers, who are more costly overall, may become counties' cost-effective alternative to administering individual providers. The hourly cost of contract providers to the 12 counties that currently use them ranges from \$9.77 to \$14.75, or 170 percent to 211 percent of the rates those counties pay their individual providers. Nonetheless, the State pays a greater portion of the hourly cost for the contract providers. A county with a statewide average caseload mix of recipients eligible for Title XIX and Title XX, and that pays \$7 per hour to its individual providers could pay approximately \$9 per hour for contract providers without increasing its own costs. Conversely, the State's share of the cost would increase by approximately 77 cents per hour served. Similarly, because the federal government currently contributes 51.55 percent of the hourly costs for eligible recipients for Title XIX—up to 150 percent of minimum hourly wage for counties without public authorities and up to 200 percent of minimum wage for counties with public

authorities—its costs will also increase. Our calculation uses the funding provisions in the new law and assumes payroll taxes and benefits approximate 10 percent of wages and have the same federal and state participation rates. We cannot predict the number of individual provider hours, if any, that counties may convert to contract providers.

THE DEPARTMENT AND THE COUNTIES HAVE NOT YET DEMONSTRATED THE EFFECTIVENESS OF PUBLIC AUTHORITIES IN ADMINISTERING IHSS

Although more counties are likely to establish public authorities, neither the department nor the existing public authorities have accumulated consistent, relevant data that show whether public authorities' activities provided additional benefits to the health and welfare of IHSS recipients. Thus, we cannot quantitatively compare any benefits with the costs to the IHSS program, nor can we predict whether the new legislation will eventually benefit recipients. However, administrators at the three public authorities we visited have indicated that increasing providers' wages and health benefits will raise the level of service delivered to IHSS recipients by raising provider morale and attracting more qualified candidates.

Although the law and the department identify potential performance measures, the department has not developed specific performance standards. The manager of the department's Adult Programs Branch, which administers the IHSS program at the state level, offered several reasons why the department has not accumulated detailed data and developed in-depth standards to measure the performance of public authorities. First, according to the manager, the department has not had the resources to monitor the qualitative aspects of program activities. In addition, the department indicates that the local agencies implement the program, so it should be subject to local evaluation. Furthermore, the department intends to rely on our study of the public authorities' performance mandated in the Welfare and Institutions Code.

Staff at the public authorities and the counties we visited believe that public authorities' activities improve services to IHSS recipients, but these staff have not accumulated firm data to support this belief. For example, San Mateo County staff maintain information on the levels of service furnished recipients, resolutions of complaints from recipients, and eligible individuals who

Although the law and the department identify potential performance measures, the department has not developed specific performance standards.

must be placed out of their homes for care because they can no longer be served by the IHSS program. Similarly, the San Mateo public authority maintains information on the IHSS providers from the registry that it refers to recipients. However, the county currently has no centralized data system to link providers' activities to recipients' satisfaction with the IHSS program or to report on the public authority's performance in meeting program expectations. The fact that the public authorities for San Mateo and Alameda counties could not produce from their computerized systems a list of IHSS recipients served by registry workers illustrates their inability to link information. Instead, this information would have to be compiled manually.

The San Francisco public authority is currently developing a system for evaluating the quality and effectiveness of its IHSS program.

The San Francisco public authority is currently developing a system to accumulate data it has identified as necessary for evaluating the quality and effectiveness of its activities and the IHSS program. According to the public authority's executive director, because data have not been accumulated from periods before the establishment of the public authority, it is not possible to identify how its current activities have affected the health and welfare of recipients. However, the new system will help the public authority establish baselines that it can use to evaluate the success of future activities. The public authority is evaluating both its and the department's needs for program information and plans to accumulate data on recipients, providers, and the program accomplishments and costs of its service delivery system. The public authority's executive director anticipates needing a year and a half to complete the system model and accumulate baseline data and up to three years to accumulate sufficient comparative data to evaluate program changes.

The law requires the department to report annually to the Legislature on the public authorities' capacity to meet their intended purpose. The report is to include an assessment of the public authorities' effect on the quality of care delivered to IHSS recipients. However, the department's information system does not gather the data required to make those assessments, nor have the public authorities accumulated the data.

The department polls the public authorities to obtain information that includes program statistics relating to such matters as provider retention and turnover, new costs or savings, and recipient satisfaction. However, the public authorities sometimes respond that the data are not available or they have not completed comparisons to performance in periods before they established public authorities. In addition, public

authorities reported that they did not track their effect on the hospitalization rates of IHSS recipients. Thus, the department does not always have information essential to monitoring the IHSS program to report to the Legislature.

BEFORE THE RECENT LEGISLATION, FEW COUNTIES REPORTED THEY WERE CONSIDERING ESTABLISHING A PUBLIC AUTHORITY

Between enactment of the 1992 legislation and June 1999, only six counties elected to administer IHSS services with public authorities.

For multiple reasons, counties have been slow to participate in the public authority program. Since the enactment of the enabling legislation in 1992 until June 1999, only six counties have elected to establish a public authority to administer the delivery of in-home supportive services. In March 1999, the department conducted a survey of counties to identify those interested in establishing public authorities. Of these counties, 13 reported that they had considered establishing a public authority but decided against it; 8 counties said they do not want a public authority; 23 counties stated that they have never discussed using a public authority; 7 reported they are considering whether having a public authority is a good idea; and 1 did not respond to the survey.

Prior to the passage of recent legislation requiring each county to act as or establish an employer for individual providers of IHSS, we surveyed 11 counties, of which 6 reported they did not want to establish a public authority. They cited various reasons for their decisions; some counties did not want to be the providers' employers and some were happy with their contractors. Another reported that providers had not shown much response to efforts to unionize. In addition, county officials felt their current level of service was adequate, they did not see the value added by a public authority, and they did not want to increase costs and add another layer of bureaucracy to the IHSS program. In contrast, 1 county reported it was in favor of a public authority because it believed higher wages would encourage more providers to participate in the program. Officials for 2 counties felt that a public authority would provide better registry services and training, but these counties were concerned about escalating costs. The respondents for another county believed higher wages would attract more providers but felt it could perform all of the functions without a public authority.

We surveyed these 11 counties again after the passage of the new legislation and asked how they intended to comply with its requirements. Generally, 10 counties responded that they were considering their options, including establishing a public authority, and 1 county reported it was in the process of creating a public authority. The Appendix presents the updated results of our survey.

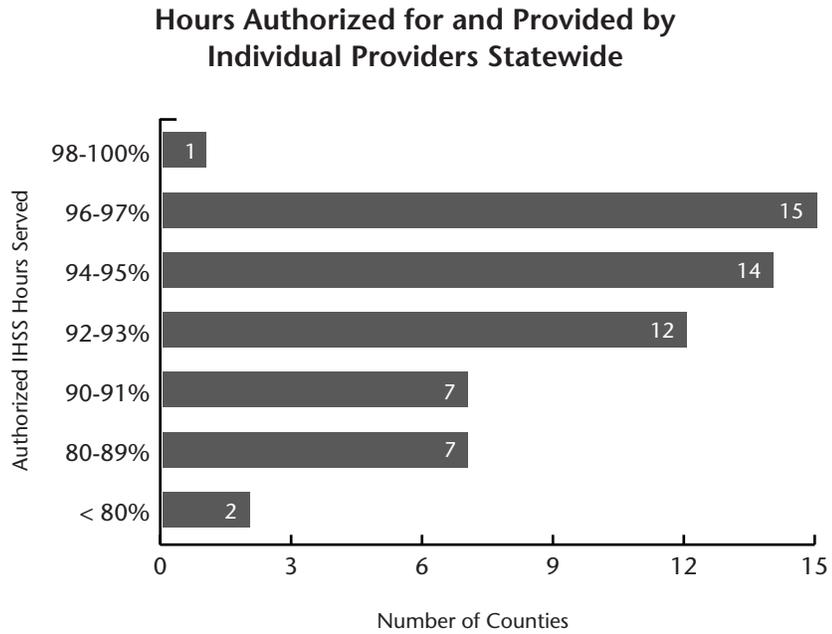
CERTAIN DATA SUGGEST THAT PUBLIC AUTHORITIES MAY NOT PROVIDE MORE SERVICES TO ELIGIBLE IHSS RECIPIENTS

Although no data exist to definitively demonstrate the impact of the three public authorities we visited on the health and welfare of IHSS recipients, certain data suggest that establishing a public authority does not significantly affect the level of services eligible individuals receive.

