

COUNTY OF SAN MATEO
Departmental Correspondence

Date: OCT 16 2001
Hearing Date: OCT 30 2001

TO: Honorable Board of Supervisors
Acting as the In-Home-Supportive Services Public Authority

FROM: Charlene A. Silva, Director, Aging and Adult Services *CS*

SUBJECT: Amendment No. 1 to Agreement with Addus HealthCare, Inc.

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute Amendment No. 1 to agreement with Addus HealthCare, Inc.

Background

In September 1993, by ordinance of the San Mateo County Board of Supervisors, a Public Authority was established to administer the provider components of the In-Home Supportive Services (IHSS) program. The enabling ordinance designated the Board of Supervisors as the governing board of the Public Authority.

There are approximately 2,000 senior and disabled clients receiving IHSS in San Mateo County. Services are delivered using two modes: individual providers, who serve the majority of clients, and a contract agency serving approximately 120 clients. Clients who are unable to hire, supervise or fire their own providers due to the type or severity of their disabilities are referred to the contractor for services. Contract services are reserved for the most at-risk clients who would otherwise need to be placed outside their home. Thus these services are an integral part of our service delivery system as they enable individuals to remain independent for as long as possible and avoid premature institutionalization.

On June 19, 2001, your board approved an agreement with Addus HealthCare, Inc. for provision of In-Home Supportive Services for the period of July 1, 2001 through June 30, 2004.

Discussion

The original agreement with Addus HealthCare provided for the delivery of a maximum of 182,000 hours of IHSS to eligible senior and disabled residents of San Mateo County each year for three years beginning July 1, 2001 at an initial rate of \$14.43 per hour. The amendment retains the original level of services but increases the hourly rate effective November 1, 2001.

In recognition of the continued increase in the cost of providing contract services through the IHSS program, the Fiscal Year 2001-2002 Budget Act, Senate Bill 739, provided State funding to increase the Maximum Allowable Contract Rate (MACR) by an additional 5.31% for counties using the contract mode as one of the service delivery modes for recipients of IHSS. On August 31, 2001, the California Department of Social Services, Adult Programs Branch, informed counties of their increased MACR. San Mateo County's MACR was increased from \$14.43 per hour to \$15.20 per hour. This amendment to the agreement with Addus HealthCare allows us to pass the increased rate on to the provider.

County Counsel has reviewed and approved this amendment to the agreement as to form and content.

Fiscal Impact

The term of the agreement is July 1, 2001 to June 30, 2004. The maximum hours that can be purchased under this agreement each year is 182,000. The hours used from July 1, 2001 through October 31, 2001, will be paid at the rate of \$14.43 as specified in the original agreement. Service hours incurred after November 1, 2001, will be paid at a fixed rate of \$15.20 per hour. The maximum amount payable under the agreement is not to exceed \$2,719,687 for the period July 1, 2001 to June 30, 2002 and \$2,766,400 per year for the period July 1, 2002 to June 30, 2004 for a total maximum amount for the three years of \$8,252,487. State and Federal funding pay approximately 81% of the cost of this agreement. The remaining 19% represents the required county obligation for the agreement. The amount necessary for reimbursement of this agreement for the first year is included in the adopted 2001-02 Public Authority budget. The additional county cost resulting from this rate increase will be paid from realignment trust fund revenues. There will be no additional impact on the county General Fund as a result of this action.

RECOMMENDED


HEALTH SERVICES AGENCY

RESOLUTION NO. _____

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY,
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION APPROVING AMENDMENT NO. 1 TO THE AGREEMENT
WITH ADDUS HEALTHCARE, INC.

RESOLVED, by the In-Home Supportive Services Public Authority of the
County of San Mateo, State of California, that

WHEREAS, there has been presented to this Public Authority for its
consideration and acceptance Amendment No. 1 to the Agreement, reference to which is
hereby made for further particulars, whereby Addus HealthCare, Inc., shall provide In-
Home Supportive Services to clients of Aging and Adult Services; and

WHEREAS this Board has been presented with a form of the Amendment to the
Agreement and has examined and approved it as to both form and content and desires to
enter into the Amendment:

NOW, THEREFORE, IT IS RESOLVED that Amendment No. 1 to the
Agreement with Addus HealthCare, Inc., is hereby approved and the President of this
Public Authority is hereby authorized and directed to execute the aforesaid Amendment
for and on behalf of the County of San Mateo Public Authority, and the Clerk of this
Board shall attest the President's signature thereto.

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN IN-HOME
SUPPORTIVE SERVICES PUBLIC AUTHORITY AND
ADDUS HEALTHCARE, INC.

THIS AMENDMENT, entered into this _____ day of _____, 2001, by and between the IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (hereinafter called the "Authority") and ADDUS HEALTHCARE, INC., (hereinafter called "Contractor").

W I T N E S S E T H:

WHEREAS, on June 19, 2001 both parties entered into Agreement 64533 (hereinafter referred to as the "Original Agreement") for the purpose of performing the professional services described in that Original Agreement; and

WHEREAS, both parties have agreed that a revision to the Agreement is both necessary and vital to the successful accomplishment of said agreement; and

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

1. Section III, Duties and Responsibilities, letter D, number 24 - equal benefits language is added as follows: With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

2. Section IV, Fiscal Provisions, letter A, number 1 of the Original Agreement is hereby amended to read as follows:

“IV. FISCAL PROVISIONS

A. Cost/Rates

1. The maximum payable under this Contract shall not exceed \$2,719,687 in the first year and \$2,766,400 in each of the next two years. This amount will purchase a maximum of 182,000 service hours per year. Hours from July 1, 2001 through October 31, 2001 to be paid at the rate of \$14.43. Hours from November 1, 2001 to June 30, 2004 to be paid at a fixed rate of \$15.20 per hour.

Authority's financial obligation under this Contract shall not exceed \$8,252,487

Pursuant to WIC Section 12302.1, this is a three-year Contract.”

NOW, THEREFORE, IT IS HEREBY AGREED BY the parties that:

1. This amendment is hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all the parties hereto.
3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

ADDUS HEALTHCARE, INC.

By: _____
Michael D. Nevin, President
Board of Supervisors, County of San Mateo

By: Mark Heaney
Mark Heaney, Vice President & COO

Date: _____

Date: 10.10.01

ATTEST:

By: _____
Clerk of Said Board

Date: _____

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: Addus HealthCare, Inc.
 Contact Person: Michael Burke
 Address: 2401 S. Plum Grove Rd.
Palatine, IL 60067
 Phone Number: 847.303.5300 Fax Number: 847.303.5376

II Employees

Does the Contractor have any employees? Yes No
 Does the Contractor provide benefits to spouses of employees? Yes No
 If the answer to one or both of the above is no, please skip to Section IV.

10-12-01
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III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 10 day of October, 2001 at Palatine, IL
 (City) (State)

Mark Heaney
 Signature
Vice President & COO
 Title

Mark Heaney
 Name (Please Print)
42-1014070
 Contractor Tax Identification Number

6 pages

COUNTY OF SAN MATEO
AGING AND ADULT SERVICES
MEMORANDUM

CONTRACT APPROVAL FORM

TO: Maria Gonzalez - 573-3495, FAX 573-2193, PONY - AAS 321

FROM: Raymond Swope, County Counsel
Telephone X 4759, Fax 363-4034, Pony CCO 111

SUBJECT: Approval of Board Memo Resolution and Agreement for:
Amendment 1 to Addus HealthCare Inc.

DATE SUBMITTED: October 3, 2001

CONTRACT PERIOD: July 1, 2001 to June 30, 2004

CONTRACT AMOUNT AND FUNDING SOURCE:

\$8,252,487 for 546,000 authorized service hours - funding sources federal state and county

COUNTY COUNSEL'S OFFICE HAS REVIEWED AND HEREBY APPROVED AS TO
FORM THE AGREEMENT STIPULATED ABOVE.

APPROVED BY:  10/11/01
DEPUTY COUNTY COUNSEL DATE

COUNTY OF SAN MATEO
AGING AND ADULT SERVICES
MEMORANDUM

Number of pages faxed 2

DATE: October 9, 2001
TO: Priscilla Morse, Risk Manager - X4610, Fax 363-4864, Pony EPS-163
FROM: Maria Gonzalez - 573-3495, FAX 573-2193, PONY - AAS 321
SUBJECT: Contract Insurance Approval

CONTRACTOR NAME: Addus HealthCare, Inc. Amendment No. 1

DO THEY TRAVEL?: yes

PERCENT OF THE TIME:

NUMBER OF EMPLOYEES:

DUTIES (SPECIFIC): Contractor will provide In-Home Supportive Services to Clients of In-Home Supportive Services Public Authority - Aging and Adult Services.

COVERAGE:	Amount	approve	waive	modify
Comprehensive General Liability	\$1m	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	\$1m	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability	\$1m	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Worker's Compensation	Statutory	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS

SIGNATURE

DATE

Priscilla Morse

ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER
 Aon Flsk Services, Inc. of Illinois
 200 East Randolph
 Chicago IL 60601

INSURED
 Addus Healthcare, Inc.
 2401 South Plum Grove Road
 Palatine, IL 60067 USA

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY A Continental Casualty Company

COMPANY B Chicago Ins Co

COMPANY C American Casualty Co. of Reading PA

COMPANY D

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	CDO266-49-52	06/01/01	06/01/02	GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$1,000,000 PERSONAL & ADV INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$50,000 MED EXP (Any one person) \$5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BUA247898299	06/01/01	06/01/02	COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EACH ACCIDENT AGGREGATE
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	XSS20011651 UMBRELLA LIABILITY	06/01/01	06/01/02	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 Retained Limit Amount \$10,000
C	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	WC247845148	06/01/01	06/01/02	<input checked="" type="checkbox"/> WC STATUTORY LIMITS EL EACH ACCIDENT \$1,000,000 EL DISEASE-POLICY LIMIT \$1,000,000 EL DISEASE-EA EMPLOYEE \$1,000,000
B	Prof Liability	AHC2703298	06/01/01	06/01/02	Per Occurrence \$1,000,000 Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
 Certificate holder is listed as additional insured as their interest may appear.

County of San Mateo
 Aging and Adult Services
 225 37th Ave
 San Mateo, CA 94403 USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Luci R. Petrucci*