

SPEND-DOWN

Any Medi-Cal SOC remaining after Buy-Out is subject to Medi-Cal Spend-down rules. The recipient must “spend-down” their entire Medi-Cal SOC *each month* before Medi-Cal will pay the remaining Medi-Cal covered services for the month.

- CMIPS will no longer automatically deduct the IHSS SOC from the Individual Provider’s (IP’s) wages. (The SOC 311 does not control the SOC amount withheld from the IP’s paycheck.)
- IPW/PCSP recipients can meet their SOC by IHSS payment to their provider, or by paying for other Medi-Cal Recognized Expenses.
- The spend-down will occur through a Point of Service (POS) transaction.

EXAMPLE

When a recipient goes to the pharmacy, doctor, or other Medi-Cal service provider and pays for medication or services:

- The Medi-Cal service provider enters the amount the recipient has paid into the POS and “spends down” the recipient’s SOC.
- The ongoing balance of each recipient’s SOC case is retained in MEDS until the Medi-Cal SOC is fully paid and the recipient’s SOC case is “certified.”
- A recipient’s SOC case is “certified” when they have paid the entire SOC for the month.
- After a recipient’s SOC is certified remaining Medi-Cal covered services are paid by Medi-Cal.

Tracking SOC Payments

Medi-Cal Point of Service transactions are tracked when the service provider “swipes” the Medi-Cal Benefit Identification Card (BIC) through an electronic device sending the information to MEDS.

- When a timesheet is keyed, CMIPS will make a “virtual swipe” of the Medi-Cal card based on CMIPS information. This will identify and “spend-down” any remaining SOC up to the dollar value of the timesheet.
- CMIPS will deduct the spend-down amount and issue any remaining wages to the provider.

Timesheet Processing

When the timesheet is processed two letters will be generated by CMIPS; one to the recipient telling him/her the amount he/she should pay their provider, and one to the provider telling them the amount he/she should collect from the recipient.

- These are called Explanation of IHSS SOC letters (SOCL). Samples of these letters are attached.
- The letters are mailed by the CMIPS contractor the same day the payroll tape is delivered to the State Controller’s Office for processing.
- Any letters returned as undeliverable will be returned to the IHSS district office and the Social Worker responsible for the IHSS case.

- These letters can be accessed through the CMIPS on-line reports.

This process repeats itself for both payroll periods each month. Once the entire SOC amount has been paid, the case is “certified” for Medi-Cal purposes. If CMIPS’ does not find any outstanding SOC for the month, no SOC will be deducted from the payroll warrant. SOCL letters will still be sent letting the recipient and provider know that no SOC needs to be paid.

Note:

This process requires a “real time” interface between the systems to obtain any available SOC information for the Spend-down. This may result in a slight delay in processing time sheets while CMIPS interfaces and obtains the necessary information from MEDS.

Special Types of Cases

Overdue Assessment Cases

(Cases in either I or E Status)

Cases with an eligibility end date prior to the current date *will be* included in Buy-Out and Spend-down transactions.

IPW/PCSP Recipient Cases That Have Eligibility FFP For The Buy-Out Month

(Cases in I, E, L, or T Status.)

Cases with eligibility for the Buy-Out month *will be* included in Buy-Out and Spend-down transactions.

Restaurant Meal Allowance

Payments *will not* be included in Spend-down processing.

Waiver Personal Care Services (WPCS)

Payments *will be* included in Spend-down processing. Cases that have both IHSS and WPCS services, the SOC will be deducted from the first payment that is processed by CMIPS.

250% Working Disabled

(Aid Code 6G)

These cases have a premium that is paid to the California Department of Health Services (CDHS). This premium amount appears in the SOC field in MEDS *but is not considered a SOC* for either Buy-Out or spend-down purposes. Recipients should continue to make their payment to CDHS.

IHSS-R SOC Exceeds Need

When the IHSS-R SOC exceeds the need, there will be no Buy-Out. This means:

- Recipients will need to take proof of SOC payment made to their IHSS provider into their Medi-Cal eligibility worker to have it applied to their outstanding Medi-Cal SOC. The IHSS case would be denied or closed for SOC exceeds needs.

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- Even if the recipient's Medi-Cal SOC is higher than the IHSS-R SOC, IPW/PCSP recipients will be responsible for paying their entire Medi-Cal SOC.
 - In order to be eligible for the Buy-Out, a recipient must also be eligible for IHSS-R.
 - A SOC exceeding the need makes the recipient ineligible for IHSS-R and for the Buy-Out.

Recipients Who Pay Their Share of Cost to the County

Recipients who formerly paid their SOC to the county have their SOC deducted through the Spend-down process. They receive an IHSS Explanation of SOC letter and are required to pay the amount specified in that letter to their provider.

