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State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

**DATE:** May 22, 2015

DUALS PLAN LETTER 15-004

**TO:** CAL MEDICCONNECT MEDICARE-MEDICAID PLANS

**SUBJECT:** REQUIREMENTS FOR CAL MEDICCONNECT MEDICARE-MEDICAID PLANS AND QUALIFIED AGENCY CONTRACT

**PURPOSE:**

This Duals Plan Letter (DPL) provides direction for Cal MediConnect Medicare-Medicaid Plans (MMPs), Qualified Agencies and counties regarding the provision of In-Home Supportive Services (IHSS) via contracts between Qualified Agencies and MMPs pursuant to Welfare and Institutions Code (WIC) Section (§)12302.6 (Contract Mode). This DPL outlines the contract approval process and requirements for MMPs and Qualified Agencies.

**BACKGROUND:**

As part of the Budget Act of 2012, Governor Brown signed Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012), SB 1036 (Chapter 45, Statutes of 2012), and SB 94 (Chapter 37, Statutes of 2013), which enacted the Coordinated Care Initiative (CCI). As a part of the CCI, SB 1036 (amended by Assembly Bill 1471 (Chapter 439, Statutes of 2012)) added WIC §12302.6, authorizing MMPs to contract with certain agencies for the provision of IHSS in the CCI counties. In addition to setting out agency certification requirements, WIC §12302.6 sets forth requirements for the provision of IHSS through the Contract Mode and also specifies that such contracts must be approved by the California Department of Social Services (CDSS). Specific requirements regarding certification, re-certification, and other requirements regarding the Contract Mode are provided in All County Letter (ACL) No. 14-02, ACL No. 14-03, and ACL No. 15-15.<sup>1</sup>

**MMP AND QUALIFIED AGENCY CONTRACT APPROVAL AND REQUIREMENTS:**

**A. MMP and Qualified Agency Contract Approval**

Pursuant to WIC §12302.6(k) any contract entered into between an MMP and a Qualified Agency must be reviewed and approved by CDSS. The contract must meet certain requirements to be approved by CDSS. MMPs are required to submit draft contracts between MMPs and a Qualified Agency to CDSS for review and approval at

<sup>1</sup> ACLs No. 14-02, No. 14-03, and No. 15-15 can be found at the following link:  
<http://www.dss.cahwnet.gov/lettersnotices/PG3680.htm>

least 60 calendar days prior to execution. After approval and execution by the parties, CDSS must receive an executed copy of the contract.

## **B. MMP AND QUALIFIED AGENCY CONTRACT REQUIREMENTS**

In order to be approved by CDSS, contracts must include clauses that require the Qualified Agency to comply with statutory and regulatory requirements and meet certain programmatic policies. As discussed in further detail below, these requirements include the following:

1. The contract must include provisions requiring that any contract between an MMP and a Qualified Agency must provide for a minimum amount of Service Utilization, which must be approved and monitored by CDSS pursuant to WIC §12302.6(k). Service Utilization is the percentage of hours which a Qualified Agency actually provides in relation to the overall amount of authorized hours that were referred to the Qualified Agency. The minimum amount of service utilization provided by a Qualified Agency must be no less than 75 percent of the total authorized IHSS hours referred to the Qualified Agency.

In no case can the number of IHSS recipients referred for services under Contract Mode exceed five percent of the IHSS caseload in the county where services are provided, regardless of the number of MMPs or Qualified Agencies doing business in the county. The five percent limitation on caseload applies to all IHSS recipients currently authorized to receive services that are referred to Contract Mode in a county rather than five percent per MMP and/or Qualified Agency. Each county must notify the MMP of the IHSS county caseload each month to ensure the five percent limitation is being met. These numbers may fluctuate monthly.

At a minimum, these procedures must require Qualified Agencies to submit a monthly Contract Mode Service Report (State of California [SOC] 2277, see form and instructions attached) to all other Qualified Agencies doing business in the county, if applicable, all MMPs doing business in the county, the county, and CDSS beginning by the fifth of each month, and no later than the 10<sup>th</sup> of each month to ensure timely payment to the county.

CDSS will review the Contract Mode Service Report monthly to ensure compliance with the five percent case load limitation. If CDSS determines that the caseload limitation is close to or being exceeded, it will notify the Qualified Agency(ies), the county, and the Department of Health Care Services (DHCS).

