



CDSS

WILL LIGHTBOURNE
DIRECTOR

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

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

January 22, 2014

ALL-COUNTY LETTER (ACL) NO. 14-02

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL IHSS PROGRAM MANAGERS
PUBLIC AUTHORITY EXECUTIVE DIRECTORS

SUBJECT: COORDINATED CARE INITIATIVE (CCI) - CERTIFICATION REQUIREMENTS FOR AGENCIES TO CONTRACT WITH A MANAGED CARE HEALTH PLAN (MCHP) FOR THE PROVISION OF IN-HOME SUPPORTIVE SERVICES (IHSS)

REFERENCES: Welfare and Institutions Code (WIC) section 12302.6; Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012); SB 1036 (Chapter 45, Statutes of 2012); and Assembly Bill (AB) 1471 (Chapter 439, Statutes of 2012)

This ACL provides direction for Agencies on how to become certified by the California Department of Social Services (CDSS) as a Qualified Agency in order to contract with a MCHP for the provision of IHSS (contract mode), pursuant to WIC section 12302.6. Specific information regarding certification for Agencies that have an existing contract with a county and are automatically certified as a Qualified Agency is provided in ACL No. 14-03.

BACKGROUND

As part of the Budget Act of 2012, Governor Brown signed SB 1008 and SB 1036 which enacted the CCI. SB 1036 (amended by AB 1471) added section 12302.6 to the WIC, authorizing MCHP providing IHSS as a managed care benefit pursuant to WIC section 14186.35 to contract with certain Agencies for the provision of IHSS in the CCI counties. Pursuant to WIC section 12302.6(b)(1) "Agency" is defined as a city, county, city and county agency, local health district, proprietary agency, or an entity that has or seeks a contract to provide IHSS. In order for an Agency to enter such a contract, they must be certified as a Qualified Agency. The legislature tasked CDSS, in consultation with the Department of Health Care Services (DHCS) to create and manage the certification and re-certification of Agencies as Qualified Agencies.

WIC section 12302.6 sets forth criteria upon which the MCHP may enter such contracts, establishes rules as to how IHSS may be provided by Qualified Agencies and sets forth minimum requirements for such contracts. Among other requirements to be determined by CDSS, the contract must provide for a minimum amount of service utilization. However, IHSS recipients referred for services in contract mode may not exceed five (5) percent of the IHSS caseload in the county where the services are provided. Additionally, the contract must ensure that providers' wages and benefits are not less than the individual provider rate negotiated by the Statewide Authority for the county where the services are provided.

When a recipient is referred by a MCHP to a Qualified Agency, the Qualified Agency may provide IHSS to recipient who: 1) have been determined to be unable to function as the employer of the provider due to dementia, cognitive impairment, or other similar issues; 2) have been identified to need services under contract mode by the care coordination team created pursuant to paragraph (3) of subdivision (b) of WIC section 14186; or 3) are unable to retain a provider due to geographical isolation and distance, authorized hours, or other reasons. When a recipient who is severely impaired, as described in subdivision (b) of WIC section 12303.4, is referred to a Qualified Agency by a MCHP, the county, or the care coordination team, the Qualified Agency may provide emergency backup services, as needed, when a provider is unavailable due to vacation, illness, or other extraordinary circumstances, or the recipient is in the process of hiring or replacing a provider.

REQUIREMENTS FOR CERTIFICATION

In order to become a Qualified Agency, an Agency must show they meet certain established conditions for certification. Agencies that do not have an existing contract for the provision of IHSS at the time CCI is implemented must apply for certification; this includes those Agencies that provide emergency or back-up services. Agencies seeking to become certified as a Qualified Agency must submit the following to CDSS:

- 1) A verified application which requires an original and notarized signature of a "*responsible party*" of the Agency. "*Responsible party*" means an officer or director of the applicant, a shareholder with a beneficial interest in the applicant exceeding ten (10) percent, or the person who will be primarily responsible for any contract with the MCHP. (SOC 2250)
- 2) All required supporting documentation. (See Check List SOC 2249)
- 3) A non-refundable Application Fee of \$10,000.

