



CDSS

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EDMUND G. BROWN JR.
GOVERNOR

June 5, 2018

ALL-COUNTY LETTER NO.: 18-65

TO: ALL COUNTY WELFARE DIRECTORS
ALL IHSS PROGRAM MANAGERS

SUBJECT: IN-HOME SUPPORTIVE SERVICES (IHSS) OVERPAYMENT
RECOVERY AND CASH IN DOOR (CID) PROCESSING IN THE
CASE MANAGEMENT, INFORMATION AND PAYROLLING SYSTEM
(CMIPS)

REFERENCES: [WELFARE AND INSTITUTIONS CODE \(WIC\) § 12305.83](#); [MANUAL OF POLICIES AND PROCEDURES \(MPP\) § 30-768.1 et seq.](#); [ALL-COUNTY LETTER \(ACL\) NO. 13-110 DATED DECEMBER 31, 2013](#); [ALL-COUNTY LETTER \(ACL\) NO. 14-53 DATED SEPTEMBER 23, 2014](#); [ALL COUNTY INFORMATION NOTICE \(ACIN\) I-29-17 DATED MAY 12, 2017](#); [ALL COUNTY INFORMATION NOTICE \(ACIN\) I-77-17 DATED NOVEMBER 20, 2017](#).

This All-County Letter (ACL) provides clarification to counties regarding IHSS overpayment collection processing in CMIPS, CID Adjustment Reporting, and the California Department of Social Services' (CDSS) overpayment recovery invoicing.

BACKGROUND

The [ACL No. 14-53](#) superseded [ACL No. 09-32](#) by providing updated instructions to counties for processing recovered overpayments as a result of the implementation of CMIPS II and the county Maintenance of Effort.

Per the overpayment recovery directions outlined in [ACL No. 14-53](#), CDSS began invoicing counties for cases that converted to CMIPS II from Legacy CMIPS, if the overpayment was not recovered (or was in the process of being fully recovered) prior to July 1, 2012, **and** the recovery was initiated after conversion to CMIPS II. Prior to April 2015, CDSS billed each county annually for the total amount of recovered overpayments per the CMIPS CID Adjustment Report. Effective April 2015 and thereafter, CDSS began billing counties on a quarterly basis each Fiscal Year (FY). The first bill in FY 2014-15 included three quarters (July 2014-March 2015).

Upon receiving CDSS invoices, counties reported an inability to reconcile their overpayment records with CDSS invoices. In response to county concerns, CDSS temporarily stopped invoicing counties and recently revised the CID Adjustment Report to reflect greater detail. The clarifications provided in this ACL are intended to assist in the reconciliation process and provide answers to recurring county overpayment questions. After the release of this ACL, CDSS will resume invoicing counties on a quarterly basis from when counties were last billed (October 2015) to the current period. Initially, counties will receive one invoice, representing each quarter from October 2015 to the current period, and then receive one invoice per quarter thereafter. CDSS will also reinstate county collection efforts for all previously billed outstanding amounts. Counties may obtain any necessary copies of invoices by contacting Poua Kong in CDSS Accounting at (916) 651-1320 or email Poua.Kong@dss.ca.gov to obtain a copy of their invoice.

OVERPAYMENT COLLECTION AND RECORDING PROCESS

As set forth in [WIC § 12305.83\(c\)\(1\)](#), counties shall take **all** appropriate actions to recover the full amount of identified provider overpayments as defined in [MPP § 30-768](#). The CDSS policy, as specified in [ACL No. 13-110](#) (Release of the CDSS IHSS Quality Assurance/Quality Improvement Policy Manual), also states that counties are obligated to initiate recovery for all provider and/or recipient overpayments identified. Once initiated, the time allowed for overpayment collection is discretionary and can be specified in a county's repayment agreement. Counties must ensure that repayment offset amounts are limited to those outlined in [WIC § 12305.83\(c\)\(1\)](#).