2. Service hours provided to an IHSS recipient via Contract Mode must be deducted from a recipient's current authorized service hours on an hour-to-hour basis. Pursuant to WIC §12302.6(i), Qualified Agencies are required to coordinate with the applicable county and CDSS to ensure hours are accurately

captured and not duplicated per IHSS program requirements. Qualified Agencies providing services in Contract Mode must complete a monthly Service Report (SOC 2277) and must submit the Service Report to the applicable county, MMP, and CDSS on the fifth day of each month, and no later than the 10<sup>th</sup> of each month, on the hours for the previous month. The Qualified Agency must also upload an electronic file summarizing the service hours it has provided to the Case Management Information Payrolling System (CMIPS) II Contractor, Hewlett Packard (HP), via a Secure File Transfer (SFT) by the fifth day of each month, and no later than the 10<sup>th</sup> of each month. The CMIPS II Contractor (HP) must then update all services provided by the Qualified Agency in CMIPS II. The CMIPS II system will then notify the county that the information is ready for review. The county must then review the data to ensure hours are accurately captured, appropriately deducted from the authorized hours and not duplicated per IHSS program requirements.

3. The contract must ensure that all wages and benefits for contract providers for their provision of IHSS must not be less than the individual provider rate that is negotiated by the Statewide Authority for the county where services are provided (WIC §12302.6(j)). CDSS will monitor and track wages and benefits to ensure compliance.
4. Procedures must be in place so that the Qualified Agency may provide back-up services to the recipient when his or her individual provider is unavailable due to vacation, illness, or other extraordinary circumstances that leave the recipient in immediate and temporary need of an IHSS provider. A Qualified Agency may also provide back-up services to such a recipient if he or she is in the process of hiring or replacing a provider.
5. A provision that requires that a Qualified Agency to not disclose any confidential information which is restricted or prohibited by any provision of law, including, but not limited to: WIC §10850; Title 22, California Code of Regulations, §51009; the Health Insurance Portability and Accountability Act of 1996, and the California Information Practices Act, California Civil Code §1798.3 et seq.
6. A provision stating that if a Qualified Agency becomes decertified by CDSS for non-compliance, the contract between that Qualified Agency and the MMP becomes null and void.
7. The MMP must notify CDSS within 60 calendar days if the contract is suspended, amended or terminated for any reason.
8. MMPs must notify CDSS of any rate change request at least 60 days in advance of the effective date of the new rate. CDSS will review and provide the MMPs with the final decision. If the new rate is approved, CDSS will inform DHCS of the change for tracking purposes. State approval is required before the new rate can be utilized.

### **C. Recipient Referrals**

Once an agency has been certified by CDSS as a Qualified Agency, and has entered into an approved contract with an MMP, the Qualified Agency may only receive IHSS recipient referrals from county IHSS social workers, MMPs and/or Care Coordination Teams (CCTs)/Interdisciplinary Care Teams (ICTs) established pursuant to WIC §14186 et seq. An individual must be authorized to receive IHSS services prior to being referred to the Qualified Agency. For more information on CCTs/ICTs, please refer to ACL No. 14-25<sup>2</sup> and APL 14-010.<sup>3</sup>

Pursuant to WIC §12302.6(g), when a recipient has been referred to a Qualified Agency by an MMP, the Qualified Agency may provide services to the IHSS recipient in the following circumstances:

1. It has been determined that upon referral by a county IHSS social worker or in collaboration with the MMP that the IHSS recipient is unable to function as the employer of the provider due to dementia, cognitive impairment, or other similar issues which indicate that the recipient's needs would be better served by a Qualified Agency;
2. The IHSS recipient has been identified to need services under the Contract Mode by the CCT; or
3. The IHSS recipient is unable to retain a provider due to geographical isolation, distance, and/or authorized hours that cannot be worked by other providers.

All recipients that meet the one of the above criteria may be referred to a Qualified Agency. However, the MMP may refer the recipient back to the county if the Qualified Agency is unable to meet the recipient's needs or if the county has already met the five percent caseload maximum specified in WIC §12302.6(k) under Contract Mode. Additionally, when a recipient who is severely impaired, as described in WIC §12303.4(b), has been referred to a Qualified Agency by a county IHSS social worker, MMP, or CCT, the Qualified Agency may provide back-up services to the recipient when his or her individual provider is unavailable due to vacation, illness, or other extraordinary circumstances that leave the recipient in immediate and temporary need of an IHSS provider. A Qualified Agency may also provide back-up services to such a recipient if he or she is in the process of hiring or replacing a provider.

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<sup>2</sup> ACL 14-25 can be found at the following link: <http://www.dss.cahwnet.gov/lettersnotices/PG3408.htm>

<sup>3</sup> APL 14-010 can be found at the following link: <http://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2014/APL14-010.pdf>

#### **D. Billing Process**

An agency certified as a Qualified Agency will contract and work with the MMPs in order to service IHSS referred recipients. The following procedures require coordination between the county, MMPs, Qualified Agencies and CDSS to ensure timely payments are made. The procedures are as follows:

1. The Qualified Agency will send an electronic file to the MMP and the CMIPS II Contractor (HP) that will then update CMIPS II for all Contract Mode IHSS services provided in the previous month, beginning on the fifth of each month and no later than the 10<sup>th</sup> of each month.
2. The MMP will receive the file from the Qualified Agency and forward it to the county on the 11<sup>th</sup> (or the first business day following) of each month. The MMP will reimburse the Qualified Agency for any CCI referred IHSS recipients who received services in the prior month.
3. The county will receive the file from the MMP. The CMIPS II system will generate a report that the county reviews to resolve any payroll record discrepancies before approving the billing information to be input on the SOC 432 and sent to CDSS by the 17<sup>th</sup> of every month.
4. After CDSS reviews and accepts the SOC 432 invoice, the invoice will be submitted to the CDSS Accounting Unit.
5. The CDSS Accounting Unit prepares the State Controller's Office (SCO) Warrant Schedule and sends it to the SCO.
6. The SCO has 10 days to cut a warrant to the county.
7. Once the county receives the warrant from the SCO, the county will reimburse the MMP.

As a workaround for the payment process until CMIPS II has the capability to streamline the payment process, MMPs will pay the Qualified Agency and invoice the county. The county will then seek reimbursement from CDSS. Once reimbursed by CDSS, the county will pay the MMPs. Please see the attached CCI Managed Care/Qualified Agency Billing Process Flow Chart.

If you have any questions regarding this DPL, please contact Ruben Romero, Chief of the Systems and Administrative Branch, CDSS at (916) 653-3850 or [Ruben.Romero@dss.ca.gov](mailto:Ruben.Romero@dss.ca.gov).

Sincerely,

*Original Signed by Sarah C. Brooks*

Sarah Brooks, Chief  
Managed Care Quality and Monitoring Division  
Department of Health Care Services

Attachments (3)



# CCI Managed Care/Qualified Agency Billing Process

**QUALIFIED AGENCY:** The Qualified Agency will send an electronic file to the Managed Care Health Plan (MCHP) and the Contractor (HP) who updates CMIPS II for all Contract Mode IHSS services starting on the 5<sup>th</sup> of each month and no later than the 10<sup>th</sup> of each month.

**MANAGED CARE HEALTH PLAN:** MCHP will receive the file from the Qualified Agency and forward to County on the 11<sup>th</sup> of each month.  
  
MCHP reimburses Qualified Agency for CCI IHSS services provided.

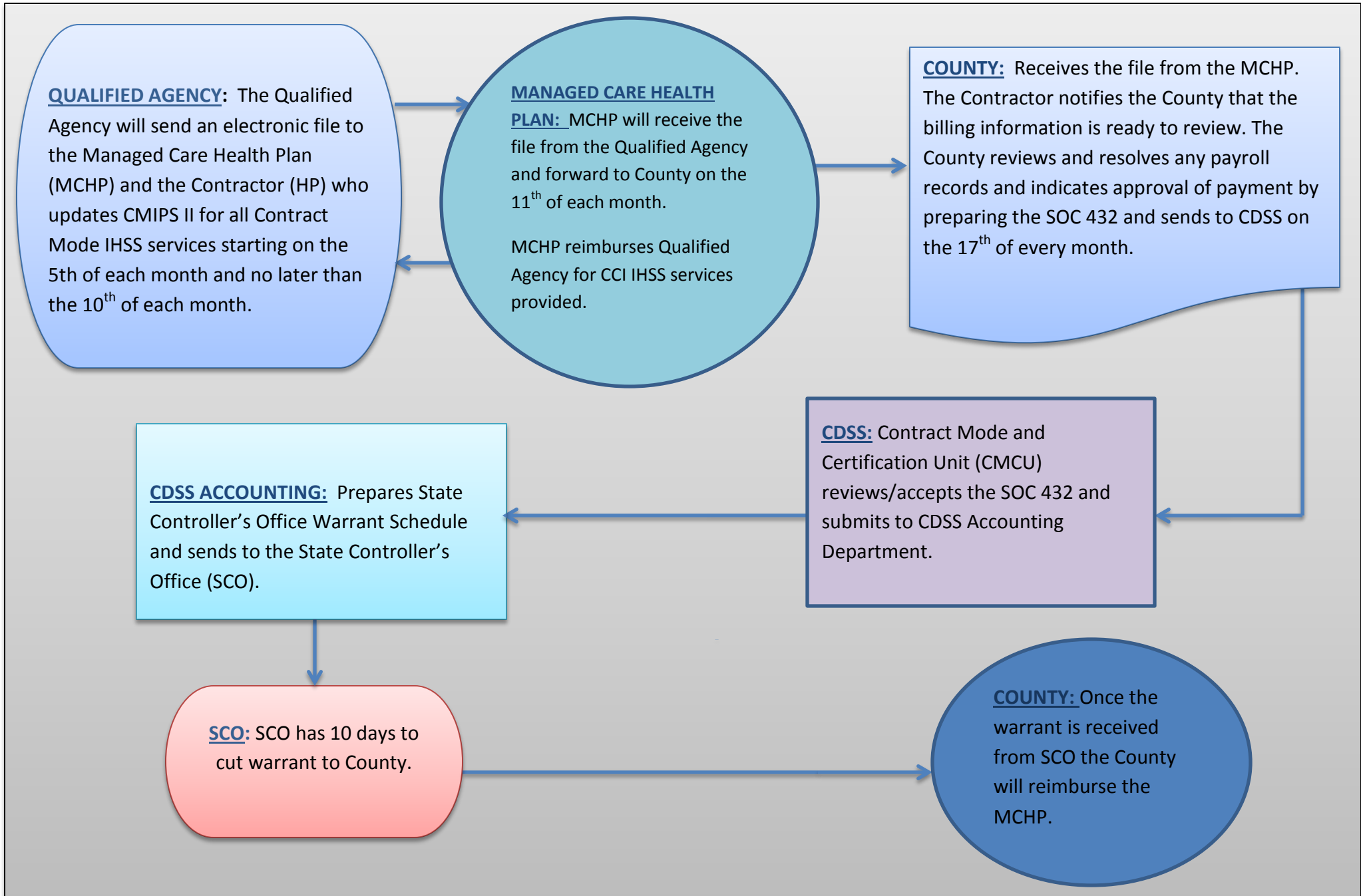
**COUNTY:** Receives the file from the MCHP. The Contractor notifies the County that the billing information is ready to review. The County reviews and resolves any payroll records and indicates approval of payment by preparing the SOC 432 and sends to CDSS on the 17<sup>th</sup> of every month.

