



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 December 3, 2024

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

December 03, 2024



Los Angeles County
Board of Supervisors

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

Dear Supervisors:

APPROVAL TO EXTEND THE AGREEMENTS ASSOCIATED WITH IN-HOME SUPPORTIVE SERVICES HEALTH PLAN COVERAGE (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

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Director

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*"To advance the health of our patient
and our communities by providing
extraordinary care"*

SUBJECT

The Los Angeles County's (LA County) Department of Public Social Services (DPSS) administers the State of California's In-Home Supportive Services (IHSS) program in Los Angeles County. IHSS program services enable eligible low-income aged, blind, and disabled persons to receive care safely at home. In order to provide health benefits to the eligible providers that deliver IHSS program services through Personal Assistance Services Counsel (PASC) and its provider network, the Department of Health Services (DHS) and DPSS request authority to extend the associated IHSS related agreements with Local Initiative Health Authority of Los Angeles County (L.A. Care) or L.A. Care Joint Powers Authority (L.A. Care JPA), collectively the "L.A. Care Entities", for six (6) months through June 30, 2025, and the option to extend these agreements for up to an additional six (6) months through December 31, 2025.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DPSS, or designee, to negotiate, prepare and execute amendments to DPSS' and L.A. Care JPA's "Homecare Workers Healthcare Services Financial Agreement" (Agreement No. LAC 12-001) to: (i) extend the agreement term for six (6) months through June 30, 2025, with option to further extend these agreements for up to an additional six (6) months through December 31, 2025; (ii) update or incorporate new



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State/federal law and regulations, LA County provisions and other regulatory/contractual requirements; (iii) make appropriate changes to the agreement language for clarity and efficiency (administrative, programmatic and operational); and (iv) take any additional actions that are required by contract, law, regulation, rule, or guideline to enable DPSS to effectuate the relevant amendment, with all actions subject to prior review and approval by County Counsel.

2. Delegate authority to the Director of DPSS, or designee, to include in such amendments as are permitted by the previous recommendation, a monthly capitation rate within the range already approved by the Board of Supervisors (Board) in previous Board letters, subject to review and approval by DHS, County Counsel, and Chief Executive Officer.

3. Delegate authority to the Director of DHS, or designee, to negotiate, prepare and execute amendments to any and all agreements with the "L.A. Care Entities" by which either or both, of the L.A. Care Entities administer the PASC- SEIU IHSS Health Plan, or DHS provides care to IHSS providers, the ability to: (a) extend current agreements, including the Hospital Services Agreement (HSA) and Participating Provider Agreement (PPA) between DHS and the L.A. Care Entities, for six (6) months through June 30, 2025, with option to extend these agreements for up to an additional six (6) months through December 31, 2025; (b) migrate the IHSS line of business into new agreements involving DHS and either, or both, of the LA Care Entities; (c) update or incorporate new State/federal law and regulations, LA County provisions and other regulatory/contractual requirements; (d) make appropriate changes to agreement language for clarity and efficiency (administrative, programmatic and operational); (e) reflect new, or adjust current rates, or financial opportunities; (f) revise and update the division of financial responsibilities to align with any changes to rates; and (g) take any additional actions as required by contract, law, regulation, rule, or guideline to enable DHS to effectuate the relevant amendments, with all actions subject to prior review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Due to the continued ongoing negotiations between DPSS and L.A. Care JPA, DHS and DPSS request authority to extend the associated IHSS related agreements six (6) months through June 30, 2025, and the option to extend these agreements for up to an additional six (6) months through December 31, 2025, to ensure that health coverage for IHSS providers remains uninterrupted. Under the foregoing recommendations, DPSS and DHS will have the power to sustain IHSS providers' health benefits through the current vehicles: the PASC-SEIU IHSS Health Plan and its DHS dominated provider network.

The Board has already taken steps to secure the PASC-SEIU IHSS Health Plan and provider network in the applicable timeframe. Pursuant to the Board's letter on May 21, 2024, DPSS and the PASC recently agreed that the PASC will continue to serve as the IHSS providers' Employer-of-Record for the purpose of collective bargaining, wages, benefits and other terms and conditions of employment through June 30, 2026, with the possibility of a one- year extension through June 30, 2027.

