

In-Home Supportive Services (IHSS) Plus

§1115 Demonstration Waiver

**A Demonstration Program for
Family or Individually
Directed Community Services**

Submitted To:

The Centers for Medicaid & Medicare Services (CMS) State Operations

Submitted By:

The California Department of Health Services

**ARNOLD SCHWARZENEGGER
GOVERNOR**

May 2004



**S. KIMBERLY BELSHÉ
Secretary
California Health and
Human Services Agency**

**SANDRA SHEWRY
Director
California Department of
Health Services**



Table of Contents

Section	Topic	Page #*
	Executive Summary	3
I	State Proposal Information	5
II	General Description of the Program <ul style="list-style-type: none"> ▪ Recipients ▪ Services 	5
	Background <ul style="list-style-type: none"> ▪ Reasons for the Waiver Request ▪ Comparison -- Current IHSS Residual and Medi-Cal State ▪ IHSS/PCSP Program Administration ▪ Quality Assurance Oversight ▪ Recipient Safeguards ▪ DHS Quality Oversight ▪ Case Management Information and Payroll System (CMIPS) 	8
III	Assurances	21
IV	Waivers Requested <ul style="list-style-type: none"> ▪ Public Notice ▪ Transition to IHSS Plus Waiver Services 	22
V	State Specific Elements <ul style="list-style-type: none"> ▪ Target Population(s) ▪ Geographic Area ▪ Enrollment Cap ▪ Delivery System ▪ Services 	24
VI	Budget Neutrality California Budget Neutrality Methodology	28
	Appendices	31
1	IHSS Uniform Assessment Standards <i>(Separate File)</i>	32
2	Operational Protocol <i>(To Be Transmitted Under Separate Cover in a Separate File)</i>	33
3	Glossary	34
4	County Data	35
5	State Regulations <i>(Separate File)</i>	37
6	State Statute <i>(Separate File)</i> <ul style="list-style-type: none"> ▪ In-Home Supportive Services (<i>W&I § 12300 et.seq.</i>) ▪ Personal Care Services Program (<i>W&I §14132.95 et.seq.</i>) 	38
7	All County Welfare Directors' Letter: Personal Care Services Expansion-Instructions For Implementation	39
8	Stakeholder Review	48
9	Self-Direction Under the IHSS Plus Waiver	49
10	Transition Notice Text	51
11	Letters of Support <i>(Separate File)</i>	52

* Page numbers may vary slightly due to variations in printer functions.

In-Home Supportive Services (IHSS) Plus Waiver
An 1115 Demonstration Application
for Family or Individually Directed Community Services

Executive Summary

California is submitting this federal waiver application in order to include the enhanced service options and service delivery methods now available through California's In-Home Supportive Services (IHSS) Residual Program (State-funded) under the Medi-Cal program. This waiver will permit California to provide aged, blind and disabled individuals an array of options that include choices for self-directed supportive services under the Medi-Cal program. These opportunities for self-direction include hiring workers of one's choosing (including legally responsible individuals such as a spouse or parent) and managing either an allocation of hours or an advance cash payment, within specified guidelines. This waiver provides continued access to services that facilitate an individual's ability to continue to reside in their own home or family home.

The Department of Health Services, the single Medicaid agency in California, will continue to operate the IHSS and the Medi-Cal State Personal Care Services (PCSP) program components through the Department of Social Services. Recipients in the federal waiver program are Medi-Cal eligible beneficiaries for whom services have been determined necessary as a result of an assessment by county-based social workers. The waiver encompasses Medi-Cal eligible individuals of any age and with varying disabilities. Beneficiaries who are dependent on others for care planning and oversight of their care needs (including children, dependent adults and elderly persons) will participate with the assistance of a parent, legal guardian or conservator. All existing Residual Program beneficiaries will be enrolled into the Waiver. The transition will be transparent to the recipient, although they will be notified of the continuation of services under the waiver authority. Participation will continue to be voluntary. Enrollment in the IHSS Plus waiver will be expedited upon federal approval and federal financial participation is anticipated to begin effective January 1, 2004. The State intends to operate the program on a statewide basis.

The IHSS Plus Waiver includes the following self-direction components:

Person Centered Planning: The IHSS Plus Waiver provides for person-centered planning by working with an individual to identify their long-term care needs and the resources available to meet these needs and by providing access to additional care options. These options include the ability to utilize spouse and parent caregivers, to receive services not otherwise available under the State plan (i.e. domestic services and protective supervision), or to access a prospective monthly cash payment under the Advance Pay and Restaurant Allowance options.

Individual Budgeting: The IHSS Plus Waiver provides for individual budgeting by permitting individuals to receive a monthly allocation of hours specific to their individually assessed needs or to receive a prospective cash payment through the Advance Pay or Restaurant Allowance options. Payroll functions and ongoing oversight assist with the appropriate use of the allocated hours or cash payments.

Self-Direction of Supports. State statute requires that recipients of IHSS Residual Program services and PCSP services retain the right to hire, fire, and supervise the work of any IHSS and PCSP personnel providing services for them. The ability to self-direct is further enhanced through access to provider registries and brokering of services and through the use of an authorized entity in each county that serves as the employer of record.

Quality Assurance and Quality Improvement. The State includes a variety of quality assurance and improvement mechanisms at the consumer, local and state levels that are designed to promote effective planning, enhanced provider supply, ongoing oversight of service delivery and expenditures, development of back-up plans and access to systems that respond to unusual and serious incidents, including incidents of abuse or neglect.

Without the requested waiver 75,000 individuals face the loss of essential home and community-based services. The state expects some of these individuals will have no service option other than admission to a nursing facility. Without IHSS Plus Waiver services, 18,042 individuals or twenty-four percent of the target population will not be provided access to the family caregiver of their choice, Medi-Cal costs for the covered population will increase, and consumer directed options will decrease.

The IHSS Plus Waiver application includes information about the target population, the services to be included in the demonstration, a description of program administration and a description of DHS and DSS quality oversight measures that will ensure safeguards for program recipients. California plans to submit for federal approval a description of a competitive procurement and timeline that will be used to develop an integrated electronic system that will link IHSS and PCSP data with California's Medicaid Management Information System (MMIS). This system development proposal will be sent under separate cover.

I. State Proposal Information

The State of California, Department of Health Services proposes an 1115 Demonstration Proposal entitled In-Home Supportive Services Plus, which will allow Medicaid eligible persons to arrange and purchase their own personal care and related services, including allowing coverage of spouse or parent caregivers. The demonstration will operate for five years, beginning January 1, 2004.

II. General Description of the Program

The purpose of the In-Home Supportive Services (IHSS) Plus Waiver is to provide continued access to personal care and related assistance to individuals who would lose services when the IHSS Residual program is eliminated as slated in the California 2004 State Budget. The overarching goal of both the existing Medi-Cal State Plan Personal Care Services Program (PCSP) and for the proposed IHSS Plus Waiver program is to enable aged, blind and disabled individuals to remain in the home of their choosing as long as possible, to continue to receive IHSS and/or PCSP services in the workplace, to select personal care services that meet their individual needs, to receive services from an individual provider, contract agency or county-employed worker (as applicable in each county), to schedule and direct their own services, and to avoid the need for higher cost services such as nursing facility, Intermediate Care Facility/Mental Retardation (ICF/MR) or acute hospital services and dependence on avoidable emergency room visits.

The Department of Health Services (DHS), in partnership with the Department of Social Services (DSS), is submitting this Medicaid Section 1115 waiver application to provide Medi-Cal covered personal care services to a population estimated at about 75,000 individuals who currently receive services under the state-funded IHSS Residual program. These individuals are currently in jeopardy of losing State and county-funded, non-Medicaid coverage of critical in-home supports that are not currently included under the Medi-Cal State Plan PCSP. The types of services or method of service delivery chosen by these individuals currently preclude coverage under the Medi-Cal State Plan PCSP, absent the Waiver. Participation in the IHSS Plus Waiver program will be voluntary and based on consumer choice.

The narrative that follows includes a description of the existing program infrastructure in California for the statewide delivery of both the Medi-Cal State Plan PCSP and the IHSS Residual program. Both of these companion programs are delivered by the same administrative entities. Since they are companion programs, source of funding is typically invisible to program recipients. PCSP and IHSS Residual programs differ in funding sources and service options. Both are administered by the Department of Social Services.

To avoid confusion, this document uses the following program titles:

Program Title	Medicaid?	Funding		State Statute
IHSS Residual In-Home Supportive Services Residual	Not Currently Covered	35%	County Funds	W&I § 12300 et.seq.
		65%	State General Fund	
PCSP Personal Care Services Program	Medi-Cal State Plan	16.47%	County Funds	W&I 14132.95 et.seq.
		30.58%	State General Funds	
		52.95%	Federal Funds	

IHSS Plus Waiver Recipients

The current IHSS Residual service users (about 75,000 in total) are the individuals who will make up the target population of the IHSS Plus Waiver. These individuals are aged (about 47%), blind (about 2%) and disabled (about 51%). Within the total caseload, more than twelve percent have developmental disabilities. These individuals are eligible for Medi-Cal and have been determined to be disabled by the Social Security Administration's criteria for disability under the Supplemental Security Income (SSI) program. Each individual in the target population has documented needs for assistance with Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL), as determined by county social workers. Program recipients generally remain in the program for at least four years, with aged individuals using services for a shorter period of time. The average number of hours used in a month per person is eighty-one hours. An individual who is eligible for assistance under this waiver shall receive services that do not exceed two hundred eighty-three hours per month. Those individuals determined to be "severely impaired" are individuals who need twenty or more hours of personal care assistance, preparation of meals, meal clean up, or paramedical services per week.

A February 2004 snapshot of the current IHSS Residual program users and the target population for the IHSS Plus Waiver is described below:

Service or Svs Delivery	#* Users	%*	Typical User Profile
Protective Supervision	13,302	22%	<ul style="list-style-type: none"> ▪ Assessed to have significant impairment in two or more areas of memory, orientation and judgment. ▪ Has 24-hour need for safety monitoring ▪ Is disoriented and may wander. ▪ Lacks awareness or concern for safety or well-being. ▪ Unable to recognize significant others. ▪ Unable to relate safely to the environment. ▪ Has judgment deficit.
Domestic & Related Services	25,908	42%	<ul style="list-style-type: none"> ▪ Able to perform all ADLs independently. ▪ Sound mental ability. ▪ At risk for deterioration of condition(s). ▪ Assessed to need in-home supports and services in the very near future.
Restaurant Allowance	920	2%	<ul style="list-style-type: none"> ▪ Has meal preparation facilities. ▪ Unable to safely prepare meals due to assessed conditions.

Service or Svs Delivery	#* Users	%*	Typical User Profile
Spouse Caregiver	19,758	32%	<ul style="list-style-type: none"> ▪ Assessed to need personal care assistance. ▪ Level of care ranges from minimal to total dependence. ▪ Has an able and available spouse or parent. ▪ Children are assessed to exclude age-appropriate care that the parent would otherwise provide. ▪ Children under 18 do not receive authorization for domestic services from the paid parent provider.
Parent Caregiver			
Advance Pay	823	1%	<ul style="list-style-type: none"> ▪ Assessed need for more than 20 personal care assistance hours per week. ▪ Assessed to have heavy needs for consistency in caregiver. ▪ Needs to avoid gaps in service coverage due to health and safety issues. ▪ Needs to have emergency replacement providers on short notice.

*Some users are counted in more than one category.

A description of how California’s in-home supports and services incorporate the federal “Hallmarks of Self-Direction” is included in **Appendix 9** of this application. Narrative that follows will describe how existing program infrastructure will be utilized to continue to deliver PCSP and to deliver the new IHSS Plus Waiver services as seamless options for those who are eligible. This Waiver application includes description of what activities DHS and DSS will undertake to implement the IHSS Plus Waiver demonstration.

