



County IHSS MOE Methodology Brief

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On September 7, the CSAC Board of Directors unanimously approved the IHSS MOE methodology. Senate Bill 90, which implemented the May Revise IHSS agreement, specifically identified that the Department of Finance will consult with CSAC to implement the County IHSS MOE, including determining each County's IHSS MOE base. CSAC convened an IHSS MOE Workgroup to ensure input from the County Administrative Officers and technical experts and representation from Urban, Suburban, and Rural counties during the development of the County IHSS MOE. The methodology has been shared with the Administration for their consideration and implementation. This document outlines the approved methodology.

IHSS MOE Methodology

The IHSS MOE Workgroup considered a broad range of factors and data that could be utilized to determine how to distribute the cost shift and offsetting revenue among California's counties. Ultimately, the workgroup selected two factors to combine into an overall methodology.

MOE Base

- Each county has a specific county MOE amount from the Department of Social Services and Department of Finance that forms the 2017-18 starting point before the \$592.2 million cost shift is added.
- The county share of the prior MOE period was initially established based on 2011-12 expenditures, essentially what each county spent in 2011-12 on services, IHSS county administration and Public Authority (PA) administration. Changes in local wages and benefits that have occurred over the past five years are reflected in a county's current share of the overall MOE.
- Each county's percent to total of this statewide base number is calculated.
- Utilizing the MOE base provides some stability to each county's current share of the statewide MOE. It also reflects the difference in wages and benefits that each county has negotiated and incorporates that as a factor in determining the share of the cost shift.

Annual Hours Growth

- The amount of annual IHSS provider hours grew by 36.7% statewide over the prior MOE period.
- Data includes the statewide and county specific IHSS provider hours in the most recent year compared to statewide and county specific hours from five years ago.
- Each county's percent to total of this statewide growth number is calculated.
- Utilizing annual hours growth reflects changes that have occurred in the program over the previous MOE period and is responsive to where that growth occurred and may occur in the coming years.

MOE and Offsetting Revenue

- The methodology weights the MOE Base and Annual Hours Growth equally.
- Based on combining 50% from each, a county's overall percent to total is calculated and then applied to determine the county's proportionate share of the cost shift and offsetting General Fund revenue.
- The overall MOE is the sum of four smaller MOE amounts – services, IHSS county administration, PA administration, and Case Management, Information and Payrolling System (CMIPS).
- The MOE Base/Annual Hours Growth methodology is utilized for the services component of the cost shift and General Fund offset, which accounts for 95% of the total cost shift and General Fund offset.

- To determine the IHSS county administration component, each county's percent to total of the most recent 12 months of IHSS county administration expenditures is calculated and then applied to determine the county's proportionate share.
- To determine the PA administration component, each county's percent to total of the most recent 12 months of PA administration expenditures is calculated and then applied to determine the county's proportionate share.
- To determine the CMIPS component, the actual numbers from the Department of Social Services are utilized to determine the county's proportionate share.
- After all four of these components are combined into one overall MOE, each county's percent to total is calculated for the overall cost shift.
- The \$400 million State General Fund offset is applied off the top at the state level.
- The County MOE amount that counties are billed for is the amount after the cost shift has been added and the General Fund offset has been applied.
- All other offsetting revenue including redirected VLF growth, redirected sales tax growth and accelerated caseload growth is distributed in proportion to a county's share of the overall cost shift.
- Redirected County Medical Services Program (CMSP) growth is distributed to the 35 CMSP counties proportional to the county share of the cost shift for just those 35 counties.