The PASC, the L.A. Care Entities, DHS, and DPSS IHSS-related efforts are tightly interwoven. The PASC contracts with L.A. Care JPA to offer the PASC-SEIU IHSS Health Plan. On behalf of the

PASC, DPSS pays insurance premiums to L.A. Care JPA for that coverage with federal and State revenue. DHS provides the IHSS Maintenance of Effort (MOE) portion of the health benefits.

The PASC-SEIU IHSS Health Plan is structured through a suite of interrelated agreements, Memoranda of Understanding (MOUs), and financial transactions. The components include: (1) an agreement between DPSS and the PASC, including the following PASC responsibilities: administer registry services, provide access to consumer/provider training, administer Back-Up Attendant Program, determine eligibility and administer IHSS provider health benefits, and administer New Provider Enrollment Requirements for IHSS providers, and review of Criminal Background Investigation results for all new providers and subsequent arrest/convictions of records, as required by the provider enrollment regulations; (2) an agreement between the PASC and L.A. Care JPA related to the PASC-SEIU IHSS Health Plan benefits; (3) an MOU between DPSS and DHS related to the financing of the PASC-SEIU IHSS Health Plan benefits and the capitation payment; (4) an agreement between DPSS and the L.A. Care JPA related to the financing of the PASC-SEIU IHSS Health Plan where DPSS serves as the fiscal intermediary for the PASC in making the capitation payments on their behalf, consistent with an agreement between the PASC and the L.A. Care JPA for the PASC-SEIU IHSS Health Plan for eligible IHSS providers; (5) agreements between L.A. Care JPA and providers (including DHS) to deliver services to health plan members; and (6) an MOU between the PASC and the SEIU related to the health plan benefits. All these arrangements rest on a bedrock agreement: the Transition Safety Net (TSN). In 2012, the TSN transferred the Community Health Plan (CHP) lines of business-including the PASC-SEIU IHSS Health Plan-to L.A. Care. Without the extension requested, the plan will no longer be able to function in its current form; and will have nothing to replace it. Its continued presence is essential.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan, North Star 1: Make Investments that Transform Lives, Focus Area Goal A – Healthy Individuals and Families, via Strategy II: Improve Health Outcomes, and Focus Area Goal D – Support Vulnerable Populations, via Strategy VII: Older Adults and People with Disabilities.

FISCAL IMPACT/FINANCING

The cost of the PASC-SEIU IHSS Health Plan is included in the IHSS MOE and is funded by LA County resources, as well as federal and State revenues. The DPSS fiscal year (FY) 2024-25 Final Adopted Budget reflects a total cost of \$186,234,000 for the PASC-SEIU IHSS Health Plan. The estimated FY 2024-25 IHSS MOE portion for health benefits is \$31,558,000, which is provided by DHS, and is included in the FY 2024-25 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Through the IHSS Program, IHSS providers provide services, such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. IHSS providers are employed by IHSS recipients. The services IHSS providers provide allow the recipients to remain safely at home.

In 1997, the California Legislature enacted a statute requiring counties to establish an Employer of Record (EOR) for IHSS providers (Welfare and Institutions Code (WIC) § 12301.6.) To comply with the legislature's instruction, LA County created the PASC. In 1999, LA County first contracted with the PASC. In its role as EOR, the PASC performs a variety of services critical to IHSS' functioning, including the administration of health benefits to IHSS providers. PASC ensures that IHSS providers laboring 74 hours or more per month for two (2) consecutive months are eligible for health care coverage. As of June 2024, there is 49,054 IHSS providers enrolled in the IHSS Health Plan.

In November 2011, the Board approved the transfer of the IHSS health plan from the CHP to L.A. Care. The duration of the authority thereunder was for ten (10) years through December 31, 2021. With delegated authority, DHS executed an agreement -the TSN-handing the IHSS health plan, first to L.A. Care and then, via an amendment to the L.A. Care JPA. Since 2012, this arrangement has remained largely intact-with limited exceptions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will allow continued access of IHSS providers to DHS' provider network. Additionally, extending the term of these agreements will allow the L.A. Care JPA to continue providing IHSS providers with health insurance.

Respectfully submitted,



JACKIE CONTRERAS, Ph.D.
Director



Christina R. Ghaly, M.D.
Director

CRG:jd

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Department of Public Social Services