IHSS Plus Waiver Services

Service or Delivery Method	Purpose
Protective Supervision	For non-hands-on assistance, observing and intervening with activities of daily living for non-self-directed individuals; eg. cuing, reminding, coaching. (DSS Regs 30-757.17)
Domestic & Related Services	House cleaning duties, house maintenance to reduce threat of health and safety. Related services include meal preparation, meal clean-up and planning menus. (DSS Regs 30-757.11 and 30-757.13)
Restaurant Allowance	In lieu of appropriate in-home food preparation and assistance. (DSS Regs 30-757.134)
Spouse Caregiver (Method of Service Delivery)	To enable the provision of personal care services when there is no other suitable provider. (DSS Regs 30-763.41)
Parent Caregiver (Method of Service Delivery)	To enable the provision of supportive services when there is no other suitable provider. (DSS Regs 30-763.45)
Advance Pay (Method of Service Delivery)	<ul style="list-style-type: none"> ▪ To enable consumer directed services. ▪ To provide direct cash monthly prospective payments to the consumer or to the eligible person’s guardian, conservator or protective payee. (DSS Regs 30-769.731)

NOTE: Total personal care services (IHSS Plus Waiver and PCSP) are subject to a monthly cap of 283 hours.

Background

Medi-Cal (Medicaid) is the main source of health care insurance for one in six Californians. It draws nearly \$17 billion in federal funds into the state's health care system and accounts for 15 percent of General Fund spending.¹ Medi-Cal pays for essential primary care, acute care, drugs, inpatient nursing facility care and an array of home and community-based services to a wide range of eligible persons. Medi-Cal covers 6.4 million low-income children, parents, blind, disabled, and elderly as of June 2003. Medi-Cal charges no premiums for most low-income beneficiaries, but some individuals pay a share of the cost. Elderly and disabled persons account for only twenty-three percent (23%) of Medi-Cal caseload, but fifty-seven percent (57%) of Medi-Cal expenditures.²

The state and county funded IHSS Residual program has been operating since 1973. Since that time California has pioneered the development and implementation of personal care assistance in the home and in the workplace. California has developed an array of services, service supports and service delivery options desired by Californians with various disabilities and functional limitations, including children and the elderly. Building on this early State-funded program experience, the Department of Health Services and the Department of Social Services together developed the Medi-Cal Personal Care Services Program (PCSP) in 1993. PCSP is similar to IHSS Residual but operates as a Medi-Cal State Plan benefit. For over thirty years, families, county governments, personal care workers and other individuals have worked with the State to engineer a seamless program comprised of the IHSS Residual component and the Medi-Cal PCSP component. IHSS Residual and PCSP together have provided services for thousands of frail elderly and disabled individuals enabling them to remain in their homes, their workplaces and their communities. California's IHSS Residual and the PCSP programs have attained national acclaim based on the number of individuals served (currently 359,000), the scope of services and the achievements of supporting independence and of avoiding or delaying the use of higher cost institutional care. The workforce dedicated to serving individuals under the IHSS Residual and PCSP programs currently consists of 265,000 individual personal care service workers and additional workers listed with registries. Independent personal care providers, along with service recipients and their families and friends, have been a driving force in constructing a personal care service program that values both caregivers and recipients of services.

As described above, in-home supportive services in California are made up of two components—the IHSS Residual component and PCSP component. The IHSS Residual program is state and county funded. The Medi-Cal PCSP is a Medi-Cal State Plan benefit. Each program is authorized under a separate section of the state's Welfare and Institutions Code.³ The IHSS Residual and the PCSP benefit are administered as parallel and seamless programs. Together these programs support a total caseload of 359,000 low-income aged, blind or disabled individuals allowing them to remain safely in their homes, their workplaces and avoiding more costly care (including long-term care and institutional services). The IHSS Residual program and the Medi-Cal PCSP benefit provide personal care assistance ranging from direct care to cuing, ancillary supports such as domestic services and encompassing a range of service delivery methods. The uniform assessment standards used by the counties (See **Appendix 1**) ensures that all services are

¹ Medi-Cal Facts and Figures, California HealthCare Foundation, January 2004.

² Ibid. (Department of Health Services, 2003 (2001 Data))

³ IHSS Residual is covered in W&I § 12300 et.seq. PCSP is covered in W&I 14132.95.

related to the recipient's need for assistance with Activities of Daily Living (ADLs) such as eating, dressing, bathing, moving from a bed to a chair (also called transferring), toileting and walking based on either physical or mental disabilities, and Instrumental Activities of Daily Living (IADLs) such as using the telephone, taking medications, housework, meal preparation, laundry, and grocery shopping. Additional description and comparison of the two companion programs appears below.

In 1993, California established the Personal Care Services Program (PCSP) to provide personal care services to eligible Medi-Cal beneficiaries and, in so doing, secure federal financial support for services that were previously funded with state and county dollars. Today, nearly eighty percent (80%) of those provided with personal care assistance in California are served through the Medi-Cal PCSP benefit. A sample of nineteen counties' IHSS Residual and PCSP programs studied by the California Center for Long Term Care Integration showed that about seventy percent (70%) of the Medi-Cal PCSP covered individuals had three or more ADL dependencies.⁴ Of the IHSS Residual enrolled individuals in the sample, twenty-five percent (25%) were impaired in two (2) or more self-care ADLs and over sixteen percent (16%) had four or more ADL impairments. Almost twenty-seven percent (27%) of the sample IHSS Residual individuals were cognitively impaired.⁵

Specific IHSS Plus Waiver services will be discussed below. However, as an example, Protective Supervision has been used for those whose need for activities of Daily Living (ADL) assistance is related to cognitive impairment and/or brain injury. Protective Supervision is authorized for those with dementia, mental illness or brain injury and for those who might not be safely residing in the community were it not for the service worker's participation in the provision of supportive assistance. This Waiver application will enable California to continue Protective Supervision services for those recipients who would be placed in institutions absent federal approval of Waiver services.

Reasons for the Waiver Request

The IHSS Residual program is slated for elimination in the 2004 California State Budget. This Waiver application enables California to continue services for individuals currently receiving personal care assistance under the IHSS Residual program. The 75,000 individuals to be covered through this Waiver have previously had coverage under the state and county funded IHSS Residual program.

⁴ Research Brief #1-C, March 2004 Draft, UCLA/USC Center for Long Term Care Integration, March 2004.

⁵ Ibid.

Reasons for this Waiver application are summarized below:

General Reasons for Waiver Request		
➤ To continue critical services and supportive assistance options for frail and disabled individuals.		
➤ To avoid increased Medi-Cal expenditures due to IHSS Residual program elimination and the resulting anticipated increased use of high-cost Medi-Cal covered services, such as inpatient hospitalizations, emergency room visits, nursing facility admissions, and others.		
Specific Reasons for Waiver Request	Service Type or Delivery Method	Current Population Served
To provide additional <u>types</u> of services and supports under Medi-Cal.	<ul style="list-style-type: none"> ▪ Protective Supervision ▪ Domestic & Related Services ▪ Restaurant Allowance 	Used by cognitively or physically impaired individuals who have needs for assistance with ADLs and IADLs.
To provide additional <u>methods of delivery</u> of services and supports under Medi-Cal.	<ul style="list-style-type: none"> ▪ Spouse Caregiver ▪ Parent Caregiver ▪ Advance Pay 	Primarily used by individuals who want to direct their own care or to retain family caregivers. If cognitively impaired, a recipient's care is directed by a legally responsible individual.

Federal flexibilities permitting individuals to hire and train their own personal care assistants and flexibilities permitting spouses or parents to be reimbursed as personal care attendants were not available in 1993 when PCSP was originally established in California. Now, with the President's New Freedom Initiatives and the Independence Plus Waiver availability, California can include the IHSS Residual program as a Medi-Cal benefit and ensure continued access to these essential supports for the 75,000 Residual program recipients. The affected individuals make up about 20 percent of the total IHSS Residual plus PCSP caseload. *(See the program comparison below).*

Due to the State's budget crisis, California's Budget for 2004-05 will eliminate the IHSS Residual program. 75,000 frail and disabled individuals will be affected by this program's elimination. Without the availability of these personal care services, the State anticipates increased costs to the Medi-Cal program due to the lack of direct caregiver assistance and support. Without regular contact with a personal care service worker, individuals will experience isolation and deterioration of chronic conditions that will result in more frequent emergency room visits and higher utilization of acute hospital care and nursing facility services, thereby resulting in higher costs to the Medi-Cal program. The IHSS Residual program has historically served a large proportion of cognitively impaired individuals such as those with traumatic brain injury, dementia and individuals with complex behaviors related to mental illnesses. This Waiver enables California to provide Medi-Cal personal care and supportive services at home and in workplaces to disabled and cognitively impaired individuals and individuals with families who wish to remain involved with the direct personal care assistance that exceeds that typically provided by responsible family members.

Comparison -- Current IHSS Residual program and Medi-Cal State Plan PCSP Services

The caseload, authorizing statute and array of services under each of the two existing programs are described below:

IHSS Residual Program		Medi-Cal State Plan PCSP	
74,995	20% Caseload	284,005	80% Caseload
<i>Welfare & Institutions Code § 12300 et.seq.</i>		<i>Welfare & Institutions Code § 14132.95 et.seq.</i>	
<i>DSS Program Standards (Regulations) Manual of Policies and Procedures (MPP) CHAPTER 30-700 et.seq.</i>			
Available under PCSP (Medi-Cal State Plan)TM		Heavy Cleaning	
		Yard Hazard Abatement	
		Accompaniment To Medical Appointments	
		Non-Medical Personal Care Bowel & bladder care, respiration, food consumption, bathing, oral hygiene, grooming, dressing, ambulation, range of motion, and skin care.	
		Paramedical Services Assistance with medications, puncturing skin, inserting medical devices into body orifices, activities requiring judgment based on training given by a licensed health care professional.	
		Domestic & Related Services	
		Domestic & Related When necessary for personal care.	
		Protective Supervision	
		Restaurant Allowance	
		Spouse Caregiver	
Parent Caregiver			
Advance Pay Consumer receives funds directly, pays workers directly and can hire/fire caregivers in an urgent situation.		←Not Currently Covered Under Medi-Cal State Plan	

NOTE: Total hours of services (IHSS Residual and/or PCSP hours) are subject to monthly limit of 283 hours.

This Waiver application enables California to apply for federal approval to convert the remaining IHSS Residual program services to Medi-Cal IHSS Plus Waiver services.

IHSS Residual and PCSP Program Administration

The California Department of Health Services (DHS) is the single State agency that administers the Medi-Cal program (Medicaid). Some Medi-Cal programs are administered by DHS directly and some programs are provided through interagency agreements with other state agencies. DHS administers Medi-Cal eligibility determinations through fifty-eight county human services offices. The Department of Social Services (DSS) administers the state and county funded IHSS Residual program and Medi-Cal PCSP through an interagency agreement with DHS. Enrollment in IHSS Residual and/or PCSP is authorized by county social workers based on the individual's functional and/or cognitive impairments, his/her need for and preference of specific service types and his/her chosen service delivery method. Enrollment in Medi-Cal PCSP (and the proposed IHSS Plus Waiver) is coordinated with an individual's Medi-Cal eligibility determination completed

by the Medi-Cal eligibility workers. Participation in the IHSS Residual program is voluntary based on service preferences and preferences for service delivery. Final authorizations for services under IHSS or PCSP are conducted by county-based social workers.

The IHSS Residual program and PCSP are administered as parallel and seamless programs to enable the service recipient to use the service mix and service delivery method that best works for him/her. This IHSS Plus Waiver application will enable California to continue providing critically necessary services to the targeted population by bringing the entire array of personal care and related services under the Medi-Cal program. Since the inception of the IHSS Residual program in 1973, the primary purpose of the program has been to enable individuals to remain independent as long as possible and to avoid costly institutional care.

Medi-Cal Eligibility

DHS handles Medi-Cal eligibility determinations through each of the fifty-eight county departments of social services. An individual applies for Medi-Cal at either a county social services office or at the regional Social Security Administration (SSA) office. At a county social services office, eligibility for Medi-Cal is determined by county-based Medi-Cal eligibility workers using current Medi-Cal eligibility rules. At a SSA office, individuals who apply for and receive Supplemental Security Income (SSI)/State Supplemental Payment (SSP) are automatically eligible for Medi-Cal. Individuals who will be using the IHSS Plus Waiver are Medi-Cal eligible with or without a Share of Cost. Individuals eligible for the Medi-Cal's 250% Working Disabled Program pay a premium based on a sliding scale (e.g. income of \$601-700 = \$20 premium, \$701-\$800 = \$30 premium and so on). Individuals enrolled in the waiver must be eligible for the Medi-Cal program.

