DATE: May 12, 2020
TO: Governing Board of the Public Authority for In-Home Supportive Services
FROM: John P. Mills, Director, Employee Services Agency
SUBJECT: 2020-2021 Plan Year Valley Health Plan Agreement for IHSS Independent Providers

RECOMMENDED ACTION
Approve Agreement with County of Santa Clara, dba Valley Health Plan, relating to providing medical insurance benefits for eligible In-Home Supportive Services Independent Providers in an amount not to exceed $119,036,853 for period July 1, 2020 through June 30, 2021, that has been reviewed and approved by County Counsel as to form and legality.

FISCAL IMPLICATIONS
The current Valley Health Plan (VHP) rate is $924.73 per month for the Classic (broad) network, and $665.33 per month for the Preferred (narrow) network, with eligible Independent Providers (IPs) contributing $25 toward each of these amounts. Effective July 1, 2020, the VHP Classic Network Plan rate will decrease to $921.13 per month. The VHP Preferred Network Plan rate will increase to $703.74 per month. These rates will remain in effect through June 30, 2021. Current total In-Home Supportive Services (IHSS) IP enrollment in VHP is 12,278, with 4,296 IPs enrolled in the Classic Plan and 7,982 IPs enrolled in the Preferred Plan.

The maximum financial obligation is based on the monthly premium rates per member, estimated enrollment of 12,592 IPs by June 2020, and the expected 6% increase in the number of IPs in Fiscal Year 2021. The net cost for Fiscal Year 2021 to provide medical insurance coverage for eligible IHSS IPs is approximately $119,036,853 and is included in the Fiscal Year 2021 base budget.

CONTRACT HISTORY
The County provides medical insurance coverage for eligible IHSS IPs through its agreement with VHP. The date of the original VHP group service agreement is September 1, 2000, and it has been renewed annually every plan year. On September 23, 2014, the Governing Board of the Public Authority for IHSS approved an agreement with Valley Health Plan relating to adding a new Preferred Network Plan for IHSS IPs hired after October 1, 2014, or for any

**REASONS FOR RECOMMENDATION**

The Agreement with VHP is renewed annually on July 1st of each year and is subject to potential premium rate adjustments along with any amendments updating or clarifying any regulatory changes, requirements, or language required by the provider based upon current standards of medical practice in the community.

Administration believes that the Fiscal Year 2021 renewal rates for VHP are in line with the claims utilization of eligible IPs and are within the range of comparative data presented.

**CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

**SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**

The recommended action will have no/neutral sustainability implications.

**BACKGROUND**

In 1992, California enacted legislation to define the role of Public Authorities established by County Boards of Supervisors to provide for the delivery of IHSS. Counties could establish public authorities to act as the “employer” for purposes of collective bargaining with IHSS providers. In December 1996, the Santa Clara County Board of Supervisors adopted an ordinance creating the In-Home Supportive Services Public Authority to act as the employer of record of IHSS IPs for purposes of collective bargaining. Sourcewise is currently under contract with the County to provide management services for the IHSS Public Authority.

SEIU Local 2015 is the exclusive collective bargaining representative for in-home supportive services workers, also known as Independent Providers. The County, negotiating on behalf of the Public Authority for In-Home Supportive Services, reached an agreement with SEIU Local 2015 for a Memorandum of Agreement (MOA) with a term of February 1, 2019 through January 31, 2021.

The current MOA between the Public Authority and SEIU Local 2015 continues to offer eligible IHSS IPs benefit insurance for medical, dental, and vision services. Due to VHP’s escalating costs relating to its contracts with certain provider networks like Palo Alto Medical Foundation (PAMF), the County negotiated cost-saving measures with the union.

On September 23, 2014, following the California Department of Managed Health Care’s approval, the Governing Board approved an Agreement with Valley Health Plan that added a Preferred Network Plan for IHSS IPs hired after October 1, 2014, or for any current IHSS IPs who leave the Classic Network Plan for any reason. The Preferred Network includes VMC, Valley Health Centers, and the Santa Clara County Independent Providers Association (SCCIPA). The Preferred Network excludes all other provider networks, including PAMF, which are included in the Classic Network. Under the MOA, participating IPs meeting
certain eligibility requirements pay a monthly participation rate of $25.00 for the VHP medical insurance benefit and continue to pay no monthly premiums for the dental and vision benefits.

**CONSEQUENCES OF NEGATIVE ACTION**

The IHSS Public Authority will not be able to provide the medical insurance benefits as required in the MOA for IHSS IPs.

**STEPS FOLLOWING APPROVAL**

The Clerk of the Board of Supervisors is requested to send notification of final action and a soft-copy of the signed agreement to Rhonda Schmidt, Employee Benefits Director, Employee Services Agency and Mary Tinker, Director, Sourcewise Public Authority Services.

**ATTACHMENTS:**

- 2020-21_VHP Agreement for IHSS  (PDF)