Pursuant to the directions outlined in [ACL No. 14-53](#), for IHSS overpayments that occurred and were recovered, or were in the process of being fully recovered prior to July 1, 2012, counties shall retain the county share and forward the balance to CDSS. For IHSS overpayments that occurred and were recovered, or were in the process of being fully recovered after June 30, 2012, but before conversion to CMIPS II, counties shall forward the entire amount of the overpayment recovery to CDSS, as the Memorandum of Understanding replaced the county share of the program cost. Counties should also include a memo providing all **available** details.

The IHSS overpayments that are entered into CMIPS as "Hours Overpayment Type" are calculated excluding any share of cost (gross amount). Currently, CMIPS automatically calculates the amount of the overpayment that is available for collection (net amount), which includes adjustments for federal and state taxes. If additional taxes are claimed by providers, the entire amount of the additional tax withheld is adjusted on the amount of the overpayment, regardless of the overpayment hours entered into CMIPS. CDSS is in the process of modifying CMIPS to prorate the additional tax based on the overpayment hours. Counties may reference the CMIPS user manual and job aids for additional overpayment entry information.

To record overpayments received, counties shall select the “New” link from the “Overpayment Recoveries” section in CMIPS. The “Create Overpayment Occurrence” screen will appear to allow the county to record the total amount of the overpayment collected (cash, check or money order) and deposited by the county in the “Amount” field. The “Date Collected” field should be consistent with the county’s CID and invoice reconciliation procedures.

The CID Adjustment Report is a summary of the overpayments received **and** entered by counties into CMIPS during each quarter. If counties enter a CID payment (cash overpayment recovery amount) in the current quarter for overpayments collected in a previous quarter, the payment will be reflected in the CID report for the quarter it was entered and invoiced by CDSS the following quarter. Users can run the report by month, quarter, calendar year or FY. Counties will only receive CDSS invoices for recovery amounts they have entered into CMIPS.

Additionally, to assist counties, CDSS recently revised the CID report, outlined in [ACIN I-77-17](#), to reflect overpayment recoveries by the county that entered the recovery amount in CMIPS and not by the county where the case resides. Also, entries are now based on the date a cash payment was added to CMIPS, not by the “Date Collected” field on the “Overpayment Recovery” screen. Lastly, returned/cancelled checks are now subtracted from the totals on the CID report in the month the cancellation was recorded in CMIPS as opposed to the month the payment was entered.

To avoid issues with reconciling overpayments, counties should not wait until personal checks have cleared, or a payment threshold is reached, prior to entering recovered overpayments into CMIPS. Overpayments should be entered as they are received, and within the same quarter they are received. Counties should update internal records to ensure accurate reconciliation with CDSS invoices.

RECORDING OVERPAYMENTS FOR INTER-COUNTY TRANSFER CASES

As outlined in [ACL No. 14-53](#), if a case transfers to another county in the midst of the overpayment recovery process, any amount collected by the transferring county which has not been entered into CMIPS or invoiced by CDSS, must be sent to the receiving county, along with all available information pertaining to the overpayment. If the transferring county received CID payments prior to the Inter-County Transfer, the county must enter the payments into CMIPS and their county will be invoiced for that amount. Additionally, if a county collects an overpayment on a case that no longer resides in their county and enters the amount in CMIPS, the county should retain the payment, as they will subsequently be invoiced for that collection. For discrepancies regarding overpayments collected and sent by a transferring county, but not received by the receiving county, the receiving county should contact CDSS Systems at CMIPSII-Requests@dss.ca.gov to confirm which county entered a CID payment into CMIPS and will therefore be billed.

OVERPAYMENT STATUS REPORT

The Overpayment Status Report is an ongoing display of active overpayment collections entered into CMIPS and the collection dates associated with payroll deduction(s) and CID collection(s). CDSS recently revised the report to reflect collection details by the county entering the overpayment and not by the county where the case resides. The report is now available to be scheduled using either “Active Overpayments” or “Inactive Overpayments” status.

