



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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ARNOLD SCHWARZENEGGER  
GOVERNOR

December 10, 2009

COUNTY FISCAL LETTER (CFL) NO. 09/10-37

TO: COUNTY WELFARE DIRECTORS  
COUNTY FISCAL OFFICERS  
COUNTY AUDITOR CONTROLLERS  
COUNTY PROBATION OFFICERS

SUBJECT: IN-HOME SUPPORTIVE SERVICES (IHSS) ANTI-FRAUD  
INITIATIVE

REFERENCE: ALL COUNTY LETTER NO's: 09-54, 09-68, 09-70; CFL NO's:  
09/10-24 and 09/10-33

The Fiscal Year (FY) 2009-10 Budget includes significant reforms to strengthen efforts to detect, prevent and reduce fraud in the IHSS program. Assembly Bill (AB) 4 of the Fourth Extraordinary Session (Chapter 4, Statutes of 2009) and AB 19 of the Fourth Extraordinary Session (Chapter 17, Statutes of 2009) mandate reform efforts including provider orientation and criminal background checks, and coordinated fraud investigations. To support these efforts, additional funding was included in the FY 2009-10 Appropriation. This CFL applies to the General Fund increase that was released as a planning augmentation to the FY 2009-10 IHSS program administrative allocation (CFL 09/10-33, October 29, 2009).

The purpose of this CFL is to provide time study and claiming instructions for the Anti-Fraud Initiative administrative activities. The new and revised program codes (PC), time study codes (TSC), program identifier numbers (PIN) and program code descriptions are effective with the October – December 2009 quarter and will be included in the December 2009 original claim. These expenditures must be for Anti-Fraud Initiative activities required pursuant to AB 19.

The following is a summary of the changes and additions. The new and revised program code descriptions are included as Attachment A.

**A. PROGRAM CODE 003 IHSS – QUALITY ASSURANCE**Time Study Instructions

Effective the March 2005 quarter, PIN 003041 (Prosecution) was added to capture contract costs associated with County District Attorney staff performing prosecutions for IHSS fraud. CDSS has been advised that federal financial participation is not available for this activity. The program code description has been amended to clarify that PC 003 is only intended for the reporting of fraud activities specified in protocols established with the Department of Health Care Services (DHCS).

Claiming Instructions

Effective the October – December 2009 quarter the following PIN is deleted:

PIN	003041	Prosecution
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**B. PROGRAM CODE 330 IHSS-NON PCSP/PLUS OPTION-FRAUD**

The program code description is amended to clarify that PC 330 is intended for the reporting of fraud activities related to the IHSS Residual program only. The title is also revised to reflect the IHSS Plus Option.

**C. PROGRAM CODE 739 IHSS ANTI-FRAUD BACKGROUND CHECKS**Time Study Instructions

AB 19 requires CDSS implement measures to reduce and prevent fraud in the IHSS program. Specific activities include mandated criminal background checks, including fingerprinting, of all IHSS providers.

Claiming Instructions

Effective the October – December 2009 quarter the following PC, TSC and PINs are established to capture activities related to the implementation of AB 19:

PC	TSC	PIN	IHSS Anti-Fraud Background Checks
739	7391	739031	Contracted Services
		739094	Start-Up/Nonrecurring Costs
		739088-91	Support Operating

Costs will be funded at 00/50/50/0 (Federal/State/Health/County). Expenditures that exceed the General Fund allocation will be transferred to 100 percent county only funding through PC 193-State Use Only IHSS. Support staff activities directly related to IHSS Anti-Fraud Background Checks are to be claimed to the Direct-to-Program Support Staff Code A70.

#### **D. PROGRAM CODE 743 IHSS ANTI-FRAUD INITIATIVE**

##### Time Study Instructions

AB 19 requires CDSS implement measures to reduce and prevent fraud in the IHSS program. Specific activities include but are not limited to mandated provider enrollment, in-home monitoring, and fraud investigations pursuant to protocols established with DHCS.

##### Claiming Instructions

Effective the October – December 2009 quarter the following PC, TSC and PINs are established to capture activities related to the implementation of AB 19:

<b>PC</b>	<b>TSC</b>	<b>PIN</b>	<b>IHSS Anti-Fraud Initiative</b>
743	7431	743024	Investigations
		743031	Contracted Services
		743094	Start-Up/Nonrecurring Costs
		743088-91	Support Operating

Costs will be funded at 00/35/50/15 (Federal/State/Health/County). Expenditures that exceed the General Fund allocation will be transferred to 100 percent county only funding through PC 193-State Use Only IHSS. Support staff activities directly related to IHSS Anti-Fraud Initiative are to be claimed to the Direct-to-Program Support Staff Code A70.

If you have any questions regarding this CFL, please direct them to Fiscal Systems Bureau electronic mailbox at [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov).

Sincerely,

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

ERIC FUJII  
Deputy Director  
Administration Division

Attachment

ATTACHMENT A

**PROGRAM CODE DESCRIPTIONS**

**CODE 0031 IHSS - QUALITY ASSURANCE**

Includes activities performed by staff at county social services offices that are charged with the responsibility of assuring that services are consistent with federal and State regulations, policies and guidelines. Such activities are within the scope of Senate Bill 1104 (Chapter 229, Statutes of 2004) and may include, but are not limited to the following: reading case files; conducting desk reviews, and home visits with program recipients, to validate the assessment of need and to ensure that services authorized are provided; providing training to other county social services staff regarding the quality assurance process; providing written and verbal feedback to county management; compiling and reporting quality assurance data; evaluating data for potential overpayments or fraud; meeting with State and other designated staff regarding quality assurance issues. Also includes activities related to the detection and identification of suspected fraud, and the referral of suspected fraud as specified in protocols established pursuant to Assembly Bill 19 of the Fourth Extraordinary Session (2009).

**CODE 3301 IHSS - NON-HR/PCSP/PLUS OPTION FRAUD**

Includes fraud activities related to the IHSS Residual Program that are not eligible for Title XIX funding, performed by Welfare Fraud Investigators and their first-line supervisors who have peace officer status under Penal Code Section 830.

**CODE 7391 IHSS ANTI-FRAUD BACKGROUND CHECKS**

Includes activities performed by staff at county social services offices who are charged with the responsibility of monitoring the delivery of supportive services to detect and prevent potential fraud and maximize the recovery of overpayments. Such activities may include but are not limited to the following: conducting criminal background checks of any provider including processing criminal offender record information, subsequent arrest information, and appeals; providing written and verbal feedback to county management; compiling and reporting data; and meeting with State and other designated staff regarding anti-fraud issues.

ATTACHMENT A

**CODE 7431—IHSS ANTI-FRAUD INITIATIVE**

Includes activities performed by staff at county social services offices or its designee who are charged with the responsibility of monitoring the delivery of supportive services to detect, prevent and mitigate potential fraud, and investigate suspected cases to maximize the recovery of overpayments. Such activities may include but are not limited to the following: reviewing referred case files to ensure compliance with documentation requirements; reviewing provider timesheets; conducting targeted program integrity activities including targeted mailings and unannounced in-home monitoring; providing written and verbal feedback to county management; compiling and reporting data; meeting with State and other designated staff regarding anti-fraud issues; and performing duties related to the investigation of suspected fraud in the PCSP/Plus Option programs that are within the scope of the protocols established pursuant to Assembly Bill 19 of the Fourth Extraordinary Session (2009).