



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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ARNOLD SCHWARZENEGGER  
GOVERNOR

May 28, 2009

ALL-COUNTY LETTER NO. 09-27

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERS

**SUBJECT: STATUTORY CHANGE IN CALIFORNIA DEPARTMENT OF SOCIAL SERVICES' PROGRAM FOR PAYMENT OF MEDI-CAL RECOGNIZED EXPENSES (BUYOUT PROGRAM)**

REASON FOR THIS TRANSMITTAL

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

This All-County Letter (ACL) informs counties of a statutory change to the California Department of Social Services' (CDSS) program for payment of Medi-Cal Recognized Expenses (MRE) for Personal Care Services Program (PCSP) or In-Home Supportive Services (IHSS) Independence Plus Waiver (IPW) program recipients (otherwise known as the Buyout Program). Senate Bill (SB) X3 6, Statutes of 2009, authorizes CDSS to implement the following provision through an ACL. The above bill amended Welfare and Institutions Code section 12305.1 to require that, effective July 1, 2009, individuals in PCSP or IPW, who were eligible for and received services under one of those programs before July 1, 2009, and who continue to receive those services, will continue to receive the CDSS payment of MRE.

As a result of this statutory change, those individuals who are or become eligible for the PCSP, or either IPW or a successor program to IPW, on or after July 1, 2009, will not be eligible for the payment of MRE. Additionally, individuals who are or become eligible for the IHSS Residual (IHSS-R) program on or after July 1, 2009 who would otherwise be eligible to receive this payment will not be eligible for the payment of MRE. IHSS recipients who leave any of the above programs, or lose eligibility and subsequently regain eligibility for services through these programs, will not be eligible for the payment of MRE.

Recipients of the MRE will receive notification of this change in July 2009. If the MRE is discontinued due to any reason, the recipient will be given notice and have the ability to file a request for Fair Hearing and then, if appropriate, a Conlan II claim.

## **Background**

Prior to 1993, all individuals receiving IHSS services were in the IHSS-R county-and-state funded program. In 1993, PCSP was created to allow for Federal Financial Participation (FFP), resulting in state and county savings. In addition, legislation was enacted to allow for a payment of MRE that would reduce PCSP recipients' Share of Cost (SOC) payment amount to the IHSS-R SOC if the Medi-Cal SOC was higher. At the time, the purpose of the payment was to keep an individual's SOC payment "equal to the amount that the IHSS SOC would have been had the transition to Medi-Cal PCSP not taken place." In 2005, most of the remaining IHSS-R recipients became eligible for FFP through changes in federal rules or implementation of the IPW program and the payment of MRE was extended to those individuals who became eligible for PCSP or were eligible for IPW as well as to IHSS-R recipients who receive other Medi-Cal services.

## **County Responsibilities**

As of July 1, 2009, county staff will no longer be required to complete SOC comparisons for persons no longer eligible for a payment of MRE.

## **Case Management, Information and Payrolling System (CMIPS)**

Modifications will be made to CMIPS by July 1, 2009 to implement this change. The determination of eligibility for payment of MRE by the Buyout program will be made by CMIPS based on continued Medi-Cal and program eligibility, and continued receipt of services under PCSP, IPW or IHSS-R.

A follow-up All-County Information Notice to address the specifics of this statutory change will be issued. Any questions regarding this ACL should be directed to the Adult Programs Policy Bureau at (916) 229-4000.

Sincerely,

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

EVA L. LOPEZ  
Deputy Director  
Adult Programs Division