



County of Santa Cruz

HUMAN RESOURCES AGENCY

Cecilia Espinola, Director
1000 Emeline Avenue, Santa Cruz, CA 95060
(831) 454-4130 or 454-4045 FAX: (831) 454-4642

June 11, 2002

AGENDA: June 18, 2002

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

CONTINUATION OF PUBLIC HEARING RE: APPROVAL OF IN-HOME SUPPORTIVE SERVICES (IHSS) CONTRACT AWARD

Dear Members of the Board:

On June 4, 2002, your Board directed the Human Resources Agency (HRA) Director to return to your Board on June 18, 2002 to consider the approval of the In Home Supportive Services (IHSS) contract with Addus Healthcare, Inc. for FY 02/03. Additionally, your Board directed HRA to provide information about possible contingency plans if approval of a contract is not feasible, and to address concerns about the monitoring activities available to evaluate the current contractor's performance. The purpose of this letter is to provide an update to your Board on these issues.

Contingency Planning

In the event that your Board does not approve a new contract with Addus Healthcare, Inc. HRA staff have begun exploring the feasibility of contingency plans to provide a transition for the approximate 400 consumers who would have to transfer to the Independent Provider (IP) mode in the Public Authority. The goal is to prioritize services to the most severely impaired consumers who constitute the most vulnerable segment in the current contract. Efforts are occurring to profile these consumers to prioritize a transition based on the severity of need and the level of the consumer's physical and mental impairments. Since there is no assurance that all current contract providers will transfer to the Public Authority, the plan is to match those consumers with the highest level of need with a new provider from the Registry if one is needed. To date we have identified approximately 80 consumers who will require priority attention.

As part of the contingency planning to insure that continued services are delivered to consumers with the greatest need, it is important to take into consideration that the Public Authority is not fully operational and still in a "ramp-up" stage. We anticipate that some consumers with less serious needs will be without services for a brief time if their provider chooses not to transition to the Public Authority. We anticipate this to be the exception rather than the rule.

BOARD OF SUPERVISORS

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APPROVAL OF IHSS CONTRACT AWARD

In addition, we have consulted with the California Department of Social Services to explore a possible extension of the current contract. According to the State, it is preferable that we initiate a new procurement process. However it appears that your Board does have some discretion to extend the current contract to allow for an orderly transition and termination of the contract.

Another contingency consideration is the impact on both the HRA Fiscal staff that processes time sheets and the Public Authority administrative functions. With the increased work generated by the transfer of the approximate 400 consumers and potentially 120 providers, the elimination of the contract would result in a minimum addition of a 1.0 FTE in the HRA Fiscal Division to process the increased number of Independent Provider timesheets. HRA anticipates that the elimination of the contract and transition of providers to the IP mode will have some impact on Public Authority administrative operations however the magnitude of which is unknown at this time. The degree to which Public Authority staff is impacted is dependent on the number of consumers who will need to locate a new provider.

Should your Board elect not to approve a new contract with Addus Healthcare, Inc., it is recommended that you consider extending the current contract for a period of time not to exceed 90 days to allow for a smooth transition.

Contract Performance Monitoring

Another issue that was discussed at the June 4,2002 hearing was the concern about the monitoring of Addus Healthcare, Inc., specifically, personnel practices. Protocols for addressing Employer/Employee relations are outlined in the labor agreement between the labor representative and Addus Healthcare, Inc. HRA does not directly become involved with these issues, however, it is our practice to contact Addus Healthcare, Inc. directly when employee issues are brought to our attention. In addition, provider and consumer files are monitored on a quarterly basis by HRA staff.

IT IS THEREFORE RECOMMENDED that your Board:

1. Approve the award of an IHSS contract for the period July 1,2002 through June 30,2003 at a rate of \$15.70 per hour for 125,000 hours for a total contract amount not to exceed \$1,962,500 to Addus Healthcare, Inc. of Palantine, IL; and
2. Authorize the Human Resources Agency Director to sign the **MSS** contract on behalf of the County, following the public hearing and Board approval on June 18,2002.