The “Active Overpayments” selection reports overpayments in “Pending”, “Payroll”, and “Active” status and is automatically generated every month. This option also reports overpayments that have been moved to “Stopped”, “Closed”, or “Cancelled” status within the reporting month. The “Inactive Overpayments” selection reports overpayments in “Stopped”, “Closed”, or “Cancelled” status. This version of the report is available by request only and must be scheduled in the CMIPS reporting application. This selection also reports overpayments that are considered unavailable for the entire reporting month. Counties can direct questions regarding overpayment status definitions to the CMIPS help desk or refer to the CMIPS user manual and/or job aids.

The “Date Collected” field on the report reflects the date a payroll deduction occurred **or** the date the county user entered into the “Date Collected” field on the “Create Overpayment Occurrence” screen.

CDSS OVERPAYMENT RECOVERY INVOICING PROCESS

For CDSS to collect the overpayment amounts entered by the county into CMIPS, CDSS invoices counties (sent to the County Fiscal Officer) quarterly based on the amounts reflected in the CID Adjustment Report from the previous quarter.

Invoices for CID payments are separate from regularly-collected payroll deductions and can be identified by “Recovery Types” on the “Overpayment Status Report”. The CID recoveries are noted as cash, personal check, or money order, whereas non-CID payments are noted as payroll deductions. CDSS recently added a new monthly “Overpayment Collection Detail Report” to CMIPS to assist in the invoice reconciliation efforts between the counties and CDSS Accounting. Information populated via this report is outlined in [ACIN I-77-17](#). Counties that receive CID invoices for amounts not entered into CMIPS should initiate a Service Request (SR) for investigation.

The following examples illustrate the importance of entering CID payment information into CMIPS timely for ease of reconciliation:

EXAMPLE OF BEST PRACTICE

The CID payment is received by the county on June 15 and the county enters the payment information into the CMIPS “Create Overpayment Occurrence” screen in the

“Date Collected” field on June 30. This payment will be reflected on the CID Adjustment Report for June (4th quarter) and invoiced by CDSS the following quarter.

EXAMPLE THAT MAKES RECONCILIATION CHALLENGING

The CID payment is received by the county on June 15 and the county enters the payment information into the CMIPS “Create Overpayment Occurrence” screen in the “Date Collected” field on July 1. This payment will be reflected on the CID Adjustment Report for July (1st quarter) and will not be invoiced by CDSS until the following quarter, thereby making it difficult for counties to reconcile their CID recoveries with CDSS’ quarterly invoices.

CMIPS LEAVE STATUS PRORATION

The proration functionality of CMIPS is designed to adjust recipient hours when a recipient is placed on leave. However, when a recipient is not placed on leave, the hours will not be prorated and an overpayment may occur. Counties must immediately place recipients in leave status when appropriate, such as when a recipient is hospitalized, and request Special Transactions for cases where additional authorized hours in excess of the prorated amount are claimed.

Special Transaction parameters are under development for leave cases and will be reviewed on a case by case basis. In the interim, counties should refer to the CDSS Special Transaction process, outlined in Program Managers’ Letter “Service Request Process and Writ of Mandamus Special Transaction Process,” dated December 26, 2014.

Questions regarding overpayments that result from county administrative errors or data entry errors should be submitted to: CMIPSII-Requests@dss.ca.gov. Case-specific policy questions should be referred to CDSS’ Policy Bureau at (916) 651-5350. Questions regarding overpayment recoveries related to deceased individuals or individuals in bankruptcy should be referred to County Counsel for guidance.

For questions regarding this ACL, please contact the Adult Programs Division, Policy and Quality Assurance Branch, Program Integrity Unit via email at: ihss-pi@dss.ca.gov.

Sincerely,

Original Document Signed By:

DEBBI THOMSON
Deputy Director
Adult Programs Division

C: CWDA