



CDSS

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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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EDMUND G. BROWN JR.  
GOVERNOR

, 2014

ALL-COUNTY LETTER (ACL) NO.

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL IHSS PROGRAM MANAGERS  
PUBLIC AUTHORITY EXECUTIVE DIRECTORS  
QUALIFIED AGENCIES

SUBJECT: COORDINATED CARE INITIATIVE (CCI) – POST-CERTIFICATION  
RULES, REPORTING REQUIREMENTS, AND MONITORING.

REFERENCE: Welfare and Institutions Code (WIC) section 12302.6; Senate Bill (SB)  
1008 (Chapter 33, Statutes of 2012); SB 1036 (Chapter 45, Statutes of  
2012); and Assembly Bill (AB) 1471 (Chapter 439, Statutes of 2012);  
All County Letter (ACL) No. 14-02, dated January 22, 2014; ACL No.  
14-03, dated January 22, 2014 and ACL No. 14-25, dated  
March 27, 2014

This ACL provides the requirements for Qualified Agencies, as defined by WIC section 12302.6, that have entered into a contract with a Managed Care Health Plan (MCHP) for the provision of In-Home Supportive Services (IHSS) pursuant to WIC section 12302.6 (Contract Mode). The ACL sets forth rules and reporting requirements for Qualified Agencies, by the California Department of Social Services (CDSS) that are applicable to only Qualified Agencies providing IHSS in Contract Mode. Specific requirements regarding certification, re-certification, and other requirements, regarding the Contract Mode are provided in ACL No. 14-02 and ACL No. 14-03.

**BACKGROUND**

As part of the Budget Act of 2012, Governor Brown signed SB 1008 and SB 1036 which enacted CCI. As a part of the CCI, SB 1036 (amended by AB 1471) added section 12302.6 to the WIC, authorizing MCHPs to contract with certain agencies for the

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

provision of IHSS in the CCI counties. In addition to setting out agency certification requirements, WIC section 12302.6 sets forth rules and requirements for the provision of IHSS through Contract Mode and authorizes CDSS to monitor Qualified Agencies and investigate complaints.

## **POST CERTIFICATION RULES AND REPORTING REQUIREMENTS**

### **I. Recipient Referrals**

Once an agency has been certified by CDSS as a Qualified Agency, and has entered into an approved contract with a MCHP, the Qualified Agency may receive IHSS recipient referrals from county IHSS social workers, MCHPs and/or Care Coordination Teams (CCT). For more information on CCT's, please refer to ACL No. 14-25.

As outlined in WIC section 12302.6(g), when a Qualified Agency receives an IHSS recipient referral, the Qualified Agency may provide services to the IHSS recipient if he or she meets one of the following criteria:

1. It has been determined that upon referral by a county IHSS social worker or in collaboration with the MCHP that the IHSS recipient is unable to function as the employer of the provider due to dementia, cognitive impairment, or other similar issues; or
2. The IHSS recipient has been identified to need services under the Contract Mode by the CCT; or
3. The IHSS recipient is unable to retain a provider due to geographical isolation and distance, authorized hours, or other reasons.

Additionally, when a recipient who is severely impaired, as described in WIC section 12303.4(b), has been referred to a Qualified Agency by a county IHSS social worker, MCHP, or CCT, the Qualified Agency may provide back-up services to the recipient when his or her individual provider is unavailable due to vacation, illness, or other extraordinary circumstances that leave the recipient in immediate and temporary need of an IHSS provider. A Qualified Agency may also provide back-up services to such a recipient if he or she is in the process of hiring or replacing a provider.

### **II. Service Hours**

Pursuant to WIC section 12302.6(i), service hours provided to an IHSS recipient via Contract Mode must be deducted from a recipient's current authorized service hours on an hour-to-hour basis. Pursuant to WIC section 12302.6(i), Qualified Agencies are required to coordinate with the applicable county and CDSS to ensure hours are

accurately captured and not duplicated per IHSS program requirements. To that end, Qualified Agencies providing services in Contract Mode shall complete monthly Service Hours/Referral Report (SOC XXX, see Appendix A). Qualified Agencies shall submit the Service Hours/Referral Report to the applicable county, MCHP and CDSS on the 5<sup>th</sup> day of each month. The Qualified Agency shall also upload an electronic file of service hours provided to the Contractor (HP) via a Secure File Transfer (SFT) by the 5<sup>th</sup> day of each month. The Contractor updates all services provided in CMIPS II. CMIPS II will notify the County that the information is ready for review. The county reviews the data to ensure hours are accurately captured and not duplicated per IHSS program requirements.

