



2007-2008 SANTA CLARA COUNTY CIVIL GRAND JURY REPORT

IN-HOME SUPPORTIVE SERVICES OPERATING ON THE EDGE

Introduction

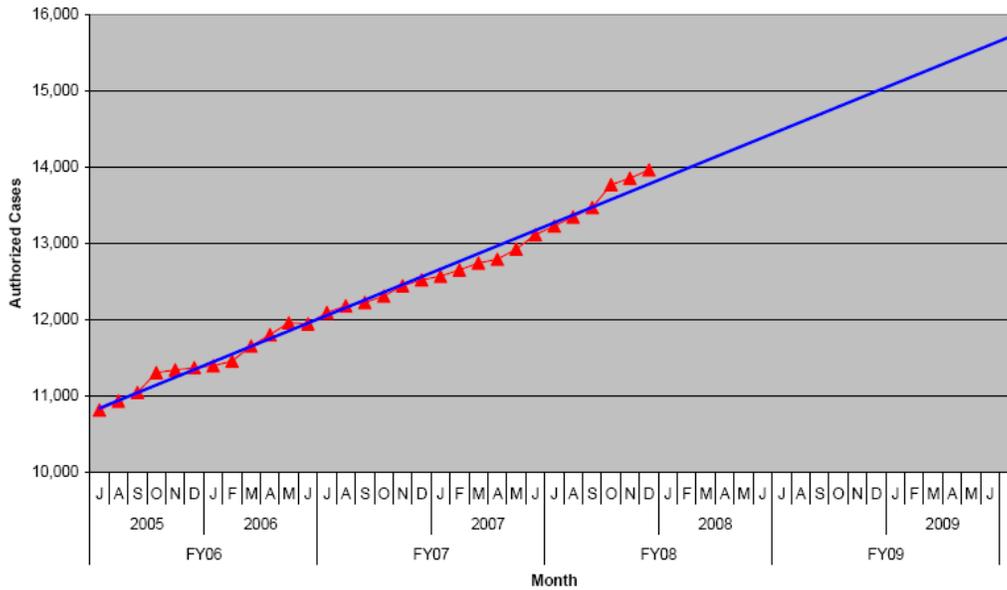
The Grand Jury investigated a report of hardship to many home health care providers (Providers) resulting from overdue paychecks. While the issue was resolved within three months through actions by the Santa Clara County In-Home Supportive Services (IHSS), the County Board of Supervisors, and the Local 521 Service Employees International Union (SEIU), the incident highlighted the vulnerability of the IHSS safety net formed by the people who care for the County's poorest elderly, blind, and disabled citizens. The problem finds its roots in the 10-15% annual growth rate of those who need Providers, the difficult financial and personal situations of the majority of Providers, and the constrained budgets of the state of California and the County of Santa Clara.

IHSS

Established in 1973, IHSS is part of a statewide program that provides domestic and personal care services that are designed to enable qualified blind, elderly, and disabled persons (Clients) to remain in their residences rather than be cared for in an institutional setting. It is funded by a combination of county, state, and federal programs. The 2004-2005 California Legislative Analyst's Office reported that a disabled nursing home patient costs approximately \$60,000 per year compared to \$10,000 per year for the average IHSS Client remaining at home.

Growth in the Santa Clara County program parallels that of the state at 10-15% per year and is expected to continue at this rate assuming no statutory change. (See attached graph). A 2005 County IHSS demographics study reported that 73% of Clients were above age 65; the rest were blind or disabled adults or minors. Factors contributing to the growth include a maturing population, particularly with Alzheimer's disease or other dementia, and a surge in autism.

SANTA CLARA COUNTY IHSS CASELOAD FY06-FY09



The Payroll Process

As of January 16, 2008, the IHSS payroll unit (Payroll) consisted of five Account Clerks and four Data Office Specialists. IHSS social workers perform an initial eligibility determination and an annual needs re-evaluation, including a determination of the maximum number of hours per week that will be covered by the program. Payroll enters eligibility information into a central computer system for new Client intake assessments and for annual reassessments for ongoing Clients.

