



Agenda Date: _____

Board Briefing Report

DATE: May 21, 2024
TO: Board of Supervisors
FROM: Sanja Bugay, Director, Department of Social Services
SUBJECT: Impact of Moving IHSS Health Care Benefit to Wages

EXECUTIVE SUMMARY

The purpose of this Briefing is to provide your Board with information regarding changes to the Medi-Cal program and options available under Covered California that would be available to many Service Employees International Union (SEIU) 2015 member providers resulting from potentially shifting the County health benefit contribution into wages. A review of the providers receiving coverage through the SEIU health plan was conducted to show the potential outcome of moving the health benefit funding into wages.

HISTORY of MEDI-CAL AND COVERED CALIFORNIA

Medi-Cal was created in 1965 by the California Medical Assistance Program after national legislation was passed. Medi-Cal provided health coverage for individuals with low income and limited ability to pay for health coverage. Through the years, Medi-Cal has moved away from a fee-for-service based program to Managed Health Care.

In March 2010, the Affordable Care Act (ACA) was signed into law. ACA opened health care opportunities to millions of individuals who previously were unable to be covered. It also provided financial help to bring the cost of insurance within reach.

California became the first state in the nation to enact legislation to establish its own marketplace under ACA called Covered California. California expanded Medi-Cal to create access to comprehensive coverage for millions of individuals. Covered California began offering coverage in 2014 by creating a competitive marketplace where consumers have benefited from plans with lower premiums and a broad range of plans from which to choose. Cover California also has Advanced Premium Tax Credits (ATPC) to help with the cost of insurance.

Medi-Cal has continued to expand its coverage over the years. In January of 2024, Medi-Cal was expanded to allow full scope Medi-Cal to any individual who meets the income and residency requirements regardless of their immigration status. Additionally, the property limits were removed from determining Medi-Cal eligibility. Changes to Medi-cal eligibility were made to specifically benefit In-Home Supportive Services (IHSS) providers across the state. IHSS providers income is not countable for their Medi-cal program eligibility if they live with the IHSS recipient. Medi-Cal managed

care plans provide services that are equivalent to plans that are purchased individually or through an employer sponsored plan.

IHSS

The IHSS Program is a healthcare benefit under the statewide Medi-Cal program. IHSS provides long-term services and supports for California residents who are aged, blind or disabled and at risk of nursing home placement.

IMPACT TO IHSS PROVIDERS

As of March 2024, there are:

- 24,588 providers in Fresno County for the IHSS Program.
- 2,141 (8.7%) of IHSS providers receive Kaiser Silver Plan health care coverage through the SEIU 2015 Trust.
- Approximately 12,400 (52%) of IHSS providers are currently receiving Medi-Cal benefits.

Of the 2,141 providers receiving health care coverage through the SEIU 2015 Trust, 52% or 1,119 providers live at the same address as their IHSS recipient. Income received as an IHSS provider who lives in the same home with their recipient can be excluded from the Federal Adjusted Gross Income (AGI) and is not used when determining eligibility for free full-scope Medi-Cal.

1,022 providers do not live with their recipients. 168 of these individuals have IHSS income that is under the limit for a household of 1. This means if any of these providers have IHSS as their sole income, they may be eligible to full scope no cost Medi-Cal.

The remaining 40% (854) of providers with income above the Medi-Cal limits who do not live with their recipients may not be eligible for Medi-Cal; however, based on their IHSS income alone, we estimate that 29% (613) would qualify for health coverage through Covered California and Advanced Premium Tax Credit (APTC) that would reduce their health plan costs. The Maximum income threshold to receive an APTC is up to 400% of the Federal Poverty Level (FPL) based on the household size.

Monthly Income Limits	
Household Size	400%
1	\$5,020
2	\$6,816
3	\$8,608
4	\$10,400

Those providers that qualify for the APTC may also qualify for the Cost Sharing Reduction which helps with out-of-pocket expenses such as co-pays and deductibles. The Maximum income threshold to receive a Cost Sharing Reduction is up to 250% of the FPL based on the household size.

Monthly Income Limits								
Household Size	150%	160%	185%	200%	202%	208%	213%	250%
1	1883	2008	2322	2510	2536	2611	2674	3138
2	2556	2727	3153	3408	3443	3545	3630	4260
3	3228	3444	3982	4304	4348	4477	4584	5380
4	3900	4160	4810	5200	5252	5408	5538	6500

For the remaining 11% (241) of providers covered through SEIU 2015 trust whose countable income is above the \$62,000 per year and APTC threshold, they would be eligible to select a plan through Covered California. For example, an annual income of \$62,000 for a one-person household through the ACA website, results in a match of 20 plans with monthly premium costs ranging from \$314 to \$907 dependent on how much coverage is desired (copay amount, hospital coverage, and deductible). There are many plans available under Covered California.

With a shift of the \$0.85 health contribution into wages, all 24,588 providers would realize an annual wage increase, which equates to \$2,353 based on 140 average monthly hours. The providers that are full-time employed would realize a wage increase of \$2,912 per year. The providers that exceed an annual income of \$62,000 from IHSS work alone would realize approximately \$4,804 annual increase in wages.

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