Using information collected by the department in its Case Management, Information and Payrolling System, we independently analyzed data related to the level of service IHSS recipients receive in each county, and found few differences between counties with or without public authorities. Because public authorities primarily support individual providers, we compared the IHSS hours authorized for delivery by individual providers to the hours the providers actually served. In addition, we compared total authorized IHSS hours to total hours actually supplied through all modes of service. We used data from a recent 12-month period to perform our analysis. Even though department staff have indicated factors other than the availability of providers may affect the data, such as temporary stays in care facilities, services refused by recipients, or temporary alternate sources of care, nothing came to our attention that suggests these factors affect one county's data more than they influence any other county's data. Figure 3 presents statewide data on the degree to which individual providers supply authorized services to IHSS recipients.

Our analysis revealed few differences in the level of services provided between counties with and without public authorities.

FIGURE 3



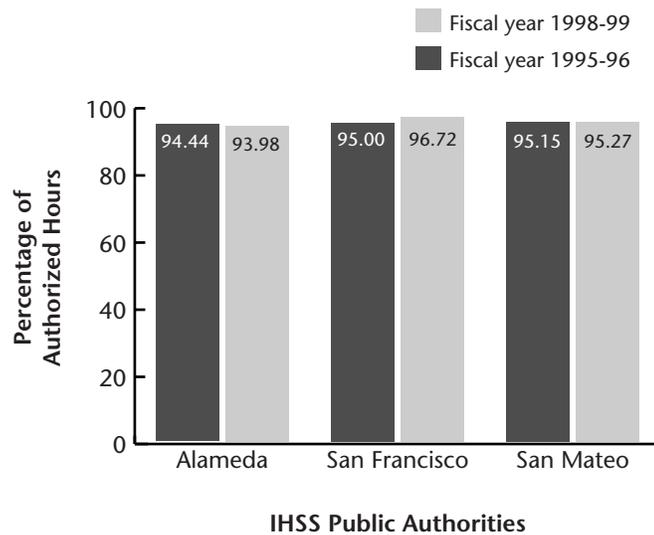
Our analyses revealed that from May 1998 through April 1999, recipients in San Francisco, San Mateo, and Alameda counties received 97 percent, 95 percent, and 94 percent, respectively, of IHSS hours authorized and served by individual providers. Although these three counties were able to fulfill most needs for authorized program services, their performances are generally comparable to the performances of most of the other 55 counties as represented in Figure 3. Among the State's 58 counties, the three ranked 9th, 22nd, and 31st, respectively, in their success in delivering authorized IHSS through individual providers. For the same period, the City and County of San Francisco, San Mateo County, and Alameda County performed similarly in delivering authorized IHSS hours through all modes of service.

Additionally, we compared the level of service individual providers delivered in these three counties during the period May 1998 through April 1999 to a similar 12-month period during fiscal year 1995-96, when the counties either had just established their public authorities or had not yet established them. The San Mateo public authority implemented services meeting minimum requirements in March 1995, the Alameda public authority began its registry operations in May 1996, and the San Francisco public authority began its registry operations in the summer of 1996. Again, these counties offered a reasonably high percentage of authorized program services through

individual providers both before and after they created their public authorities. Figure 4 illustrates what percentage of recipients in the three counties received authorized IHSS hours supplied by individual providers in the two periods.

FIGURE 4

Authorized IHSS Hours Served by Individual Providers Before and After Establishment of Public Authorities



The levels of service for San Mateo and Alameda counties were similar for the two periods. The San Francisco public authority showed a slight increase in the percentage of authorized hours its individual providers delivered.

According to our further analysis of recipient data in the department’s database, the three counties did not experience a proportionately greater demand from recipients in locating providers than did other counties. Using the data for April 1999, we calculated each county’s percentage of IHSS recipients who indicated they required assistance in locating providers. When we ranked all 58 counties based on the percentage of recipients who required assistance locating a provider, San Mateo, San Francisco, and Alameda scored 41st, 43rd, and 55th, respectively. The data suggest that recipients in these three counties have a less-than-average need for help in locating service providers.

SOME COUNTIES WITHOUT PUBLIC AUTHORITIES REPORT DELIVERING SERVICES SIMILAR TO THOSE SUPPLIED BY COUNTIES WITH PUBLIC AUTHORITIES

To compare information about in-home supportive services delivery, we surveyed counties without public authorities that had IHSS needs similar to those of the 3 counties above and found that both groups deliver similar services. We identified 11 counties without public authorities that had needs similar to the public authorities we visited, including more than two million authorized IHSS hours from May 1998 through April 1999. We asked the 11 counties about their processes for locating, training, and screening providers; resolving complaints against providers; and locating providers for recipients who are at high risk for placement out of their homes unless they can get the care that they require. Detailed survey results appear in the Appendix.

Through our survey, we found many similarities in the assistance given to IHSS providers and recipients among counties with and without a public authority. For example, most surveyed counties without public authorities indicated they operate provider registries, perform matching and referral services, and resolve recipient complaints using methods similar to those used by public authorities. Further, information gathered from employment applications and from qualifications and background screening procedures at the surveyed counties is similar as well. On the other hand, provider training is more available in counties with public authorities, but attendance at the training is voluntary and generally low. Moreover, provider orientations for new applicants are part of the registry compilation process for counties with public authorities we reviewed and for those surveyed counties without public authorities.

Most surveyed counties without public authorities operated worker registries, provided background checks, and provided training to IHSS recipients and providers.

Many Surveyed Counties Without Public Authorities Also Use Registries to Help Recipients Locate Providers

All counties we surveyed reported assisting recipients in locating providers. Of these 11 counties without public authorities, 10 offer this assistance primarily through provider registries, while one county uses a contractor to locate providers. In addition, 7 of these counties indicated that they have little or no difficulty in locating providers and two counties reported being able to expand their registries through community outreach programs. In contrast, 4 counties reported some difficulty in creating an adequate pool of providers. They cited reasons including an

inability to find providers who could travel to rural recipients and competition with higher paying jobs in an improving local economy. The administrators for two of these counties expressed the belief that high wages for IHSS providers would attract more and better-qualified applicants.

Survey Results for Selected Counties Without Public Authorities

- Ten of the 11 counties surveyed use a registry to refer providers.
- Nine counties attempt to match providers and recipients.
- Eight counties have procedures for locating providers for high-risk recipients.
- Eight counties track effectiveness in locating providers and five monitor recipient satisfaction.
- All 11 counties have processes in place to resolve complaints.
- Nine counties have procedures to screen potential providers.
- Three counties perform criminal background checks as part of their screening process.
- All 11 counties give orientations to providers but only 2 provide access to voluntary training.

Nine of the 11 surveyed counties reported having processes that match registry providers' qualifications and willingness to work with the needs of recipients. Generally, county social workers who know recipients' needs perform this matching, while the remaining two counties rely on a community group and a contract agency to provide these services. The matching process typically considers where recipients live, the types of services they are authorized to receive, and the hours they require assistance. The agency or social workers then refer those registry providers who live in the recipients' geographical region and are able to provide the needed services when required. The recipients then decide which of those providers they wish to hire. However, the remaining 2 of the 11 counties indicate they give recipients an extensive list of providers and let them determine those who best meet their needs.

Our survey also indicated that 8 counties have procedures for locating providers for eligible applicants who are at high risk for placement outside their homes unless they get required care. One county reports matching high-risk recipients with appropriately-skilled providers. Further, three additional counties may refer their high-risk recipients to more expensive contract providers that are trained caregivers employed and supervised by private agencies. An additional county indicated it has hired a group of skilled individual providers who are qualified to assist high-risk recipients. In addition, some counties reported that they provide assistance to high-risk recipients through their Multipurpose Senior Service Program (MSSP). MSSP coordinators for this program provide this assistance through regular contact with high-risk recipients, making available public health nurses and helping with transportation.