Re-Certification

A Qualified Agency will be required to renew their certification with CDSS every three (3) years from the date of its initial certification. When applying for re-certification, the Agency must complete all requirements of a first-time certification and submit a non-refundable re-certification fee in the amount of \$10,000. If a Qualified Agency is seeking re-certification it must request a new certification packet from CDSS by calling 1(855) 729-2383 or visiting CDSS' website at www.cdss.ca.gov/agedblinddisabled/PG3413.htm The Qualified Agency requesting re-certification must complete and submit the certification packet (the same requirements of a first-time certification as noted above) at least one hundred and twenty (120) calendar days prior to the expiration of its existing certification period. Applications for re-certification submitted after the one hundred and twenty (120) calendar day re-certification deadline will be charged a late fee of \$100 per calendar day past the deadline. If an application for re-certification has not been received by CDSS thirty (30) calendar days prior to the expiration of a Qualified Agency's existing certification, i.e. the triennial re-certification date, CDSS will send a letter to the Qualified Agency informing it that CDSS has not received its re-certification packet. The letter will also inform the Qualified Agency that its certification will terminate upon the expiration of its existing certification period unless a re-certification packet is received by CDSS prior to that date.

See ACL No. 14-03 for additional information on re-certification for Agencies with existing county contracts.

Geographical Expansions and Service(s) Additions

Qualified Agencies that seek to expand the geographical area and/or service(s) provided for under the contract prior to their re-certification date must submit a complete application reflecting proposed changes and all applicable fees.

For example: If the Agency becomes a Qualified Agency and contracts with a MCHP for the provision of IHSS, and prior to the triennial re-certification date seeks to expand the geographical area covered by the existing contract, the Qualified Agency must submit a complete application for the geographical expansion and an application fee of \$5,000. If at a later date, the Qualified Agency seeks to add an additional type(s) of service, a second complete application and \$5,000 fee would be required. Thus, the total fees for the two separate applications would be \$10,000. However, if the Qualified Agency applied for both the geographical expansion and the service type(s) expansion in the same application, the total fee would be \$5,000 for the one application.

Applicable Fees

All applicable fees must be submitted in the form of a cashier's check payable to the CDSS. The application fees for Agencies who were not automatically certified are as follows:

1) Initial Application Fee	\$10,000
2) Re-certification Fee (every 3 years)	\$10,000
3) Any Geographical Expansion and/or Service(s) Addition	\$ 5,000 per application
4) Late Re-Certification Fee	\$ 100 per day

Certification Process Timeline

WIC section 12302.6(d)(4) requires CDSS to establish an annual deadline for submitting certification applications and a triennial deadline for submitting re-certification applications. Applications may be submitted at any time during the year. In order for applications to be certified by the end of a calendar year, they must be received by September 1st of that calendar year.

Agencies initiating the certification or re-certification process are strongly encouraged to review their application and documentation for completeness prior to submission. Upon receipt of an application, CDSS will send the Agency one of two letters, either an "Official File Date" letter if the application is complete or a "Missing Information" letter if the application is incomplete, within fifteen (15) calendar days of receipt of an application.

The "Missing Information" letter will notify Agencies that their application is incomplete, what the specific deficiencies are and the information that must be submitted to CDSS to make the application complete. The letter will also inform the Agencies that all additional information must be submitted to CDSS within sixty (60) calendar days from the date of the "Missing Information" letter. If an Agency submits additional information as requested in the "Missing Information" letter within sixty (60) calendar days, CDSS will then send the Agency the "Official File Date" letter. If the Agency is unable to obtain the additional information requested within sixty (60) calendar days, CDSS may grant the Agency an extension beyond the sixty (60) calendar days at CDSS' discretion. If the Agency does not provide the requested additional information within sixty (60) calendar days and/or is not granted an extension within sixty (60) calendar days, CDSS will close the application file and will not return the non-refundable application fee. The closure of an Agency's application file does not prevent the Agency from initiating a new

application at any time. However, the Agency will be required to re-submit all applicable fees.

Within one hundred and twenty (120) calendar days of the "Official File Date", CDSS will notify the Agency of its determination regarding the Agency's application to become a Qualified Agency.