Advance Pay

There is no change in warrant issuance processing for *most* Advance Pay recipients. Advance Pay warrants will continue to be issued by the State Controllers Office (SCO) according to the established schedule.

Advance Pay Recipients with a SOC

Advance Pay recipients with a SOC *will not* be included in the regular Advance Pay process. Cases with a SOC will be written to an exception report for warrant issuance with a Special Payment (SPEC) W/X 03 transaction which will allow Spend-down processing.

- Because these warrants are issued through a SPEC transaction, Advance Pay recipients with a SOC can no longer have Direct Deposit.
- Medi-Cal rules do not allow the Buy-Out/Spend-down to be processed until the first day of the month, which may mean a small delay in funds being received.
- Advance Pay recipients will receive a special Advance Pay Explanation of SOC letter.
- Providers for Advance Pay recipients with a SOC *will not* receive a letter since the recipient may choose the provider to whom they wish to pay the SOC.

Multiple Advance Pay IPW Recipients in the Same Family Budget Unit (FBU)

In situations where there is more than one Advance Pay recipient with a SOC in the same Medi-Cal FBU:

- The SOC for each recipient will be combined and deducted from the recipient with the lowest IHSS recipient number.
- All IHSS-related SOC amounts for one FBU may be deducted from one recipient's Advance Pay warrant.

Cases With Both Advance Pay and Arrears in the Same FBU

For cases with multiple IHSS recipients in the same FBU, the IHSS SOC will be combined for the Buy-Out.

EXAMPLE:

In situations where:

- One recipient is receiving Advance Pay;
- The second recipient is Non-Severely Impaired (NSI) with a provider who receives arrears pay; and both recipients have a SOC.

- All IPW/PCSP SOC amounts will be combined and deducted from the Advance Pay recipient's warrant.
- If there is more than one Advance Pay recipient in the FBU the SOC deduction will be made from the recipient with the lowest IHSS recipient case number.
- If that one warrant is not enough to meet the entire FBU SOC, the remainder will be deducted from the next lowest IHSS recipient case number (if there is another Advance Pay recipient in the FBU).
- If there are no other Advance Pay recipients, but there are recipients whose providers are paid in arrears, the SOC will be deducted from the providers' warrants until the SOC obligation has been satisfied.

Inter-County Transfer Cases

When an Inter-County Transfer case is processed, it may be open in both the sending and the receiving county at the same time. While CMIPS allows more than one case to be open in more than one county at a time, the MEDS system only allows one case to be open for an individual. Medi-Cal cases can only be open in one county. Inter-County Transfer cases will be handled as follows:

- When multiple IHSS recipient cases have the same MEDS SOC case number and the CIN and SSN match, but there are *different IHSS County Numbers and different IHSS SOC amounts*:
 - CMIPS will process the Buy-Out against the recipient case with the lower IHSS SOC.
- When multiple IHSS recipient cases have the same MEDS SOC case number and the CIN and SSN match, but there are *different IHSS County Numbers*:
 - CMIPS will process the Buy-Out against the recipient case that matches the MEDS County Number.
- When multiple IHSS recipient cases have the same MEDS SOC case number and *one of the IHSS cases has an IHSS SOC greater than the IHSS authorized services*:
 - *No Buy-Out processing will occur against either IHSS case.*

IHSS-R Case Processing

- IHSS-R cases should continue to be handled as they are currently under California Department of Social Services (CDSS) Manual of policy and Procedures (MPP) Division 30-700 Regulations.
- Eligible IHSS-R cases will be part of the monthly Buy-Out if their Medi-Cal SOC is higher than their IHSS SOC.
- IHSS-R cases will not be included in the automated CMIPS/MEDS Spend-down process. SOC deductions will continue to be processed by CMIPS as they are currently.
- Provider payroll timesheets will be processed and warrants issued as they currently are.
- No Buy-Out will occur in cases where the IHSS SOC is higher than the Medi-Cal SOC.
 - The recipient will need to submit proof of payment for the SOC amount he/she paid to his/her provider(s) to the county Medi-Cal office to have it applied against their Medi-Cal SOC. For further information on what is an acceptable proof of payment of SOC, please contact your county Medi-Cal Eligibility Worker.

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- IHSS-R recipients and providers will both receive an Explanation of IHSS SOC letter.

2N Cases and Point of Service (POS)

The SOC process does not change for the IHSS Residual (2N) cases. The IHSS SOC in the CMIPS system (not MEDS) will be deducted from the payment made to a provider. Costs used to spend down the Medi-Cal SOC *cannot* be used to lower the IHSS SOC for residual cases. Payment of the IHSS SOC will be recognized by Medi-Cal as a legitimate expense to apply against the Medi-Cal SOC.

quarter with updates to the CMIPS manual.