Survey results also indicate that 8 of the 11 counties are tracking their effectiveness in locating providers. To measure effectiveness, one county monitors the performance of the nonprofit organization that operates its provider registry, while 7 others say they follow up with recipients or track the number of providers hired from their registries. Further, 5 counties report tracking recipients' satisfaction with their providers. In addition, all counties indicate they have informal procedures for tracking and resolving recipient complaints. Unless the complaints involve provider abuse or neglect, county social workers resolve complaints in the order they are received. Typically, social workers note each complaint in the case file along with how it was resolved. When a county uses a contractor agency, the agency resolves recipient complaints against contract providers.

Most Counties We Surveyed Conduct Background Checks And Supply Limited Training for Providers and Recipients

In addition to maintaining registries of providers, 9 of the 11 counties we surveyed reported they investigate the qualifications and backgrounds of potential providers. According to survey responses, these procedures usually require candidates to complete an application and list work and personal references. These applications capture such information as whether the applicants have any special qualifications, the types of services they are willing to perform, and whether they have ever been arrested. Two of the 9 counties also reported they perform countywide criminal background checks on applicants while another told us it ensures applicants have no record of adult or child abuse. Finally, one county reported that it does not investigate the qualifications and backgrounds of providers; instead it gives recipients written notices that it has not performed these procedures.

Lastly, all 11 counties surveyed reported providing orientations for the providers. These orientations generally include instruction on how provider registries work, how to fill out time sheets, the nature of their responsibilities as IHSS providers, and the tasks they are authorized to perform. Further, 7 counties reported they give recipients orientations that cover similar topics as well. These orientations usually include a handbook that outlines the basic materials that IHSS staff believe both the provider and recipient will need. However, only two counties reported that they offer access to more in-depth training on

All 11 nonpublic authority counties we surveyed reported providing orientations for the providers.

home-care topics, through advertisements in newsletters about personal-care training sessions and through local community adult school classes.

Funds From the Department Pay for Services to IHSS Providers and Recipients in Some Counties Without Public Authorities

Of the 11 counties we surveyed, 7 offer supportive services to IHSS providers and recipients using funds made available by the department through its Supported Individual Provider (SIP) program, which appears to be a viable alternative for achieving certain objectives of the public authority program. Department staff indicate that they allocate savings realized by counties that switched from more costly contractors to individual providers and thereby reduced their costs. The purpose of SIP within a county is to help individual counties form centralized and coordinated resource pools of screened providers. SIP offers assistance to recipients in topics such as employer/employee relationships and teaches recipients basic skills for hiring and supervising providers. In addition, SIP programs offer such services as coordinating the outreach and recruitment of providers, maintaining a list of potential providers, and conducting introductory meetings to familiarize both recipients and providers with the IHSS program.

Using money from the Supported Individual Provider (SIP) program, some counties offer training in employee/ employer relationships, and hiring and supervising providers.

For fiscal year 1998-99, the department allocated approximately \$10.5 million in additional funding for administrative costs to 23 counties approved for the SIP program. These allocations range from \$56,500 for Kings County to almost \$3.4 million for San Bernardino County, for an average of approximately \$458,000 per SIP county. In comparison, for fiscal year 1998-99, the public authority for San Mateo County reported it budgeted approximately \$497,000 for IHSS administrative expenditures and the Alameda County public authority reported budgeting approximately \$840,000. The San Francisco public authority reported that it budgeted approximately \$465,000 for administrative expenditures and \$7.9 million for health benefits for IHSS providers.

Because SIP activities duplicate the program activities of public authorities, the department is uncertain how requirements of the new legislation will affect the future of the SIP program.

THE IMPLEMENTATION OF PROGRAM REQUIREMENTS VARIES AMONG PUBLIC AUTHORITIES

Because the department's regulations do not contain much guidance for the implementation of requirements regarding public authorities, each public authority develops and operates its own worker registry, referral system, and related support functions. As a result, the extent to which public authorities offer services to providers and recipients, and the resulting benefits, varies between public authorities. For example, each public authority must develop its own standards for including a potential provider in its registry. Similarly, department regulations do not stipulate how comprehensive investigations of qualifications or background checks must be, nor do the regulations discuss the content or frequency of training. Instead, the regulations instruct public authorities that they are not obligated to directly provide training, screen or be responsible for the content of any training, or ensure any provider or recipient completes any training.

According to the manager of the department's Adult Programs Branch, the department has not developed and implemented more specific regulations and instructions for implementing the statutory requirements for public authorities because the State's past position was that the department should not impose restrictive regulations on local activities. Because local governments have paid a significant portion of public authorities' additional costs, the State's position has been that public authorities should have the flexibility to consult with local groups and determine how best to operate their individual programs and meet the IHSS needs in their communities. The department is currently reconsidering its involvement in the oversight of, and formulating regulations for, the public authority program. However, according to the manager, the department's future oversight activities will depend on the State's position on oversight and on the availability of additional funding.

Because the law and department regulations do not provide specific program implementation guidance, public authorities individually develop standards to meet program requirements.

Public Authorities Differ in Providers' Background Information They Obtain

Although the law does not specifically require criminal background checks, public authorities we visited attempt to obtain this additional information on potential providers in varying ways. However, none of their methods effectively identifies individuals with criminal histories. For two of the three counties we visited, public authorities base criminal background checks

For two of the three public authorities we reviewed, criminal background checks are based on potential providers' voluntary disclosure of their criminal misconduct.

on potential providers' voluntary disclosure of criminal misconduct. For example, staff in Alameda County ask applicants if they object to a criminal background check. If the applicant does not object, staff members do not perform the background checks. However, if the applicant does object, staff members exclude the individual from the registry. Alameda County public authority staff indicate they also ask applicants if they have committed a felony. When an applicant answers yes, the public authority policy is to inform recipients of the crime and when it occurred. According to the Alameda public authority, some IHSS recipients do not believe that past criminal activity affects the ability to be a good home-care provider. Those recipients who do believe there is a correlation can reject the applicant or request a background check.

The policy for the public authority for San Francisco County is to ask its applicants to report any felony convictions, but reported felonies do not necessarily compromise the providers' eligibility for the registry. Rather, when applicants report felony convictions, the public authority requires that applicants provide sufficient details to allow it to contact the appropriate law enforcement, rehabilitation, or health agency and confirm the information and obtain recommendations regarding the suitability of the applicant for home-care work. When applicants with felony convictions are accepted onto the registry, the conviction information is included along with the applicants' brief descriptions of their positive qualities. Because disclosure of felony convictions is voluntary, to notify recipients of these limited background investigation procedures, the public authority includes a disclaimer that it uses information applicants supply and does not guarantee the accuracy of that information or any specifics related to a referred provider's character, actual work experience, criminal history, or fitness. According to the San Francisco public authority, those recipients, providers, and others who designed the registry concluded that it was currently not cost-effective to do an adequate criminal background check on all applicants. In addition, they feel that the procedures for collecting personal information about applicants deter those who want to prey on vulnerable IHSS recipients.

In contrast, the San Mateo County public authority's policy is to conduct criminal background checks, but it uses only records from that county. This procedure has limited effectiveness because it will not identify those applicants with criminal backgrounds outside the county. However, the San Mateo public authority performs these checks for all applicants and their

results may detect an applicant’s criminal history. Applicants will not qualify for the registry if checks reveal criminal activities such as sexual offenses, theft, robbery, or burglary.

In addition to criminal history, public authorities investigate the personal background of potential providers. Although the legal requirement is vague, each public authority screens applicants in generally the same manner. Through registry applications and intake interviews, public authorities collect personal identification information, work histories, and proofs of citizenship or the right to work. Additionally, they collect personal background information applicants supply voluntarily. Applicants must also provide personal or work references. For example, the San Mateo public authority’s policy is to require two employment references and one personal reference from applicants. However, if an applicant has either no references or an insufficient number, the San Mateo public authority may place the applicant in the registry in a provisional status if the applicant otherwise appears to be a good candidate. When the public authority refers such an applicant, it informs the recipient of the lack of references. In contrast, the San Francisco public authority’s procedures require that providers on its registry have two positive references.

