



CDSS

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GOVERNOR

June 5, 2018

ALL COUNTY LETTER (ACL) NO. 18-63

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL IN-HOME SUPPORTIVE SERVICES (IHSS) PROGRAM MANAGERS
PUBLIC AUTHORITY EXECUTIVE DIRECTORS

SUBJECT: REDESIGN OF THE PUBLIC AUTHORITY/NONPROFIT CONSORTIUM INVOICE (SOC 448) TO REFLECT CHANGES TO THE COUNTY IHSS MAINTENANCE OF EFFORT (MOE)

REFERENCE: [SENATE BILL \(SB\) 90 \(CHAPTER 25, STATUTES OF 2017\);](#)
[ASSEMBLY BILL \(AB\) 130 \(CHAPTER 251, STATUTES OF 2017\);](#)
[COUNTY FISCAL LETTER No. 17/18-21 \(SEPTEMBER 8, 2017\);](#)
[COUNTY FISCAL LETTER No. 17/18-44 \(JANUARY 3, 2018\)](#)

The purpose of this ACL is to inform counties of changes made to the California Department of Social Services (CDSS) Public Authority/Nonprofit Consortium Invoice (SOC 448) to comply with the new County IHSS MOE effective July 1, 2017.

IHSS PUBLIC AUTHORITY ADMINISTRATION STATE PARTICIPATION CAP

The new County IHSS MOE is comprised of four components: IHSS Services, County IHSS Administration, Public Authority (PA) Administration and Case Management, Information and Payrolling System (CMIPS). The amount of State General Fund (GF) available under the new MOE for County IHSS Administration and PA Administration is capped, meaning any non-federal costs that exceed the State GF Administrative cap will shift to the County. Please note, reimbursement of any federal share is subject to federal approval of the state's request for federal financial participation. If the state's request for federal financial participation is not approved, then the federal share will not

be reimbursed. The capped State GF Administrative funding was distributed between the counties using a methodology developed in coordination with the California State Association of Counties (CSAC), the California Association of Public Authorities (CAPA) and the County Welfare Directors Association (CWDA). Please refer to [CFL 17/18-44](#) for the State GF Administrative Allocations and an overview of the methodology used to distribute it between the counties.

CLAIMING PA ADMINISTRATIVE COSTS

Counties will receive reimbursement for the federal and state share of PA administrative costs claimed on the SOC 448. Counties will not receive reimbursement for the county share as those costs will be counted towards meeting the Administrative component of the county MOE. Additionally, counties will not receive reimbursement for non-federal costs that exceed the PA State GF Administrative Allocation.

The revised SOC 448 includes a PA State GF Administrative Allocation table on the second page. The table assists counties in determining when the State GF Administrative Allocation has been fully utilized and when the administrative costs will shift to the county. When that occurs, the county will shift the administrative costs exceeding the State GF Administrative Allocation to the Allowable for Federal Reimbursement Only column since state reimbursement will no longer occur.

HEALTH BENEFITS

Health Benefits fall under the services component of the county MOE. Since the services component is billed to counties on a monthly basis, counties will continue to receive reimbursement for the federal, state and county share of the Health Benefits claimed on the SOC 448. Health Benefits that exceed the current approved health benefit rate in a quarter must be claimed in the Allowable for Federal Reimbursement Only Column of the SOC 448. If the amount claimed exceeds the approved rate for all four quarters, counties will need to submit a rate change package to increase the rate. Please refer to [ACL 15-78](#) for the rate change process.

NON-HEALTH BENEFITS

Non-health benefits may fall under either administrative or services funding. A county's non-health benefit rate should only include non-health benefits that fall into the services category. Non-health benefits that are considered part of the Public Authority administrative funding are: Tuberculosis testing, stipends for provider training and job related safety equipment for providers. Non-health benefits that are part of services funding includes: vacation/holiday pay, pension and life insurance. Please note, counties can negotiate other non-health benefits for providers; however, the state will only participate in the specific non-health benefits listed above. Counties will continue to receive federal reimbursement for other non-health benefits negotiated; however, if

the costs claimed in all four quarters exceed the current approved non-health benefit rate, the county will need to submit a rate change package to increase the rate.

ADVISORY COMMITTEE FUNDING

In accordance with Welfare and Institution Code section 12301.6, counties may continue to fund and invoice for advisory committee activities and governing board expenses. The Fiscal Year 2017-18 Budget Act provides \$174,000 for State GF and \$172,000 of federal funds for advisory committee expenses to be split between all 58 counties.

Counties will continue to claim the quarterly Advisory Committee costs in the Advisory Committee table on page two of the SOC 448. Once the state and federal Advisory Committee allocations have been exceeded, the county will not receive reimbursement for the excess costs.

ADMINISTRATIVE RATE

Counties should be tracking their expenditures against the administrative rate that has been approved by CDSS and DHCS in the most current rate package. The DHCS approves the amount of federal participation when approving county rate change requests. If by the fourth quarter a county has averaged over their administrative rate that was approved by CDSS and DHCS, DHCS will only provide federal reimbursement up to the approved administrative rate. CDSS will communicate to the county when the quarterly rate is averaging higher than the approved rate and a rate change request may need to be submitted.

SUBMITTING REVISED CLAIMS

After the end of the fiscal year, counties will have nine months to submit any revised SOC 448 claims to CDSS. Receiving revised claims in a timely manner allows CDSS enough time to properly determine that the county has met the administrative component of the MOE for each year. If a revised claim is received after the nine-month cutoff, it will not be reimbursed.

SOC 448 TOOLS

To assist in claiming the correct number of hours by fund source, a Calculator Tab has been added that converts hours and minutes to decimals. The totals by fund source on the Calculator Tab are entered in the Hours Column of the SOC 448, no rounding is necessary. This tool makes it easy for counties to use the exact hours as reflected in the CMIPS for claiming on the SOC 448.

An additional tab has also been added to the SOC 448 so counties can view what their average Administrative and Health Benefit rates are for each quarter are. This tab is titled the Quarterly Average Tab. This tool will assist counties with determining whether a rate change package is needed.

HOW TO OBTAIN THE REVISED SOC 448

Each county should contact the Adult Programs Division (APD) Financial Management Unit (FMU) at (916) 653-3850 to obtain a copy of the revised SOC 448. The revised SOC 448 will be specific to each county and will include instructions on how to complete the SOC 448, a Calculator Tab, an Expense Detail Tab and a Quarterly Average Tab. Please note, counties are not required to use this new form for claiming until July 1, 2018. If you have questions regarding the information contained in this ACL, please contact the APD FMU.

Sincerely,

Original Document Signed By:

DEBBI THOMSON
Deputy Director
Adult Programs Division