



Department of Public Social Services

Administrative Office: 4060 County Circle Drive, Riverside, CA. 92503
(909) 358-3000 FAX : (909) 358-3036

Dennis J. Boyle, Director

May 9, 2003

MEMO

To: Nancy Romero, Clerk of the Board
From: Dick Tornero, Assistant Director, DPSS
Subject: Board Agenda, May 13, 2003, Item 3.25

We are requesting a continuance of our May 13th Board Item 3.25, "Amendment #6 and Amendment #7 to AP 04210001/03 and AP 04210001/04, respectively, with Addus HealthCare, Inc."

Please continue this item to May 20, 2003. Thank you for your attention to this matter.

Cc: Dennis Boyle, Director, DPSS
Roger Uminski, County Executive Office

3.25

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

823



FROM: Dept. of Public Social Services SUBMITTAL DATE: 4-21-03

SUBJECT: Amendment #6 and Amendment #7 to AP 0421 00 01/ 03 and AP 0421 00 01/04, respectively, with Addus HealthCare, Inc.

RECOMMENDED MOTIONS: That the Board of Supervisors approve and:

1. Authorize the Chairman of the Board to sign the attached Amendment #6 to AP 0421 00 01/03 between Riverside County Department of Public Social Services (DPSS) and Addus HealthCare, Inc. (Addus), effective January 31, 2003, providing for the following:
 - a) a retroactive rate increase of approximately \$1.82 per hour, from \$14.75 to \$16.57, reflecting an increased State Maximum Allowable Contract Rate (MACR) effective January 31, 2003, and
 - b) increase the Contract Maximum Reimbursable Amount by \$985,615 (from \$25,121,486 to \$26,107,101 for the period August 1, 2001 through June 30, 2003) to cover the amount required due to the Workers' Compensation insurance increase.

Dennis J. Boyle
Dennis J. Boyle, Director

4-21-03

REQUIRES
4/5 VOTE

FOR FY:02-03

(CONTINUED - 2 pages in total)

FINANCIAL DATA:

CURRENT YEAR COST: \$ 985,615	ANNUAL COST: \$ 15,854,995
NET COUNTY COST: \$ 191,801	IN CURRENT BUDGET: NO
	BUDGET ADJUSTMENT: YES
SOURCE OF FUNDS: 44.40% Federal, 36.14% State, 19.46% County Fund	

C.E.O. RECOMMENDATIONS:

APPROVE

COUNTY EXECUTIVE OFFICER SIGNATURE

[Signature]

Mary J. Dilley 4-24-03
MARY J. DILLEY, DIVISION MANAGER
HUMAN RESOURCES, RISK MANAGEMENT

FORM APPROVED
COUNTY COUNSEL
APR 28 2003

FISCAL PROCEDURES APPROVED
BY *[Signature]* Deputy
5/5/03

Department Recommendation:
Per Executive Office:

Prev.Agn.ref.
(2/25/03,3.10)
(12/2/02,3.33)

Dist.
ALL

AGENDA NO.

3.25

COPIES OF RESOLUTIONS
APR 28 2003
EXECUTIVE OFFICER
HUMAN RESOURCES
RECEIVED RIVERSIDE COUNTY

TO: BOARD OF SUPERVISORS

DATE: 4-21-03

**SUBJECT: Amendment #6 and Amendment #7
to AP 0421 00 01/03 and AP 0421 00 01/04,
respectively, with Addus HealthCare, Inc.**

PAGE: 2 of 3

RECOMMENDED MOTIONS (continued)

2. Instruct the Auditor-Controller to make the following Fiscal Year 2002/2003 budget adjustments:
 - a) Increase Appropriation of DPBRC-10000-5100200000-530440-60000 (IHSS-Contract) by \$985,615
 - b) Decrease Appropriations of RIVCO-10000-1109000000-581000 (Contingency) by \$191,801
 - c) Increase estimated Revenue of RIVCO-10000-5100200000-761000-60000 (Federal-IHSS) by \$437,613
 - d) Increase estimated Revenue of RIVCO-10000-5100200000-750700-60000 (State-IHSS) by \$356,201
3. Authorize the Chairman of the Board to sign the attached Amendment #7 to AP 0421 00 01/ 03 with Addus HealthCare, Inc. (Addus) to:
 - a) Exercise the option to extend the Agreement from August 1, 2001 through June 30, 2003 to August 1, 2001 through June 30, 2004,
 - b) Add 1,479,972 hours (from 1,703,152 to 3,183,124 for the period August 1, 2001 through June 30, 2004), and
 - c) Add \$24,523,140, based on the per service hour rate of \$16.57, (from \$26,107,101 to \$50,630,241 for the period August 1, 2001 through June 30, 2004).
4. Authorize the Director of DPSS to administer the Agreement, and
5. Authorize the Purchasing Agent to approve all future amendments to the Agreement not to exceed the contract Maximum Reimbursable Amount.

BACKGROUND:

Addus HealthCare requested an increase in their In-Home Supportive Services (IHSS) hourly contracted rate to compensate for increased Worker's Compensation (WC) costs and on 12/23/02 the Board authorized Agenda Item #3.33 which provided an increase from \$14.75 per hour to an amount sufficient to fund the increased cost of WC insurance, not to exceed \$634,885.

On March 2, 2003, the California Department of Social Services notified counties in All-county Information Notice I-13-03 that the Legislature approved State expenditures so that counties could increase the IHSS Maximum Allowable Contract Rates (MACR).

County Risk Management assisted with the determination of an allowable worker's compensation rate for Addus. DPSS used Risk Management's rate to determine the increase to Addus' hourly contracted rate.

The attached Amendment #6, for Fiscal Year 2002/2003 would increase Addus' billing rate from \$14.75 to \$16.57 per service hour, and maximum reimbursable amount from \$25,121,486 to \$26,107,101 (an increase of \$985,615) for the period August 1, 2001 through June 30, 2003). All other terms and conditions remain the same.

The attached Amendment #7 would extend the Agreement an additional year from August 1, 2001 through June 30, 2004, add 1,479,972 service hours at the rate of \$16.57 for a total of \$24,523,140 bringing the contract maximum reimbursable amount to \$50,630,241 for the period August 1, 2001 through June 30, 2004.

TO: BOARD OF SUPERVISORS

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FINANCIAL IMPACT:

The County share is Realignment revenue, which is received two years in arrears provided that economic conditions permit sufficient revenues to be generated. In the interim, the County share is provided by the General Fund.

1. The projected budget for Fiscal Year 2003/2004 is as follows:

a) Anticipated Expenditures \$24,523,140

2. Estimated Revenue

a) Federal	\$10,422,334
b) State	9,166,750
c) County	<u>4,934,056</u>
Total	\$24,523,140

Concur: County Counsel
Auditor-Controller
Risk Management

DB:DT:rdb

03 APR 28 AM 10:33

AUDITOR-CONTROLLER
WILKESBORO COUNTY