Very truly yours,



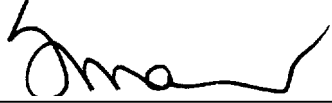
CECILIA ESPINOLA
Director

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RECOMMENDED:



SUSANA A. MAURIELLO
County Administrative Officer

cc: County Administrative Office
Auditor Controller
HRA-Fiscal
California Department of Social Services
Seniors Commission
Long Term Care Interagency Commission
Human Services Commission
Commission on Disabilities
Addus Healthcare, Inc.
IHSS Advisory Commission
Service Employees International Union, Local **415**



County of Santa Cruz

IHSS Advisory Commission

1040 Emeline Avenue, Santa Cruz, CA 95060
 Mailing: P.O. Box 1300, Santa Cruz, CA 95061
 (831)454-5252 FAX: (831)454-4003

June 7, 2002

BOARD OF SUPERVISORS

county of Santa Cruz
 701 Ocean Street
 Santa Cruz, California

IN-HOME SUPPORTIVE SERVICES CONTRACT

Dear Members of the Board:

On June 5, 2002, your Board considered a recommendation from the Human Resources Agency (HRA) to award a contract for In-Home Supportive Services (IHSS). The MSS Advisory Commission considered the outcome of that discussion and would like to comment on the critical importance of preserving the contract mode of IHSS services for IHSS recipients or consumers.

Background

Historically, Santa Cruz County has been highly successful in preserving a wide range of choices to meet the needs of diverse clients of In-Home Supportive Services. As you know, MSS serves the elderly, blind and disabled by providing domestic and personal care so that they may remain in their homes for as long as possible. Currently, MSS consumers have three options to find care providers: 1) on their own with no assistance from the County, 2) through the new IHSS Public Authority, and 3) through the MSS contract. Options one and two are called the independent provider mode; option three is the contract mode. Santa Cruz has historically been one of the mixed mode counties in the state, with the aim of keeping IHSS consumers at home rather than in institutions.

The first option is most often used by those who have physical disabilities, and are able to find, hire, train, and supervise providers on their own. The second option, the Public Authority, is for consumers who can handle the employer/employee relationship, but may not be able to find providers without help from the Public Authority's Registry, which lists providers who want more work. The third option, the contract mode, is for the consumers who cannot manage the employment relationship, but can be maintained safely at home, such as some of those with dementia or Alzheimer's. These consumers need a worker employed by the contract agency dispatched to their home to help them, and rely on the contractor to hire, supervise and train the providers.

Impacts of Eliminating the Contract Mode

The **IHSS** Advisory Commission strongly supports continuation of the contract mode **as** an option in Santa Cruz County. We ask that you consider the impacts of eliminating the contract before acting to eliminate it. Currently, the **IHSS** contractor serves approximately 400 **MSS** consumers and employs 120 care providers with benefits. For a variety of reasons, the majority of those using the contract mode cannot simply transition to other modes. Some of these clients have mental health issues or mental impairments to the degree that they need someone else to manage their providers, **so** that they **can** stay safely at home. Others need a **high** level of paramedical care to prevent being placed in a hospital or skilled nursing facility.

Paramedical care is medical in nature, like the changing of ostomy bags or filling syringes for a diabetic, which must be done every day. Paramedical services must be ordered by a doctor. Providers of paramedical services must be specially trained by a health professional or the consumer, and cannot begin work until properly trained. Transitioning patients requiring this level of care from the contract to another mode would take an extended period, and they cannot suffer a break in service without dire health consequences.

Discontinuing the contract would eliminate the emergency services system currently in place for **IHSS** consumers who need emergency home care. Emergency services fill the gap when the other modes of service are not yet in place, or when independent providers fall ill or must take leave unexpectedly. When this happens, **care** is provided by the contractor who dispatches their employees to the consumers' homes. The contractor also has Certified Nurse Assistants (CNAs) on staff, who can perform **personal** care and some paramedical services.

We also believe that discontinuing the contract mode would increase the number of vulnerable local residents who would be placed in institutions and hospitals rather than being **maintained** at home. **As** you know, the costs of institutional care are far greater than home care. Terminating the contract would have an impact on emergency rooms, hospitals, skilled nursing facilities, and Medi-Cal and Medi-Cruz costs **as** well.

The mixed mode of **IHSS** services, including the contract, was employed in Santa Cruz County before the advent of the Public Authority, and **has** become a model for other counties in the state. When the new Public Authority is fully functioning, we anticipate that it will greatly reduce the need for contract services. We urge your Board to **support** the contract now, and to work toward a timely transition to a much smaller contract in the future. Please feel free to contact me at 476-9770 if you have questions or would like more information.

