

October 14, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. ACL 19-101**

The purpose of this ACL is to inform counties of changes made to the California Department of Social Services Public Authority/Nonprofit Consortium Invoice (SOC 448) to comply with the new County IHSS Maintenance of Effort effective July 1, 2019.



KIM JOHNSON  
DIRECTOR

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

October 14, 2019

ALL COUNTY LETTER (ACL) NO. 19-101

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 (JULY 1, 2019)

REFERENCE: [SENATE BILL \(SB\) 80 \(CHAPTER 27, STATUTES OF 2019\)](#)  
[ACL NO. 19-61, DATED JUNE 28, 2019](#)  
[CFL NO. 19/20-22, DATED SEPTEMBER 4, 2019](#)  
[CFL NO. 19/20-28, DATED SEPTEMBER 13, 2019](#)  
[CFL NO. 19/20-05, DATED SEPTEMBER 20, 2019](#)  
[WELFARE & INSTITUTIONS CODE SECTION 12301.6](#)

The purpose of this ACL is to update the Public Authority (PA)/Nonprofit Consortium (NPC) Invoice (SOC 448) claiming and reimbursement instructions for the In-Home Supportive Services (IHSS) program as a result of the rebasing of the County IHSS Maintenance of Effort (MOE) effective July 1, 2019 in [Senate Bill 80](#) (Chapter 27 Statutes of 2019). Also, this ACL clarifies how PA/NPC administrative costs are claimed on the SOC 448 and how costs comply with approved administrative, health benefit, and non-health benefit rates.

**REBASING THE COUNTY IHSS MOE AND THE ELIMINATION OF COUNTY AND PUBLIC AUTHORITY ADMINISTRATION COMPONENTS**

As specified in Welfare and Institutions ([W&IC](#)) [section 12306.16](#), effective July 1, 2019, the IHSS MOE was rebased. As part of the rebase, the county and PA/NPC IHSS administration are no longer a part of the IHSS MOE. The County IHSS MOE now is limited only to IHSS services costs. The state will pay 100 percent of the non-federal share of the allowable PA administrative costs that are within the county's approved PA/NPC rate for each county until the county's share of the appropriated State General Fund (GF) money is exhausted. Once the county has exhausted its GF allocation, each

county shall pay 100 percent of the non-federal share of PA administrative costs. The SOC 448 form includes a PA State GF Administrative Allocation table to assist counties in determining when the GF allocation has been fully utilized.

It is important to note that, based on [W&IC section 12306.16\(b\)\(3\)\(C\)](#), amounts expended by counties on county IHSS and PA administration in excess of the appropriated GF will no longer be counted towards meeting the rebased county IHSS MOE requirement. Only IHSS services expenditures will count toward the rebased County IHSS MOE.

State GF administrative funding is distributed between the counties using a methodology developed in coordination with the California State Association of Counties, the California Association of Public Authorities, and the County Welfare Directors Association. Refer to County Fiscal Letter [\(CFL\) 19/20-28](#) for the Fiscal Year (FY) 2019-20 state GF allocation.

### **SOC 448 TOOLS**

The SOC 448 workbook includes the following tools to assist counties:

- Instructions: step-by-step instructions for how to complete each tab
- Calculator: calculates individual provider hours
- Expense Detail: summarizes administrative and benefit expenses by category
- Rate Averages: compares approved administrative, health benefit, and non-health benefit rates against claimed rates

### **SOC 448 UPDATES**

#### **Federal and State Reimbursement**

The Federal and State Reimbursement column in the Administrative Costs table has been updated from the previous form. This column now splits the costs claimed by the federal and state shares with no county share. Once a county has claimed the entire county GF allocation, additional expenditures will be claimed in the Federal Reimbursement column.

#### **Federal Reimbursement**

The Federal Reimbursement column has been added to the Administrative Costs table. Expenditures claimed in this column are split by federal and county shares. Once a county exceeds their GF allocation, any additional administrative expenditures should be entered in the Federal Reimbursement column on the Administrative Costs table. Additionally, administrative costs that are disallowable for state reimbursement, but allowable for federal reimbursement can be entered in this column.

#### **Waiver Personal Care Services (WPCS)**

Counties/PAs will receive 100 percent reimbursement for administrative and health benefit costs associated with WPCS on the SOC 448. WPCS costs and hours are not included in determining if a county/PA has remained within their approved administrative or health benefit rates.

WPCS hours and expenditures by month can be found on page 31 of the CMIPS Paid Case Details Report. Hours can be entered in the Calculator Tab which will automatically populate the Quarterly Hours by Fund Source table; expenditures can be entered in the WPCS Costs table in their respective cells.

