



CDSS

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DIRECTOR

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**DEPARTMENT OF SOCIAL SERVICES**

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EDMUND G. BROWN JR.  
GOVERNOR

July 6, 2012

ALL-COUNTY LETTER NO.: 12-33

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERS

SUBJECT: **IMPLEMENTATION OF SENATE BILL 1041 AS IT RELATES TO  
SERVICE REDUCTIONS IN THE IN-HOME SUPPORTIVE SERVICES  
PROGRAM**

REFERENCE: ACL NO. 10-61, DATED DECEMBER 17, 2010

This All-County Letter (ACL) instructs counties on the implementation of a 3.6 percent service reduction to every recipient in the In-Home Supportive Services (IHSS) program, in accordance with the mandates of Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012).

**BACKGROUND**

In accordance with Assembly Bill 1612 (Chapter 725, Statutes of 2010), the 3.6 percent reduction to IHSS recipients' total authorized hours was restored as of July 1, 2012. That law, Section 12301.06 of the Welfare and Institutions Code (W&IC), however, has been amended by SB 1041 effectively extending the 3.6 percent reduction until the new sunset date of June 30, 2013. The new reduction of 3.6 percent to every IHSS recipient's total authorized hours will be effective beginning August 1, 2012. Notices of Action (NOA), regarding the 3.6 percent reduction will be mailed beginning July 16, 2012. Recipients will still be able to choose which specific authorized IHSS services they want to reduce. The new 3.6 percent reduction will first be applied to any documented unmet need (other than protective supervision).

**STATE RESPONSIBILITIES**

The California Department of Social Services (CDSS) will perform a Case Management, Information and Payrolling System (CMIPS) run in July of 2012 to calculate the 3.6 percent reduction for every recipient's total authorized hours. In order to meet

REASON FOR THIS TRANSMITTAL

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

statutory requirements, CDSS will mail out a one-time NOA (see attached 304A or 304U) to current recipients beginning July 16, 2012.

The NOAs will notify recipients that beginning August 1, 2012 their total authorized service hours will be reduced by 3.6 percent. The new NOA message 304A will advise recipients of their temporarily restored total authorized hours for July 2012 and the future total authorized hours after the 3.6 percent reduction (see "CMIPS Functionality and Data Entry" for CMIPS, NOA messages). This NOA will be in English and Spanish only and will include appeal information.

Additionally, a NOA insert, 304B (attached), will be translated into Chinese and Armenian and included with each NOA sent out by CDSS for recipients who speak these languages. The NOA 304B insert will explain the new law to recipients and will be available in the four state threshold languages (English, Spanish, Armenian, and Chinese), as required by Government Code, section 7295.2. The NOA message insert 304B will also include translations of the appeals information from the NA 690.

### **COUNTY RESPONSIBILITIES**

County IHSS staff will continue to assess, reassess, and enter cases into CMIPS in the current manner. CMIPS will automatically calculate the 3.6 percent reduction and apply it to the total authorized hours (see "CMIPS Functionality and Data Entry"). This reduction does not change Severely Impaired and Non-Severely Impaired categories, as it does not reduce individual authorized IHSS services.

CMIPS will automatically print NOAs with appropriate NOA messages related to this reduction. The county, however, will be responsible for including the NOA message insert number 304B and appeals information with every NOA sent beginning with receipt of this ACL. The appeals information (attached) must be printed on the reverse side of the NOA message insert. The NOA message insert, with the appeals information, comes in the four state threshold languages (English, Spanish, Armenian, and Chinese). Counties shall provide bilingual/interpretive services and written translations to non-English proficient populations, as required by the Dymally-Alatorre Bilingual Services Act (Government Code Section 7290 et seq.) and/or by state regulation (California Department of Social Services Manual of Policies and Procedures Division 21, Civil Rights Nondiscrimination, Section 115).

Beginning with the receipt of this ACL, counties must include NOA insert 304B, including the appeals information in the appropriate language with each NOA sent.

Recipients will choose the specific authorized IHSS services they want reduced by 3.6 percent. The recipient, or the recipient's authorized representative, must not only tell the IHSS provider of the 3.6 reduction in service hours but also the specific service hours the recipient has chosen for reduction. After the recipient instructs each provider of the specific service hours chosen for reduction, the recipient does not have to notify the county of this decision. County IHSS staff will not distribute or allocate remaining hours after implementation of the 3.6 percent reduction.

A county that receives a request for a reassessment during the 90 days following issuance of a NOA generated by the 3.6 percent reduction must evaluate whether the request's purpose is to dispute the 3.6 percent reduction, or whether there has been a change affecting the recipient's functional abilities. As part of the process of evaluating the validity of these requests, counties may require additional information from recipients to document a change in circumstances requiring a reassessment. If the recipient's request for reassessment is solely on the basis of the new law requiring the 3.6 percent reduction, the county shall explain the state hearing process (see state hearings, page five) to the recipient and deny the request for a reassessment. If the request results from a change in a recipient's functional abilities, the county must accept the request for a reassessment and proceed accordingly.