Sincerely,



MIKE MOLESKY
Commission Chair



County of Santa Cruz

HUMAN RESOURCES AGENCY

Cecilia Espinola, Director
1000 Emeline Avenue, Santa Cruz, CA 95060
(831) 454-4130 or 454-4045 FAX: (831) 454-4642

May 23, 2002

AGENDA: June 4, 2002

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

APPROVAL OF IN-HOME SUPPORTIVE SERVICES (IHSS) CONTRACT AWARD

Dear Members of the Board:

On May 7, 2002 your Board authorized the Human Resources Agency (HRA) Director to report back on June 4, 2002 on the recommendation to award the In-Home Supportive Services (MSS) contract. The purpose of this letter is to advise your Board that HRA recommends that your Board accept and approve the MSS contract award for the period July 1, 2002 through June 30, 2003 with Addus Healthcare, Inc. The proposed contract is on file with the Clerk of the Board.

In accordance with the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Section 23-625, a Public Hearing is required for the award of a contract. The June 4, 2002 hearing can serve both as the public hearing and as the time for your Board to award the contract.

Background

As you recall, the current MSS contract expires as of June 30, 2002. With your Board's approval, HRA conducted a Request for Proposal (RFP) process over the past several months, in accordance with CDSS regulation requirements (MPP Section 23-600 et al). In response to the RFP, HRA received one proposal, submitted by Addus Healthcare.

A Proposal Review work group, consisting of members of the MSS Advisory Commission and HRA Adult Services staff reviewed the proposal from Addus Healthcare. Staff from the County Auditor's Office reviewed all financial documents and provided technical support to the work group. The work group determined that the proposal met the criteria required by CDSS regulations for approval of the proposal, subject to further clarification from Addus Healthcare about certain issues.

In subsequent discussions about the proposed budget between HRA and Addus Healthcare, a mutually acceptable rate for contract services was agreed upon for FY 02/03. HRA recommends that your Board award an MSS contract to Addus Healthcare, Inc. of Palantine, IL, for the period July 1,

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2002 through June 30, 2003 at a rate of \$15.70 per hour for 125,000 hours. The total contract amount can not exceed \$1,962,500. These funds are already included in HRA's proposed FY 02/03 budget.

The CDSS MPP requires a protest period for contract award recommendations. The protest period concluded on May 1, 2002 and HRA received no protests.

IT IS THEREFORE RECOMMENDED that your Board:

1. Approve the award of an **MSS** contract for the period July 1, 2002 through June 30, 2003 at a rate of \$15.70 per hour for 125,000 hours for a total contract amount not to exceed \$1,962,500 to Addus Healthcare, Inc. of Palantine, IL; and
2. Authorize the Human Resources Agency Director to sign the **MSS** contract on behalf of the County, following the public hearing and Board approval on June 4, 2002.

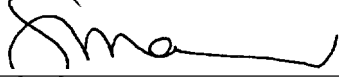
Very truly yours,



CECILIA ESPINOLA
Director

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RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

- cc:
- County Administrative Office
 - Auditor Controller
 - HRA-Fiscal
 - California Department of Social Services
 - Seniors Commission
 - Long Term Care Interagency Commission
 - Human Services Commission
 - Commission on Disabilities
 - Addus Healthcare, Inc.
 - MSS** Advisory Commission
 - Service Employees International Union, Local 415

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COUNTY OF SANTA CRUZ REQUEST FOR APPROVAL OF AGREEMENT

TO: Board of Supervisors
County Administrative Office
Auditor Controller

FROM: Human Resources Agency (Department)

BY: [Signature] (Signature) 5/24/02 (Date)
Signature certifies that appropriations/revenues are available

AGREEMENT TYPE (Check One) Expenditure Agreement Revenue Agreement

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same.

1. Said agreement is between the Human Resources Agency (Department/Agency)
and Addus Healthcare, Inc., 2401 So Plum Grove Road, Palatine, IL 60067 (Name/Address)

2. The agreement will provide in-home supportive services for eligible elderly and dependent individuals in Santa Cruz County.

