



CDSS

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STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**

744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



EDMUND G. BROWN JR.  
GOVERNOR

REASON FOR THIS TRANSMITTAL

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

September 23, 2014

ALL-COUNTY LETTER NO.: 14-53

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERS

SUBJECT: IN-HOME SUPPORTIVE SERVICES (IHSS) OVERPAYMENT  
RECOVERIES

REFERENCES: [ACL NO. 09-32 DATED JULY 3, 2009](#)

**PURPOSE:**

This All-County Letter (ACL) replaces ACL No. 09-32 and provides updated instructions to counties for processing recovered overpayments as a result of the implementation of Case Management, Information and Payrolling System (CMIPS) II and the Maintenance of Effort (MOE).

**BACKGROUND:**

The previous process, as outlined in ACL No. 09-32, required counties to forward overpayments collected to Electronic Data Systems (EDS) for entry into CMIPS Legacy, and EDS would forward the funds to the California Department of Social Services (CDSS); however, with the implementation of CMIPS II, the process has changed as outlined below.

Additional changes to the process are necessary due to the implementation of the county MOE. Prior to the MOE, counties paid 35 percent of the non-federal share of program costs, and were therefore entitled to 35 percent of the recovered overpayment. Effective July 1, 2012, the flat-rate county MOE replaced the county share of program costs, and as a result, there is no longer a county share of recovered overpayments.

**PROCESS:**

To assist with the understanding of how to process recovered overpayments, there are three scenarios outlined below. County IHSS program and fiscal administrators must now communicate the details of the cases associated with the recovered funds to CDSS. The information must include the case name, the actual date the overpayment

occurred, the date the overpayment was collected, the total amount recovered and any county share withheld. These details shall also be maintained in the county case files (paper or electronic).

SCENARIO ONE: If the overpayment occurred and was recovered, or was in the process of being fully recovered prior to July 1, 2012, the county shall retain the county share of the overpayment and forward the state and federal share to CDSS, along with a memo providing the details of the recovered overpayment (the case name, the date the overpayment occurred, the date the overpayment was collected, the total amount recovered and any county share withheld). The county shall maintain this documentation in the case file(s). Because the collection is based on the net overpayment, counties do not need to address tax implications in calculating the county share. The county share is 35 percent of the non-federal share. The federal share is 50 percent for Personal Care Services Program (PCSP) and IHSS Plus Option (IPO) cases, 56 percent for Community First Choice Option (CFCO) cases, and zero for IHSS Residual cases. If the county is not able to determine the program under which the case existed, assume PCSP for overpayments that occurred prior to December 1, 2011, and assume CFCO for overpayments that occurred after November 30, 2011.

SCENARIO TWO: If the overpayment occurred and was recovered, or was in the process of being fully recovered after June 30, 2012, but before conversion to CMIPS II, the county shall forward the entire amount to CDSS, along with a memo outlining the details of the recovered overpayment. As referenced above, because the MOE has taken the place of a county share of the program cost, counties shall not retain any portion of the recovered overpayment. The county shall maintain documentation in the case file(s).

For Scenarios One and Two (above), recovered funds should be mailed on a flow basis as received, along with the memo of explanation, to:

California Department of Social Services  
744 P Street, MS 9-3-67  
Sacramento, CA 95814

SCENARIO THREE: For cases that converted to CMIPS II, regardless of when the overpayment occurred, if the overpayment was not recovered or in the process of being fully recovered prior to July 1, 2012, and the recovery was initiated after conversion to CMIPS II, CDSS Accounting will extract the Cash-In-Door (CID) Adjustment Report from CMIPS II and bill each county the entire amount of the recovered overpayment on a quarterly basis. The CID amount will be invoiced separately from the MOE. The CDSS Accounting has been extracting the CID Adjustment Reports; however, no billings have occurred since CMIPS II implemented; therefore, CDSS Accounting will send retroactive billings from the date that each county implemented CMIPS II.

For Scenarios Two and Three, the method of entering an overpayment occurrence into CMIPS II is as follows:

- Verify that the case or provider record exists in CMIPS II. If there is no record in CMIPS II, that should indicate that the case did not convert and that the overpayment occurred before July 1, 2012; in this case, treat as Scenario One (withhold the county share, mail the balance to CDSS with a memo of explanation. No data entry into CMIPS II is required).
- If the case or provider record exists in CMIPS II and the recipient or provider has been overpaid for IHSS services, the county creates an Overpayment Occurrence in CMIPS II using one of the available Overpayment Recovery Types.
- If the county is processing an overpayment recovery for hours and minutes that should be paid to another provider, the county must create the overpayment in hours, NOT a dollar amount. This restores the overpaid hours to the case as the recovery is collected and makes the funds available for payment to another provider.
- When personal payments are collected for an overpayment, county staff keys a *Create Overpayment Collection* in CMIPS II.

For additional information relating to the overpayment process, refer to the November 14, 2013 CMIPS II Payroll Job Aid.

For Scenario Three (above), if a case transfers to another county in the midst of the recovery process, any amount collected by the transferring county which has not yet been invoiced by the State, must be sent to the receiving county.

Counties are responsible for maintaining accurate overpayment records as they may be subject to monitoring by CDSS.

If you have any questions or need technical assistance concerning the process outlined above, please contact CDSS' Adult Programs Division, Quality Assurance and Improvement Bureau, Program Integrity Unit, at (916) 651-3494 or via email at [ihss-pi@dss.ca.gov](mailto:ihss-pi@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

EILEEN CARROLL  
Deputy Director  
Adult Programs Division