Public Authorities Do Not Yet Furnish Much Training to IHSS Providers

Each public authority has established separate training standards and practices. They may offer orientations, issue provider and recipient handbooks, hold one-on-one training sessions with public authority or caseworker staff, or schedule voluntary group sessions. Although the public authorities provide orientations and some access to training, both training sessions and attendance have been limited. To ensure individual providers and recipients are consistently trained, the department will need to help counties develop training guidelines.

The orientations typically include instruction on registry policies and procedures and payroll procedures, the rights and responsibilities of providers and recipients, the types of services that providers can or cannot perform, and an explanation of public authority and county IHSS procedures. Further, providers and recipients may receive handbooks that review the orientation sessions. In San Mateo County, one-on-one training sessions may occur to meet training needs identified during orientation sessions or identified by county social workers.

The number of classes public authorities have offered is small, and enrollment has been limited.

Public authorities schedule additional training sessions on specific subjects, but class offerings are limited and enrollments are usually low. For example, the San Mateo public authority has offered providers and recipients training regarding elder abuse and on general health and safety. However, it has offered only seven group sessions between March 1997 and December 1998, with attendance ranging from 6 to 16 providers and recipients. Through City College of San Francisco, the San Francisco public authority has facilitated access to training for health care providers on health, safety, nutrition, job readiness, and communication. Although 41 people attended training sessions offered at the college from October 1988 through April 1999, only 28 providers from the public authority's registry attended. The San Francisco public authority reports another 85 people, primarily IHSS providers, attended Chinese-language classes in June 1999.

Although training opportunities and attendance have been limited, each of the public authorities we visited reports plans to expand training and encourage attendance. For example, the San Mateo public authority stated its advisory council is gathering information from providers regarding training needs and is exploring ways to build career ladders and encourage participation in career development opportunities. The public authority for Alameda County indicated it currently has plans to add staff to coordinate training efforts and to provide incentives to increase attendance at training courses. Staff stated that they will begin to offer their monthly orientations in Spanish and Chinese. In addition, they said they will initiate a new workshop to teach providers how to problem solve and handle the paperwork required by the IHSS program. They also commented that interest in their workshops has been high and they currently have a waiting list for those wishing to attend. Lastly, the San Francisco public authority says it plans to post training manuals and information on public authority Web sites and work with local labor unions to provide AIDS/HIV classes.

RECOMMENDATIONS

Given the growth that will likely occur in the public authority program statewide and the potential for increased costs, the State will need more and better information to gauge the program's effectiveness for both recipients and providers relative to the available alternatives for administering the delivery of IHSS. The Department of Social Services should take the lead

and work with local entities to develop standards of performance for local IHSS programs and implement a system to gather and evaluate data that measure the performance of public authorities, nonprofit organizations, home-care contractors, and any other service providers counties use. In addition to indicating whether the various methods are benefiting the health and welfare of recipients, the data should allow the department to compare the activities of these various agencies or contractors responsible for IHSS.

To assure the integrity of the information the department uses to evaluate program performance, local entities should develop and implement procedures to ensure that they accurately and completely enter performance-measuring data into the department's information system.

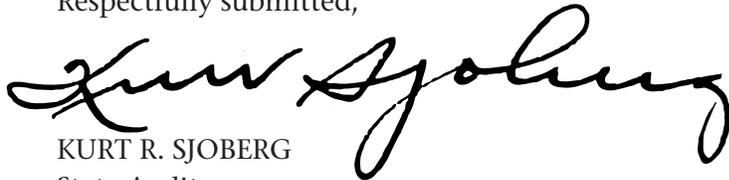
Moreover, the department together with local agencies, should better define program functions to improve their consistency and effectiveness, including training for providers and recipients, background checks for provider applicants, and the use of registries for provider referrals.

Given the pending changes in the counties' administration of in-home supportive services, the Legislature should require the department to report on the operational and fiscal impact of the recently enacted legislation to determine whether the new law promotes a more effective and efficient program.

The Legislature should clarify the language in the Welfare and Institutions Code, Section 12305.25, requiring each county to provide an employer for individual providers for the purposes of wages and benefits and other terms and conditions. This clarification will furnish the counties with the guidance they need to ensure they comply with the intent of the legislation. Specifically, the Legislature should clarify the requirement for counties with more than 500 in-home supportive services cases to offer an individual provider employer option upon the request of a recipient, and the implications of that requirement on counties with 500 or fewer cases.

We conducted this review under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,



KURT R. SJOBERG
State Auditor

Date: September 9, 1999

Staff: Lois Benson, CPA, Audit Principal
Norm Calloway, CPA
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APPENDIX

Survey Results for 11 Counties Without Public Authorities

Survey Questions	Monterey	Kern	Riverside
1. Does the county assist in locating providers?	The county does assist in locating providers.	The county does assist in locating providers.	The county generally does not assist in locating providers.
2. What methods are used by the county in locating providers?	The county uses a registry to locate providers.	The county uses a registry to locate providers.	The county uses a home care contractor to locate providers.
3. What types of difficulties does the county have in locating providers?	County difficulties in locating providers include low salaries that do not attract workers, problem recipients who are difficult to match with providers, and rural areas where providers do not want to travel.	Although the county does not have a problem locating people who want to be providers, they are not always qualified or dependable. Also, some recipients have difficulties in keeping providers.	The county has no problem locating providers because they mostly live near the recipients with the contractor acting as a back up.
4. Are there procedures for locating providers for high-risk recipients?	There are no specific protocols targeting assistance to high-risk recipients.	The county has no formal procedures for locating providers for high-risk recipients.	The county's procedure for locating providers for high-risk recipients includes meeting with the contractor to discuss these recipients' needs.
5. How does the county measure effectiveness in locating providers?	The registry coordinator tracks outreach and recruitment efforts to evaluate the marketing effort.	The county does not have a process to measure its effectiveness in locating providers.	The county measures its effectiveness through home visits and phone calls to recipients.
6. Does the county investigate provider qualifications and background?	The county investigates providers by using an application, reference checks, and requiring that applicants report any criminal backgrounds.	The county investigates providers by using an application, reference checks, and a criminal background check only using county records.	The contract agency investigates the providers' qualifications and backgrounds.
7. Does the county give recipients provider referrals?	County registry coordinators match manually, potential providers with recipients.	The county's referral system involves using a list that indicates the services that providers are willing or qualified to perform.	Only the contractor performs referral procedures.
8. Does the county offer orientation to providers and recipients?*	New providers take part in orientations offered twice a month, and recipients are given a handbook during their intake process.	New providers take part in orientations, while recipients are given pamphlets and instruction during their assessments.	The contractor does the provider orientations and instructs recipients on signing time sheets.
9. Does the county offer training to providers?	The county occasionally offers training to providers. Most frequently, this involves time sheet and payroll topics.	The county uses Bakersfield Adult School to offer low-cost optional training.	The county does not offer training to providers.
10. How does the county track recipient satisfaction?	The county does not track recipient satisfaction.	The county tracks recipient satisfaction by having social workers question recipients during annual assessments and quarterly contact.	The county received funds to begin a satisfaction survey.
11. How does the county track and resolve complaints?	With some assistance from their supervisors, social workers resolve complaints.	The county deals with complaints by having social workers resolve the issues with some assistance from their supervisors and the Supported Individual Provider team.	The contractor tracks and resolves complaints.
12. Has the county considered establishing a public authority (PA)? What are its reasons?	The county is establishing a PA in response to consumer demand.	The county has not considered establishing a PA. It has not yet evaluated this mode.	The county has not considered establishing a PA because it is satisfied with its contractor, the county geography is not conducive to a PA, and providers have shown no desire to join unions.

* Orientations usually involve providers learning how to fill out and submit time sheets, how the registry works, and what providers' and recipients' rights and responsibilities are.

