

General Fund Reductions

Department Name: IHSS Provider Payments

Budget Unit: 7250000

Program Title: In Home Supportive Services Provider Payments

Program Description: In-Home Supportive Services (IHSS) Program provides people who are blind, disabled, or over the age of 65 with personal assistance and in-home support services so they can live safely in their homes. Services range from assistance with household chores to personal care such as dressing and bathing to paramedical services. The program is often seen as an alternative to assisted living or nursing facilities.

	Base	Unfunded	Recommended	Percentage
Appropriations	\$65,720,176	\$13,896,040	\$51,824,136	21.1%
Reimbursements (-)	\$0	\$0	\$0	
Net Appropriations	\$65,720,176	\$13,896,040	\$51,824,136	21.1%
Revenues:				
Federal	\$8,481,982	\$58,035	\$8,423,947	0.7%
State	\$6,688,338	\$1,360,234	\$5,328,104	20.3%
Realignment	\$29,619,162	\$0	\$29,619,162	0.0%
Prop 172	\$0	\$0	\$0	
Fees	\$0	\$0	\$0	
Other	\$0	\$0	\$0	
Total Revenues	\$44,789,482	\$1,418,269	\$43,371,213	3.2%
Carryover				
Net Cost	\$20,930,694	\$12,477,771	\$8,452,923	59.6%
Fulltime Equivalent Positions	0.0	0.0	0.0	

Program Impact:

For Fiscal Year 2012-13, based on current hours, the Department of Health and Human Services (DHHS) is submitting a budget that requires \$20.9 million in General Fund monies. DHHS received a General Fund allocation of \$8,452,923 for the IHSS Provider Payments budget. This results in a funding gap of \$12.5 million. DHHS proposes to use the entire amount of Community First Choice Option (CFCO) funding to lower the payment to providers and offset the \$12.5 million short fall. The CFCO is an additional 6% of federal match for IHSS-PCSP (Personal Care Services Program) recipients. To reach the allocated General Fund target, DHHS proposes the following:

- Use the entire \$4.5 million amount of CFCO funding to lower the county share of the payments to providers.
- Increase revenue by \$500,000 by utilizing the total revenues received for benefit contributions and payroll taxes. (The \$500,000 is a net increase in revenue. Although federal revenue increases by 6% for CFCO eligible costs, the state's share of revenue decreases.)
- Reduce the proposed budget by reducing the provider hours by 16.3%. This includes building in the current trend of reduced IHSS provider hours (5% annual) and decreasing the IHSS provider hours by an additional 11.3%.

Potential Impact on other Departments/Program Partners:

If the assumed reductions of 15.8% in provider hours are adopted but do not materialize, the IHSS Provider Payment budget will possibly run out of funding for the program by April 2013. The proposed wage and benefit increases will increase General Fund need by \$3.6 million, which will accelerate the County's expenditure of funds, resulting in the County running out of funding for the program sooner than March 2013.