

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 908-0459



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Director

SHERYL L. SPILLER
Chief Deputy



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March 9, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO RENEW AGREEMENT FOR INTERIM ASSISTANCE
REIMBURSEMENT WITH THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) and the Department of Mental Health (DMH) continue to require the Interim Assistance Reimbursement (IAR) Agreement with the California Department of Social Services (CDSS), which authorizes the County to continue to operate the IAR program. The period of the new agreement (Attachment) shall be from July 1, 2008 through June 30, 2013. CDSS had not required renewal of this agreement since June 1990, and sent the new agreement to DPSS in July 2009 without prior notice.

Although the effective date of the new agreement is July 2008, CDSS mailed DPSS the final version of the agreement in July 2009. Clarification needed from the CDSS on some clauses of the new agreement and the internal and inter-departmental clearance process delayed its submission to your Board.

**JOINT RECOMMENDATION WITH THE DEPARTMENT OF MENTAL HEALTH THAT
YOUR BOARD:**

1. Approve and instruct the Chair to sign the Agreement with CDSS. This Agreement permits reimbursement for county-funded interim assistance issued to General Relief (GR) participants and DMH clients while their Supplemental Security Income (SSI) application is pending.

"To Enrich Lives Through Effective And Caring Service"

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to replace the existing IAR Agreement with CDSS with a new Agreement. The period of the new agreement shall be from July 1, 2008 through June 30, 2013, and will be automatically renewed for successive periods of five years thereafter (commencing on July 1st of each such year), unless the State or County gives written notice not to renew at least 30 days prior to the end of the current period. CDSS drafted the agreement as a result of regulation and policy changes by the Secretary of the Department of Health and Human Services. The new Agreement updates the language in the former agreement to make it consistent with the IAR practices that have been used for the past years. Agreement 08-6066 CDSS/The County of Los Angeles has been reviewed and approved by the Chief Executive Office and County Counsel.

Although the effective date of the new agreement is July 2008, CDSS mailed DPSS the final version of the agreement in July 2009. As CDSS had not required renewal of this agreement since June 1990, we were not expecting it. Furthermore, clarification from the CDSS on some clauses of the new agreement and the internal and inter-departmental clearance process delayed its submission to your Board.

The delay will not hinder the County's ability to collect IAR during the period prior to the execution of this agreement. Additionally, Article X, Section A., of the current IAR Agreement 61956, stipulates "The period of this Agreement shall be from July 1, 1980 through June 30, 1990. This Agreement shall automatically be renewed for successive periods of one year thereafter (commencing on July 1 of each year) unless the State or the Interim Assistance Agency gives written notice to renew at least thirty days before the end of the current period." The State has not given the County notification that the current Agreement is cancelled.

At the time an individual applies for benefits with DPSS and/or assistance with DMH, he/she signs an Interim Assistance Agreement SSP 14 form. By signing this form, the recipient of the cash benefits and/or Board and Care housing authorizes the County to withhold retroactive SSI payments due to him/her at the time the first SSI payment is made. The withheld SSI payment amount is used to reimburse the County for interim assistance given to the individual while his/her SSI application was pending. This interim assistance may include cash benefits, hotel vouchers, rental subsidies and/or transportation issued through the DPSS' GR Program, and Board and Care housing through DMH's Full Service Partnership – Interim Fund (FSP-IF).

The average interim assistance recouped by DPSS in the past five years has been over \$10,000,000 annually. During the same period of time, DMH has recouped an annual average of \$100,000. This revenue will increase as a result of the GR Restructuring, and the increased revenue will be an ongoing source of funding for the program.

Implementation of Strategic Plan Goals

This recommendation is consistent with the principles of the County-wide Strategic Plan Goal #1 and Goal #4.

Goal #1, Operational Effectiveness: Maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. Through approval of the IAR Agreement, DPSS and DMH will continue recoupment of interim assistance provided to participants. This interim assistance is an important component of our customer-oriented and efficient services intended to increase effectiveness of the County's operations.

Goal #4, Health and Mental Health: Improve health and mental health outcomes and efficient use of scarce resources, by promoting proven service models and prevention principles that are population-based, client-centered and family-focused. Approval of the IAR Agreement will continue revenue to the County, which allows for more mental health outcomes and additional availability of DMH services to participants.

FISCAL IMPACT/FINANCING

There will be no negative impact on the County's General Fund. On the contrary, the County will continue to benefit from the over \$10,100,000 annual reimbursement for county-funded interim assistance issued to participants while their SSI application is processed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The enactment of IAR in August 1974, Public Law 93-368 and subsequent amendments, and Section 10553 of the California Welfare and Institutions Code permit States and counties to recover from a person's initial SSI/State Supplemental Program (SSP) check any County or State funds expended for aid during the time the SSI/SSP application was pending.

DPSS and DMH receive reimbursement for interim assistance provided through the GR Program or the FSP-IF respectively.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action does not have an impact on current services. The approval of this Agreement will allow the County to continue obtaining reimbursement for County-funded Interim Assistance issued to DPSS GR participants and DMH clients in Board and Care facilities, while their SSI application is pending.