Survey Questions	Butte	Stanislaus	Orange
1. Does the county assist in locating providers?	The county does assist in locating providers.	The county does assist in locating providers.	The county does assist in locating providers.
2. What methods are used by the county in locating providers?	The county uses a registry, a community group, and a contractor to locate providers.	The county uses a community nonprofit group to locate providers. This group uses a registry, outreach, and substitute providers as resources.	The county operates a registry to locate providers.
3. What types of difficulties does the county have in locating providers?	The county stated it has little problem locating providers. However, due to payroll delays, some are quitting due to the lack of timeliness in receiving a paycheck.	The county has difficulty locating providers because some recipients live in isolated locations or have negative factors associated with providing care for them.	The county has some difficulty locating providers because it has a small registry, and an improved local economy has made it difficult to attract providers.
4. Are there procedures for locating providers for high-risk recipients?	The county's procedure for locating providers for high-risk recipients includes referring most cases to the contractor. However, many high-risk recipients use family members as their providers.	The county locates providers for high-risk recipients using substitute providers, the assistance of county special services' case managers, or direct services.	The county uses the same procedures for locating providers for high-risk recipients as for other recipients.
5. How does the county measure effectiveness in locating providers?	The county measures its effectiveness by noting the number of recipients without providers.	The county measures its effectiveness by monitoring its contractor performance reports and by Advisory Board review.	The county measures its effectiveness by tracking the providers hired from the registry.
6. Does the county investigate provider qualifications and background?	The county investigates registry providers through an interview process and a request for references. The contractor and community group investigate their applicants.	The community group investigates providers by using an application, references, and the county's criminal check.	The county does reference checks to investigate providers, and providers must sign a statement regarding their criminal records.
7. Does the county give recipients provider referrals?	County clerical staff operate the referral system to match providers with recipients.	The community group, not the county, provides recipients with referrals.	County IHSS registry staff create lists of potential providers based on areas in which they will work and types of care they will provide.
8. Does the county offer orientation to providers and recipients?*	Both providers and recipients take part in separate orientations.	Both providers and recipients take part in orientations that give participants pamphlets.	Both providers and recipients take part in orientations.
9. Does the county offer training to providers?	The county does not offer training to providers.	The county does not offer training to providers.	The county does not offer training to providers.
10. How does the county track recipient satisfaction?	The county does not track satisfaction but it fully investigates reports of abuse.	The county has used satisfaction surveys in the past and plans to do so again.	The county does not track recipient satisfaction.
11. How does the county track and resolve complaints?	The contractor tracks and resolves complaints.	Protective Services' social workers track and resolve complaints.	The process used by the county in dealing with complaints includes social workers resolving the issues with some appropriate help from Adult Protective Services or law enforcement.
12. Has the county considered establishing a public authority (PA)? What are its reasons?	The county has considered a PA because it believes a PA will serve as a central location for all IHSS payroll and provider issues and will allow for sharing with the State the costs that are above minimum wage.	The county is in the process of evaluating all legislative alternatives in the context of their overall impact on the program.	The county has not considered a PA because consumer input at public forums strongly supported the current individual provider mode. Passage of recent legislation may impact this position.

* Orientations usually involve providers learning how to fill out and submit time sheets, how the registry works, and what providers' and recipients' rights and responsibilities are.

Survey Questions	Fresno	San Bernardino	Sonoma
1. Does the county assist in locating providers?	The county does assist in locating providers.	The county does assist in locating providers.	The county does assist in locating providers.
2. What methods are used by the county in locating providers?	The county uses a registry to locate providers.	The county uses a registry to locate providers.	The county uses a registry to locate providers and has hired county employees to serve as providers in emergency situations.
3. What types of difficulties does the county have in locating providers?	The county has some problems locating providers that it can match with difficult recipients.	The county stated it has no problem locating providers.	The county has difficulty locating providers because of low pay, lack of benefits, and a low county unemployment rate.
4. Are there procedures for locating providers for high-risk recipients?	The county's procedure for locating providers for high-risk recipients includes matching the skills of the providers to the recipients' needs and the assistance of case managers.	The county's procedure for locating providers for high-risk recipients includes matching providers with recipients.	The county's procedure for locating providers for high-risk recipients includes the use of county-hired providers to assist these recipients.
5. How does the county measure effectiveness in locating providers?	The county did not indicate how it measures effectiveness in locating providers.	The county measures its effectiveness by monitoring and regular contact with recipients.	The county measures effectiveness through an on-going tracking system and monthly reports on recipients not served.
6. Does the county investigate provider qualifications and background?	County procedures to investigate providers include an application with an inquiry regarding applicants' criminal histories and a request for references.	County procedures to investigate providers include an application with an inquiry regarding applicants' criminal histories and a request for references.	County procedures to investigate providers include an application, and reference checks.
7. Does the county give recipients provider referrals?	County social workers and aide staff assigned to IHSS provide referrals.	The county does not provide referrals to recipients unless they are high risk.	Provider coordinators match potential providers with recipients.
8. Does the county offer orientation to providers and recipients?*	Only providers receive orientations.	Only providers receive orientations.	Only providers receive orientations while new recipients receive a payroll handbook and a home visit by a provider coordinator.
9. Does the county offer training to providers?	The county does not offer training to providers.	The county does not offer training to providers.	The county offers voluntary personal care training every quarter.
10. How does the county track recipient satisfaction?	The county tracks satisfaction through comments and evaluations received by social workers and their aide staff.	The county performs random recipient surveys to determine satisfaction.	The county does not track recipient satisfaction. However, complaints are resolved by social worker supervisors and a management review team.
11. How does the county track and resolve complaints?	The county deals with complaints by having either the social workers or their aides investigate the issues.	The county deals with complaints by having IHSS coordinators follow up and track these issues in the providers' files.	The county deals with complaints by having the social workers and/or the provider coordinator resolve the issues and mediate disputes between recipients and care providers.
12. Has the county considered establishing a public authority (PA)? What are its reasons?	The county has not considered a PA because the county believes it has been able to provide IHSS services in a cost-effective, timely manner.	The county has not considered a PA in the past. However, it will be reviewing all options in the future.	The county feels it can attract more qualified applicants with higher provider salaries. However, the county will be researching IHSS options for administration, including a PA, in response to recent legislation.

* Orientations usually involve providers learning how to fill out and submit time sheets, how the registry works, and what providers' and recipients' rights and responsibilities are.

Survey Questions	Solano	San Joaquin
1. Does the county assist in locating providers?	The county does assist in locating providers.	The county does assist in locating providers.
2. What methods are used by the county in locating providers?	The county uses a registry, community groups, and advertising to locate providers.	The county uses a registry and a contractor to locate providers.
3. What types of difficulties does the county have in locating providers?	The county stated it usually has no problem locating providers.	The county has some problems locating providers that it can match with difficult recipients.
4. Are there procedures for locating providers for high-risk recipients?	The county's procedures for locating providers for high-risk recipients include the use of Supported Individual Provider resources and having social workers dedicated to working with these recipients.	The county's procedure for locating providers for high-risk recipients includes giving their recipients the option of using contract workers.
5. How does the county measure effectiveness in locating providers?	The county did not indicate how it measures effectiveness in locating providers.	The county assesses the reasons why a recipient does not have a provider and resolves issues as needed.
6. Does the county investigate provider qualifications and background?	The county does not investigate provider backgrounds, but the county notifies, in writing, each recipient that it has not performed these procedures.	The county does not perform an investigation of provider qualifications and background.
7. Does the county give recipients provider referrals?	County social workers match potential providers with recipients.	The county's referral process includes only supplying recipients with a list of providers who are in the recipient's geographical region.
8. Does the county offer orientation to providers and recipients?*	Both providers and recipients participate in orientations.	While the county does not give orientations, the contractor offers orientations for providers.
9. Does the county offer training to providers?	The county does not offer training to providers.	The county does not offer training to providers.
10. How does the county track recipient satisfaction?	The county does not track recipient satisfaction.	Currently, the county does not track recipient satisfaction. However, it is in the final stages of implementing a recipient satisfaction survey.
11. How does the county track and resolve complaints?	The county deals with complaints by having social workers resolve the issues.	The county deals with complaints by having social workers resolve the issues.
12. Has the county considered establishing a public authority (PA)? What are its reasons?	The County Board of Supervisors will consider all its options in light of the newly enacted legislation.	The county believes a PA would assist in increasing the registry's size and in implementing provider training; however, the county could not cover the increased wages.