Presumptive Disability

Individuals are determined to be disabled by either the SSA during the application to SSI/SSP or by county social workers during the application process for the IHSS/PCSP program. SSA uses SSI criteria for disability determinations. Presumptive disability determinations are used by county social workers in order to avoid delays in needed services. Presumptive disability is based on state regulations (§ 30-759.3) that state the determination of disability may be presumed if the applicant is not employed, has no expectation of employment within the next 45 days, and in the county social worker's judgment and observation, the person appears to have a mental or physical impairment that will last for at least one year or end in death.

NOTE: An All County Welfare Directors' Letter (ACWDL) is in process notifying program administrators statewide of the implementation of certain changes to IHSS/PCSP eligibility and share of cost issues. The text of this Draft ACWDL appears in **Appendix 7**.

Day-To-Day IHSS & PCSP Service Delivery

IHSS/PCSP is operated at the county level. Counties are responsible for:

- Processing IHSS/PCSP applications for services.
- Completing assessments of recipient needs for service.
- Authorizing IHSS/PCSP service hours based on the assessments.

- Social worker assistance.
- Receiving timesheets from providers and entering data into the payroll system.
- Responding to consumer issues and complaints.

Public Authorities: Senate Bill 485 (Chapter 722, Statutes of 1992) authorized the counties, at their option, to establish a Public Authority or non-profit consortium to deliver IHSS and PCSP services and to serve as the employer of IHSS/PCSP providers for purposes of employer/employee relations and collective bargaining. A Public Authority is a legal entity (“local agency”) separate from the county. As a local agency exercising public and essential governmental functions, a Public Authority has all powers necessary and convenient to carry out the Public Authority’s responsibilities under the IHSS/PCSP program. This includes the power to contract for services and to make or provide for direct payment to a provider chosen by the recipient of IHSS/PCSP.

Employer of Record: Assembly Bill 1682 (Chapter 90, Statute of 1999) added Section 12302.25 to the Welfare and Institutions Code. The law states that each county, on or before January 1, 2003 shall act as an employer or establish an employer for the purposes of employee/employer relations for IHSS and PCSP providers. Most counties have established Public Authorities in order to meet this requirement. The remainder of counties have established Non-Profit Consortia, established Joint Power Agreements, or named the county as the employer of record. State statute (*W&I § 12301.6(c)(2)(B)*) requires that recipients of IHSS and PCSP services retain the right to hire, fire, and supervise the work of any IHSS and PCSP personnel providing services for them.

Delivery Modes: There are three types of IHSS/PCSP Delivery Modes.

1. Individual Provider (IP) Mode -- Recipient directly hires, fires and supervises an Individual Provider. This mode can be administered through the following options:

- Public Authority (PA)
- Nonprofit Consortium (NPC)
- Joint Powers Agency (JPA)
- County IP

2. Contract Mode – This is a contract between a third party and the county or a Public Authority. For example, the county contracts with a home health agency, that provides a pool of IHSS workers.

3. Homemaker Mode --The County trains and employs individuals that provide personal care assistance.

A Public Authority established by a county Board of Supervisors is required to provide the following functions under *W&I § 12301.6*, but shall not be limited to those functions:

- Provide independent provider registry
- Investigate the qualifications and background of potential personnel
- Provide training for IHSS/PCSP providers and recipients

- Perform any other functions related to the delivery of IHSS & PCSP
- Ensure IHSS/PCSP program compliance
- Function as the employer of record for the purposes of collective bargaining for wages, hours, and other terms and conditions of employment

NOTE: By state statute (*W&I § 12301.6(c)(2)(B)*), the recipient retains the right to hire, fire, and supervise the work of any IHSS personnel providing services for them. This remains true regardless of the service delivery mode.

NOTE: By state statute (*W&I § 12304.2*), the recipient may select any qualified person to provide care. A qualified person is any available and eligible employee of the contract or managed care provider through which the recipient receives IHSS/PCSP services. This remains true regardless of the service delivery mode.

A summary of delivery modes used by the various counties is as follows.

IHSS Employer of Record	Number of Counties*	Description
Individual Provider Mode		
<ul style="list-style-type: none"> ▪ Public Authority 	48	All others not listed 7 of 47 counties are mixed modes* PA & Contractor 1 In-Progress (Lassen)
<ul style="list-style-type: none"> ▪ Non-Profit Consortium 	3	Inyo, Modoc & Mono
<ul style="list-style-type: none"> ▪ Joint Powers Agreement 	3	Nevada, Plumas & Sierra
<ul style="list-style-type: none"> ▪ County as Employer 	2	Alpine & Mariposa
Contract Mode	7	Butte, Riverside, San Diego, San Francisco, San Joaquin, San Mateo & Santa Barbara
Homemaker Mode (County Employer)	2	Stanislaus & Tuolumne

***Note:** The Contract Mode counties are mixed mode counties. For example, San Francisco County has a contract with a separate entity and is also a Public Authority.

A county-by-county listing of caseload and delivery modes for each appears in **Appendix 4**.

Claiming and Reimbursement:

Public Authority (PA) and Non-Profit Consortium (NPC) costs are invoiced by the counties to the DSS/IHSS Fiscal Unit on a quarterly basis. The county pays upfront all of the PA/NPC costs and then completes and submits an In-Home Supportive Services Program Public Authority Invoice Administrative Costs form (SOC-448) to the IHSS Fiscal Unit for the administrative reimbursement portion of State and Federal shared items. The main purpose of the SOC-448 is to assign Federal/State/County share for operating costs and Individual Provider benefit expenses. The SOC-448 invoice process reconciles two types of Public Authority expenses:

- Operating costs (including contract costs)
- IHSS IP Provider benefits (health & other)

The PA operating costs are variable costs that are constrained by a maximum limit. Operating costs are reported by the PA to the county, and the county reports and invoices these costs on a quarterly basis to the state (DSS) using the SOC-448 requesting Federal/State reimbursement only. The SOC448 is a Federal/State/County reconciliation document that provides administrative expenditures for the entire quarter separately by PCSP eligible items (Federal/State/County share) and IHSS Residual eligible items (State/County share only).

Once the IHSS Fiscal Unit reviews the SOC 448 ensuring that it does not exceed the federal share maximum level of participation and the State’s maximum levels, the invoices are forwarded to DSS Accounting, to process only the administrative portion of the reimbursement. The IHSS/PCSP services portion of the invoice is processed through CMIPS. For the services portion, the State retains the functions of a payroll system, including enrolling providers, approving provider wage rates, calculating taxes and withholding taxes. The Department of Health Services gives final approval of the Public Authority’s reimbursement rate for expenditures related to federally approved activities under PCSP. Under the federally approved Medi-Cal State Plan, IHSS Public Authority or Nonprofit Consortium rates paid under PCSP cannot exceed two hundred percent (200%) of the State’s minimum wage (\$6.75). Currently, that cap is \$13.50 per hour. A Public Authority/Nonprofit Consortium rate is comprised of personal care service provider wages and benefits, employer taxes and administration.

A review of the information reported by the Public Authorities indicates that they have been able to provide additional services above and beyond minimum requirements. Key services include an improved and expanded provider registry and referral system, provider and recipient training, active provider recruitment, and a detailed screening process for new providers. The Public Authorities have also been able to track and improve the quality of care to recipients. These efforts include prioritizing high-risk recipients, tracking recipient complaints and resolutions of those complaints, and providing medical and dental benefits for the providers.

IHSS & PCSP Assessment and Authorization

IHSS Residual and Medi-Cal PCSP services are authorized by county social workers following the uniform assessment standards that are attached to this Waiver application in **Appendix 1**. The face-to-face assessment takes place upon initial application to the program and at the annual re-assessment, or when there is change to the recipient’s condition(s). The need for specific services is assessed based on the outcomes of an interview and observation system and the use of a uniform assessment standards utilized by all fifty-eight counties. Social workers and applicants discuss assessment results and the options available to the recipient for service delivery. Consumer choice and preferences are combined with the assessment information to guide joint decisions about services, service providers and service delivery. IHSS Residual and/or PCSP services are authorized in each service category depending on the outcomes of the individual’s assessment specific to each ADL and IADL function. The table below describes how an individual is ranked in each of twenty-five ADL or IADL related functions:

Rank	Relative Need for Assistance Description
1*	Independent*: Able to perform function without human assistance.
2	Able to perform a function, but needs verbal assistance, such as reminding, guidance, or encouragement.

Rank	Relative Need for Assistance Description
3	Able to perform the function with some human assistance, including, but not limited to, direct physical assistance from a provider.
4	Able to perform a function but only with substantial human assistance.
5	Not able to perform the function, with or without human assistance.

* A score of "1" in a function means service in that category would not be authorized.

Quality Oversight

The Waiver will be operated by the Department of Social Services (DSS), a separate agency of the State, under the supervision of the Department of Health Services, the Medicaid agency. DHS will exercise administrative discretion in the administration and supervision of the waiver. DHS will review any DSS Waiver-related policies, procedures, rules or regulations for consistency with the Waiver, Medicaid statutes and regulations. A copy of the DHS/DSS interagency agreement setting forth the authority and arrangements for program operation is on file at the Medicaid agency. DSS will monitor the quality and timeliness of personal care service delivery under Medi-Cal State Plan PCSP and the IHSS Plus Waiver. The DSS Adult Programs Branch's (APB) Evaluation and Integrity Unit (EIU) currently has ongoing responsibility for monitoring the IHSS Residual and PCSP programs in California and will have responsibility for operating the new IHSS Plus Waiver. Oversight of the IHSS Plus Waiver will replace oversight of the IHSS Residual program at DSS. Additional DHS oversight resources will be requested to ensure that terms and conditions of the IHSS Plus Waiver are met.

Demonstration Year 1: DSS and DHS will develop additional quality assurance oversight measures during the first year of the IHSS Plus Waiver demonstration. The activities identified below describe existing DSS quality assurance oversight functions.

DSS Adult Program Branch quality assurance activities include:

Monitoring Type	Activities	Purpose
Pre-Review Activities	<ul style="list-style-type: none"> Select sample cases Evaluate statistical data Review case assessment documents Review County profiles 	<ul style="list-style-type: none"> To ensure that federal and State regulations/policy have been applied To ensure case assessment protocols are consistently applied QI: To identify system improvements that may be needed
Onsite (County) Review Activities	<ul style="list-style-type: none"> Review a sample of case assessments & narrative (onsite at the county) Conduct in-home observation visits Conduct in-home interviews & surveys 	<ul style="list-style-type: none"> To ensure that documentation of need is sufficient to meet state & federal requirements To ensure that timesheets are complete & accurate To ensure that care plan issues have been identified accurately and timely with follow-up actions To sample recipient outcomes and satisfaction. QI: To identify system improvements that may be needed
Written Report	<ul style="list-style-type: none"> Compile review tools and notes Draft report findings 	<ul style="list-style-type: none"> To identify exemplary practices To identify concerns To recommend corrective actions

