



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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ARNOLD SCHWARZENEGGER  
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 18, 2009

ALL- COUNTY LETTER NO. 09-48

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY IN-HOME SUPPORTIVE  
SERVICES (IHSS) PROGRAM MANAGERS

SUBJECT: POLICY CHANGE REGARDING X-27 SPEC TRANSACTIONS IN  
THE CASE MANAGEMENT INFORMATION AND PAYROLLING  
SYSTEM (CMIPS)

REFERENCE: ALL COUNTY LETTER (ACL) 07-46, ACL 09-27

The purpose of this All-County Letter (ACL) is to inform counties of a change in the process for reimbursing a missed payment of Medi-Cal Recognized Expenses (MRE) (otherwise known as the Buyout Program) through the use of an X-27 SPEC transaction in the Case Management, Information, and Payrolling System (CMIPS). Effective October 1, 2009, counties will no longer have the ability to process X-27 SPEC transactions in CMIPS. All In-Home Supportive Services (IHSS) recipients who are requesting reimbursement for missed payments of MRE will need to file an appeal with State Hearings and/or file a Conlan II claim.

Background

Under Welfare and Institutions Code Section 12305.1, an individual with a Share of Cost (SOC) receiving services from the Personal Care Services Program (PCSP) or the Independent Plus Waiver (IPW), who is otherwise eligible for the IHSS Residual Program, is eligible for payment of MRE. A comparison is made between the Medi-Cal and IHSS SOC and the recipient is only responsible for paying the lesser of the two SOC's. The state pays the difference between the two SOC's, which is funded solely through the State General Fund. For various reasons, some IHSS recipients miss their payment of MRE and this can result in the recipient overpaying their SOC.

In November 2007, ACL 07-46 informed counties that an IHSS recipient may be eligible for reimbursement of missed MRE payment through the use of an X-27 SPEC transaction in CMIPS.

At that time, counties were informed that they could only use the X-27 SPEC transaction to reimburse an IHSS recipient for a missed payment of MRE that occurred in the current month or one month prior. Counties were instructed that for all other claims for missed payment of MRE or payments of excess SOC, the recipient must request a Conlan II claim packet from the Department of Health Care Services (DHCS), Beneficiary Service Center (BSC).

July 1, 2009, Policy Change for Missed Payment of Medi-Cal Recognized Expenses (Buy-Out) and October 1, 2009, Elimination of all MRE (Buy-Out) Payments

ACL 09-27 informed counties that due to a change in state law (SBX3 6), effective July 1, 2009, payment of MRE will only be available to IHSS recipients who were previously receiving it. Assembly Bill X4 4 Statutes of 2009 eliminated the MRE for all recipients. As a consequence, there will gradually be a decline in the number of recipients who are suitable candidates for an X-27 SPEC transaction.

Effective October 1, 2009, counties will no longer have the ability to process X-27 SPEC transactions in CMIPS. For any reimbursement relating to a missed payment of MRE or excess SOC, the recipient should contact the DHCS BSC at (916) 403-2007 to request a Conlan II claim packet for IHSS.

Any questions regarding this letter should be directed to the Adult Programs Policy Bureau, Conlan II Unit, at (916) 229-3494.

Sincerely,

***Original Document Signed By:***

EVA L. LOPEZ  
Deputy Director  
Adult Programs Division