### **III. Caseload**

Pursuant to WIC section 12302.6(k), any contract entered into between a MCHP and a Qualified Agency shall provide for a minimum amount of service utilization which shall be approved and monitored by CDSS. In no case, however, can the number of IHSS recipients referred for services under Contract Mode exceed five percent (5%) of the IHSS caseload in the county where services are provided, regardless of the number of MCHPs or Qualified Agencies doing business in the county. The 5% limitation on caseload applies to all recipients referred to Contract Mode in a county rather than 5% per MCHP and/or Qualified Agency.

WIC section 12302.6(g) requires that Qualified Agencies, counties, and MCHPs establish procedures to ensure that contract limitations on caseload are being met and that there is a coordination of information between MCHPs, Qualified Agencies, counties, and CDSS. At a minimum, these procedures shall require Qualified Agencies to submit a monthly Contract Mode Referral Report (SOC XXX, see Appendix B) to: all other Qualified Agencies doing business in the county, if applicable; all MCHPs doing business in the county; the county; and CDSS.

CDSS will review the Contract Mode Service hours/Referral Reports monthly to monitor for compliance with the 5% case load limitation. If CDSS determines that the caseload limitation is being exceeded, it will notify the Qualified Agency(ies), county, and DHCS.

### **IV. Confidentiality**

A Qualified Agency shall not disclose any confidential information which is restricted or prohibited by any provision of law, including, but not limited to, WIC section 10850; California Code of Regulations, Title 22, section 51009; the Health Insurance Portability

and Accountability Act of 1996 (HIPAA), and the California Information Practices Act, California Civil Code section 1798.3 et seq.

## **REPORTING REQUIREMENTS**

### **I. Verified Cost Reports**

A Qualified Agency must submit Verified Cost Reports to CDSS to verify that the Qualified Agency is providing the service hours to IHSS recipients via Contract Mode and are reduced from the IHSS recipients' current authorized service hours on an hour-to-hour basis. Verified Cost Reports must show the total hours paid to providers and all additional information necessary for CDSS to verify that recipient service hours have been reduced on an hour-to-hour basis. In the event that CDSS finds discrepancies within the submitted Verified Cost Reports, the Qualified Agency will have ninety (90) calendar days to rectify the error. If the discrepancy is not remedied within the ninety (90) calendar days, the Qualified Agency will be charged a late fee and may be de-certified at CDSS' discretion.

The cost reports shall be verified by a "responsible party" and by a certified public accounting firm. (WIC Section §12302.6(e)(1).) "Responsible party" means an officer or director of a Qualified Agency, a shareholder with a beneficial interest in the Qualified Agency which exceeds ten percent, or the person who will be primarily responsible for any contract with the MCHP.

Pursuant to WIC section 12302.6(e)(2), Verified Cost Reports shall be submitted within ninety (90) calendar days after the end of each calendar year and within sixty (60) calendar days after being officially informed of any change in compensation negotiated by the county, the Public Authority or Statewide Authority for individual providers has gone into effect.

If the Verified Cost Reports are not received within the above timeframe, CDSS will send a letter to the Qualified Agency informing that the Verified Cost Report is late and the applicable late fee. The Qualified Agency will have thirty (30) calendar days to submit the Verified Cost Report and the late fee owed. If the Verified Cost Report is not received by CDSS within the additional 30 calendar days, the Qualified Agency may be de-certified, at CDSS' discretion.

Please send all report(s) to:

California Department of Social Services  
Contract Mode and Certification Unit (CMCU)  
Attn: CMCU, Manager  
744 P Street, MS 9-9-04  
Sacramento, California 95814

## **II. Insurance**

WIC section 12302.6(d)(3)(B) requires Qualified Agencies to carry liability and workers' compensation insurance. Additionally, if a Qualified Agency provides transportation for providers and/or recipients, the Qualified Agency shall also carry motor vehicle liability insurance. The minimum amount of required insurance coverage is as follows:

1. General and Professional Liability - \$1 million per occurrence/\$3 million aggregate
2. Worker's Compensation - \$1 million total compensation
3. Motor Vehicle Liability - \$1 million including uninsured motorist and medical (*only if Agency provides transportation for recipients to and from appointments*)

A Qualified Agency shall provide CDSS with a current copy of the insurance policy which shows the company name, types of policies, limits, policy numbers, policy expiration dates and contact information. If the Qualified Agency changes insurance policies or insurance companies, or the policy previously provided to CDSS has expired, the Qualified Agency shall provide CDSS updated insurance information within sixty (60) calendar days of the effective date of the change. If a Qualified Agency's insurance coverage falls below the minimum amount required, CDSS will notify the Qualified Agency that it has thirty (30) calendar days to acquire the required insurance coverage. Failure to carry the minimum required insurance coverage may lead to de-certification, at CDSS' discretion.

## **III. Changes in Ownership**

A Qualified Agency shall notify CDSS in writing within thirty (30) days following any change(s) in its ownership structure. In the event of a change of ownership, the Qualified Agency must complete a Change of Ownership form SOC XXXX clearly specifying all changes. This includes, but is not limited to, the following:

1. Identify all areas of the Qualified Agency that may be impacted by the change in ownership, including management and/or staff changes. Report the name changes of any officer, director, employee or agent of the Qualified Agency. This change would require a new organizational chart to be submitted with the Change of Ownership Form SOC XXX; and.
2. Report the name(s) and contact information for each person that has greater than five percent ownership or controlling interest in the Qualified Agency, including any subsidiaries and/or vendors in which the Qualified Agency has a direct or indirect ownership of five percent or more. Specifying the relationship of any listed persons who are related as spouse, parent, child or sibling.

The SOC XXXX must be signed, notarized, and submitted with a non-refundable processing fee of \$100 payable to CDSS. Once received, CDSS will have ten (10) calendar days to review the change(s) in ownership. If CDSS determines the change(s) in ownership structure is significant, the Qualified Agency will be notified in writing and be required to submit a new Application for Qualified Agency Certification (SOC 2250) and a non-refundable \$10,000 new application fee will be required.

Significant changes may include but are not limited to:

- 1) Financial Restructuring
- 2) Changes in Control
- 3) New Investors
- 4) Operating Expenses

Failure to notify CDSS of any change in ownership structure within the timeframe specified above will result in an imposed late fee.

#### **IV. Relocation**

A Qualified Agency shall notify CDSS at least thirty (30) calendar days in advance of any relocation of its administrative offices and/or changes to its contact information which may include address, telephone number, fax, email, contact person and/or authorized representative information.

#### **APPLICABLE FEES**

CDSS will notify Qualified Agencies in writing if a fee related to reporting requirements is ten (10) days past due, and will specify the total amount due. All applicable fees are non-refundable and must be submitted in the form of a cashier's check payable to the CDSS.

|  |                       |
|--|-----------------------|
| Late Verified Cost Reports                   | \$ 500 per occurrence |
| Late Reporting of Updated Insurance Policy   | \$ 500 per occurrence |
| Late Reporting of Change of Ownership        | \$ 500 per occurrence |
| Incomplete Records                           | \$1000 per occurrence |
| Investigating Complaints (No travel)         | \$1000 per occurrence |
| Investigating Complaints – (Travel Required) | \$5000 per occurrence |

Once an Agency has been notified by CDSS of a delinquent reporting requirement and/or monitoring requirement fee, the Agency will have twenty (20) calendar days to submit the applicable fee to CDSS. If CDSS does not receive the applicable fee within 20 calendar days, the Qualified Agency will receive a second notification and will be considered non-compliant per CDSS rules, regulations and policies and be charged an additional fee.

The failure of a Qualified Agency to pay applicable reporting requirement and monitoring fees may result in the revocation of the Agency's certification as a Qualified Agency, at CDSS' discretion.

Please send all fee remittance(s) to:

California Department of Social Services  
Contract Mode and Certification Unit (CMCU)  
Attn: CMCU, Manager  
744 P Street, MS 9-9-04  
Sacramento, California 95814

For camera-ready copies in English, contact the Forms Management Unit at [fmudss@dss.ca.gov](mailto:fmudss@dss.ca.gov). If your office has internet access you may obtain the form(s) listed below from the CDSS webpage at [http://www.dss.cahwnet.gov/cdssweb/FormsandPu\\_271.htm](http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm).

SOC Form 2249  
SOC Form 2250  
SOC Form 2251  
SOC Form xxxx  
SOC Form xxxx

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If you have any questions regarding this process, please call 1 (855) 729-2383 or visit [www.cdss.ca.gov/ageblinddisabled/PG3413.htm](http://www.cdss.ca.gov/ageblinddisabled/PG3413.htm) or contact Ruben Romero, Chief, Systems and Administrative Branch at [Ruben.Romero@dss.ca.gov](mailto:Ruben.Romero@dss.ca.gov).

Sincerely,

EILEEN CARROLL  
Deputy Director  
Adult Programs Division

Attachments

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