

March 24, 2009

# In-Home Supportive Services: Background and Caseload Components

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LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Senate Human Services Committee  
Hon. Carol Liu, Chair





## Overview of In-Home Supportive Services

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- Services.** The In-Home Supportive Services (IHSS) program provides various services to eligible aged, blind, and disabled persons who are unable to remain safely in their own homes without such assistance.
- Eligibility.** An individual is eligible for IHSS if he or she lives in his or her own home—or is capable of safely doing so if IHSS is provided—and meets specific criteria related to eligibility for the Supplemental Security Income/State Supplementary Program.
- Federal Participation.** In 2004, California received a federal waiver that made about 98 percent of IHSS recipients eligible for federal funding. Prior to the waiver, only about 75 percent of the caseloads were eligible for federal funding and were served in the state-only program, known as the residual.
- Funding Shares.** The IHSS program is funded by a combination of state, county, and federal funds.



## IHSS Wages and Providers

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### ***IHSS Wages.***

- **State/County Participation in Provider Wages.** Current law authorizes the state to pay 65 percent of the nonfederal cost of IHSS provider wages and benefits up to specified levels. Counties pay the remaining 35 percent of the nonfederal cost.
- **Current Wages.** For 2008-09, the state participates in wages of \$11.50 per hour plus \$0.60 cents for health benefits, for a total of \$12.10 per hour. The *2009-10 Budget Act* reduces state participation in wages to \$9.50 per hour for wages and \$0.60 per hour for benefits. However, this reduction could be “triggered off” if the Department of Finance and the State Treasurer make certain findings related to federal stimulus relief.
- **County Wage Range.** Although the state currently participates in wages and benefits up to \$12.10 per hour, combined county wages and benefits as of January 2009 ranged from \$8 to \$14.68 per hour.



### ***Provider/Consumer Relationship.***

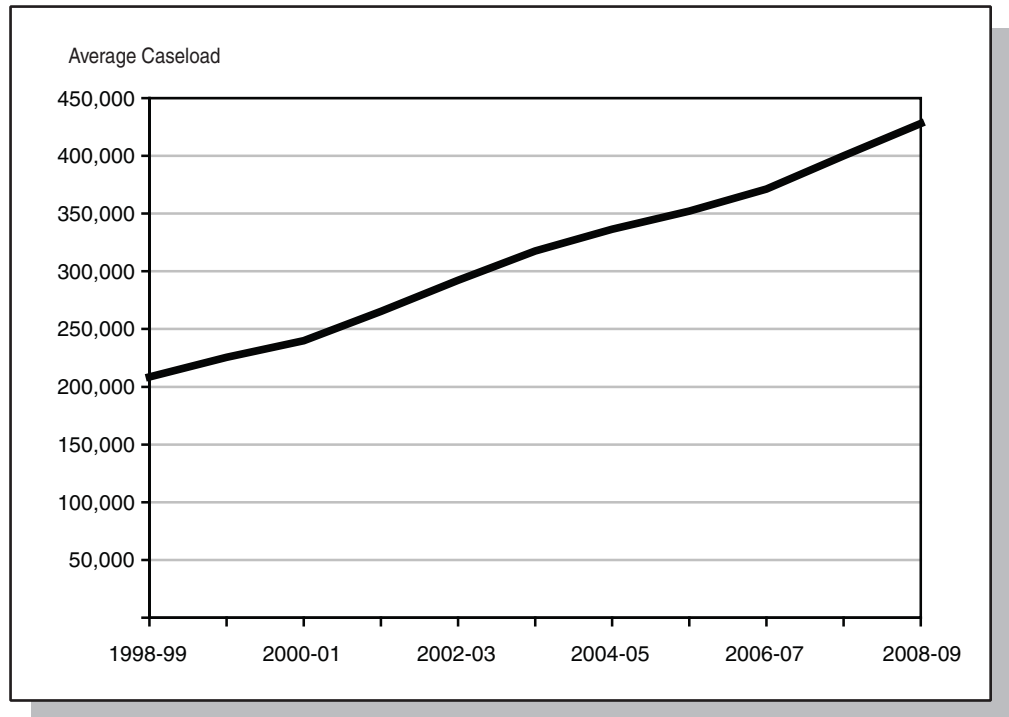
- **Consumer Control.** The IHSS consumer is considered to be the employer and has the responsibility to hire, supervise, and fire their provider.
- **Provider Eligibility.** Current law places few eligibility requirements on IHSS providers. Specifically, only those who in the last ten years have been convicted of Medi-Cal fraud, child abuse, or elder abuse are ineligible to be IHSS providers.
- **Program Enforcement.** As the employer, IHSS recipients are the primary enforcers of rules and program integrity.



