STATE OF CALIFORNIA--HEALTH AND HUMAN SERVICES AGENCY GRAY DAVIS, Governor

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TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/ Liaisons
All County Public Health Directors
All County Mental Health Directors

Letter No.: 99-13

PERSONAL CARE SERVICES PROGRAM (PCSP) SYSTEMS CHANGES

Assembly Bill (AB) 2779, Chapter 329, Statutes of 1998, provides for the expansion of PCSP to the aged, blind or disabled-medically needy (ABD-MN). Federal approval of a State Plan Amendment has already been received. This change will allow approximately 18,000 current In-Home Supportive Services (IHSS) Income Eligibles to shift to federally funded PCSP, and is expected to result in net annual savings of $20.8 million State General Fund and $18.5 million in county funds. Thus, PCSP will be available to the ABD-MNs and the categorical and mandatory Medi-Cal coverage groups (e.g., Supplemental Security Income (SSI) recipients, Pickle eligibles, CalWORKS/1931(b) (formerly Aid to Families with Dependent Children recipients), and pregnant women or children in the federal poverty level programs) who meet the criteria for these services. Income Eligibles will continue to receive services under IHSS Residual if they have a relative provider, are advance pay status or receive protective supervision services. The mandated implementation date for expanding PCSP to the ABD-MN is April 1, 1999.

Some Income Eligibles may currently have an IHSS share of cost (SOC) and they receive zero SOC Medi-Cal at the beginning of each month, as it is assumed that their IHSS SOC is met by paying their provider. When the new legislation is implemented, those Income Eligibles who qualify for Medi-Cal as ABD-MN could have both an IHSS SOC and a Medi-Cal SOC. Because of this, AB 2779 included an SOC buy-out provision, wherein the state will pay the federal difference between the Medi-Cal SOC and the IHSS SOC, when the Medi-Cal SOC is higher so that the Income Eligible only needs to meet the IHSS SOC to receive PCSP services. However, the difference in IHSS eligibility determination methods (based on SSI eligibility rules) and Medi-Cal eligibility rules could result in the IHSS SOC being higher than the Medi-Cal SOC in some ABD-MN PCSP cases. In these cases, only the Medi-Cal SOC will need to be met for PCSP services. This methodology will ensure that beneficiaries will not have to meet the higher SOC and are not harmed by the legislative changes.

A tracking system is required to record the two different shares of cost. When the Medi-CalSOC is higher than the IHSS SOC, the system will define the Medi-Cal SOC as met and keep track of the amount of federal monies that California Department of Social Services (CDSS) must reimburse the federal government. Where the IHSS SOC is higher than the Medi-Cal SOC, the system logic will also define the Medi-Cal SOC as met. Logic will also be needed to meet the SOC for the entire Medi-Cal family budget unit (MFBU) or mini budget unit (MBU) of which the PCSP recipient is a member.

In order to accomplish these system changes, several changes to the Medi-Cal Eligibility Data System (MEDS) and the Case Management Information and Payroll System (CMIPS, the data system used by IHSS) must be in place. The required systems changes to MEDS are:

1. Development of a special programs segment to track the entire IHSS Residual population (not just those shifting to PCSP);

2. Implementation of three new special program aid codes for the PCSP Medically Needy;

3. Ability to receive an IHSS SOC amount from CMIPS;

4. Development of a tracking and reporting system for the Medi-Cal SOC amount and the IHSS SOC amount for everyone with a PCSP aid code so that the federal financial participation difference in the IHSS and Medi-Cal SOC can be repaid to the federal government if necessary; and

5. Logic programmed so that when the PCSP aid code is present, the Medi-Cal SOC for the MFBU or MBU in which the PCSP beneficiary is a member is defined as met at the beginning of each month of eligibility.

In addition, CMIPS must be able to:

1. Identify IHSS Income Eligibles to be converted to PCSP;

2. Report the new aid codes and IHSS SOC to MEDS; and

3. Include PCSP related messages on IHSS Notices of Action.

In order to meet the mandated implementation date of April 1, 1999, DHS and CDSS will implement an interim process whereby IHSS Income Eligibles who are apparently eligible for PCSP will be identified by CDSS. Lists will be forwarded to the county IHSS workers for verification of PCSP eligibility criteria (i.e. not advanced pay, no spouse/parent provider, nor protective supervision services). Once the county has verified PCSP eligibility, the county will make an appropriate systems entry on the IHSS record to identify the record as PCSP eligible. This will allow CDSS to bill DHS under the interagency agreement for PCSP services.

Once all systems changes have been made, a Medi-Cal SOC will be determined retroactively for these cases. This information will allow DHS to track the SOC differential in those cases where the Medi-Cal SOC would have been higher and allow the State to reimburse the federal share. In cases where the Medi-Cal SOC would have been lower, CDSS can authorize underpayments.

During the interim period which starts April 1, 1999, the following implementation steps will occur:

1. Counties will receive a list of IHSS residual recipients identified as potentially eligible to be moved to PCSP (The list will be broken down by district and social worker for larger counties);

2. County staff will verify that the recipient is eligible to be moved to PCSP (e.g., there is no spouse/parent provider, the case is not advance pay, nor are there protective supervision services);

3. County will staff will verify that the recipient has a PCSP eligible provider and a signed PCSP provider statement is in the case file;

4. County staff will input (via key data entry) an indicator on the CMIPS record for each recipient on the list who can be moved from IHSS residual to PCSP; and

5. County staff will flag all IHSS over-income denials in apparently PCSP eligible cases where one or more of the following characteristics exists:

    - There is a health insurance premium paid by an immediate family member,

- There are children under 21 years of age in the family unit, or
- An SSI payment rate of less than $600 for an individual or $934 for a couple is used in determining IHSS income eligibility.

DHS expects to have all necessary MEDS systems changes made by December 1, 1999. Completion of CDSS systems changes to CMIPS are expected before that date. A subsequent All County Welfare Director's Letter will outline implementation instructions, as well as guidelines for retroactive processing of IHSS Income Eligible cases that also have PCSP eligibility.

If you have questions, you may call Leanna Pierson, of my staff, at (916) 654-0630.

Sincerely,

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ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch