

## Share-Of-Cost

### What is Share-Of-Cost?

Most people receive In-Home Supportive Services (IHSS) as a part of their Medi-Cal benefits. Depending on the recipient's income, some recipients must agree to pay a certain amount each month toward their Medi-Cal expenses, before Medi-Cal will pay. The money that must be paid before Medi-Cal will pay for any medical costs is called a Share-of-Cost (SOC). The SOC allows a person with income above the allowed amount to receive IHSS if he/she agrees to pay the SOC. The recipient's SOC may be paid to their IHSS provider, a pharmacy, doctor's office, or when purchasing other medical services or goods.

### How does the Share-of-Cost affect provider payment?

At the end of the month of care, the recipient will receive an "Explanation of Share-of-Cost" letter that identifies the remaining amount of the SOC to be paid. The SOC amount will also appear on your timesheet under "Share-of-Cost Liability." The recipient must pay the outstanding SOC balance directly to you, as the remainder of the recipient's SOC is collected by the payment to you. Since the recipient is paying this portion of the SOC directly to you, the program deducts it from your paycheck and will be counted as income for tax purposes.

The amount your recipient needs to pay you directly may change each pay period, depending on whether the recipient has paid some or all of their SOC for other medical expenses before the timesheet for each pay period is processed. If your recipient has more than one IHSS provider, he or she will not be able to choose which provider the SOC is paid to. Any SOC that has not been paid by the recipient will be subtracted from the first IHSS provider's timesheet that is processed.

**If you or your recipient has questions about the SOC, contact your county IHSS or Public Authority office.**

**Here are some examples of how Share-of-Cost works:**

**Example 1:**

Mrs. Smith has a \$200 share-of-cost (SOC) for the month of June. She makes the following SOC payments:

- \$50 for a medical appointment at the doctor's office on the 6<sup>th</sup>
- \$60 for a prescription at the pharmacy on the same day

Mrs. Smith has paid a total of \$110 towards her SOC. She has a remaining SOC balance of \$90.

Because Mrs. Smith has an SOC balance of \$90, when her provider submits the timesheet on the 16<sup>th</sup>, the State will deduct \$90 from the provider's paycheck. Mrs. Smith is required to pay the first \$90 of the provider's wages for hours worked between June 1<sup>st</sup>-15<sup>th</sup> directly to the provider. The state will pay provider wages over the \$90 SOC.

Since all of the SOC was paid during the first half of the month, all of the provider's wages for hours worked between June 16<sup>th</sup>-30<sup>th</sup> will be included in the provider's paycheck.

**Example 2:**

Mr. Lee has a \$100 share-of cost for the month of June. He makes the following SOC payments throughout the first half of the month.

- \$75 for a medical appointment at the doctor's office on the 13<sup>th</sup>
- \$25 for a prescription at the pharmacy on the 14<sup>th</sup>

Mr. Lee has paid a total of \$100 towards his share-of-cost. He has a remaining SOC balance of \$0.

Because Mr. Lee has a SOC balance the \$0, when his provider submits a timesheet on the 16<sup>th</sup>, all of the provider's wages for hours worked between June 1<sup>st</sup>-15<sup>th</sup> will be included in the providers' paycheck.

Since all of the SOC was paid during the first half of the month, all of the provider's wages for hours worked between June 16<sup>th</sup>-30<sup>th</sup> will be included in the provider's paycheck.