Monitoring Type	Activities	Purpose
	<ul style="list-style-type: none"> • Issue report • Track corrective actions 	<ul style="list-style-type: none"> • QI: To identify system improvements that may be needed
Fair Hearing Review	<ul style="list-style-type: none"> • Review reasons hearings were requested • Review county and state positions • Track & trend 	<ul style="list-style-type: none"> • To ensure compliance with federal law • To minimize negative trends • To track county compliance • To increase consumer satisfaction • QI: To identify system improvements that may be needed
Data Review	<ul style="list-style-type: none"> • Review data • Identify trends • Investigate trends • Resolve negative trends 	<ul style="list-style-type: none"> • To identify the need for targeted State reviews • To prioritize high-risk recipients • To track & eliminate abuse by providers • To track and minimize recipient complaints • To track complaint resolutions • QI: To identify system improvements that may be needed
County Timesheet Reconciliation	<ul style="list-style-type: none"> • Review assessment, reconcile timesheets • Investigate discrepancies 	<ul style="list-style-type: none"> • To ensure services are delivered & received by the consumer • To minimize unmet need • To minimize fraud • QI: To identify system improvements that may be needed
Unusual Event Investigation	<ul style="list-style-type: none"> • Investigate event chronology during sample case review • Review county referral & investigation of events; adult protective services or other county-based emergency services 	<ul style="list-style-type: none"> • To minimize risk to health & safety • To refer changes to the primary care physician • To ensure follow-up by workers, case managers and others • To investigate dependent adult and elder abuse • To refer potential criminal cases to law enforcement • QI: To identify system improvements that may be needed
Consumer Training	<ul style="list-style-type: none"> • Gather information in coordination with Real Choice federal grant • Develop materials & tools • Field test & evaluate training 	<ul style="list-style-type: none"> • To respond to consumer requests for help in hiring & supervising workers • To increase consumer skills in self-direction • QI: To identify system improvements that may be needed
Technical Assistance	<ul style="list-style-type: none"> • Conduct onsite conferences • Conduct telephone conferences • Investigate and resolve issues 	<ul style="list-style-type: none"> • To provide recommendations for improvements to policy and procedures • QI: To identify system improvements that may be needed
Fraud Prevention	<ul style="list-style-type: none"> • Monitor CMIPs and EDS data • Identify over-payments • Identify over-claiming • Identify duplicate claims 	<ul style="list-style-type: none"> • To prevent provider fraud • To prevent consumer fraud • To ensure fiscal accountability • QI: To identify system improvements that may be needed
Quality Improvement	<ul style="list-style-type: none"> • Track report findings in a database • Track consumer satisfaction • Track improvements by county 	<ul style="list-style-type: none"> • To review QI issues identified during the year • To ensure follow-up on negative findings • To ensure consumer satisfaction • To ensure quality improvements are made to policy and procedures

NOTE: See Operation Protocol (**Appendix 2**) for the review tool(s) and a more complete description of DSS operations used for monitoring the waiver.

Quality Through Social worker assistance, Assessment and Re-assessment

The DSS and each of the fifty-eight county departments of human services are responsible to ensure that the care needs of vulnerable populations participating in the IHSS Residual program and PCSP are met, health and safety is ensured and that recipients are satisfied with the services that have been authorized and actually delivered. This will continue under the IHSS Plus Waiver. The quality oversight of each recipient's health and safety and satisfaction begins with each individually assigned social worker. Social workers/case managers are also responsible for overseeing funds provided to the recipients through either an allocation of hours of service or through Advance Pay. For all cases, service allocations and services provided are expected to be consistent with the uniform assessment conducted by the social worker/case manager and the care plan that was collaboratively developed with the recipient. Assessments completed by social worker/case managers are done most often in the consumer's home environment at the time of application and again during an annual reassessment or upon request, or when a recipient experiences a significant change in health and/or living condition. For those recipients who have care needs that may exceed the scope of services or hours available under the Waiver, county social workers make referrals to other community resources or programs that may be available.

Quality through the State Hearing Process

Recipients who are dissatisfied with PCSP or IHSS Plus Waiver services or who have had changes in authorized services or service levels have recourse through the State Medi-Cal Fair Hearing process described in the California Code of Regulations, Title 22 § 51014.1. All Medi-Cal PCSP and IHSS Plus Waiver recipients are notified after each assessment and/or change to the assessment that results in changes to services and/or number of hours that have been authorized. A Notice of Action (NOA) is issued to the recipient identifying the nature of the assessed services, the number of hours, any change that has occurred and the reason for the change. The NOA also contains information about how to request a Medi-Cal Fair Hearing if the recipient does not agree with the types of services or hours that have been authorized by the social worker.

Quality Through Training

DSS, with support from DHS, applied for and received a federal Real Choice Systems Change grant entitled The IHSS Enhancement Initiative (Real Choice Grant No. 91549/9). The purpose of this grant is to develop training, educational materials, and other methods of support to aid PCSP and IHSS Plus Waiver recipients to develop skills required to self-direct their care. DSS and DHS will utilize information gathered from the Real Choice grant to develop system improvements from the consumer's point of view.

Oversight of the Advance Pay Option

Advance Pay is California's personal care services option that converts the service authorization to a cash disbursement directly to program recipients, or, in the case of cognitively impaired individuals, to their legally responsible guardian, conservator or representative. IHSS Residual

recipients who request the ability to direct their own personal care assistance receive funds directly under the Advance Pay option. This same Advance Pay option will be available to IHSS Plus Waiver recipients. Each recipient who receives funds directly is responsible for paying the personal care service provider directly. Timesheets are submitted to the county in order to document the delivery of services that correlate with the payment received and the assessment completed by the case manager. The county is responsible for ensuring that the funds are utilized correctly through the reconciliation of timesheets. The county provides counseling and assistance regarding the timesheet reconciliation process in order to ensure appropriate expenditure of funds. Under Advance Pay, personal care services are expected to be provided as allocated on the assessment even though the recipient self-directs the care and the caregiver. Substitutions of services and accumulated savings are not allowed. DSS reviews and reconciles actual timesheets under the Advance Pay option in order to identify overpayments due to workers not showing up to provide services. Overpayments are recovered from future monthly payments.

Recipient Safeguards

The following procedures are in place and will continue to be in place to safeguard IHSS Plus Waiver and PCSP recipients' health and safety:

Procedure	Responsible Party	Response
One-on-one, face-to-face assessment and re-assessment	County IHSS case manager	Annually and with any change
Day-to-day response to issues and/or complaints	County IHSS case manager	Day-to-day
24 hour/day Abuse Hotlines for Adult Protective Services (APS) or Child Protective Services (CPS) (All 58 counties)	County APS or CPS worker	Within 24 hours with direct referral to local law enforcement and emergency services, when applicable.
Civil Rights Advocacy	Protection & Advocacy, Inc.	Upon complaint to Department of Mental Health or Department of Developmental Services Office of Clients Rights Advocacy

Public Authority Handling of Emergencies and Unusual Events

Unusual events and emergencies that impact the IHSS Residual program and PCSP are handled by the Public Authorities and the counties. Each of the fifty-eight counties has a responsible Adult Protective Services division and a Child Protective Services division that is closely aligned with local emergency health care, local law enforcement, local fire departments and local disaster planning. A recent sample survey was taken of ten IHSS Public Authorities to assess methods of tracking and handling unusual events and emergencies. DSS found that among the ten Public Authorities sampled, each had method(s) to track and handle emergencies and unusual events. In addition, counties are required by law to have local disaster plans in place. Local disaster planning is closely coordinated with the State Office of Emergency Services and each of the State agencies' emergency preparedness teams.

Counties and Public Authorities track and handle the following events:

Event	Description
Emergencies	Flood, fire, terrorist attack, natural disaster, power outage, earthquake, chemical spill, etc.
Provider no-show	Events regarding recipient agreements with personal care service workers and scheduled services that are not actually provided.
Recipient at risk, unsafe situation, injury or death	Any event related to the recipient's health and safety.

DHS Quality Oversight of the IHSS Plus Waiver

Demonstration Year 1: In addition to the oversight system currently in place for the PCSP and the IHSS Residual program, DHS plans in Year 1 of the demonstration to develop additional Waiver oversight in the following areas:

- Modification of the DHS/DSS interagency agreement which will outline the organizational structure, administrative positions, roles and responsibilities that are required to implement, monitor and operate the Waiver;
- Development of federally required Waiver reports;
- Oversight of a training plan outlining DSS outreach, education and training strategies for dissemination of information to enrollees, public authorities, participating providers, and county social services staff;
- Review and approval of any new eligibility/enrollment documents;
- Oversight and approval of DSS policies and procedures;
- Oversight of quality indicators and recipient safeguards;
- Oversight of a monitoring and review protocol the DHS will utilize annually to evaluate and ensure the health care needs of each recipient are being met and funds are being used appropriately under the Waiver;
- Development of monitoring tools and procedures to monitor DSS systems;
- Assurance of DSS internal controls to prevent duplication and over-payment, and the process for reporting incidents of fraud and misuse of funds provided under the Waiver;
- Collaboration with DSS, counties and Public Authorities on an evaluation protocol;
- Identification of changes to current data collection systems, maintenance, information gathering and report generation;
- Provision of technical assistance to DSS as needed;
- Participation in monthly conference calls with CMS, preparation of progress reports, financial reports and annual reports as required for the Waiver;
- DHS policy/regulations, as required; and
- Annual budget projections and fiscal estimates.

Case Management Information and Payroll System (CMIPS) Integration with Medi-Cal Management Information System (MMIS)

Current Status: CMIPS is an automated case management and payroll system application that supports the IHSS Residual, the PCSP, and the Waiver Personal Care Services (WPCS) programs. WPCS are authorized through a different Medi-Cal Home and Community Based waiver. CMIPS captures and stores eligibility determinations, personal care service needs assessments, records prior authorizations for services and individual information on the statewide IHSS Residual, PCSP, and WPCS caseload. CMIPS connects to all of California's fifty-eight counties.

CMIPS provides county social workers with the information and reporting tools to enable them to make and track accurate, timely assessments of recipient need and authorizations of service. County program staff is responsible for entering data from more than 500,000 provider timesheets each month. CMIPS edits this timesheet data for prior authorization, computes wages and taxes, and calculates, processes and authorizes payroll amounts of the twice-monthly payroll for more than 250,000 personal care service providers. This results in the issuance by the State Controller's Office of more than 500,000 pay warrants per month. CMIPS also calculates and deducts federal and State employer/employee taxes and compiles the data used to file federal and State tax filings. Additionally, CMIPS withholds amounts identified for wage assignments for child support, income tax arrearages and court judgments. CMIPS issues Notices of Action regarding new or changed personal assistance services authorizations for the IHSS Residual and PCSP program recipients based on information entered by county staff.

Demonstration Year 1: DSS and DHS are working toward a competitive procurement to procure a replacement for CMIPS to be known as CMIPS II. CMIPS II will support the PCSP, WPCS, and the IHSS Plus Waiver programs. In addition CMIPS II would establish a link with California's Medicaid Management Information System (MMIS). The IHSS Residual program and PCSP have experienced a number of program changes since CMIPS was originally implemented. Implementing the IHSS Plus waiver will provide the opportunity to update system specifications based on current system needs. The new system will integrate CMIPS II data with MMIS data. An updated set of system specifications that include integrating PCSP, WPCS, and IHSS Plus waiver data with MMIS data will provide DHS and DSS with oversight capabilities that enhance both fiscal accountability functions and individual social worker assistance functions. An updated system will better serve the case manager's need for individual recipient profile information and information on the recipient's utilization of other Medi-Cal services. Additionally, DSS will be developing federally required oversight functions in the area of recipient outcomes and consumer satisfaction. The system will enable the development of fifty-eight county profiles as well as individual profiles of IHSS Plus waiver and PCSP users (currently 359,000 total). California will be forwarding additional information to CMS and a request for federal approval under separate cover. This information will include a description of the CMIPS II procurement, a timeline and a plan to claim 90% federal financial participation (FFP) for system design and development. FFP claims will drop to 75% as allowed for ongoing system operation.

III. Assurances

The program design includes the following mandatory requirements (please check all to indicate assurance):

- 4 The program is voluntary for all eligible recipients.
 4 A Fiscal/Employer Agent will be available to all recipients that choose or need one based on a skills test.

In California, expenditures related to fiscal and employment related services are treated as administrative costs as DSS currently performs payroll and fiscal agent functions for all IHSS Residual providers, including those receiving advanced pay. The administrative expenses for payroll and fiscal agent functions will not be attributed to individual beneficiaries nor will they be accounted for as a part of the fiscal neutrality of the overall demonstration waiver.