Approval of Certification or Re-Certification

If an Agency has been approved and certified as a Qualified Agency that Agency may contract with a MCHP for the provision of IHSS services for three (3) years from the date of approval. Agencies that enter into contracts with a MCHP for the provision of IHSS must meet all on-going contract and performance requirements set forth in WIC section 12302.6. Those requirements include but are not limited to the specific referral and service conditions and requirements specified therein. Any contract entered into between a MCHP and a Qualified Agency must also provide for a minimum amount of service utilization and be approved by CDSS. Notwithstanding, the IHSS recipients referred for services must not exceed five (5) percent of the IHSS caseload in the county where services are provided. Additionally, the contract must ensure that provider's wages and benefits are not less than the individual provider rate negotiated by the Statewide Authority for the county where the services are provided.

Denials of Certification or Re-Certification

CDSS may deny an Agency's certification or re-certification if it finds that the Agency fails to meet the certification requirements and/or its representatives knowingly made any false or misleading statements within the certification packet as set forth in WIC section 12302.6(d)(6). Additionally, the certification or re-certification may be denied if an Agency or Agency official has been found to have violated a law or regulation that is substantially related to the qualifications or duties of the applying Agency or functions of the business for which certification or re-certification is being requested.

If a Qualified Agency is denied re-certification and appeals the denial as described below, the Agency may continue to operate while the appeal is pending unless the Qualified Agency operations pose a health and/or safety risk as determined by CDSS.

Agency Appeal Process

WIC section 12302.6(d)(7) requires CDSS to have a written appeals process for any Agency dissatisfied with the decision of CDSS regarding certification or re-certification. An Agency seeking to overturn the denial of certification or re-certification by CDSS

must submit a written appeal which clearly states the reason(s) it feels the denial should be reconsidered. The following guidelines apply to Agency appeals:

- 1) All appeal requests must be in writing and include a completed official CDSS Appeal Request Form (SOC 2251). An appeal form can be obtained by calling 1(855) 729-2383 or at CDSS' website www.cdss.ca.gov/agedblinddisabled/PG3413.htm.
- 2) Each appeal must include a descriptive and concise statement explaining why it believes CDSS' decision was in error, along with a statement of all relevant facts and any/all supporting documentation. CDSS will solely rely on information submitted by the Appellant to make its determination.
- 3) All appeals must be received by CDSS no later than thirty (30) calendar days from the date of CDSS' certification or re-certification denial letter to an Agency:
 - a) Upon receipt of an Appeal Request, CDSS will send the appellant Agency a letter acknowledging the receipt of the appeal within fifteen (15) calendar days.
- 4) CDSS will place certain limitations on appeals. An Agency will be prohibited from filing appeals under these circumstances:
 - a) The objection involves CDSS certification deadlines;
 - b) An Agency failed to file the appeal in a timely manner; and/or
 - c) The appeal involves issues upon which CDSS has already made a final administrative decision as a result of a previous appeal or contract action involving the Agency.

If necessary, CDSS may request additional information from the appellant Agency in order to make a final determination. CDSS' Appeals Unit will review all documentation and information provided by the appellant Agency and within sixty (60) calendar days from the date of receipt of the Appeal Request will either:

- 1) Uphold the initial decision of CDSS; or
- 2) Reverse CDSS' prior decision, at which point CDSS will either certify the Agency or resume the certification process for the Agency. CDSS will send the Agency a letter with its final decision.

ACL No. 14-02
Page Seven

Any Agency denied certification or re-certification will be required to wait at least one (1) year from the issuance of the denial before re-applying for certification or re-certification with CDSS.

For camera-ready copies in English, contact the Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access you may obtain this form from the CDSS webpage at http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm.

For additional certification information, please call 1 (855) 729-2383 or visit www.cdss.ca.gov/agedblinddisabled/PG3413.htm.

If you have any questions regarding certification and recertification requirements, please contact Ruben Romero, Chief, Systems and Administrative Branch at ruben.romero@dss.ca.gov.