3. Period of the agreement is from July 1, 2002 to June 30, 2003

4. Anticipated Cost is \$ 1,962,500 Fixed Monthly Rate Annual Rate Not to Exceed
Remarks: \$15.70 hourly rate, not to exceed 125,000 hours

5. Detail: On Continuing Agreements List for FY 2002-03 . Page CC- _____ Contract No: C11716 OR 1st Time Agreement
 Section II No Board letter required will be listed under Item 8
 Section III Board letter required
 Section IV Revenue Agreement

6. Appropriations/Revenues are available and are budgeted in 392100 (Index) 4545 (Sub object)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACHED COMPLETED AUD-74 OR AUD-60

Appropriations are available and will be encumbered. Contract No: 21716
are not available and will be encumbered. 02-03 By: [Signature] Date: 5/30/02
Auditor-Controller Deputy

SUBJECT TO BUDGET APPROVAL

Proposal and accounting detail reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize _____ (Dept/Agency Head) to execute on behalf of the _____ (Department/Agency)

Date: _____ By: [Signature]
County Administrative Office

Distribution:
Board of Supervisors - white
Auditor Controller - Canary
Auditor-Controller - Pink
Department - Gold

State of California
County of Santa Cruz
I, _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Office by an order duly entered in the minutes of said Board on _____ 20__

ADM - 29 (8/01)
Title I, Section 300 Proc Man By: Deputy Clerk

AUDITOR-CONTROLLER USE ONLY

Doc No.	JE Amount	Lines	H/TL	Keyed By	Date
70.1					
Auditor Description	Amount	Index	Sub object	User Code	

june 20, 2002

re: addus health care contract renewal

dear board **of** supervisors,

i recently sent the enclosed letter to the supervisor from my district, jeff almquist.

i allege that addus health care is a bad company which takes advantage **of** the lowest paid **workers**.

i request that you not renew addus' contract.

i request that you investigate addus **for** violations of state **laws**, county policies, and union contract.

i have documents supporting my allegations, and have presented them to county **staff** and to supervisor **almquist**. i will provide copies of any documents **to** anyone who requests them.

thank you,

sincerely



roystegman

may 9, 2002

dear supervisor Almquist,

thanks for your memo dated january 28, 2002, requesting cecilia espinola to investigate my allegations against Addus Health care. since your memo, i have spent dozens, if not hundreds of hours attempting to obtain justice for myself, and about \$40 in phone calls, postage. copies. transportation, etc. i reached a settlement with addus april 6, 2002, and i now consider this matter concluded, not because i have received justice, but because i'm tired of all the paperwork and bureaucrats.

but first i intend to inform you of all my experiences, and present to you and your fellow supervisors my reasons why you should not renew addus' contract.

in the first place, i was harassed by a supervisor, pat turcotte, repeatedly until i quit. pat is no longer with addus, as she quit or was fired. other addus employees also quit because of her harassment. some may be willing to testify if you decide to investigate. pat was a nicotine addict, and subject to irritability, so i guess i can forgive her, since i was irritable too when i was trying to quit smoking.

but addus management set up the situation where she could treat people like that. addus has had trouble keeping office managers in the capitola office since they moved from a spacious office with windows to an interior office one fourth the size with only a skylight.

i found out from a domestic workers union message on bulletin board that i was entitled to be paid extra \$1 per hour because the lady i worked for had an infectious disease. addus started paying me this extra, but then forgot to pay, making my paycheck short, and 'corporate office doesn't like to issue extra checks in these cases'. so i had to wait for my next paycheck

this happened again and again, six times in a year. i have documents to prove this. i enclose a letter i wrote to office manager after the second time. each time my check was shorted about \$38, and i was not paid this amount until the next paycheck. since i was actually trying to live on the \$7.25/hr i was getting then, these shortages caused my checks to bounce, incurring multiple \$29 service charges. bank records will show this, but i can't afford to pay the bank to research record. perhaps next year you'll raise us to a higher percent of a living wage in santa cruz county, and i could contemplate such a luxury.

in january 2001 my client switched from addus to county in home supportive services, and i still worked for her, but i was paid \$1 or \$2 less for each hour. at that time i went on leave of absence from addus, and placed an order to redeem quality points i had earned in addition to my wages. These quality points are not in the union contract, but are redeemable for merchandise. you go to the office, pick your merchandise from a catalog, and place your order by filling out a form. if you're smart, you'll get a copy of the form.

at the time of my letter to addus, donna eck was office manager. after reading my letter,