The NOA 304A directs recipients to contact their local IHSS office with questions regarding the 3.6 percent reduction. Counties should prepare for calls from recipients regarding the implementation of this law.

### **CMIPS FUNCTIONALITY AND DATA ENTRY**

CMIPS will perform a one-time process that reduces the Authorized to Purchase hours by 3.6 percent on existing recipient cases, in "E", "I" or "L" status. This reduction applies to recipients and providers in a one-to-one relationship in either "E", "I" or "L" status. CMIPS will suppress the printing of the SOC 293 and SOC 311 for the initial 3.6 percent reduction. However, turnaround documents will be generated for the ongoing caseload as usual. The effective date of this change will be August 1, 2012. System edits will not allow creation of eligibility segments that span the August 1, 2012 date. The system will automatically create an ending segment (N line) for existing files that contain open segments and create a new segment (M line) starting August 1, 2012.

CMIPS will also be modified to apply the 3.6 percent reduction to new recipient cases, and any reactivated recipient cases. Date span editing will apply to these cases using an August 1, 2012 effective date. Cases entered after July 1, 2012 will require two

segments: one segment for any days of service provided in July 2012, and a second segment created beginning August 1, 2012. If counties are authorizing a case retroactively to a period prior to July 1, 2012, the system will require three segments: one segment for any days of service prior to July 1, 2012, one segment for the July 1 through July 31, 2012 period, and a third segment for the period beginning August 1, 2012. County staff **must** allow a one-day turnaround between the building of each segment so all of the appropriate NOAs can be generated for each service period and the recipient can be properly notified. The NOA message 303 will display in CMIPS on the RELC screen. The RELC screen will display the reduction calculation immediately following the current calculation. The new field titled LAWADJ, which replaces the existing AB 1612 field, displays the number of reduction hours. The new field LAWADJ is followed by the reduced hours in the existing fields of Net Hours, Authorized to Purchase hours, and the Unmet Need hours. The calculation will not display on the SOC 293. It is possible in some cases, where the only adjustment is to the documented unmet need, that there will be no actual change to the number of service hours the recipient will receive.

Beginning July 16, 2012, CMIPS will produce a one-time notification 304A for all recipients in "E", "I" or "L" status whose hours are being reduced. For new or reactivated cases and other assessments, CMIPS will generate the normal 10-day NOA with the new NOA message number 303 (shown below). Recipients with documented unmet need (other than for protective supervision) will receive an additional NOA message number 578 (as shown below) that specifies reductions of such unmet need hours. Instructions will be added to the CMIPS 2000 manual with the next quarterly manual update.

For all providers with assigned hours, CMIPS will automatically populate the assigned hours from the previous segment ending June 30, 2012 when the original 3.6% reduction was in effect. This change will automatically overlay any adjustments made to provider assigned hours after the batch run on June 30, 2012. Only those recipients who have a documented unmet need will not see an automatic reduction in assigned hours. Recipients who choose to reallocate the hours of multiple providers must contact their local IHSS office to do so. Counties are responsible for implementing requests for reallocation. For counties with contract mode cases, CDSS will provide a report with a listing of cases in contract mode and their reduced hours.

### **CMIPS NOA MESSAGES**

303 – As a result of a new state law your total monthly authorized hours of ###.## have been reduced by 3.6 percent to ###.## (WIC, section 12301.06). Please see the insert for more information about the new law.

578 – State law requires this 3.6 percent reduction to be taken first from your documented unmet need (other than for protective supervision). After the 3.6 percent reduction has been taken, you have a remaining unmet need of ### service hours (WIC 12301.06).

### **STATE HEARINGS**

Recipients will have their normal appeal rights. Recipient appeal rights will be available in the four state threshold languages (English, Armenian, Spanish, and Chinese) and will be included with each NOA message insert. Administrative Law Judges only have jurisdiction to review IHSS cases within 90 days of a county action such as an assessment, failure to assess or reassess, or denial of services.

W&IC, Section 10950 states, “Notwithstanding any other provision of this code, there is no right to a state hearing when either: (1) state or federal law requires automatic grant adjustments for classes of recipients unless the reason for an individual request is incorrect grant computation, or (2) the sole issue is a federal or state law requiring an automatic change in services or medical assistance which adversely affects some or all recipients.” Therefore, hearing requests based solely on the 3.6 percent reduction will be dismissed. Recipients will continue to have the right to appeal any other county action taken on their IHSS case.

If the county receives an oral request for a state hearing regarding the 3.6 percent reduction, the county should refer the recipient to the State Hearings Division at (800) 743-8525. Likewise, if the county receives a written request for a state hearing regarding the 3.6 percent reduction, the county should fax the request to the State Hearings Division, at fax number (916) 651-2789.

For questions regarding this letter, please contact Greg Rodriguez, Analyst, Adult Programs Division, Operations and Technical Assistance Unit, at (916) 651-1074 or by email, at [gregory.rodriquez@dss.ca.gov](mailto:gregory.rodriquez@dss.ca.gov).

Sincerely,

#### ***Original Document Signed By:***

HAFIDA HABEK, Chief  
Policy & Litigation Branch  
Adult Programs Division

Attachments

[IHSS Request a State Hearing](#)

c: CWDA

IN-HOME SUPPORTIVE SERVICES  
NOTICE OF ACTION MESSAGE – 304A

This notice is being sent to inform you of state law changes that affect your service hours.

As a result of a state law your hours of service previously reduced by 3.6% were temporarily restored for the month of July 2012. As of July 1, 2012 your service hours went back to your full authorized service level of ####.##. These hours are based on your most recent assessment.

Beginning August 1, 2012 a new state law (Section 12301.06 of the Welfare and Institutions Code, as amended) says the California Department of Social Services must again reduce all IHSS recipients' total authorized monthly hours by 3.6 percent. Beginning August 1, 2012, your new service hours will be ####.##.

The new law allows you to choose which of your specific authorized IHSS services, shown on the front of your IHSS Notice of Action, will be reduced. For example, if you lose three hours of service per month, you can choose to reduce three hours from one authorized service or choose to split up those hours among different services. You are responsible for informing your provider(s) of your reduction in total authorized services and which specific service hours you have chosen to reduce. You do not have to tell the county which hours you choose to reduce; this is between you and your provider.

The new law also applies to all reassessments.

Your hearing rights are included with this message. However, requests for a state hearing only about the new state law requiring the 3.6 percent reduction in service hours will be dismissed.

If you do not understand this new requirement or have questions about the new law please contact your county IHSS office.

IN-HOME SUPPORTIVE SERVICES  
NOTICE OF ACTION MESSAGE – 304B

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Your total monthly authorized hours have been reduced by 3.6-percent. Here is why:

A new state law (Section 12301.06 of the Welfare and Institutions Code, as amended) says the California Department of Social Services must reduce all IHSS recipients' total authorized monthly hours by 3.6 percent.

The new law allows you to choose which of your specific authorized IHSS service hours, as shown on the front of your IHSS Notice of Action, will be reduced. For example, if you lose three hours of service per month, you can choose to reduce three hours from one authorized service or choose to split up those hours among different services. You are responsible for informing your provider(s) of your reduction in total authorized services and the specific service hours you have chosen to reduce. You do not have to tell the county which hours you choose to reduce; this is between you and your provider.

The new law also applies to all reassessments.

Your hearing rights are included with this message. However, requests for a state hearing only about the new state law requiring the 3.6 percent reduction in service hours will be dismissed.

If you do not understand this new requirement or have questions about the new law please contact your county IHSS office.

IN-HOME SUPPORTIVE SERVICES  
NOTICE OF ACTION MESSAGE – 304U

This notice is being sent to inform you of state law changes that affect your service hours.

As a result of a state law your hours of service previously reduced by 3.6% were temporarily restored for the month of July 2012. As of July 1, 2012 your service hours went back to your full authorized service level of ###.##. These hours are based on your most recent assessment.

Beginning August 1, 2012 a new state law (Section 12301.06 of the Welfare and Institutions Code, as amended) says the California Department of Social Services must again reduce all IHSS recipients' total authorized monthly hours by 3.6 percent. Beginning August 1, 2012, your new service hours will be ###.##.

State law requires this 3.6 percent reduction to be taken first from your documented unmet need (other than for protective supervision). After the 3.6 percent reduction has been taken, you have a remaining unmet need of ### ## service hours (WIC 12301.06).

The new law allows you to choose which of your specific authorized IHSS services, shown on the front of your IHSS Notice of Action, will be reduced. For example, if you lose three hours of service per month, you can choose to reduce three hours from one authorized service or choose to split up those hours among different services. You are responsible for informing your provider(s) of your reduction in total authorized services and which specific service hours you have chosen to reduce. You do not have to tell the county which hours you choose to reduce; this is between you and your provider.

The new law also applies to all reassessments.

Your hearing rights are included with this message. However, requests for a state hearing only about the new state law requiring the 3.6 percent reduction in service hours will be dismissed.

If you do not understand this new requirement or have questions about the new law please contact your county IHSS office.