Sincerely,

Original Document Signed By:

EILEEN CARROLL
Deputy Director
Adult Programs Division

Attachments



STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov

QUALIFIED AGENCY CERTIFICATION APPLICATION CHECKLIST

**This checklist must accompany all application packages when returned to CDSS.*

- Verified Completed Application (Form SOC 2250) – (Signed, Dated, Notarized)
- Application Fee - \$10,000 (New), \$3,000 (Automatically Certified) or \$10,000 (Re-certification), \$10,000 (Automatically Certified **first time** Geographical Expansion or Service), \$5,000 (Subsequent Geographical Expansion or Service Additions), \$100 per calendar day past re-certification deadline
- Current geographical location(s) in which services are provided
- Provide a list of services available to recipients
- Provide Legal Name of Agency
 - o DBA or Business Name
 - o Federal Employer Identification Number (FEIN)
 - o Social Security Number (SSN) (individuals or sole proprietorships only)
 - o Attach Fictitious Name Statement
 - o Articles of Incorporation
- Organizational Chart, List of Directors, Officers and Owners
- Three (3) References or Letters of Recommendation
- Three (3) Most Recent Audited Financials – years 20____, 20____, 20____
(or other independently verified documentation showing liquid assets to cover 180 days of IHSS operating expenses. Public entities may submit a “letter of support” in lieu of financial statements)
- Business Plan and Budget Narrative
- W-9 Form (if applicable)
- Bank Account Statements (Past 12 months)
- Proof of Insurance
 - o General and Professional Liability (\$1 million per occurrence/\$3 million aggregate)
 - o Worker’s Compensation (\$1 million total compensation)
 - o Motor Vehicle Liability (\$1 million which includes uninsured motorist and medical)
- Provide copy of current contract with the county or Public Authority (if applicable)

COMMENTS:

You will be notified by CDSS confirming a Completed Application for Certification was received with an Official File Date Letter or a letter requesting further information. Please send completed package to:

**California Department of Social Services
Contract Mode and Certification Unit (CMCU)
Attn: CMCU, Manager
744 P Street, MS 9-9-04, Sacramento, California 95814**



APPLICATION FOR QUALIFIED AGENCY CERTIFICATION

(See instructions on page 3)

Note: CDSS will process a completed application package within 120 days

FOR DEPARTMENT USE ONLY

RECEIVED DATE:	REVIEWED BY:	ACTION TYPE:
----------------	--------------	--------------

1. AGENCY NAME(S) (PLEASE PRINT)	2. REQUESTED CERTIFICATION TYPE (CHECK ONE): <input type="checkbox"/> A. AUTOMATICALLY CERTIFIED <input type="checkbox"/> C. NEW CERTIFICATION <input type="checkbox"/> B. RE-CERTIFICATION <input type="checkbox"/> D. EXPANSION OR SERVICE
----------------------------------	--

3. DATE (MM/DD/YYYY)	4. NON-REFUNDABLE FEE ENCLOSED (CHECK ONE) <input type="checkbox"/> A. \$3,000 AUTOMATICALLY CERTIFIED <input type="checkbox"/> B. \$10,000 NEW CERTIFICATION <input type="checkbox"/> C. \$10,000 RE-CERTIFICATION <input type="checkbox"/> D. \$5,000 GEOGRAPHICAL OR SERVICE EXPANSION <input type="checkbox"/> E. \$10,000 AUTOMATICALLY CERTIFIED - FIRST EXPANSION		
----------------------	--	--	--

5. AGENCY'S PRIMARY CONTACT NAME	TITLE:	E-MAIL ADDRESS (OPTIONAL)	AREA CODE/TELEPHONE ()
----------------------------------	--------	---------------------------	-------------------------------

6. TYPE OF AGENCY OWNERSHIP/STRUCTURE:
 A. INDIVIDUAL (SOLE PROPRIETOR) B. PROFIT CORP. C. PARTNERSHIP D. COUNTY E. OTHER (SPECIFY) _____

7. AGENCY STREET ADDRESS	CITY	STATE	ZIP CODE	AREA CODE/TELEPHONE ()
--------------------------	------	-------	----------	-------------------------------

8. AGENCY MAILING ADDRESS (IF DIFFERENT)	CITY	STATE	ZIP CODE	AREA CODE/TELEPHONE ()
--	------	-------	----------	-------------------------------

9. CURRENT GEOGRAPHICAL AREA	10. EXPANSION/SERVICE ADDITIONS	11. # OF IHSS CAREGIVER EMPLOYEES (ESTIMATE)	12. # OF IHSS RECIPIENTS (ESTIMATE)
------------------------------	---------------------------------	--	-------------------------------------

13. ADDITIONAL AGENCY BUSINESS NAMES (DBA, FICTITIOUS NAME STATEMENT, PRIOR LEGAL NAMES, ETC.)

14. AGENCY BUSINESS INFORMATION (CHECK AND COMPLETE ALL THAT APPLY, ALL INFORMATION WILL BE KEPT CONFIDENTIAL)

A. SOCIAL SECURITY NUMBER (SSN) _____ C. CA. BUSINESS LICENSE NUMBER _____
 B. FEDERAL EMPLOYER ID NUMBER (FEIN) _____ D. OTHER (SPECIFY) _____

15. AGENCY ORGANIZATIONAL STRUCTURE (LIST EACH OFFICER OR ATTACH AGENCY ORGANIZATIONAL CHART)

OFFICER NAME _____ OFFICER TITLE _____
OFFICER NAME _____ OFFICER TITLE _____
OFFICER NAME _____ OFFICER TITLE _____
OFFICER NAME _____ OFFICER TITLE _____

OR

ATTACH ORGANIZATION CHART, LIST OF DIRECTORS, ETC.

16. AGENCY FINANCIAL INFORMATION (CHECK ALL THAT APPLY)

A. 3 MOST RECENT AUDITED FINANCIAL STATEMENTS) C. W-9 FORM E. BANK STATEMENTS PAST 12 MONTHS
 B. BUSINESS PLAN AND BUDGET NARRATIVE D. LETTERS OF RECOMMENDATIONS/SUPPORT F. OTHER _____

17. DECLARATION OF NO BANKRUPTCY HISTORY (PLEASE CHECK AND ATTACH SUPPORTING DOCUMENTATION IF AVAILABLE)

THE APPLICANT AGENCY/BUSINESS HAS NOT BEEN INVOLVED IN BANKRUPTCY PROCEEDINGS WITHIN THE LAST 5 YEARS FROM THE DATE THIS APPLICATION WAS FILED.

18. INSURANCE REQUIREMENTS (GENERAL LIABILITY, WORKER'S COMPENSATION, AND AUTOMOTIVE LIABILITY)

GENERAL LIABILITY
INSURANCE CARRIER _____ POLICY # _____ COVERAGE AMOUNT \$ _____ CONTACT PHONE () _____

WORKER'S COMPENSATION
INSURANCE CARRIER _____ POLICY # _____ COVERAGE AMOUNT \$ _____ CONTACT PHONE () _____

AUTOMOTIVE LIABILITY
INSURANCE CARRIER _____ POLICY # _____ COVERAGE AMOUNT \$ _____ CONTACT PHONE () _____

OR

ATTACH GENERAL LIABILITY PROOF OF COVERAGE ATTACH WORKER'S COMP PROOF OF COVERAGE ATTACH AUTO LIABILITY PROOF OF COVERAGE

INSTRUCTIONS FOR THE APPLICATION FOR CCI QUALIFIED AGENCY CERTIFICATION

Please print clearly. Prepare application in duplicate. Return the original and maintain a copy for your records. Attach to this application form a copy of all requested forms and documents listed below. Complete the application accurately to avoid delays in the certification process. All applications should be received by CDSS no later than September 1st of each calendar year. However, applications will be accepted on a continuous basis.