### Rate Averages Tab

Administrative, health benefit, and non-health benefit rates can be tracked using the Rate Averages tab. Monthly hours will automatically populate from the Calculator Tab. Counties will need to enter their approved administrative, health benefit, and non-health benefit rates and costs by month (WPCS costs on the SOC 448 should not be included).

The Rate Comparison Table will show if counties are claiming under, at, or above their respective approved rates. See the “Administrative, Health Benefit, and Non-Health Benefit Rates” section of this ACL for further information on how counties will be held to their approved rates.

### **CLAIMING PA ADMINISTRATIVE COSTS**

Counties receive quarterly reimbursement for the federal and state share of PA administrative costs claimed on the SOC 448. In accordance with [CFL 19/20-05](#), dated September 20, 2019, counties must claim costs on a cash basis not on an accrual basis.

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, the federal share will not be reimbursed.

### **ADVISORY COMMITTEE FUNDING & CLAIMING**

In accordance with W&IC section 12301.6, counties may continue to fund and invoice for advisory committee activities and governing board expenses. The FY 2019-20 Budget Act provides \$174,000 for state GF and \$171,000 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 of the SOC 448. Counties must provide supporting documentation of their Advisory Committee expenses with the SOC 448.

### **ADMINISTRATIVE RATE**

The California Department of Social Services (CDSS) will provide each county with a PA/NPC with a GF allocation to fund the non-federal administration costs up to the amount allocated to each county. Along with the elimination of county and PA administration from the IHSS MOE, counties now will be able to draw from the PA/NPC administrative GF allocation without any local share, as specified in [W&IC section 12306.16\(b\)\(3\)\(B\)](#). Counties/PAs can access the state GF allocation for allowable PA costs that do not exceed the administrative rate approved by CDSS, Department of Health Care Services, and the county Board of Supervisors. The county shall pay 100 percent of any costs for PA/NPC administration that are in excess of the PA/NPC rate

approved by the state. The state GF allocation is the maximum amount of state GF dollars available for any allowable PA administrative costs that are within the approved administrative rate.

Counties/PAs should track their expenditures throughout the fiscal year against their approved administrative rate. CDSS will also communicate each quarter to counties/PAs if the claimed rate is averaging higher than the approved rate.

If a county/PA has averaged expenditures over their approved administrative rate, the assigned Financial Management Unit analyst will assist counties/PAs in modifying any claim over the approved administrative rate. If a county maintains the same approved administrative rate throughout the fiscal year, the administrative rate will be averaged over 12 months. If the administrative rate is changed, the approved rates will be applied in the months they are effective. Rate changes cannot be applied retroactively. For any information regarding changes to a PA/NPC administrative rate, please contact your assigned FMU analyst.

### **HEALTH BENEFIT & NON-HEALTH BENEFIT RATES**

Counties will continue to receive reimbursement for the federal, state, and county share of the allowable health and non-health benefit costs claimed on the SOC 448. Further guidance on claiming health and non-health benefits will be provided in a subsequent ACL.

### **SUBMITTING REVISED CLAIMS**

After the end of the fiscal year, counties will have nine months to submit any revised SOC 448 claims to CDSS. If a revised claim is received after the nine-month cutoff, it will not be reimbursed.

### **HOW TO OBTAIN REVISED SOC 448**

Each county should contact the Adult Programs Division (APD) FMU by e-mail or by calling (916) 653-3850 to obtain a copy of the revised SOC 448. The inquiry will be directed to the assigned FMU Analyst for that county. The revised SOC 448 will be specific to each county.

### **SUBMISSION REQUIREMENTS**

The following documents must be submitted:

- Signed SOC 448
- Expense Detail Summary or County Document Summarizing Expenses by Category
- Advisory Committee Backup
- CMIPS Monthly Paid Case Detail reports (pages 12, 18, 24, 30, & 31)

To initiate the process, scanned copies of the documents can be sent via electronic mail (e-mail) to the CDSS FMU analyst assigned to your county or to [APD\\_FMU@dss.ca.gov](mailto:APD_FMU@dss.ca.gov). The original SOC 448 with signatures must be mailed to the address listed on the SOC 448. Certified mail is not required. If the backup documentation

was received via e-mail, hardcopies do not need to be mailed. A hard copy may be requested if the quality of the scanned documentation is insufficient.

If you have questions regarding the information contained in the ACL, please contact the APD FMU.

Sincerely,

***Original Document Signed By***

DEBBI THOMSON  
Deputy Director  
Adult Programs Division