

March 11, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 21-29

The purpose of this ACL is to provide clarification to Public Authorities and counties of changes to the claiming and state and federal participation for non-health benefits.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

March 11, 2021

ALL COUNTY LETTER (ACL) NO. 21-29

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

SUBJECT: NON-HEALTH BENEFITS ELIGIBLE FOR REIMBURSEMENT ON
THE PUBLIC AUTHORITY/NONPROFIT CONSORTIUM INVOICE
(SOC 448)

REFERENCE: [WELFARE & INSTITUTIONS CODE SECTION 12301.6](#)
[WELFARE & INSTITUTIONS CODE SECTION 12306.16](#)
[ACL NO. 19-101, DATED OCTOBER 14, 2019](#)

The purpose of this ACL is to inform and provide clarification to Public Authorities (PAs) and counties of changes to the claiming and state and federal participation for non-health benefits.

BACKGROUND

As specified in Welfare and Institutions (W&IC) section 12306.16, effective July 1, 2019, the IHSS County Maintenance of Effort (MOE) was rebased. Under the 2019 County MOE structure, counties may receive reimbursement under certain conditions for benefits, other than individual health benefits, that are locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, or adopted by local ordinance.

STATE & FEDERAL PARTICIPATION IN NON-HEALTH BENEFITS

Non-health benefits may be claimed as a Public Authority/Nonprofit Consortium (PA/NPC) service cost, as outlined below. The PA/NPC non-health benefit rate should include non-health benefits that are in the services category.

Eligible non-health benefits must be locally negotiated, mediated, or imposed, or adopted by a local ordinance to receive state and federal reimbursement. Non-health benefits that fall under the services category that are eligible for state reimbursement will trigger a Maintenance of Effort adjustment for rate increases resulting from increased costs in those non health benefits. The county is required to pay the full cost of any non-health benefit that is not eligible for state and federal participation, and to pay the non-federal share of any non-health benefit that is not eligible for state participation. There will be no MOE adjustments for those non-health benefits that are not eligible for state reimbursement since the county is already paying the full nonfederal share of cost.

Non-health benefits are not included in the state participation cap.

NON-HEALTH BENEFIT CLAIMING

Counties/PAs will receive reimbursement for allowable non-health benefit expenditures up to their approved non-health benefit rate on the SOC 448. Counties/PAs should track their expenditures throughout the fiscal year against their approved non-health benefit and administrative rate. Counties/PAs can establish a non-health benefit rate by submitting a rate change package.

If claimed expenditures exceed the current approved non-health benefit rate, the county/PA will remove any expenditures over the approved non-health benefit rate on the SOC 448. Counties/PAs exceeding their non-health benefit rate will need to submit a rate change package to increase the rate in order to secure state and federal reimbursement. If a county maintains the same approved non-health benefit rate throughout the fiscal year, the claimed non-health benefit rate will be averaged over the fiscal year. If the non-health benefit rate is changed, the approved rate will be applied towards the months they were effective. The rate change will not retroactively cover costs expended under the previous non-health benefit rate. Please refer to [ACL NO. 18-79](#) for the rate change process.

Non-Health Benefits in the PA/NPC Administrative Category

The state does not participate in any non-health benefits that would fall within the administrative category. This includes stipends which are unallowable costs that are defined as additional payments that are made to providers. Therefore stipends for provider training will no longer receive state or federal reimbursement. However, if stipends for provider training were included in a collective bargaining agreement that was negotiated between March 22, 2018, and the release of this ACL, there will be state participation through the term of that agreement. For any county that negotiated

stipends prior to March 22, 2018 and have been receiving federal participation, counties can continue to claim those costs through the term of the agreement and/or the release of this ACL, whichever is later and the state will reimburse the amount previously paid with federal funds. These costs can be claimed under the administrative category.

Non-Health Benefits in the Services Category

- Transportation Vouchers
- Tuberculosis Testing
- Job Related Safety Equipment
- Vacation/Holiday Pay
- Life Insurance

The state will participate in transportation vouchers, tuberculosis testing, job-related safety equipment (such as gloves, masks, and sanitizer), vacation/holiday pay and life insurance under the services category that have been locally negotiated, mediated, or imposed, or adopted by a local ordinance. Pension will no longer receive state participation, except for any county currently providing a negotiated pension benefit identified as such in their current MOU for which the state will continue to participate in the state statutory share of pension costs as long as the county continues to offer the benefit. Paid release time for union activities is not allowable for state or federal reimbursement.

If you have any questions or need additional guidance regarding the information in this letter, contact the Financial Management Unit (FMU), Adult Programs Division (APD) at (916) 653-3850 or at APD_FMU@dss.ca.gov.

Sincerely,

Original Document Signed By

DEBBI THOMSON
Deputy Director
Adult Programs Division