- 4 The State will conduct an evaluation of the program and will cooperate with an independent evaluation contractor CMS may procure.
 4 The State will comply with public notice requirements as published in the Federal Register, Vol. 59, No. 186, dated September 29, 1994 (Document number 94 - 23960) and Centers for Medicare and Medicaid Services (CMS) requirements regarding Native American Tribe consultation. **(See below)**

Public Notice: The State's actions for providing public notice is the following:

1. Copies of the Waiver application along with an invitation to comment were sent to a list of stakeholder organizations and individuals. See **Appendix 9**.
2. The 4-27-2004 draft IHSS Plus Waiver document was posted on the DHS/Office of Long Term Care website.
3. Numerous press releases appeared in newspapers around the State.
4. Notice will be sent to tribal organizations informing them of the proposed demonstration and requesting input.
5. Upon federal approval, notice will be sent to those individuals who are expected to transition to the IHSS Plus Waiver. See **Appendix 10**.
6. The State made note of numerous written comments (on file) and incorporated many applicable changes to the IHSS Plus Waiver.
7. Letters of Support appear in **Appendix 11**.

IV. Waivers Requested

Section 1115(a)(2) authority of the Social Security Act is requested, for the Waiver expenditures to be made by the State under the demonstration, (which are not otherwise included as expenditures under Section 1903) for the period of the demonstration to be regarded as expenditures under the State's Title XIX plan. The following Waivers are requested pursuant to the authority of Section 1115(a)(1) of the Social Security Act (Please check all applicable):

	Type	Enables
	Statewide §1902(a)(1)	To enable the State to operate the demonstration within an area that does not include all political subdivisions of the State.
4	Comparability §1902(a)(10)(B)	To permit the state to offer demonstration recipients benefits that are not equal in amount, duration, and scope to those offered to other Medicaid beneficiaries.
4	Income & Resource Rule §1902(a)(10)(C)(i)	To permit the exclusion of payments received under the demonstration from the income and resource limits established under State and Federal law for Medicaid eligibility.
	Provider Agreements § 1902(a)(27)	To permit the provision of care by individuals who have not executed a Provider Agreement with the State Medicaid agency.
4	Direct Payments to Providers § 1902(a)(32)	To permit payments to be made directly to beneficiaries or their representatives.
4	Payment Review § 1902(a)(37)(B)	To the extent that prepayment review may not be available for disbursements by individual beneficiaries to their caregivers/providers.

Note: Checking the appropriate box(es) below will allow the State to claim Federal Financial Participation for expenditures that otherwise would not be eligible for Federal match.

Expenditures for demonstration caregiver services provided by members of the demonstration recipient's family to the recipient.

This waiver option is limited to the recipient's legally responsible parent, stepparents or spouses. For example, cousins, siblings, and grandparents can be personal care providers under the Medi-Cal State Plan PCSP.

Expenditures to provide services that are not covered under the State Plan as demonstration services, i.e., to provide for training and fiscal/employer agent services as a part of the demonstration design.

Expenditures for prepayment to demonstration recipients for demonstration services prior to the delivery of those services. In California, this option is called Advance Pay.

Transition to IHSS Plus Waiver Services

Transition to IHSS Plus Waiver services will happen immediately upon federal approval of the IHSS Plus Waiver application. Transitioning the IHSS Residual program caseload to the IHSS Plus Waiver services should be completely transparent to the enrolled individuals. DHS and DSS

will issue a notice to individuals through the Medi-Cal mailer system letting them know of their option to retain services under the IHSS Plus Waiver in light of program elimination in the State's 2004 State Budget. See **Appendix 10**. With federal approval, the State plans to claim federal financial participation beginning on January 1, 2004.

V. STATE SPECIFIC ELEMENTS

Target Population(s) All items that apply are checked

The IHSS Plus Waiver target population varies in age and disability type. The target population is currently found eligible for IHSS Residual services based on Medi-Cal eligibility rules applied by Medi-Cal eligibility workers at the county level. Individuals are eligible for the IHSS Plus Waiver when Medi-Cal eligibility is established and when the social worker assesses functional impairments and the need for assistance with ADLs and IADLs. The IHSS Plus Waiver target population is not specific to age, diagnosis or disability group.

Category	Children Age Range		Adults Age Range		Aged Age Range
	From 0	To 21	From 21	To 64	From 65 +
Aged Only					4
Disabled (Physical)	4	4	4	4	4
Disabled (Other)	4	4	4	4	4
Brain Injury (Acquired)	4	4	4	4	4
Brain Injury (Trauma)	4	4	4	4	4
HIV/AIDS	4	4	4	4	4
Medically Fragile	4	4	4	4	4
Technologically Dependent	4	4	4	4	4
Autism	4	4	4	4	4
Developmental Disability	4	4	4	4	4
Mental Retardation	4	4	4	4	4
Mental Illness	4	4	4	4	4

Geographic Area

The current IHSS Residual program and the Medi-Cal State Plan PCSP are administered as an entitlement by all fifty-eight counties to those who are eligible. Likewise, the IHSS Plus Waiver will be available statewide. The IHSS Plus Waiver services will be administered in the same manner as the current IHSS Residual program and as described above.

- 4 Statewide
 - One County or
 - Regional (Please specify areas to be included)
 - Other (Please specify)
-

Enrollment Cap

Enrollment in the IHSS Plus Waiver is not capped.

Delivery System

As described above, the current delivery system used for IHSS Residual program and Medi-Cal PCSP will be used to deliver IHSS Plus Waiver services. Direct services are delivered by individual in-home supportive service workers chosen by the recipient him/herself with the support of registry and training activities by IHSS Public Authorities. Assessments, reassessments and social worker supports are provided by the county and the provider reimbursement systems under the support and oversight of the State. DSS and DHS have quality oversight responsibilities as described above. The Advanced Pay option described above enables each recipient to receive monthly payments so that he/she can directly handle provider reimbursements if that is his/her desire.

Legally responsible persons may qualify as providers?

4 Yes No

DSS regulations allow legally responsible parent, step-parent or spouse to be personal care providers, except for domestic services that would be expected of a responsible family member.

Beneficiaries will be permitted to invest resources in a special account for special (approved) purchases?

Yes 4 No

Cash payments made directly to recipients under the Advance Pay option must be spent on approved services (including IHSS Plus Waiver services) only. Substitutions and carry-over savings are not allowed.

Services

The State requests that the following State Plan Services be included under this demonstration:

- Personal Care Services
- Non-Emergency Transportation
- Other
- Home Health Services
- Durable Medical Equipment

The State requests that the following Home and Community-Based Services, as set forth in 42 CFR 440.180, be included under this demonstration:

- Homemaker Services
- Transportation
- Home Health Aide Services
- Supported Employment
- Personal Care Services
- Other services requested by the State

- Adult Day Health Services and approved by CMS as budget neutral and
- Respite Care Services necessary to avoid institutionalization
- Enhanced Personal Care

The State requests that the following IHSS Residual program services be included under this demonstration. Service definitions appear on the next page.

- Domestic & Related Services**
For individuals who do not require the full PCSP benefit
- Protective Supervision**
For non-hands-on assistance, observing and intervening with activities of daily living for non-self-directed individuals
- Restaurant Allowance**
For individuals who cannot safely and adequately prepare meals.
- Spouse Caregiver**
For individuals who opt for a family caregiver.
- Parent Caregiver**
For individuals who opt for a family caregiver
- Advance Pay**
For individuals who choose to “cash out” their monthly assessed and authorized hours of personal care assistance.

IHSS Plus Waiver Services

Total hours authorized for an individual including both Medi-Cal State Plan PCSP and IHSS Waiver services must not exceed the monthly utilization limits that apply. The maximum monthly hours for an individual is 283 hours of combined PCSP and Waiver services and supports based on the uniform assessment standards. **NOTE:** Two Home and Community-Based Services (HCBS) waivers allow personal care services in excess of 283 hours per month. These excess monthly personal care hours are limited to those enrolled in the HCBS waiver programs.

Service or Delivery Method	Purpose	Utilization Controls*
Protective Supervision	For monitoring the behavior of non self-directing, confused, mentally impaired, or mentally ill persons mentally ill, who place themselves at risk for injury, hazard or accident. May include non-hands-on assistance such as cuing, reminding, coaching, re-directing. etc. or interventions to prevent injury, hazard or accident. <i>(DSS Regs 30-757.17)</i>	Within available monthly hours as follows: Non severely impaired: 195 hours per month Severely impaired: 283 hours per month
Domestic & Related Services	House cleaning duties, house maintenance to reduce threat of health and safety. Related services include meal preparation, meal clean-up and planning menus, food shopping and other shopping and errands, and laundry. <i>(DSS Regs 30-757.11 and 30-757.13)</i>	Within available monthly hours as follows: Non severely impaired: 195 hours per month Severely impaired: 283 hours per month, subject to the following guidelines: <ul style="list-style-type: none"> ▪ 6.0 hours per month for housework; 1.0 hour per week for food shopping; .50 hour per month for other shopping and errands; and 1.00 hour for in-home laundry and 1.50 for out-of-home laundry.⁶ ▪ The need for Meal Preparation and cleanup is assessed taking into consideration types of meals and amount of assistance required
Restaurant Allowance	In lieu of appropriate in-home meal preparation and cleanup and food shopping by provider when a need is assessed for these services. <i>(DSS Regs 30-757.134)</i>	\$62/month for individual \$124/month for married couple
Spouse Caregiver (Method of Service Delivery)	To enable the provision of personal care services when there is no other suitable provider. <i>(DSS Regs 30-763.41)</i>	Within available monthly hours as follows: Non severely impaired: 195 hours per month Severely impaired: 283 hours per month
Parent Caregiver (Method of Service Delivery)	To enable the provision of personal care services when there is no other suitable provider. <i>(DSS Regs 30-763.45)</i>	Within available monthly hours as follows: Non severely impaired: 195 hours per month Severely impaired: 283 hours per month

⁶ Guidelines for housework and related services may be exceeded if assessed need for service is greater and documentation for reason for exceeding guideline is placed in case file.

Service or Delivery Method	Purpose	Utilization Controls*
Advance Pay (Method of Service Delivery)	<ul style="list-style-type: none"> ▪ To provide consumer directed services and direct payment to the consumer. ▪ For those who are eligible and capable. OR, to the eligible person's guardian, conservator or protective payee. <p><i>(DSS Regs 30-769.731)</i></p>	<p>If determined by the social worker to be severely impaired and authorized to receive at least 20 hours of personal care services per week.</p> <ul style="list-style-type: none"> ▪ Monthly cash allotment is calculated based on the assessed number of hours, up to 283 hours per month maximum. No service substitutions or accumulation of savings is allowed.

NOTE: Total hours (IHSS Plus Waiver and PCSP) are subject to a monthly caps as indicated above. Exceptions to monthly caps exist under two HCBS waivers, as mentioned in narrative.

The services available through this demonstration will all be self-directed support services, under the direction of the recipient, family, or proxy, and will comply with all existing regulations unless waived.

Appendix 9 describes how the IHSS Plus Waiver services meet the requirements of self-directed services.

VI. Budget Neutrality

___4___ The budget shell (**To Be Sent Under Separate Cover**) relies on the model that the demonstration expenditures will not exceed what would have been incurred without the demonstration.

___4___ The State assures that the aggregate cost of services provided herein will be no more than 100% of the cost to provide these services without the Waiver. The plan of care and budget for plan of care will be developed in the demonstration exactly as they would have been developed without the Waiver. Procedures for determining the amount, duration, and scope of in-home supportive services are identical for service recipients, regardless of whether or not they are part of this voluntary demonstration program.

___4___ The State estimates the cost of this program will be \$(Amount Sent Under Separate Cover) over its ___5___ year approval period.

California Budget Neutrality Methodology

Summary of Methodology

The methodology for without Waiver costs utilizes Residual Program expenditures/member months and “impacted services” expenditures/member months.

Expenditures and member months have been generated by sub-group. The sub-groups are:

- Recipients with spouse or parent caregivers;
- Recipients who receive advance pay;

- Recipients who receive a restaurant allowance;
- Recipients who receive domestic services;
- Recipients who receive protective supervision; and
- Recipients who receive services in two or more categories (e.g. who have both a spouse caregiver and receive advance pay.)