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she met with me and agreed that addus would pay me the extra \$1/hr for infectious disease, and **so** i continued working, but donna quit. for several months there was no office manager, and pat turcotte was able to do whatever she wanted to whomever. when cindy borba became office manager, i called her about the quality points, and she said there was a new catalog, **so** i would have to come to the office and **fill** out another form. she also told me my first order had been **lost**, and that's why i wasn't notified of the existence of a new catalog. **so** i went there, filled it out, gave it to her, and she promised she would fax it to 'corporate headquarters,' and they would notify me how to proceed to redeem my quality points which i had already earned. but she didn't, **or** in any case the merchandise was not ordered.

so on july 31 2001 i went to office again, ordered again, and resigned from addus. i was assured i would get the merchandise. but after 3 months. there was another new office manager, and no one knew anything about my merchandise. furthermore, the new office mgr told me i was unpleasant [on the phone] and not to call any more.

this is when i began complaining to state agencies, because the union declined to assist me, for reasons i'll tell you on request.

i had to file complaints with 2 state agencies; for quality points labor commissioner, industrial relations, and fair employment and housing for harassment.

at the labor commissioner's office my case was assigned to someone who didn't understand it, the case was closed because of a mistake on a form, and my letter to them to re open the case was returned to me undelivered.

this case was finally heard on april 6, 2002, as i mentioned, in san jose. addus sent capitola office mgr, my former supervisor, and a well dressed attorney from one maritime plaza, san francisco. we discussed quality points, the attorney explained and passed out copies describing quality points. the deputy labor commissioner handling the case asked the attorney, are these quality points redeemable for cash? and the attorney said no.

the attorney then offered me \$200 for my 24800 quality points instead of merchandise, and i should have said \$300, and settled for \$248.50, but i took the \$200. frankly, i wish someone from the union **or** the county could have helped me at this hearing.

i wonder how much money paid to addus by the county went to pay that attorney for his afternoon.

to fair labor and housing san jose office, i mailed 20-25 pages of forms and copies of documents. i had a telephone interview with them on march 6,2002, and they informed me that they only handled discrimination complaints, but pat harassed everybody, **so** they couldn't take my case. **so** they sent me a form allowing me to sue addus, but i couldn't find an attorney that was interested in 40 per cent of \$248.50.

this is starting to sound a little silly, but **i was** determined not to let addus rip me off, no matter what it took. all the agencies that might help me were not helping, and i was approaching the issue from several directions at the same time, hoping one would work

out.

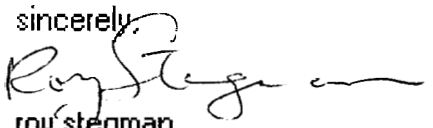
i have a few more facts and opinions about addus i'd like to share with you. addus is a very large stockholder owned corporation which extracts cash from counties all over the usa. as suggested by my case, management is aloof, and uncaring. I was unable to reach office mgr's boss, or any upper management. they never knew about this case until they were ordered to appear by the state labor com'snr. addus tries to save money by cutting services and staff. computers in capitola office are outmoded. morale is low, turnover high. communication is poor.

if you care to investigate, and ask other employees and ex employees, i believe you will find ample reason to vote against renewing addus' contract.

thanks again for your attention to my issues. in spite of ample evidence to the contrary, i still believe democracy can work.

if you need more information or wish to discuss any of this with me, you may call at 336 3514, or email roystegman@hotmail.com or write po box 1105, ben lomond ca 95005.

sincerely,


roy stegman

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may 20,2002

i discovered this week addus was the only bidder for the county contract. francie newfield is not interested in seeing the documents i offered to copy for her, even though she doesn't know what documents i'm offering. apparently county staff is recommending to you to renew addus' contract, in spite of the information i'm presenting.

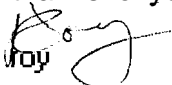
so i have some questions for you: since the county has a new public authority. or registry, as it's now being called, is there anything that requires a contract with a company like addus? even though the board may approve a new contract with addus, would you consider voting against it? would you consider instigating an investigation of addus?

it seems to me county staff is responsible for getting the paperwork done so the money comes in. if addus gets the paperwork done on time, county staff thinks they're acceptable.

i do not expect any benefit for myself in this matter. i believe if addus behaves this way in my case, it's just the tip of the iceberg. many addus employees and clients are suffering who are not as verbose as i am, although i can't prove it. i'm not in a good position to conduct an investigation. but you are.

hasn't it been county policy long enough to treat home workers... well i guess you know how we're treated.

thanks for your attention to my case, and i'm hoping you won't just ignore me.


roy