* Orientations usually involve providers learning how to fill out and submit time sheets, how the registry works, and what providers' and recipients' rights and responsibilities are.

Agency's response provided as text only:

Department of Social Services
P.O. Box 944245
Sacramento, California
94244-2450

August 26, 1999

Mr. Kurt R. Sjoberg
California State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

Dear Mr. Sjoberg:

SUBJECT: BUREAU OF STATE AUDITS REPORT ON THE IN-HOME SUPPORTIVE SERVICES PROGRAM

Thank you for the opportunity to respond to your August 23, 1999, draft audit report entitled "In-Home Supportive Services: Since Recent Legislation Changes the Way Counties Will Administer the Program, the Department of Social Services Needs to Monitor Service Delivery." I have reviewed the report and discussed it at length with my staff. Our response is attached. As the new director of the California Department of Social Services, I, along with Secretary Johnson, am committed to the genuine reform and improvement of this program and we welcome the assessment you have offered.

If you have any questions regarding this letter, please call me at (916) 657-2598, or have your staff contact Donna Mandelstam, Deputy Director, Disability and Adult Programs Division at (916) 657-2265.

Sincerely,

(Signed by: Rita Saenz)

RITA SAENZ

Director

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
RESPONSE TO RECOMMENDATIONS
BUREAU OF STATE AUDITS REPORT ON PUBLIC AUTHORITY'S DE-
LIVERY OF IN-HOME SUPPORTIVE SERVICES

Following are California Department of Social Services' (CDSS) comments in response to the recommendations contained in the Bureau of State Audits draft report entitled "In-Home Supportive Services: Since Recent Legislation Changes the Way Counties Will Administer the Program, The Department of Social Services Needs to Monitor Service Delivery."

Recommendation 1: The Department of Social Services should take the lead and, together with local entities involved with the In-home Supportive Services (IHSS) program, should develop standards of performance for local IHSS programs and implement a system to gather and evaluate data that measure the performance of public authorities, nonprofit organizations that contract with individual providers, home-care contractors, and any other entity counties use to deliver program services to recipients. In addition to indicating whether the various methods are benefiting the health and welfare of recipients, the data should allow the department to compare the activities of these various agencies or contractors responsible for IHSS.

Response: We concur with this recommendation. The Department is looking at alternatives to provide statewide leadership and monitor the activities of Public Authorities and other entities delivering program services.

Recommendation 2: Local entities should develop and implement procedures to ensure that performance-measuring data are accurately and completely entered into the department's information system.

Response: We concur with this recommendation and will work with these entities in establishing these procedures as part of our aforementioned analysis (see response to Recommendation 1).

Recommendation 3: The department together with local agencies should better define program functions to improve their consistency and effectiveness, including training for providers and recipients, background checks for provider applicants, and the use of registries for provider referrals.

Response: We concur. Our analysis referenced in Recommendation 1 includes considering working with local agencies to improve consistency and definition of program functions.

Recommendation 4: The Legislature should require the department to report on the operational and fiscal impact of the recent enacted legislation to determine whether the new law promotes a more effective and efficient program.

Response: We agree that there should be a report to the Legislature to determine if the new law promotes a more effective and efficient program. However, we believe that the efforts could be enhanced by the Bureau of State Audit conducting a follow-up review as outlined in the Welfare and Institutions Code Section 12301.6(n) including an assessment of the operational and fiscal impact of the law change. This review should be conducted in 15 months from the date of this report.

Recommendation 5: The Legislature should clarify the requirement in the Welfare and Institutions Code, Section 12305.25, requiring each county to provide an employer for individual providers for the purpose of wages and benefits and other terms and conditions to provide the counties with the guidance need to ensure they comply with the intent of the legislation. Specifically, the requirement for counties with more than 500 IHSS cases and the requirement for counties with 500 or fewer IHSS cases.

Response: We concur that the statute as written requires clarification.

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Agency's response provided as text only:

San Mateo County Public Authority
225 37th Avenue . San Mateo, CA 94403

August 27, 1999

Mr. Kurt Sjoberg
State Auditor
Bureau of State Audits
555 Capital Mall, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

Thank you for providing the San Mateo County Public Authority with the opportunity to comment on the Bureau of State Audit's report entitled, "In-Home Supportive Services: Since Recent Legislation Changes the Way Counties Will Administer the Program, The Department of Social Services Needs to Monitor Service Delivery." We appreciate the difficulty in studying a complex system and offer the following comments as our written response to the report.

- In general, we agree with the recommendations suggested by the report. We are especially encouraged by the suggestion that the Department of Social Services work with the local entities to develop standards of performance and systems to measure the performance of public authorities. The efficacy of programs to meet the needs of In-Home Supportive Services (IHSS) consumers is a responsibility of the State and local agencies. Thus we would welcome the opportunity to engage in discussions with the State and other agencies involved regarding the standards and measures needed to assess service delivery.
- We agree that local entities should develop and implement procedures to ensure that performance-measuring data are accurately and completely entered into the department's information system. However, this is contingent on the above recommendation that performance measures are determined and that the data that is needed is capable of being captured in the department's information system. The report implies this, but the expectation is not made explicit.
- The report implies that the performance of public authorities and other programs used in non-public authority counties are relatively the same. Our issue is not with this conclusion but with an apparent bias in the report towards non-public authority programs. This is evidenced by the following:
 - The subtitles regarding the audit results of the public authorities are written in the negative, ("Certain Data Suggest That Public Authorities May Not Increase the Delivery of Services to Eligible IHSS Recipients"; "Public Authorities Do Not Yet Furnish Much Training to IHSS Providers"). Yet subtitles written about the counties surveyed were written in the positive, ("Many Surveyed Counties Without Public Authorities Also Use Registries to Help Recipients Locate Providers"; "Most Counties

* California State Auditor's comments on this response begin on page 51.

We Surveyed Conduct Background Checks And Supply Limited Training for Providers and Recipients”).

- The same data that is seen as negative for public authorities is seen as positive for non-public authority counties. For instance, the fact that San Mateo did criminal background checks only within the County was seen as a negative, yet the two non-public authority counties that did county only background checks were seen as going beyond the norm. While the limited effectiveness of county-only criminal record checks is not being disputed, the difference in reporting of the same process for public authorities and non-public authority counties is a concern.
- In a similar vein, the report acknowledges that training is one area in which public authorities are doing more than in non-public authority counties. The report then negates this by saying that San Mateo County only offered seven group sessions between March 1997 and December 1998 with limited attendance. The data is accurate, but the use of the word “only” implies that there is an ideal amount. There is nothing in the regulations regarding the required amount; therefore it appears we are being negatively judged according to criteria which is unclear.
- The report does not acknowledge one of the key reasons public authorities were created - - to give the independent providers an opportunity to organize and have a voice. Public authorities were created to improve the quality of living for providers as well as consumers. While the report mentions collective bargaining as an opportunity afforded providers as a result of the new legislation, it does not discuss this same benefit when discussing public authorities, especially when comparing public authority counties to non-public authority counties.
- The report states that it set out to determine whether the public authorities were in compliance with the statutory requirements (see page 12). There is no explicit statement as to whether the public authorities were in compliance. As it seems to be implied by the report’s equal yet positive comparison of non-public authority counties to public authorities, we would like to see a statement of recognition regarding public authorities’ compliance with the requirements.
- Public authorities only administer the provider component of the IHSS program, the consumer component being administered by the county department. Although the report does acknowledge this on page 6, this shared administration of the IHSS program tends to become lost in reading the entire report. This is evidenced by :
 - The title of the report. The scope of the report as delineated in the section “Scope and Methodology” seems to focus the report on a review of public authorities, yet the title seems to put the emphasis on the entire IHSS program.
 - The use of headline, “Public Authorities and Nonprofit Groups as Alternative Administrators of IHSS.” Again, public authorities are not administrators of the entire IHSS program.
 - The opening line of the second paragraph on page 23, “Given the pending changes in the counties’ administration of in-home supportive services....”