## IHSS Caseload and Funding Sources

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- ☑ **Monthly Caseload.** For 2008-09, the IHSS average monthly caseload is estimated to be 428,110. This is a projected 7 percent increase over 2007-08 (400,156).
- ☑ **Average Annual Growth.** As shown below, between 1998 and 2008-09, the IHSS caseload grew an average of 7.5 percent annually.





## IHSS Caseload and Funding Sources

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**Budget.** The 2008-09 budget includes over \$5.5 billion (1.9 billion General Fund) for the support of IHSS. This is an increase of \$629 million (12.8 percent) compared to the estimated expenditures in 2007-08.

<b>IHSS Funding</b>		
<i>2008-09 (In Billions)</i>		
<b>Fund Source</b>	<b>Amount</b>	<b>Percent of Total</b>
Federal funds	\$2.70	49%
State General Fund	1.90	34
County funds	0.97	17
<b>Total Funds</b>	<b>\$5.57</b>	<b>100%</b>

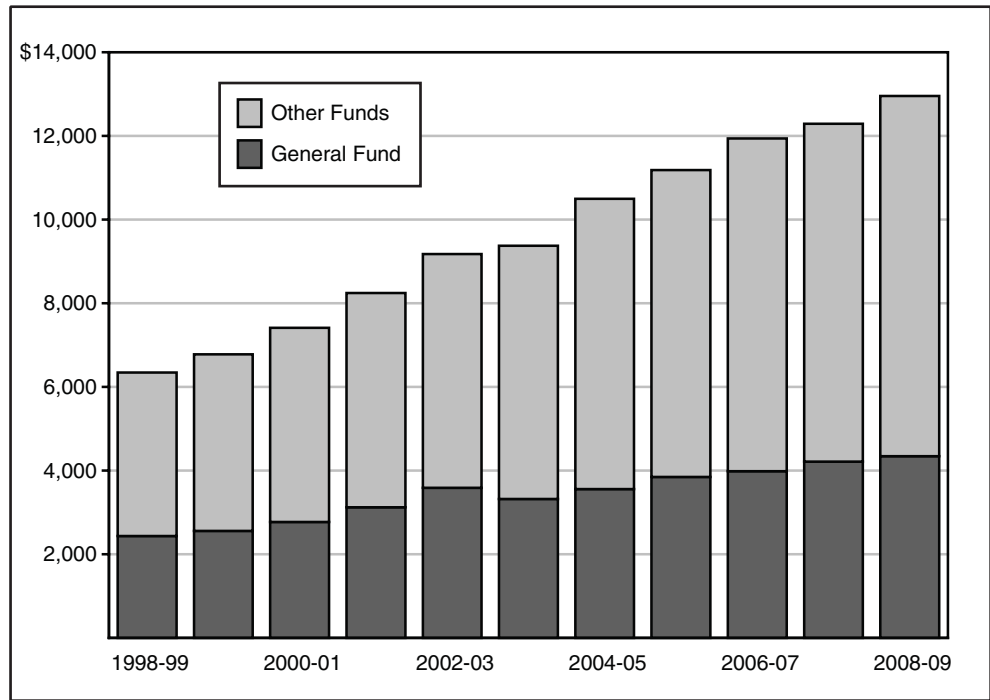


## IHSS Caseload and Funding Sources

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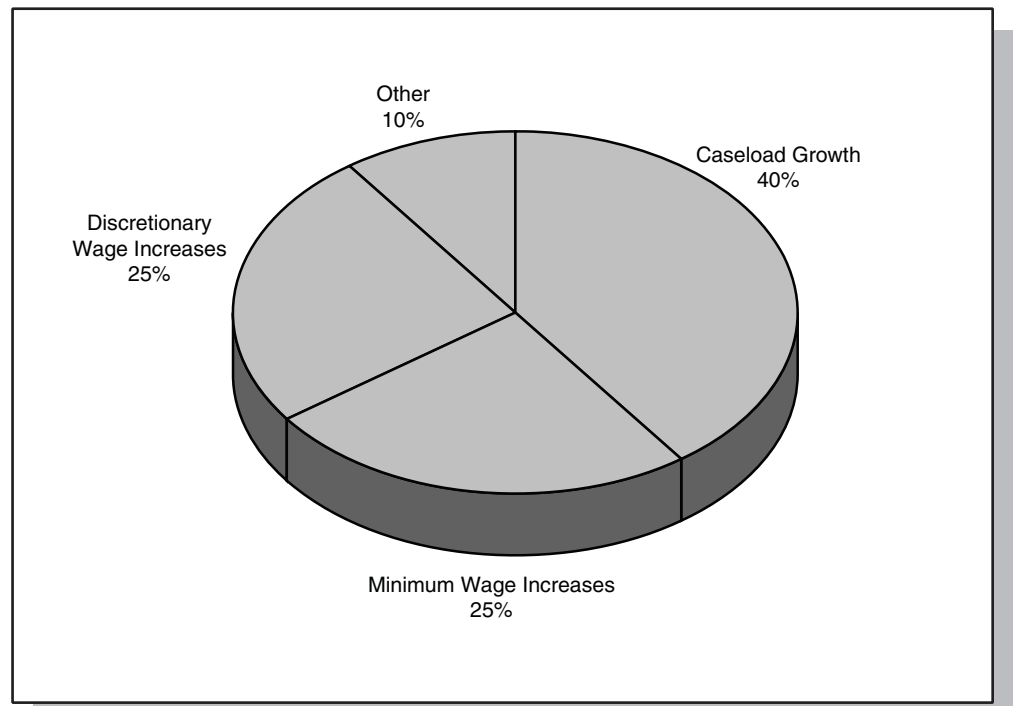
***IHSS Cost Per Case Has Continued to Grow.*** The IHSS cost per case is estimated to be about \$13,000 in 2008-09, or about 100 percent higher than it was ten years ago. The growth in these costs is shown on the chart below.





## Factors Contributing to Growth in IHSS

- ☑ **Growth in IHSS Over the Last Ten Years.** From 1998-99 through 2008-09, costs for IHSS grew from \$527 million General Fund to about \$1.9 billion General Fund (absent the Governor's proposed 2008-09 IHSS reductions). Total cost growth was 253 percent, or about 13.4 percent per year.
- ☑ **Growth Factors.** Based on the available data, we believe that this growth may be apportioned as follows.

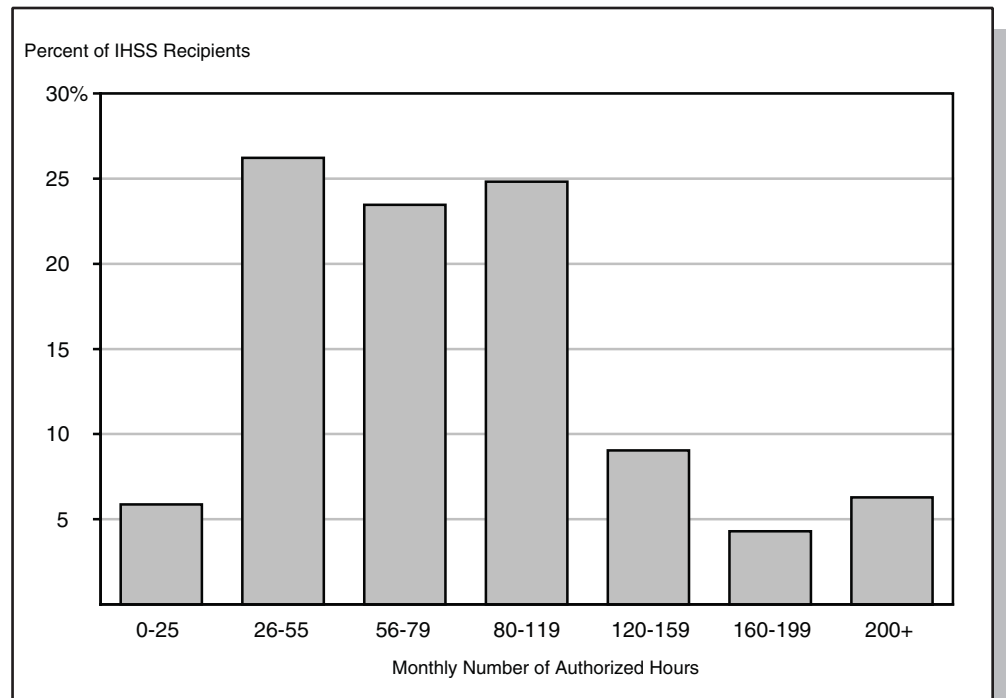


- ☑ **Components May Be Interactive.** Some of these components may be interactive, making it difficult to conclusively attribute a portion of the growth to one specific component. For example, it is possible that higher IHSS wages increase IHSS program awareness and therefore contribute to higher program utilization.
- ☑ **Estimated Growth Through 2013-14.** We estimate that IHSS General Fund costs will reach over \$2.3 billion by 2013-14. This is an average annual increase of about 11 percent over the five-year period of our projection.



## Diversity in the IHSS Caseload

- Diversity in Hours Authorized.** In-Home Supportive Services recipients may receive between 1 and 283 hours of services each month. As the figure below indicates, nearly 60 percent of the caseload is authorized to receive under 80 hours of service.



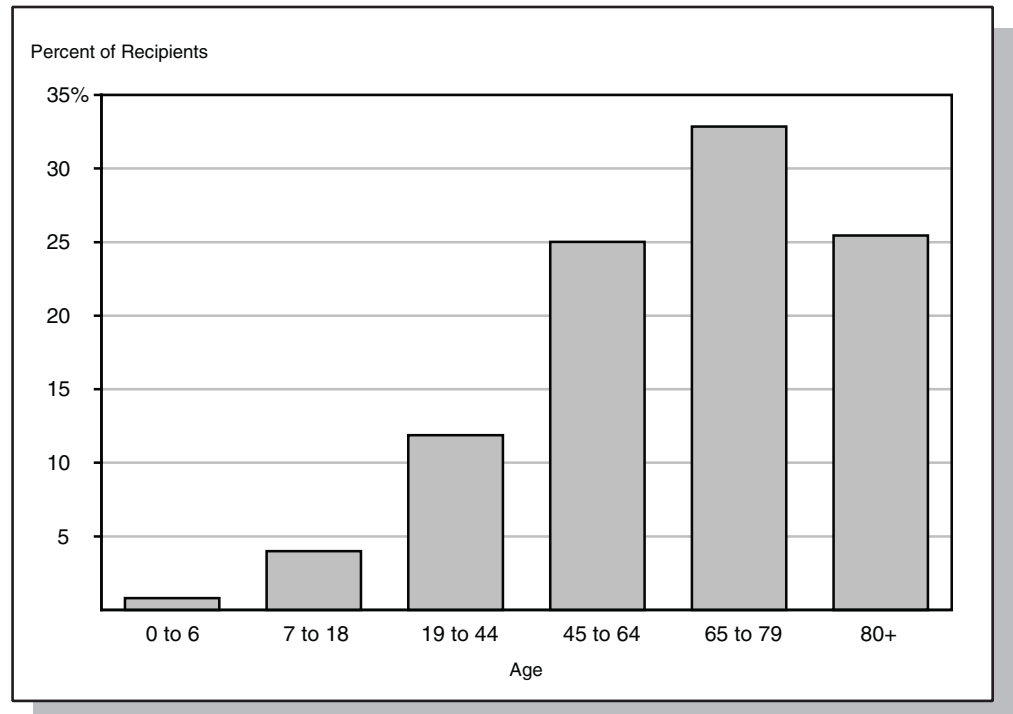
- Diversity in Provider and Recipient Relationship.** About 63 percent of IHSS recipients have a relative provider. Additionally, about 44 percent of recipients have a close relative (parent, spouse, or child) provider.
- IHSS Provides Household Income in Some Cases.** About one-half of IHSS providers live in the same household as the recipient.





## Age of IHSS Population

- Age of IHSS Recipients.** As shown below, IHSS recipient ages range from 1 year to over 80 years.



- Most IHSS Recipients Are Elderly.** Nearly 60 percent of IHSS recipients are over the age of 65.
- Children a Small Portion of IHSS Caseload.** Only about 5 percent of recipients are children age 18 or younger.



## The IHSS Quality Assurance Initiative

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### *Overview.*

- **Background.** Chapter 229, Statutes of 2004 (SB 1104, Committee on Budget and Fiscal Review) outlined a number of quality assurance (QA) activities to be performed by the Department of Social Services (DSS), the counties, and the Department of Health Care Services (DHCS) to improve the accuracy of IHSS needs assessments, enhance program integrity, and detect program fraud and abuse.
- **Costs of QA.** The *2008-09 Budget Act* includes \$32.6 million (\$11.5 million General Fund) for the support of QA activities.
- **A QA Plan Is a Condition of the IHSS Waiver Program.** A QA program is a required component of the IHSS federal waiver.



## The IHSS Quality Assurance Initiative

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### **Key Components of QA.**

- **Hourly Task Guidelines (HTG).** The HTG were created to provide social workers with a standard tool to ensure that IHSS hours are authorized consistently and accurately throughout the state. Social workers have been using HTG since September 2006.
- **Social Worker Training Academy.** The IHSS Social Worker Training Academy was developed as a standardized method to educate social workers, supervisors, QA staff, administrative law judges, and DSS staff. The training topics range and cover such issues as HTG, basic IHSS, and an understanding of common medical conditions.
- **County QA Units.** Pursuant to QA requirements, each county established a QA unit to review and investigate cases. The QA units complete desk reviews, home visits, and targeted reviews annually.
- **Fraud Prevention and Detection Activities.** Chapter 229 requires DSS to work with DHCS and the counties to minimize the potential for fraud and maximize the recovery of overpayments.
- **Annual Error Rate Study.** The DSS staff conducts annual studies to evaluate the potential for duplicate Medi-Cal payments.



## The IHSS Quality Assurance Initiative

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### **QA Results**

- **HTG and Social Worker Training.** Although there have only been slight changes in the average authorized hours per case, the assessment process has become more standardized. As a result, the range in the average authorized hours per case has narrowed. Between September 2005 and December 2008, about 14,000 staff attended the training academy.
- **County QA Units.** Between January 2008 and September 2008, counties completed about 15,500 desk reviews, 3,000 home visits, and 17,500 targeted reviews. As a result of these reviews, 218 cases were referred to DHCS for fraud.
- **Fraud Prevention and Detection Activities.** Between July 2005 and November 2008, DHCS investigated about 5,000 cases of fraud. They identified \$6.1 million in overpayments and collected about \$670,000 of that amount.
- **Annual Error Rate Study.** The DSS has completed two error rate studies. One study examined IHSS providers who claimed services were provided during a period when the consumer had a hospital stay. The other study looked at providers who received paychecks while living out of state. These studies found that there were relatively few cases in which there were potential overpayments.



## IHSS Timesheets

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### ***Current Timesheet Practices Limit Program Oversight.***

- ***Documenting Service Hours.*** Because providers are not required to document the actual hours that they work, instances of fraud are difficult to prove.
- ***Submitting Timesheets for Payment.*** There is no time limit for providers to submit timesheets to the county for processing.
- ***Timesheet Submission Data.*** The data suggest that providers sometimes delay their submittal of timesheets, which cover 15 day periods. Between July 2007 and December 2008, in a given month, about 27 percent of providers submitted two or more timesheets, about 8 percent submitted three or more timesheets, and about 0.5 percent submitted six or more timesheets.



### ***Timesheet Reforms Could Improve Program Integrity.***

- ***Increase Program Oversight and Accountability.*** We recommend requiring providers to (1) document the actual hours that services are provided and (2) turn in timesheets within one month of care.