1. Enter the current or proposed official business name(s) of the Agency that is applying for certification.
2. Check the appropriate box for the type of certification. Please check only one box.
3. Enter today's date in this format: mm/dd/yyyy.
4. Check the appropriate box for the non-refundable fee amount. Do not forget to enclose a check or cashier's check for the selected non-refundable fee amount. The non-refundable fee amount will not be returned under any circumstances.
5. Enter the information of the contact person CDSS can call with any questions or issues related to this application. Enter the name, title, e-mail address, and phone number.
6. Check the appropriate box that identifies the Agency's current business ownership structure. If the choice is "Other", please specify.
7. Enter the physical mailing address of the Agency's business office and phone number. Please note each Agency must maintain a physical structure in which services will be provided. The structure must be in a properly zoned location for a business and cannot be operated from a private residence.
8. Enter an optional mailing address (if different from item number 7 above).
9. Enter the geographical location(s) the prospective Agency plans on servicing. This must be a county, and a zip code.
Note: if an Agency plans on changing or expanding the geographical service area, they must re-apply for certification.
10. Enter the geographical area and/or type(s) of services provided that the Agency is seeking to be expanded.
11. Enter the approximate number of employee healthcare providers your Agency has hired, or is expected to hire, to provide IHSS services.
12. Enter the approximate number of IHSS recipients your Agency anticipates servicing in your selected geographical region(s).
13. Enter all previous business names your Agency has used in the past (if applicable). This would include DBA, fictitious name statement, or prior legal names. Attach copies.
14. Check and complete any applicable business identification information (depending on the Agency's ownership structure). If there are other types of business identification information available, then please specify.

-
-
15. Specify each Agency officer with an associated title. Attach a list of officers and/or directors, organizational chart, etc.
 16. Each Agency applicant must submit sufficient financial information to show that it has the necessary funding to support a minimum of 180 days of IHSS operating expenses. The Agency must submit the three (3) most recently audited financial statements prepared by a Certified Public Accountant. If these are available, please check the box and attach copies of the appropriate documentation.

In some limited cases, an Agency applicant may not have the required prepared financial statements. CDSS will accept and consider other forms of financial documentation if these shows the Agency can remain financially viable for the 180 days timeframe. For example, this could be a letter of financial support and backing from a managed health organization or public entity stating they will provide funding if necessary. Other forms of financial and banking information may also fulfill the financial requirements. Check and attach all that apply.
 17. A prospective Agency is required to check the box that declares it has not been involved in bankruptcy proceedings within the last five years from the date of the application. CDSS will use the information on this application to verify the bankruptcy history of the business.
 18. Each Agency must possess three types of insurance with the associated insurance minimum coverage amounts:
 - (1) General and Professional Liability (\$1 million per occurrence/\$3 million aggregate).
 - (2) Worker's Compensation (\$1 million).
 - (3) Motor Vehicle (\$1 million which includes uninsured motorist and medical).

An Agency can either complete the insurance related information (insurance company/carrier name, policy number(s), coverage amounts, contact phone), or attach the appropriate proof of insurance coverage/policy statements to the application. Since CDSS will need to verify this information, please confirm the proof of insurance coverage statements have all the required information necessary for verification.
 19. Check "Yes" if the Agency has applied previously. Enter the Agency name and approximate date the Agency applied.
 20. Check "Yes" if the Agency is currently under contract to provide IHSS services with a County or Public Authority. Provide a copy of the contract and please check the box. Enter the name of the County or Public Authority and the date the contract expires.
 21. Please read carefully all statements of each attestation and responsibilities of compliance (items A-I) before signing.
 22. Notice of the rights of Agency to appeal the certification decision of CDSS.
 23. Pre-signature attestations.

PLEASE HAVE APPLICATION NOTARIZED.

TO REQUEST APPEAL OF AGENCY CERTIFICATION DENIAL

- This request for appeal must be received within thirty (30) calendar days of the date of the notice informing your agency of its denial for certification.
- Complete and sign the second page of this form.
- Provide a copy of the denial notification.
- Make a copy of the front and back page for your records
- Send this page to:

**California Department of Social Services
Claims, Certification and Appeals Bureau
Appeals Unit, MS 9-9-04
Sacramento, CA 94244-2430**

- The California Department of Social Services (CDSS), Appeals Unit (AU), will review the information contained with the request to make the decision regarding your agency's certification. Upon completion of the review of all materials, the AU will make a determination of certification.
- If you have any questions, call the CDSS AU at 1 (855) 729-2383.