“Impacted services” are:

- Services provided through the Personal Care Services Program (PCSP);
- Home Health Agency (HHA) services; and
- Durable Medical Equipment (DME).

Expenditures are limited to Residual Program recipients who were Medicaid eligible for each month that Residual Program expenditures are included. If the recipient was not eligible for a given month, their expenditures are not included in the cost information.

Budget sheets are provided displaying data specific to each sub-group and a separate budget sheet displays aggregated data for the Waiver application.

Detail

Demonstration services: Residual Program services.

Impacted state plan services: PCSP, HHA and DME.

Historic data:

1. **Total Expenditures:** Residual Program expenditures were obtained from the Case Management, Information and Payroll System (CMPS) for SFY 1999-2003 for Medicaid eligible Residual Program recipients. The impacted state plan services expenditures were obtained from the MMIS for SFY 1999-2003 for Medicaid eligible Residual Program recipients.
2. **Total Expenditure Trend Rate:** The compound rate for the historic five-year period.
3. **Member Months:** The member months disclosed by the CMPS and the FMMIS for Medicaid eligible Residual Program recipients, unduplicated.
4. **Member Months Trend Rate:** The compound rate for the historic five-year period.
5. **Total Cost per Member Month:** Total expenditures divided by total member months.
6. **Total Cost per Member Month Trend Rate:** The compound rate for the historic five-year period.

With and Without Waiver Projections

9. **Percent of Consumers Participating:** 100% of consumers will be participating in this demonstration.

10. **Percent Reduction for Cashing Out Care Plans:** There is no reduction applied (0%).
11. **Member Months Applied Trend Rate:** The 5-year average trend rate.
12. **Total Cost per Member Month Applied Trend Rate:** The applied trend rate used to project the per member per month expenditures for each demonstration year is the actual trend rate (as specified in item 6).
13. **Months of Aging:** The months elapsed from the end of the base year data (June 30, 2003) to the end of the first demonstration year (June 30, 2005) or twenty-four months.
14. **Demonstration Year Expenditures:** The product of the demonstration year member months and the demonstration year cost per member month.
15. **Demonstration Year Member Months:** The product of the base year member months, the trend rate for consumer member months, and the months of aging.
16. **Demonstration Year Total Cost per Member Month:** For demonstration year one, the product of the base year cost per member month, the trend rate for cost increases, and the months of aging. For the following demonstration years, the product of the prior year cost per member month and the applicable trend rate.

Savings: There are no anticipated savings associated with this Waiver. The primary program objective is to continue to provide access to IHSS options that permit increased consumer control and satisfaction. Any cost savings that might be achieved will be incidental.

NOTE: Data and budget shell will be forwarded under separate cover per discussions with CMS.

VII. Additional Requirements

In addition to the above requirements, the State agrees to the Section 1115 *Independence Plus: A Demonstration Program for Family or Individual Directed Community Services Special Terms and Conditions (STCs) of Approval*, and agrees to prepare the Operational Protocol document as described in the Model STCs. During CMS's review and consideration of this demonstration request, using the Model STCs, the state will work with CMS to develop STCs that are specific to this request that will become part of the approval of demonstration authority.

Date Name of Authorizing Official, Typed

Name of Authorizing Official, Signed

Appendices

Appendix 1

DSS Assessment Standards

Appendix 2

Operational Protocol

(Separate WORD File)

(To Be Submitted Under Separate Cover)

Appendix 3

Glossary

CCR - California Code of Regulations.

DHS – California Department of Health Services

CMIPS – Case Management Information and Payroll System. The current management information system for IHSS Residual and PCSP.

DSS – California Department of Social Services

In-Home Supportive Services Program (IHSS) – IHSS is a state and county funded personal care assistance program established in 1973.

IHSS Residual - Refers to the state and county funded IHSS program. This designation is used to distinguish it from the Medi-Cal personal care service benefit.

IHSS Residual and PCSP - Refers to both programs and caseload combined, since IHSS Residual and PCSP are administered by the same agency and by the same social workers and public authorities.

IHSS Plus Waiver - Refers to the 1115 waiver program that will replace the IHSS Residual program and to enable consumer directed personal care services under Medi-Cal.

Medi-Cal – Medicaid is called Medi-Cal in California.

MMIS – Medi-Cal Management Information System

MPP – Refers to the DSS Manual of Policies and Procedures. The MPP contains the regulations for IHSS Residual and for PCSP.

Personal Care Services Program (PCSP) – PCSP is a Medi-Cal State Plan benefit that is state, county and federally funded. PCSP was established in 1993.

PCSP - Refers to the Medi-Cal Personal Care Services Program (State/Federal funds).

Welfare and Institutions Code – State statutes for IHSS Residual and for PCSP.

Appendix 4

County Caseloads – IHSS Residual Program

	PUBLIC AUTHORITY					NON PROFIT CONSORTIUM	
	CNTY NAME	RES TOT CASES	RES TOT HRS		CNTY NAME	RES TOT CASES	RES TOT HRS
1	ALAMEDA	2,561	221,742.3	1	INYO	41	2622.3
2	AMADOR	35	4,428.0	2	MODOC	23	2970.6
3	BUTTE	669	101,412.4	3	MONO	29	3586.3
4	CALAVERAS	51	6,314.5				
5	COLUSA	59	7,026.6	TOTAL		93	9179.2
6	CONTRA COSTA	960	95,689.6				
7	DEL NORTE	76	8,706.6				
8	EL DORADO	164	19,490.7				
9	FRESNO	1,665	191,164.6		CNTY NAME	RES TOT CASES	RES TOT HRS
10	GLENN	76	6,996.9	1	NEVADA	162	26966.6
11	HUMBOLDT	556	56,897.0	2	PLUMAS	43	5381
12	IMPERIAL	1,099	82,573.9	3	SIERRA	10	675
13	KERN	929	66,815.5				
14	KINGS	311	26,441.0	TOTAL		215	33022.6
15	LAKE	392	41,151.2				
16	LOS ANGELES	24,117	1,659,955.3				
17	MADERA	237	21,185.9			PUBLIC AUTHORITY IN-PROGRESS	
18	MARIN	323	33,020.4		CNTY NAME	RES TOT CASES	RES TOT HRS
19	MENDOCINO	370	32,102.4	1	LASSEN	69	5,848.80
20	MERCED	656	39,287.3				
21	MONTEREY	612	46,833.4				
22	NAPA	145	15,754.2				
23	ORANGE	2,320	167,476.1				
24	PLACER	265	35,793.5			HOMEMAKER	
25	RIVERSIDE	2,335	242,844.1		CNTY NAME	RES TOT CASES	RES TOT HRS
26	SACRAMENTO	3,844	371,409.8	1	TUOLUMNE	32	2,072.3
27	SAN BENITO	54	6,783.3	2	STANISLAUS	776	58,715.1
28	SAN BERNADINO	2,852	298,927.8				
29	SAN DIEGO	4,564	388,269.1				
30	SAN FRANCISCO	2,071	129,260.4				
31	SAN JOAQUIN	1,314	111,770.3			COUNTY EMPLOYER OF RECORD	
32	SAN LUIS OBISPO	397	32,572.2		CNTY NAME	RES TOT CASES	RES TOT HRS
33	SAN MATEO	544	66,838.6	1	ALPINE	5	685.5
34	SANTA BARBARA	574	41,869.8	2	MARIPOSA	59	6,112.7
35	SANTA CLARA	2,706	151,932.4				

	PUBLIC AUTHORITY					NON PROFIT CONSORTIUM	
	CNTY NAME	RES TOT CASES	RES TOT HRS		CNTY NAME	RES TOT CASES	RES TOT HRS
36	SANTA CRUZ	436	35,494.5				
37	SHASTA	590	61,442.8				
38	SISKIYOU	73	8,863.1				
39	SOLANO	445	56,277.9				
40	SONOMA	660	63,405.1				
41	SUTTER	105	10,271.5				
42	TEHAMA	397	33,096.4				
43	TRINITY	33	2,533.5				
44	TULARE	832	55,825.8				
45	VENTURA	869	66,069.8				
46	YOLO	149	17,104.1				
47	YUBA	117	16,637.4				
TOTAL*		64,609	5,257,759				

* Totals reflect a particular month's data that may deviates slightly from annualized data or from the average.

Appendix 5

IHSS & PCSP Regulations

Appendix 6

IHSS & PCSP State Statute

Appendix 7

All County Welfare Directors' Letter Draft Text

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY HEALTH EXECUTIVES

SUBJECT: PERSONAL CARE SERVICES EXPANSION-INSTRUCTIONS FOR
IMPLEMENTATION
(Ref.: All County Welfare Directors Letter (ACWDL) Nos. 99-13, 99-77)

This letter provides the counties with information regarding the expansion of Personal Care Services (PCS) to the Aged, Blind, and Disabled Medically Needy (ABD-MN), the Aged and Disabled Federal Poverty Level (A&D FPL), and the 250 Percent Working Disabled (WD) program individuals. This letter also provides implementation instructions related to Medi-Cal processing and serves as a basis for counties to establish procedures that ensure the interchange of information between Medi-Cal and the In-Home Supportive Services (IHSS) program necessary to implement the expansion. The California Department of Social Services (CDSS) is providing a similar letter for the IHSS program.

BACKGROUND

The Medi-Cal program has been changed to:

- Expand the PCS Medi-Cal benefit to individuals eligible under the ABD-MN, A&D FPL, and 250 Percent WD programs.
- Allow CDSS to provide a payment “buy-out” to the federal Centers for Medicare and Medicaid Services (CMS) from the State’s General Fund when a converted ABD-MN PCS recipient’s Medi-Cal share-of-cost (SOC) is greater than his or her IHSS SOC. The recipient pays the lower SOC. Additional details are provided below.

All County Welfare Directors Letter No.
Page 2

PCS has been available since April 1, 1993, to the mandatory categorically needy Medi-Cal coverage groups who meet the criteria for these services. These groups include, Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients, Pickle eligibles, California Work Opportunity and Responsibility to Kids/Section 1931(b) recipients, and pregnant women or children in the FPL programs. The expansion of PCS to the ABD-MN, A&D FPL, and 250 Percent WD programs has no affect on eligibility processing for that population; however, when appropriate, the secondary aid code would change from the IHSS aid code (18,

28, or 68) to the Medi-Cal PCS secondary aid code (1F, 2F, or 6F). The expansion of PCS services to the ABD-MN, A&D FPL, and 250 Percent WD recipients allows IHSS eligibles to shift from the State-only funded IHSS program to PCS with federal financial participation (FFP).

CDSS will make a “buy-out” payment to the CMS when a converted ABD-MN program PCS recipient’s Medi-Cal SOC is greater than his/her IHSS SOC. The “buy-out” is needed because the recipient is paying a lower IHSS SOC than he/she would ordinarily be required to obligate for Medi-Cal and the difference between the IHSS SOC and the Medi-Cal SOC is not eligible for FFP reimbursement. The “buy-out” payment returns to CMS the amount of FFP represented in the difference between the lower IHSS SOC paid by the recipient for his/her PCS and the higher Medi-Cal SOC that the client would otherwise have obligated. The “buy-out” recipient continues paying the lower IHSS SOC. FFP continues to be paid to Department of Health Services (DHS) for the balance of the recipient’s PCS costs.

The SOC comparison described in this letter applies only to recipients eligible to receive PCS through Medi-Cal. The SOC comparison does not apply to ABD recipients eligible to receive in-home care only under the IHSS Residual program. Individuals will receive services only under the IHSS Residual program if they have services provided only by a spouse/parent provider, are in advance pay status or are receiving only protective supervision services.

EFFECTIVE DATES

The PCS expansion was effective April 1, 1999, for ABD-MN cases; however, changes to the Medi-Cal Eligibility Data Systems (MEDS) and the Caseload Management Information and Payroll System (CMIPS) could not be implemented at that time. PCS was also made available to A&D FPL individuals, effective January 1, 2001, and 250 Percent WD individuals, effective April 1, 2000. Counties must ensure that these Medi-Cal eligibility determinations are being made by Medi-Cal eligibility workers, effective July 1, 2004. (DHS recognizes that some counties have already accomplished this.)

All County Welfare Directors Letter No.
Page 3

OVERVIEW OF PROCESS

The eligibility process for ABD-MN, A&D FPL, or 250 Percent WD program cases that qualify for PCS requires that the counties open both an IHSS case (for the PCS determination) and a Medi-Cal case. These cases shall be concurrent. Changes have already been made to MEDS to accommodate reporting of an IHSS SOC in addition to a Medi-Cal SOC. CMIPS changes necessary to report PCS eligibility to MEDS have not yet been implemented. In order to avoid an interruption in Medi-Cal eligibility, counties must begin reporting the ABD-MN, A&D FPL, or 250 Percent WD program eligibility to MEDS before CMIPS changes the reported IHSS aid code of 18, 28, or 68 to the PCS aid code of 1F, 2F, or 6F. Counties must establish Medi-Cal eligibility for all existing IHSS clients who qualify for PCS before CMIPS implements the reporting of PCS aid codes.

Counties will need to ensure continued coordination between their IHSS and Medi-Cal programs for all PCS cases, since under PCS, the recipient is obligated to pay the lesser of the IHSS SOC or Medi-Cal SOC for their PCS. Counties must ensure good communication between county IHSS staff and Medi-Cal eligibility workers (EWs). Much of the information needed to evaluate eligibility for one program (such as income and property of the applicant) will often be needed to evaluate eligibility for the other program. For example, Medi-Cal eligibility and the Medi-Cal SOC may be based on information gathered by the IHSS program on forms such as the IHSS SOC 310.

Medi-Cal EWs are to complete the Medi-Cal eligibility determination for possible coverage under all programs, including the A&D FPL and 250 Percent WD programs. Medi-Cal is to report to IHSS staff, Medi-Cal program eligibility, the amount of the Medi-Cal SOC, if any, and to whom it applies, and any other information needed, including the names of other family members in the Medi-Cal Family Budget Unit/Mini Budget Unit (MFBU/MBU). If the individual is eligible under the A&D FPL, or 250 Percent WD program, the Medi-Cal EW should report this individual's eligibility on MEDS and report no SOC Medi-Cal to IHSS staff who will complete the needs assessment. The "out-of-pocket medical expenses" paid for IHSS/PCS cannot be used to lower the recipient's income to the A&D FPL limit.

NOTE:

Individuals in the 250 Percent WD program pay a monthly premium that the Medi-Cal EW enters on the SOC field on MEDS. This premium is certified at the beginning of each month. The 250 Percent WD program premium is not an SOC and the Medi-Cal EW should report no SOC Medi-Cal to IHSS staff.

All County Welfare Directors Letter No.
Page 4

If the individual applying for Medi-Cal and PCS is not eligible for a free full-scope Medi-Cal program, the Medi-Cal EW must determine the Medi-Cal SOC for ABD-MN, without deducting the amount actually paid by an individual for IHSS and/or PCS. Even though the Medi-Cal EW has completed the Medi-Cal eligibility and SOC determination, the EW must not issue a Notice of Action (NOA) for a recipient determined to have a Medi-Cal SOC at this point. The case is now referred (or referred back) to the IHSS program.

IHSS staff then completes the needs assessment, the IHSS SOC determination (based on SSI methodology), and the determination of whether the recipient is IHSS Residual or PCS eligible.

If the IHSS worker determines that the needs assessment for an individual is less than the lower of the Medi-Cal SOC or the IHSS SOC, the individual is not PCS or IHSS eligible. For those individuals, the IHSS worker will refer the case back to Medi-Cal so that the Medi-Cal EW can redetermine ABD-MN eligibility and SOC, if any, with an allowable deduction for any amount actually paid for IHSS and/or PCS out-of-pocket medical expenses.

If a case is PCS eligible and not an IHSS Residual case, IHSS staff compare the Medi-Cal SOC and the calculated IHSS SOC and assigns the lower of the two as the SOC that the recipient must pay. (Since the SSI maintenance need is higher than the Medi-Cal maintenance need, the IHSS SOC may be less than the Medi-Cal ABD-MN SOC). IHSS staff enters the SOC that the recipient must pay on the IHSS/PCS NOA along with the appropriate beneficiary information to identify additional family members whose Medi-Cal SOC will be certified based on the recipient's PCS coverage.

If IHSS staff determines the individual to be eligible for the IHSS Residual program, the IHSS individual will be reported to MEDS with an applicable IHSS aid code of 18, 28, or 68. Since these aid codes are considered to be Other Public Assistance (PA) aid codes, the individual is not in the MFBU with other family members who may be receiving Medi-Cal.

Aid Codes

ACWDL No. 99-77 specified that there are three new tracking aid codes to be used to report PCS eligibility. These aid codes will also be used to report PCS eligibility for the mandatory categorically needy Medi-Cal groups identified on page 2 of this letter.

All County Welfare Directors Letter No.
Page 5

Tracking aid codes are:

- 1F-beneficiaries age 65 and older;
- 2F-blind beneficiaries; and
- 6F-disabled beneficiaries.

These aid codes are entered on the MEDS Special Programs screen and will show a segment type of IH/PCS.

These tracking aid codes must be reported to MEDS with a Medi-Cal SOC amount, even if that amount is zero. The IHSS SOC amount is reported in MEDS data element 0719, SOC-AMOUNT. In addition, these aid codes will be accepted by MEDS only if there is Medi-Cal eligibility reported on the Primary Screen already indicated on MEDS for the month being reported.

The presence of Aid Codes 1F, 2F, and 6F on the MEDS Special Program screen will cause Medi-Cal SOC eligibility on the MEDS Primary screen for all individuals in the same MFBU/MBU to be certified as of the first day of the month. For new eligibility, the SOC certification will occur during the daily update process. For upcoming month eligibility, the SOC certification will occur after MEDS renewal, but before the first day of the month of eligibility.

MEDS is already accepting transactions that report these PCS aid codes and PCS SOC amounts. Counties that do not use CMIPS to report IHSS eligibility to MEDS should already be reporting

these aid codes along with corresponding Medi-Cal eligibility directly to MEDS. Although CMIPS is not yet reporting PCS aid codes to MEDS, counties that use CMIPS to report IHSS eligibility to MEDS may begin reporting Medi-Cal SOC eligibility to MEDS for recipients identified as PCS eligible, as they currently do for beneficiaries who are not PCS eligible.

Aid codes 18, 28, and 68 will continue to be reported to MEDS and displayed on the special program screen for those IHSS individuals who receive services from a spouse or parent (of a minor child); receive advance pay; and/or receive adult protective supervision services. These cases do not meet the criteria to be PCS and will remain IHSS Residual cases.

All County Welfare Directors Letter No.
Page 6

Sample MEDS Screens

We have enclosed sample MEDS screens (INQM and INQ1) illustrating the type of information that will be on MEDS and the difference between a PCS case (Enclosure 1) and an IHSS case (Enclosure 2). For the example of the PCS client, the primary MEDS screen (INQM) shows the Medi-Cal Aid Code (17) and the Medi-Cal SOC (\$276) with an eligibility status (301) indicating eligible for Medi-Cal with a certified SOC and the certification day (01) indicating SOC certification as of the first of the month. The special program screen (INQ1) shows the PCS eligibility for a Health and Welfare program other than Medi-Cal/CMSP. For the example of the IHSS Residual client, the primary MEDS screen (INQM) shows no eligibility (eligibility status 999) while the special program screen (INQ1) shows the IHSS Residual Aid Code (18) with an eligibility status (001) indicating Medi-Cal eligibility with no SOC.

SOC AND MEDS

Under Medi-Cal, all members of the same MFBU, or MBU if Sneed rules were applied, must have the same SOC. There are instances, however, when a county inadvertently reports a different SOC to MEDS for one or more members of an MFBU/MBU. If that happens, MEDS will not certify the case until the highest SOC reported for a member of the MFBU/MBU is met.

MEDS data system changes were made to certify the case based on the PCS eligibility reporting even if another member of the MFBU/MBU shows a higher Medi-Cal SOC amount than the PCS recipient. Because the PCS recipient's Medi-Cal SOC amount will be used to determine the reimbursement to CMS, it is very important that this amount be correctly reported to MEDS.

As discussed earlier in this letter, the Medi-Cal EW reports the Medi-Cal SOC to both MEDS and IHSS staff. IHSS staff assign the PCS beneficiary the lower of the Medi-Cal or IHSS SOC as the SOC that the PCS beneficiary must pay to his or her provider. If Medi-Cal reports an incorrect Medi-Cal SOC to IHSS, it will affect the SOC that the beneficiary is required to pay. A potential underpayment results if the SOC that the beneficiary was required to pay is higher than it should have been and the

beneficiary paid his or her provider an SOC that was too high. On the other hand, the amount reimbursed to CMS would also be too high when the reported Medi-Cal SOC exceeds the IHSS SOC and the Medi-Cal SOC is higher than it should have been. Counties are encouraged to establish procedures to ensure that the correct Medi-Cal SOC amounts are reported to IHSS staff and to MEDS.

All County Welfare Directors Letter No.
Page 7

PROCESSING OF CASES

Counties must complete Medi-Cal eligibility determinations for their potential PCS cases to determine whether the IHSS recipient is eligible for PCS services as an ABD-MN, A&D FPL, or 250 Percent WD program individual. Conversion of IHSS cases to PCS may be done without requesting any further information from the beneficiary if a Medi-Cal eligibility determination can be made with information in the IHSS case. If further information is needed, counties should first attempt to get it from alternative sources, such as the Income Eligibility Verification System (IEVS).

FORMS

Most ongoing Medi-Cal determinations can be completed with the information contained in the IHSS case folder, including the IHSS Statement of Facts (SOC 310) and the application SOC 295) forms. For example, for individuals or couples, information on the SOC 310 will be sufficient, as long as the county also obtains the amount of any health insurance premiums that are paid. In cases where the county needs more information in order to determine Medi-Cal eligibility and the information is not available from alternative sources (such as IEVS) the county may request the remaining information specifically necessary to determine eligibility and Medi-Cal SOC. Counties are to use existing Medi-Cal forms and notices, such as the MC 219, when processing these Medi-Cal determinations.

NOAs

The Medi-Cal EW must suppress the Medi-Cal SOC NOA for the MFBU/MBU containing the PCS beneficiary by using any mechanism the county has in place for suppressing such notices. IHSS staff will be issuing the NOA and will choose the lower of the IHSS SOC or the Medi-Cal SOC to put on the IHSS NOA as being the SOC the beneficiary must pay to his or her provider. The IHSS NOA will also identify the additional family members whose SOC will be met based on the PCS coverage. A sample of the PCS/IHSS NOA along with sample wording for various eligibility actions will be released in a separate ACWDL.

The county shall use the lower SOC as the SOC that the beneficiary must pay. In order to be PCS eligible, the cost of the PCS hours must exceed the beneficiary's SOC. The PCS Provider Enrollment Agreement must be on file. The recipient signs this form, stating that the individual providing PCS is a qualified PCS provider.

PROCESSING CASES WITH PRESUMPTIVE DISABILITY

There may be instances where the IHSS staff grants presumptive disability under the IHSS Residual program and a disability packet is submitted to Disability and Adult Programs Branch for a disability determination. In these situations, IHSS staff may initially grant eligibility under IHSS Residual if the case meets the criteria for IHSS presumptive disability. Once disability linkage has been established, PCS benefits may be approved back to the month determined to include the disability onset date if all other conditions for Medi-Cal eligibility and PCS benefits are met for each month.

Once Medi-Cal eligibility and PCS benefits are approved, the Medi-Cal EW will input the Medi-Cal eligibility and SOC information for the prior month(s). The Medi-Cal EW shall then inform IHSS staff of the Medi-Cal SOC and the family members to whom it applies. IHSS staff will issue the NOA. IHSS staff will then transmit the PCS eligibility to MEDS through a CMIPS transaction, or directly, if the county is not a CMIPS/MEDS interface county. MEDS will then certify the Medi-Cal SOC as met for the PCS beneficiary and the other family members in the MFBU/MBU for those months.

ABD-MN SOC Calculations

The following are examples of income calculations for these recipients:

Example 1

ABD-MN single recipient

The total assessed need converted to dollars to be calculated by IHSS staff.

The Medi-Cal SOC to be calculated by the Medi-Cal EW.

The IHSS SOC to be calculated by IHSS staff.

	Medi-Cal SOC Determination	IHSS SOC Determination
Income	\$1,206	\$1,206
Standard "any income deduction"	-20	-20
Maintenance Need Level (MNL)/SSI Payment Level	-600 (MNL)	-790 (SSI)
SOC Amount	\$586	\$396
Total Assessed Need	\$600	\$600

Since the IHSS SOC is less than the Medi-Cal SOC and the total assessed needs amount is more than the IHSS SOC, the recipient is eligible for the PCS with the lesser IHSS SOC amount of \$396.

Example 2

ABD-MN single recipient

The total assessed need converted to dollars to be calculated by IHSS staff.

The Medi-Cal SOC to be calculated by the Medi-Cal EW.

The IHSS SOC to be calculated by IHSS staff.

	Medi-Cal SOC Determination	IHSS SOC Determination
Income	\$1,206	\$1,206
Standard "any income deduction"	-20	-20
Maintenance Need Level (MNL)/SSI Payment Level	-600 (MNL)	-790 (SSI)
SOC Amount	\$586	\$396
Total Assessed Need	\$300	\$300

The total assessed needs amount is less than either the IHSS SOC or the Medi-Cal SOC; therefore the recipient is not eligible for IHSS/PCS benefits. The SOC amount is \$586, but any IHSS/PCS expenses can be deducted from income pursuant to Title 22, CCR, Section 50551.6, or applied to the SOC and/or utilized under *Hunt v. Kizer* procedures.

OTHER PROGRAM RULES

All Medi-Cal rules that are routinely applied for Medi-Cal program eligibility determinations apply in determining Medi-Cal eligibility for PCS recipients. They are not considered PA recipients or Other PA since PCS benefits are a Medi-Cal benefit rather than an eligibility group. *Sneede/Gamma* rules may be applied in family situations that have a *Sneede/Gamma* member.

Waivers

There are various Medi-Cal waivers that provide full-scope Medi-Cal coverage. If a waiver allows full-scope Medi-Cal eligibility for an ABD beneficiary, the PCS benefit is

one of these covered services. If a waiver beneficiary requests PCS, his/her need for PCS must be determined.

Hunt v. Kizer

The application of unpaid old medical bills to the current Medi-Cal SOC is addressed in several ACWDLs (89-87, 89-111, 90-11, 90-45, 90-75, 90-80, 90-81, 91-14, 93-63A, and 93-74). Please refer to these letters as the final authority for *Hunt* issues. In those letters, counties were given the option of applying *Hunt* bills either by reporting them as a spend down against the calculated and reported Medi-Cal SOC (the preferred method) or by reducing the calculated Medi-Cal SOC by the amount of the *Hunt* bills and then reporting the balance as the Medi-Cal SOC.

For PCS to work properly, however, counties must reduce the calculated Medi-Cal SOC by the amount of the *Hunt* bills and then report the balance as the Medi-Cal SOC for all PCS recipients. For example, if the Medi-Cal SOC is \$400 and a \$300 *Hunt* bill is applicable, the county will report the reduced \$100 Medi-Cal SOC to IHSS staff and to MEDS. This means that the *Hunt* bills are applied to the Medi-Cal case before the comparison between the Medi-Cal SOC and the IHSS SOC is made. IHSS will then follow the procedures outlined in this letter to determine the Medi-Cal SOC. This will also ensure that the amount to be reimbursed to CMS or the beneficiary is correct.

It is important to note that counties must initiate *Hunt v. Kizer* procedures only at the request of the beneficiary and in accordance with the ACWDLs described above.

If you have any questions about this letter, please contact Vicki Partington at (916) 552-9496 or E-Mail Vparting@dhs.ca.gov. Questions and answers will be compiled and sent in a follow-up ACWDL.

Beth Fife, Chief
Medi-Cal Eligibility Branch

Enclosures

All County Welfare Directors Letter No.:
Page 11

Author: Vicki Partington, AGPA
Policy Unit A-1
71.4063 552-9496

Section: Marlene Ratner, Chief
Policy Section A
71.4063 552-9432

Branch: Beth Fife, Chief
Medi-Cal Eligibility Branch
71.4063 552-9430

Appendix 8

Stakeholder Review

A copy of the draft Waiver was sent on 4-27-2004 to:

Individuals listed below forwarded the draft Waiver to various other individuals in their networks.

Name	Organization
Karen Keeslar	California Association of Public Authorities
Bonnie Darwin	Assembly Committee on Aging & Long Term Care
Sharon Bishop	Senate Republican Fiscal Consultant
Ana Matosantos	For Senator Wes Chesbro
Christian Griffith	For Assemblyman Merv Dymally
Diane Cummins	For Senator John Burton
Todd Bland	Legislative Analyst Office
Julianne Huerta	Assembly Republican Fiscal Consultant
Eric Swanson	Senate Republican Fiscal Consultant
Gail Gronert,	Assembly Speaker's Office
Casey McKeever	Assembly Human Services Committee
Jack Hailey	Senate Health & Human Services Committee
Anastasia Dobson	CA Department of Finance
Michael Collins	State Independent Living Council
Frank J. Mecca	County Welfare Directors Association
Joan Lee	Area 4 Agency on Aging
Ray Mastalisch	California Commission on Aging
Marilyn Holle	Protection and Advocacy, Inc. (L.A. Office)
Deborah Doctor	Protection and Advocacy, Inc. (Oakland Office)
Marty Omoto	California Disability Community Action Network
Cheryl Bergan	California Foundation for Independent Living Centers

Appendix 9

Self-Direction Under the IHSS Plus Waiver

California's IHSS Plus Waiver includes an array of service options and service delivery methods consistent with the Independence Plus initiative and the CMS' "Hallmarks of Self-Direction." Additional detail is contained in the complete IHSS Plus Waiver document.

CMS Hallmarks of Self-Direction:

- Person-Centered Planning,
- Individual Budgeting,
- Self-Directed Supports, and
- Quality Assurance and Improvement

The IHSS Plus Waiver provides for person-centered planning by working with an individual to identify their long-term care needs and the resources available to meet these needs and by including additional care options.

- The Waiver makes the additional options available to enhance the individual's access to alternative services and methods of service delivery in order to better meet the individual's desired outcomes:
 - The ability to utilize spouse and parent caregivers.
 - Access to a prospective monthly payment under the Advance Pay and Restaurant Allowance options.
 - Access to enhanced in-home supports under the Protective Supervision option for those individuals who need assistance due to cognitive impairments and/or dementia and the domestic services option for those individuals who are at-risk of developing a personal care need in the near future.
- The State makes services available that enable the individual to participate in the development, implementation and management of his/her services and supports, such as:
 - One-on-one social worker assistance, including annual (or more frequent as needed) reassessment of need, consideration of alternative resources and ongoing provision of assistance.
 - Access to a provider registry.
 - Access to the State's payroll function.
 - A Statutory assurance of the right to schedule, hire, fire, and supervise the work of any IHSS and PCSP personnel providing services for them.
 - The use of back-up and emergency planning in the case of provider no-shows and/or other unusual occurrences.

California's IHSS Plus Waiver provides for the use of individual budgeting through either control of an allocation of care hours or access to a cash payment.

- Individuals receive a monthly allocation of hours specific to their individually assessed needs. IHSS Waiver service users retain individual control over how to use the budgeted hours of service based on a case manager's assessment.
- Individuals may, under specific circumstances, receive a prospective cash payment through the Advance Pay or Restaurant Allowance options.
- Payroll functions performed by the State administrative management information system support the individual's ability to use an individual budget.
- Ongoing oversight to ensure appropriate use of allocated hours or cash payments.

California's IHSS Plus Waiver provides for self-direction of supports.

- State statute (W&I § 12301.6(c)(2)(B)) requires that recipients of IHSS Residual Program services and PCSP services retain the right to hire, fire, and supervise the work of any IHSS and PCSP personnel providing services for them.

- State statute (*W&I §12304.2*) enables recipients to select any qualified, eligible and available provider under the system through which he/she receives IHSS/PCSP services.
- PCSP and IHSS Waiver service users retain individual control over scheduling caregivers.
- The ability to self-direct is further enhanced through access to the following program components:
 - Brokerage of personal care services in each of fifty-eight counties through either an IHSS Public Authority, Joint Powers or contracted Consortium.
 - A provider registry in all counties. Back-up registry capabilities are being developed.
 - An employer of record established in all counties.

California's IHSS Plus Waiver provides for quality assurance and quality improvement using a supports and activities, including:

- One-on-one social worker assistance, including annual (or more frequent as needed) reassessment of need and consideration of alternative resources.
- Use of the payroll function performed by the State administrative management information system.
- Public Authority responsibilities for negotiating better wages and benefits for caregivers, timesheet monitoring and reconciliation.
- Back-up and emergency planning in the case of provider no-shows and/or other unusual occurrences.
- Adult Protective Services and Child Protective Services in every county.
- Independent advocates are available through the Department of Developmental Services and the Department of Mental Health.
- Contingency planning in all counties relative to disasters and local emergencies.
- Quality assurance monitoring at state (DSS and DHS) and local levels.
- Quality improvement activities through consumer satisfaction interviews and surveys.
- State monitoring (DSS) of care plans, time sheets and unusual incidents and follow-up.

Appendix 10

Transition Notice Text

IMPORTANT NOTICE ABOUT YOUR IN HOME SUPPORTIVE SERVICES (IHSS)

This notice lets you know about changes to your In-Home Supportive Services (IHSS)

The State of California has changed how certain IHSS services will be funded. In the past, certain IHSS services were funded with State and county dollars. Now, with special federal approval, certain IHSS services can be funded with county, state and federal funds under the Medi-Cal program. This special federal approval is called a federal waiver. This waiver is called the IHSS Plus Waiver.

You are affected by this change if any of the following apply to you:

- You receive Protective Supervision
- You receive Domestic and Related Services Only (Housework, Meal Preparation, Laundry & Shopping)
- You receive an IHSS Restaurant Meal Allowance
- You have a Spouse or as your caregiver
- You are a minor child with a parent as your caregiver
- You receive Advance Pay

WHAT DOES THE IHSS PLUS WAIVER DO FOR ME?

The IHSS Plus Waiver will allow you to continue to receive the above IHSS services in the same way that you do now. Without the Waiver, these services were going to be cut, but the IHSS Plus Waiver allows them to continue.

WHAT IF I DO NOT USE THESE TYPES OF IHSS SERVICES?

If you do not receive these IHSS services now, you are not affected by the change. You may disregard this notice.

WHAT IF I USE THESE TYPES OF IHSS SERVICES NOW?

If you choose to continue receiving these services, you will be enrolled in the new IHSS Plus waiver. In most cases, there will be no change to your IHSS plan.

WHEN IS THIS CHANGE EFFECTIVE?

The change will be effective **January 1, 2004**. The services that have been authorized for you will continue without interruption.

WHAT DO I HAVE TO DO TO BE IN THE IHSS PLUS WAIVER?

You are not required to do anything. If you want to receive your services under the waiver, you will be automatically enrolled and you will continue to receive your authorized services,

WHAT IF I DON'T WANT TO BE IN THE IHSS PLUS WAIVER?

If you do not want to receive your services through the IHSS Plus waiver, you must contact your county IHSS social worker at _____. Your social worker will go over your choices with you.

WHAT IF I HAVE QUESTIONS ABOUT THE IHSS PLUS WAIVER OR THIS NOTICE?

If you have questions about the waiver or this notice please call (800)_____ and leave your name, a phone number where we can reach you and a brief message. A California Department of Social Services (CDSS) staff person will call you back.

As always, if there is any change in your assessed IHSS hours or services, you will receive a Notice of Action, an explanation of what has changed, and information about how to request a Medi-Cal Fair Hearing.

Appendix 11

Letters of Support