Once a Client is in the IHSS system, their Provider can submit time cards to IHSS documenting their hours worked. Time cards cover two pay periods per month, the 1st through the 15th of the month and the 16th through the end of the month. The Provider must fill out a time card with the hours worked and both the Provider and the Client must sign the time card. It is then mailed to IHSS or deposited in a drop-box at the IHSS office. By law, paychecks must be received by Providers within 10 business days from the day the time card is received by IHSS.

The Account Clerks “validate” the time cards by checking for signatures and reviewing other information. They look for any address changes, calculate the total hours worked, and then enter them into the local computer system.

This information is transmitted to a central state computer system, called CMIPS (Case Management, Information and Payrolling System) at the State Controller’s Office, which prepares and mails paychecks, also called “warrants,” to Providers. Along with the paycheck, CMIPS mails the time card for the next pay period. If a warrant is issued late, the local IHSS staff must enter into a labor intensive process to get the Provider back on cycle, including the manual generation of a replacement or supplemental time card.

Almost all aspects of the payroll process are governed by CMIPS. Unfortunately, CMIPS is a 25-year-old legacy computer system with limited functionality and flexibility. Although CMIPS II efforts are starting in Sacramento, little effort is being put into improving the existing inefficiencies created by CMIPS. Consequently, county IHSS administration departments have had to deal with its very limited management reporting capabilities, the problems of printing replacement time cards on a 1970's style dot matrix printer, and the lack of direct deposit capabilities for Providers.

Providers

In Santa Clara County, there are approximately 13,000 IHSS Providers who perform services that include domestic and related tasks such as laundry, shopping, meal preparation, and light housecleaning; personal care services such as assistance with feeding, bathing, and ambulating; transportation to and from medical appointments; and certain paramedical services ordered by a physician.

70% of Providers are relatives of Clients who have qualified for IHSS by virtue of having little or no savings and income. While the average authorized hours per case in Santa Clara County is 78.6 hours per month, in fact, many Providers are 24-hour caretakers who are highly dependent on their IHSS pay, which was reported by the IHSS Program Manager to average \$1,011.98 per month in March 2008.

In Santa Clara County, Local 521 SEIU provides union representation for both IHSS Providers and County employees, including IHSS employees. Holgate and Shea, in "The Home Care Crisis in California," describe the success of unions in organizing home care workers, improving their wages and benefits, and thus stabilizing them as a work force. The overall result has been more reliable and improved care for Clients.

Despite the gains that SEIU has made for Providers and strong local efforts on behalf of Providers such as those described below, late paychecks hit Providers who are frequently strained by financial, physical, and emotional issues resulting from caregiving. Holgate and Shea's description of unaddressed Provider issues provides insight into the impact of late paychecks:

One out of every five caregivers will quit his/her regular job to provide in-home care and one-third of care giving households will deplete all or most of their savings in the process ...

Poor training regarding lifting and moving has resulted in injuries and physical stress ... Under tight financial and time constraints caregivers will forgo medical help for themselves...

Due to the cost of accessing information and services, committed caregivers (especially family members) pay out of pocket for many expenses associated with medical and health needs when the consumer is normally eligible for coverage...

Emotional stress results from interpersonal relationships that attempt to strike an often impossible balance between the care receiver's needs and desires and the caregiver's capacity to provide.

Early Warnings from 2005

The impact of budget-constrained growth was noted in late 2005 in a communication by an IHSS supervisor:

Over the past 5 years the client base for IHSS has almost doubled. Because the percentage of increase in support staff has not matched the increase in the client base, we have reached a point in time where the only way to begin to approach the increased demand for the services of support staff is to rely on regular overtime. Even then, if staff is absent due to illness or vacation, work is backlogged.

This situation directly impacts client service resulting in warrants being late, and in clients and providers feeling the impact of that. Providers are unable to meet their financial obligations in a timely manner, and often clients lose providers as a result of this problem. Clients and providers become angry jamming the phone lines and filling the lobby.

The volume of telephone calls alone is overwhelming. Often clients and providers are unable to talk with anyone directly due to the volume of calls. This becomes extremely frustrating for callers. When they finally reach someone (clerical staff), they are often angry and sometimes abusive to the staff. This has the overall effect of lowering staff morale and again creating an atmosphere of poor customer service.

The table below provides information about time cards processed from 2003 - 2007. The payroll processing staffing level has remained constant since 2004 but the time card work load increased by 20% in the same time period.

SANTA CLARA IHSS WORKLOAD 2003-2007

Year	Total Authorized Providers	Time Cards Processed	Clients
2003	6629	15126	7674
2004	9351	21919	9517
2005	10676	23926	10599
2006	11700	24001	11592
2007	12762	27617	13112

November 2007 Crisis

In 2006 IHSS initiated a project to acquire software that had been used successfully in Fresno and other counties in the hopes of automating at least some of its processing functions. It eventually required significant modification for use in Santa Clara County, and was not ready for testing until October 2007.

Prior to installation of the new software, all information for the time cards that had been printed earlier by CMIPS was typed back into the system by Payroll. The new software system scanned the time cards into the system when they arrived at the office, and automated transmission to the state central computer system, thus eliminating some manual data entry. But even with the new software, Payroll still needed to check for signatures, sum up the hours worked, and enter the handwritten hours into the system.

During October 2007, the system had been tested on over 1000 transactions and was thought to be ready for full implementation. Unfortunately, a confluence of events resulted in a crisis for Providers:

- The software proved to still have faults that actually slowed data entry, particularly when used simultaneously by multiple people.
- Thanksgiving and Christmas holiday vacations reduced staffing levels. While time card data entry is normally done by five Payroll staff, during the holidays, only 2-3 people were available.
- Late checks from the first cycle created a need for more manual exception processing, including a telephone conversation with the Provider, to arrange the replacement time card.
- The telephone load doubled, thus requiring more staff to answer the phone. The telephone system crashed twice.
- The lobby of IHSS was constantly filled, with as many as 20-30 Providers at a time trying to get their paychecks.
- By January 1, 2008, IHSS decided to turn off the software and go back to manual processing.
- Meanwhile, the SEIU Local 521, as representative of the Providers, was inundated with complaints from Providers. They learned that the long-known late paycheck problem was getting worse and that being short of funds for the holiday season caused hardship and heartache for many. Some Providers were so desperate for help, the union tapped its emergency funds to help by paying rent or utility bills for them. It also took names of Providers needing replacement time cards and gave them to IHSS.
- The union decided to mail out a survey to assess the situation.

County Responds to Union Complaints

As of January 1, 2008, the Local 521 SEIU Provider survey had been completed. Out of approximately 3000 surveys mailed out, they received 800 responses, which is considerably more than they have received from other surveys.

The survey reported that out of the prior 6 months, or 12 pay periods, there was the following distribution of late paychecks:

Never late	16%
Late 1-3 times	46%
Late 4-6 times	24%
Late 7-9 times	6%
Late 10-12 times	6%

Telephone wait times reported were:

1-10 minutes	18%
10-20 minutes	14%
20-30 minutes	15%
30-40 minutes	18%
40-60 minutes	13%
60 minutes+	13%

Although SEIU had been working with IHSS, SEIU decided to contact members of the County Board of Supervisors. The issue was agendaized at the regular January meetings of the Board of Supervisors and the Children, Senior and Families Committee, where SEIU was joined by Providers and Clients. The result was approval of two “extra-help” payroll staff that later became permanent positions.

The corrected software was reactivated on February 4, 2008. By mid-February, the department had finally eliminated the backlog and was processing time cards the day they were received.

Business Process Improvement Study

The County Social Services Agency diverted some time from a business process consulting group working elsewhere in the agency, to look at IHSS processes and to suggest improvements. The consultant, Public Consulting Group (PCG), completed the study in April of 2008 and provided information on how the department has functioned since the addition of the two extra staff and the improved version of the time card scanning software.

PCG reported that

For time cards with NO exceptions, the time frame – from the receipt of timecards by IHSS payroll to upload of time card information into CMIPS – takes 2 business days to complete. Upon input into CMIPS, the State Comptroller takes approximately 2 days to process check. Delivery of mail via USPS is estimated to take three to five business days. Total of 7 to 9 business days for Provider to receive paycheck.

PCG also reported that 6000 replacement/supplemental time cards per month are still generated locally, and since they cannot be scanned by the new system, they must be manually entered.

PCG recommended a number of process changes to improve accuracy and efficiency, which IHSS expects to be implementing. PCG further provided information and references regarding:

- two possible methods, used in San Bernardino and Fresno Counties, to eliminate the 6000 manually entered replacement cards.
- a customizable Voice Over Internet Protocol (VOIP) service to help manage call volume and to provide helpful information to callers.
- an Integrated Voice Response (IVR) System to provide access to time card information.

Conclusions

A high growth rate under long-term budget constraints brought about the issues of late paychecks, long telephone delays, and poor customer support. Late paychecks can be devastating to Providers who frequently live from paycheck to paycheck.

IHSS payroll administration has struggled through years of growth with insufficient staffing, and antiquated computer and telephone systems.

Further, the agency's newly found relief may be short-lived. At the time of this writing, the Governor of California has planned an 18% cutback in domestic and related services to IHSS clients and a 10% cutback in administrative funding. The 18% cut would be done automatically by CMIPS starting July 1, 2008. Reassessments will be moved to an 18-month schedule rather than 12 months, on the theory that less frequent reassessments will reduce the administrative load. According to a February 2008 Legislative Analyst paper, however, clients will be able to appeal the cutback, and inevitably, the processing for any related data base changes could increase the administrative burden.

The Business Process Engineering study from PCG provided helpful suggestions, and their report indicates that IHSS has been moving forward productively despite a difficult situation. Automation is critical for managing growth and change with minimal staff, particularly with repeated transactions such as time cards.

Findings and Recommendations

Findings have been reviewed with the subject agency.

Finding 1

The authorization of two more payroll clerks for IHSS time card processing was badly needed and overdue. Due to projected future case load growth and ongoing budget issues, there is potential for a similar crisis to occur in the future, resulting in late paychecks for Providers.

Recommendation 1

The Board of Supervisors and IHSS should agree on a trigger or triggers for action so that payroll administration issues do not create undue hardship for Providers.

Finding 2

The department has not had needed tools and technology to help track process performance and to manage change resulting from growth, funding issues, statutory changes, or new technology.

Recommendation 2

As funding allows, IHSS should continue to manage for growth and efficiency, including implementation of the PCG recommendations, development of operational metrics and procedures for planning and scheduling, and further utilization of available technology to improve payroll processing.

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Interviews

February 28, 2008	Home Care Director, Local 521 Service Employees International Union, CTW-CLC.
February 28, 2008	Internal Organizing Director for Home Care Director, Local 521 Service Employees International Union, CTW-CLC.
March 11, 2008	In-Home Supportive Services Program Manager, Department of Aging and Adult Services.
March 28, 2008	Employee, IHSS.
May 19, 2008	Director, Fiscal and Administrative Services, County of Santa Clara Social Services Agency.

PASSED and **ADOPTED** by the Santa Clara County Civil Grand Jury on this 5th day of June, 2008.

Raymond A. Blockie, Jr.
Foreperson

Tim Cuneo
Foreperson pro tem

Kathryn C. Philp
Secretary