**CDSS ACCOUNTING:** Prepares State Controller's Office Warrant Schedule and sends to the State Controller's Office (SCO).

**CDSS:** Contract Mode and Certification Unit (CMCU) reviews/accepts the SOC 432 and submits to CDSS Accounting Department.

**SCO:** SCO has 10 days to cut warrant to County.

**COUNTY:** Once the warrant is received from SCO the County will reimburse the MCHP.



**SERVICE REPORT**

Agency:		County:		Month:		Year:	
	<b>Case Number</b>			<b>DPSS (County) Authorized Hours</b>	<b>Total Served</b>	<b>Total Unserved</b>	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
<b>Number of Referrals For Contract Mode Received in the Month From the County, Care Coordination Team, or Managed Care Plan (MCHP)</b>							
Total Referrals For the Month:				Name of MCHP		Total From Each MCHP	
From:	County:						
	Care Coordination Team:						
	MCHP:						
Total # of Recipients who Received Services During the Month:							



## Instructions for the Service Report

The attached Form SOC 2277 is a hard copy version of the Service Report. An electronic version of the report will be sent to Qualified Agencies to use for monthly completion and submittal. To request the electronic version please contact Rolonda Moen, Contract Mode and Certification Unit at 916-651-5332 or [rolonda.moen@dss.ca.gov](mailto:rolonda.moen@dss.ca.gov).

1. Enter the name of the Qualified Agency completing the report in cell D1.
2. Enter the name of the County in which the Qualified Agency is providing service(s) in cell B3.
3. Enter the year in which the Qualified Agency provided the service(s) in cell C3.
4. Enter the month in which the Qualified Agency provided the service(s) in cell E3.
5. Enter the Case Number, DPSS (County) Authorized Hours, Total Referred Hours Served, and Total Referred Hours Unserved beginning in cells B5, C5, D5, and E5. Complete this information for all recipients served by the Qualified Agency in the reporting month.
6. Enter the total number of recipient referrals for Contract Mode received for the reporting month in cell I5.
7. Enter the total number of recipient referrals received from the County in cell I8, the Care Coordination Team in cell I9, and the MCHP in cell I10. The sum of cells I8, I9, and I10 should equal the total provided in cell I5.
8. Enter the name(s) of the Managed Care Health Plan (MCHP) in cells G13, G14, G15, G16, and G17 (as needed). Enter the total number of referrals from each MCHP in cells L13, L14, L15, L16, and L17 (as needed).
9. Enter the total number of recipients who received services from the Qualified Agency during the reporting month in cell G23.
10. The Qualified Agency shall submit completed Service Report to the applicable county, MCHP, and CDSS by the 5<sup>th</sup> day of each month, however no later than the 10<sup>th</sup> day of each month. The Service Report shall be submitted to CDSS electronically to [rolonda.moen@dss.ca.gov](mailto:rolonda.moen@dss.ca.gov).