- On page 21, the report states that in San Mateo County, applicants will not qualify for the registry if they have in their background criminal activities involving sexual offenses, or offenses against property, including theft, robbery or burglary. This statement is not completely accurate. As delineated in our policy manual, individuals will not qualify for the registry for the following reasons:
 - Failing to disclose any previous criminal conviction in their application to join the Registry.
 - Convictions of a sexual offense against a minor or offenses against property, including but limited to theft, robbery and burglary.
 - Convictions within the preceding ten years of any other felony under the Penal Code.
 - Convictions of any other offenses, at any time, where inclusion or continued participation in the registry would in the judgement of the Public Authority, subject an IHSS recipient to risk of harm or otherwise undermine the functioning of the registry.

As you can see, this last bullet is the only dispute of the content of the report. Our other comments are offered for the clarification and the objective reporting of data. If you should have any questions regarding the comments, please feel free to contact me at (650) 573-2701. Thank you again for this opportunity to respond.

Sincerely,

(Signed by: Marsha Fong)

Marsha Fong

Program Director

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COMMENTS

California State Auditor’s Comments on the Response From the San Mateo County Public Authority

To provide clarity and perspective, we are commenting on the San Mateo County Public Authority’s (San Mateo) response on our report. The numbers correspond with the numbers we have placed in the response.

- We note that San Mateo does not disagree with our conclusion that the performance of public authorities and other programs are relatively the same. However, we take serious exception to the statement that there is an “apparent bias” in the report in favor of programs without public authorities. The legislation authorizing the audit clearly anticipates that demonstrable benefits would accrue from public authorities and our report merely reflects our efforts to gain information on public authorities’ performances in providing increased levels of service to In-Home Supportive Services (IHSS) recipients. In the absence of definitive data that may demonstrate public authorities’ additional benefits to recipients, we surveyed 11 counties without public authorities and analyzed information the Department of Social Services (department) maintains for all counties to look for similarities or differences between the activities of public authorities and the IHSS programs of counties without public authorities. Based on the information we gathered and reviewed, the public authorities did not distinguish themselves from some other counties without public authorities in delivering authorized supportive services, training providers and recipients, or conducting background checks.
- San Mateo has missed the point of our discussion. At no point do we imply that regulations specify a required amount of training or extent of background checks. Further, we do not negatively judge San Mateo according to unclear criteria. In addition to comparing their activities in the above areas to other counties’ programs, we mention in the report summary, the

chapter summary, and several additional times in the chapter that the law and the department's regulations are lacking specific guidance and public authorities must develop their own performance guidelines.

- San Mateo is incorrect when it states we did not mention collective bargaining as a benefit to providers in our discussion of public authorities. In our Introduction we specifically state that any nonprofit group or public authority created under statute acts as the employer for individual providers for the purposes of collective bargaining over wages and benefits and other terms and conditions of employment.
- San Mateo is correct in pointing out that the list in our report of conditions surrounding criminal activities that will disqualify applicants from their registry is not a complete list. Our intent was not to disclose all of San Mateo's reasons for not including an applicant in its registry, but to provide examples of some causes. As a result, we have modified the language in our report.

Agency's response provided as text only:

Public Authority for IHSS in Alameda County
8000 Edgewater Drive
Oakland, California 94621

August 27, 1999

Kurt R. Sjoberg, State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

Thank you for the opportunity to respond to your audit report, "In-Home Supportive Services: Since Recent Legislation Changes the Way Counties Will Administer the Program, The Department of Social Services Needs to Monitor Service Delivery." I appreciate the efforts of your staff to put together this document, and I believe that the information contained in this response will further clarify misconceptions or lack of information on Public Authorities. Thank you for including this response in your report.

General Comments

The audit report under consideration appears to be driven in response to SB 710, the recently passed legislation that requires each county to establish an employer of record for the In-Home Supportive Services (IHSS) home care workers and to establish consumer directed advisory boards. This report compares existing Public Authority counties to counties without Public Authorities to determine whether establishing a Public Authority improves the general IHSS program.

There are many issues that a county must consider when deciding how they will deliver IHSS services. Amongst the most important are quality of life issues and consumer choice, in addition to cost. Government institutions have a responsibility to provide the best services and care for their citizens, and because we live in a democracy, citizen choice must be upheld and valued throughout the course of delivery of services. Therefore, whether a county chooses to become a Public Authority or not is secondary to whether a county respects and responds to the preferences of it's citizenry. The Public Authority is a tool that is used by some counties because they believe in the following principles:

- * Consumer choice and quality of life is paramount.
- * Home care work should be a respected profession that attracts quality employees who are paid a living wage and receive comprehensive health benefits.
- * Because of it's unique quasi-governmental structure, a Public Authority can affect change from within and without the IHSS system.

Paragraph two of the report summary encourages counties to use contract providers rather than the individual provider mode to deliver services. The argument is made that there is a higher state contribution towards contract providers and that using the individual provider mode is more expensive to the counties. The question begs to be answered—why is state government willing to spend more money to reimburse private contractors than individual providers?

Private contractors diminish freedom of choice in the lives of IHSS consumers. They cannot choose who will come into their homes to provide what are often very intimate services. Often, they don't even have a choice as to when that person will come into their home. There is no assurance of a higher quality of care. The individual provider mode allows our elders and people with disabilities to live in their own homes, under their own direction, as equal members of our community. Governor Davis should sign AB 16, a bill that would increase state funding for the individual provider mode and level the playing field with competing private contractors. With equal funding, counties could make their best choices for delivery of services based on knowledge of their community, not on a skewed funding formula.

A remarkable finding of the report is the assertion that there is little difference between Public Authority and non-Public Authority counties. Public Authorities have made strides that should be acknowledged. In Alameda County, we have developed a 24-hour-per-day, seven-day-a-week worker dispatching service. This national demonstration project can dispatch a trained and experienced home care worker to the home of an IHSS consumer in urgent need. The emergency workers can fill in when the regular worker cannot come to work, or if the consumer is otherwise without assistance. We are very proud of this potentially life-saving service and are aware of only one other such service in the entire United States of America. Another accomplishment in our county is that worker wages have risen above minimum wage for the first time in the history of the program, and we are currently developing a worker health plan.

Response to Recommendation

The development of outcome measurements are indeed an invaluable undertaking for Public Authorities as well as any other entities that are delivering IHSS services. We welcome collaboration and input from the state as we formulate these measures. The actual IHSS program itself and specifically its payroll practices would benefit from such analysis. It is evident that hard data supporting the efficacy of a Public Authority is necessary and we are confident that we will be able to collect such data in the upcoming future.

Best regards,

(Signed by: Georgia Kolias)

Georgia Kolias
Executive Director

* California State Auditor's comments on this response are on page 55.

COMMENTS

California State Auditor's Comments on the Response From the Public Authority for IHSS in Alameda County

To provide clarity and perspective, we are commenting on the Public Authority for IHSS in Alameda County's (Alameda) response on our report. The numbers correspond with the numbers we have placed in the response.

- Alameda is incorrect when it asserts that we encourage counties to use home-care contractors rather than individual providers to deliver services. At no time in the report do we encourage counties to use contract providers. The discussion Alameda references makes no recommendations, but identifies a potential effect should the costs for individual providers increase substantially and funding patterns remain the same. We provide a full discussion of this potential effect on pages 21 through 22 in our report chapter. As we describe on page 21, we spoke with administrators from 20 counties, and 12 indicated they did not see much benefit in using contractors. They cited reasons such as limited services from contractors and no additional benefits to IHSS recipients beyond the supervision and limited training contract workers receive.
- Alameda's response underscores our contention that performance standards and measurements are needed for the In-Home Supportive Services program. In our comparison of the performance of counties with and without public authorities, we used the limited data available on a statewide basis. The legislation authorizing our audit clearly anticipated that demonstrable benefits would accrue from the use of public authorities. Our analysis of the limited statewide data did not demonstrate that public authorities had a significant impact on service delivery.

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Agency's response provided as text only:

San Francisco IHSS Public Authority
942 Market Street, Suite 509
San Francisco, California 94102

Response to State Auditor's Report on IHSS
August 30, 1999

The San Francisco IHSS Public Authority appreciates this opportunity to respond to a partial draft by the State Auditor's Office. We support the call for more evaluation of the benefits and long term impact of IHSS public authorities on consumers, workers and the entire IHSS program. The strengths of IHSS are often misunderstood and the ways in which the IHSS program might be improved have been too long ignored in public policy arenas. We also hope the successes we have had in San Francisco and in other counties can be replicated throughout the state.

IHSS is the second largest publicly funded long term care program in California, which spends over \$1.5 billion on this program per year. IHSS is an invaluable resource in helping disabled people remain in their homes and out of institutions. However, there has been little ongoing evaluation of IHSS at the state level. The San Francisco Public Authority has identified evaluation as crucial and is incorporating evaluation as part of its ongoing operation by:

- * Building a conceptual model for study and evaluation of the benefits and outcomes, both short term and long term, of the Public Authority on IHSS consumers and workers and on public sector costs. See Figure 1, attached.
- * Developing and using automated systems for data collection and tracking information on consumers and workers served by the authority.
- * Creating objective measures of program services benefits and the developing systems to track them on an ongoing basis.
- * Developing sophisticated data systems for refining and tracking CMIPS data in order to monitor outcomes.
- * Producing Annual Progress Reports to share with the community information on the San Francisco Public Authority and IHSS.
- * Developing with the Department of Human Services and helping implement a Consumer Quality of Care Survey to monitor IHSS and public authority services and outcomes.

While we agree with the State Auditor's call for outcome measures, we do have some concerns with the focus, method and outcome criteria selected in the current report.

Focus - As noted in the report, public authorities were developed to establish an employer of record, increase consumer involvement, and expand support services such as registries and training. The intended goal was to improve IHSS services and outcomes, especially the independent provider mode. In focusing on what we view as more long term outcomes, the report did not sufficiently recognize significant accomplishments toward these first phase goals.

- * Employer of record: A labor agreement was established and wages and benefits have significantly improved in San Francisco.
- * Consumer involvement: One of the major new aspects of IHSS public authorities is that they must formally involve a majority of personal assistance consumers in their policy and operations. In San Francisco, we also involve worker representatives on our board and committees. This inclusion of the individuals most directly affected by IHSS has led to their involvement not only in the Public Authority but other long term care planning and development in San Francisco. In our view, this is one of the most innovative aspects of public authorities, which is not found in non-public authority counties and was not reflected in this report.
- * Support services: A county-wide registry, on-call worker replacement program and training options now exist in San Francisco where none existed before.

Method - We would suggest that it is misleading to compare public authority counties to supported independent provider (SIP) counties at this time. SIP counties have received additional funding over that of non-SIP counties to provide support services and have had time to develop those services. Public authorities and SIP's should be compared to counties with no publicly funded support services. Pre- and post-comparisons across counties would be even more methodologically sound.

Criteria - We agree that there is a need for objective outcome measures. However, the initial measures here - comparison of authorized hours to actual hours delivered, the presence or absence of registry services - could be more appropriate. We suggest that better measures of public authority impact and quality can be obtained from a more refined historical reanalysis of CMIPS data.

* California State Auditor's comments on this response begin on page 61.

These include the length of match between consumer and worker, the percentage of time that workers are employed, and quality of care assessment. See Figure 1, attached.

We appreciate the recommendation by the State Auditors that those who have been involved in the start-up and operation of public authorities should partner with the State Department of Social Services in establishing appropriate standards and measures for public authority operations. This should include the concept of fair measures for public agencies that are in the first phases of their development, as well as measures that are more appropriate for evaluating their impact overtime. As was made clear in the report, very little baseline information comparing IHSS to other forms of long-term care services were made prior to their establishment.

Any standards and measures for public authorities should also allow for differences among counties on how they operate. This would be consistent with the intention that these new public agencies to be innovative, flexible and creative in their approach to improving the independent provider mode of IHSS.

We would be happy to expand on these ideas with any one who is interested. Thank you for your hard work on the research and writing of this report.

Very truly yours,

(Signed by: Donna Calame)

Donna Calame
Executive Director

Conceptual Model for the Study of In-Home Supportive Services

INPUT VARIABLES	BENEFITS & SERVICES	DIRECT OUTCOMES	LONG-TERM OUTCOMES
Consumer			
Demographics	# of Consumers Served	# Successful Placements	Quality of Care: Satisfaction
Assessment (Health/Funct/Cog)	# of PAS Hours Rec'd	Efficiency: Days to Match	w/ System, Prov, Support
Living Arrangements	Referral Lists Sent	Retention: Length of Match	Unmet Needs
Assistance Needs	On-Call Users and Hours	# Days w/o Help	Quality of Life
Referral Source	Hrs of Management Assist	# Consumer Complaints	Level of Independence
Worker			
Demographics	Avg # Paid IHSS Hours	# Disputes Settled	Work Stability - Yrs of Work
Skill level	# Workers Screened	Worker Employment Status	Career Advancement
Consumer relationship	# Referrals Made	Avg Pay Rate	Worker Satisfaction
Work Preferences	# Trainings	% Receiving Hlth Care	% Above Poverty
		Worker Skill Level	Worker Health Status
System	Program Accomplishments		
Mode/Model	Coalition Building	Avg # IHSS Hours Received	% Elig rec IHSS
Services Offered:	Labor Agreements	Average Pay Rate	Use of Med Serv
Registry	Policy Development	Benefit Package Valu	(Hosp, ER, SNF use)
On-Call/ Rapid Resp	Increased Public Awareness		Equity: Service vs Needs
Training	Costs	County Share of Cost %	Resource Use Ratio
Care Management	Total IHSS Prog Costs	Costs/Hour by Mode	(Serv\$/Total\$)
Financial	Cost by Funder	Cost/hr for Supp Serv	LTC Costs w/IHSS
	Support Service Costs	Cost vs other LTC Service	Cnty LTC Costs/Eligible

COMMENTS

California State Auditor's Comments on the Response From the San Francisco IHSS Public Authority

To provide clarity and perspective, we are commenting on the San Francisco IHSS Public Authority's (San Francisco) response on our report. The numbers correspond with the numbers we have placed in the response.

- We make four references in the introduction and report chapter regarding public authorities acting as employers for individual providers, union representation, the potential for individual providers under public authorities to join employee groups, and the higher wages earned by individual providers who work in counties with public authorities.

We are pleased that San Francisco takes seriously the requirement to involve In-Home Supportive Services (IHSS) consumers in policy and operational decision-making activities and includes providers on its boards and committee memberships.

- We disagree that our comparison of public authorities to counties with Supported Individual Provider (SIP) programs is misleading. First, in the absence of definitive data from the Department of Social Services (department) or public authorities that may demonstrate their additional benefits to recipients, we looked for ways to distinguish the performances of public authorities from other counties. As we describe in our Scope and Methodology section, we surveyed 11 counties without public authorities and reviewed information the department maintains for all counties to look for similarities or differences between the activities of public authorities and the IHSS programs of counties without public authorities. As we describe on page 31, 7 of the 11 counties we compared to public authorities maintained SIP programs.

Secondly, the public authorities we visited that have all been operational since at least the summer 1996 and, in our opinion, have had sufficient opportunity to establish processes for provider referrals, training, and background checks.

Finally, we agree that pre-public authority and post-public authority comparisons would have been a more methodologically sound way to determine the effectiveness of the public authorities. However, as we point out on page 22 of our report, neither the department nor the counties have accumulated consistent, relevant data that show whether public authorities' activities provided additional benefits to the health and welfare of IHSS recipients. As we describe on page 23, during our field work, San Francisco's IHSS executive director told us they will require one and a half years to complete the model from Figure 1 attached to San Francisco's response and compile baseline data. Further, San Francisco estimates it will need up to three years to accumulate sufficient comparative data to evaluate program changes.

cc: Members of the Legislature
Office of the Lieutenant Governor
Attorney General
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps