

ORIGINAL

CALIFORNIA  
DEPARTMENT OF  
CHILD SUPPORT SERVICES

STATE  
LOCAL CHILD SUPPORT AGENCY

PLAN OF COOPERATION

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## **SECTION I: PURPOSE**

The purpose of this State / LCSA Plan of Cooperation, hereinafter referred to as the “POC,” is to define responsibilities for securing child support, including child support establishment, collection, and disbursement services; medical support; determining paternity; and providing other public services in accordance with the provisions of Title IV-D of the Social Security Act (SSA), Title 42 U.S.C. §651 et seq., hereinafter referred to as “Title IV-D,” “Title IV-D program,” or “Title IV-D services.”

This POC is entered into between the Department of Child Support Services, hereinafter referred to as the “Department” and the County of Monterey Department of Child Support Services, hereinafter referred to as the “Local Child Support Agency (LCSA).”

## **SECTION II: AUTHORITY**

Family Code (FC) §17202 designates the Department as the single organizational unit whose duty it shall be to administer the Title IV-D state plan for securing child and spousal support, medical support, and determining paternity. State plan functions shall be performed by other agencies as required by law, by delegation of the Department, or by cooperative agreements.

FC §17304(a) requires the Director of the Department to negotiate and enter into cooperative agreements with county and state agencies to carry out the requirements of the state plan for administering the Title IV-D child support program.

FC §17304(b) requires the Director of the Department to have direct oversight and supervision of the Title IV-D operations of the local child support agency. No other local or state agency shall have any authority over the local child support agency as to any function relating to its Title IV-D operations.

FC §17314(b) requires Regional Administrators to oversee the LCSAs to ensure compliance with all state and federal laws and regulations.

### **SECTION III: GENERAL PROVISIONS**

- 1) The Department and LCSA shall comply and work in collaboration with all provisions of this POC, Title IV-D of the SSA, and all federal and state laws, regulations, policies and directives.
- 2) The Department and LCSA shall promote an effective statewide child support program by monitoring, evaluating and advertising child support services administered and delivered at the state and/or to the local level per CFR §302.30.
- 3) The Department and LCSA shall consult on program initiatives as well as the development and clarification of program policy; to provide clear direction as well as adequately assess the local program and workload impacts.

### **SECTION IV: DEPARTMENT RESPONSIBILITIES**

Per FC §17304(c), and as a condition of disbursing federal and state funds to the LCSA, ensure a current, signed POC is on file. Amend the POC to reflect new or revised federal and state laws, regulations, policies, and directives as necessary. The Department shall ensure that the LCSA has the POC within 60 days of effective date in order to acquire appropriate approvals.

- 1) Per FC §17306(e)(1), develop, adopt, and disseminate directives, policies, and regulations to inform the LCSA and other appropriate county agencies of federal and state law, policies, standards, procedures, and instructions relative to Title IV-D services.
- 2) Per FC §17310, formulate, adopt, amend, or repeal regulations affecting the purposes, responsibilities, and jurisdiction of the Department consistent with the law and necessary for the administration of the state plan for securing child support and enforcing spousal support and determining paternity.

- 3) Communicate with the Judicial Branch Partners regarding statewide uniformity issues, statewide standards, LCSA/local court handling of LCSA cases and workload priorities.
- 4) Per 45 CFR §302.12(a)(2), maintain an organizational structure and sufficient staff to efficiently and effectively administer and supervise all automation functions for which it is responsible under the Title IV-D state plan and other federal and state automation requirements.
- 5) Initiate legislation, as appropriate, to improve clarity and efficiency of the child support program and ensure compliance with federal and state laws, regulations, policies, and directives. Consider legislative initiatives proposed to the Department by the LCSA.
- 6) Analyze pending legislation to identify the impact to the child support program if enacted.
- 7) Provide quarterly summaries of statewide customer service survey results to the LCSA.

#### **A. Case Management**

##### *1) Case Processing*

Establish and maintain systems and procedures to facilitate the LCSA administration of the Title IV-D program.

- a) Per 45 CFR §302.51(a)(1), accurately collect and distribute child support, medical support, and spousal support payments in accordance with federal and state laws, regulations, policies, and directives. Take all steps necessary to minimize undistributed collections.
- b) Issue billing statements to the obligor per FC §17525 and collection and distribution notices to the obligee in accordance with the Department's policy.

- c) Per 42 U.S.C. 654b (a)(1), manage and oversee the Statewide Disbursement Unit (SDU) which maintains the collection and disbursement processes.
- d) Extend the full range of services available under the Title IV-D plan per 45 CFR §302.36.

2) *Case Record Maintenance*

Per 45 CFR §302.85(b), manage the Child Support Enforcement (CSE) system and maintain CSE data in accordance with federal and state laws, regulations, policies, and directives for the administration of the Title IV-D program.

3) *Case Records Retention*

Maintain all closed Title IV-D case records in CSE for a period of four years and four months from the date of case closure, per 22 CCR §111450, unless the case is subject to an open federal or state audit, civil litigation, or a court order which extends the retention period.

4) *Case Complaint Resolution*

a) Ombudsperson Program

- i) Public Inquiry Response Team coordinates with LCSA Ombudsperson to respond to participants or outside inquiries.
- ii) Maintain a statewide list of Ombudspersons.

b) Complaint Resolution Program and State Hearing

- i) Maintain the Department portion of the complaint resolution and state hearing process as set forth in FC §17800 et seq., including maintenance of the Complaint Resolution Tracking System (CRTS).
- ii) Work with the LCSA to facilitate resolution of any complaints as needed.



- iii) Provide statewide training regarding handling of participant inquiries, complaint resolution, CRTS and state hearings.

5) *Litigation, Writs and Appeals*

Any decision by an appellate court regarding child support can have broad application to state child support policy, all LCSAs, and the Department.

- a) Provide a procedure to review incoming appellate case submissions provided by LCSAs including respondent and appellant case submissions. Pursuant to FC §17304(b), review, approve or deny any request from an LCSA to pursue a writ or appeal.
- b) Contract with the California Department of Justice to provide appellate representation in Title IV-D appeals, at no cost to LCSA.

**B. Paternity Opportunity Program**

Administer the statewide Paternity Opportunity Program in collaboration with LCSAs as set forth in 45 CFR §302.31(a)(1), §302.70(a)(5), §303.5(g) and FC §§7570 – 7577.

- 1) Publicize and provide written material as it pertains to the voluntary paternity establishment process, a written description of the parent's rights and responsibilities and forms necessary to acknowledge and/or rescind paternity.
- 2) Process and file voluntary Declaration of Paternity forms, Rescission forms and court ordered Set-Asides.
- 3) Record Declarations of Paternity deemed valid in the statewide database.
- 4) Collaborate with LCSA as necessary to provide POP training to current and potential witnessing agencies.
- 5) Provide periodic POP training to LCSA staff.

- 6) Facilitate discussions with the LCSA Director and their designated supervisors and managers regarding performance and improvement strategies as necessary.
- 7) Provide, upon request, (certified) copies of filed Declarations and any Rescissions to the parents, child, LCSA, county welfare department, county counsel, State Department of Health Services, and the courts.
- 8) Assess, monitor and report voluntary paternity establishment data to LCSA each quarter of the federal fiscal year.
- 9) Partner with POP Coordinators designated as a point of contact by LCSA.

### **C. Training**

- 1) Collaborate with LCSA to establish, oversee, evaluate and administer, as appropriate a statewide training program which delivers quality and efficient training.
- 2) Develop long and short-term program training goals; develop methods/metrics for measuring training effectiveness and meeting the goals of the training program.

### **D. Tribal Relations**

Provide statewide leadership, through the Department's tribal liaison, to establish direct and open communication with tribal governments in an effort to establish government-to-government relationships and enter into Memorandums of Understanding with comprehensive Tribal IV-D programs, operating under Title 45 CFR §309.65(a), which shall be included in the state plan.

- 1) Manage shared tribal IV-D cases where both California and any Tribal IV-D program in California have an interest in the case.
  - a) Coordinate the transfer of IV-D cases to any comprehensive Tribal IV-D program in California where court action has not been initiated.

- b) Coordinate case transfer under California Rule of Court, Rule 5.372, with the LCSA and any Tribal IV-D program in California, where appropriate.
- 2) Provide locate services to any comprehensive Tribal IV-D program operating under Title 45 CFR §309.65(a) consistent with Title 42, USC §654(26) and §666(c)(1)(D), Title 45 CFR §302.35, and FC §17212.
- 3) Extend the full range of services to any Tribal IV-D program operating under Title 45 CFR §309.65(a) with the exception of tribal IV-D responding intergovernmental cases.

## **E. Audits**

### *1) Data Reliability*

- a) Coordinate and oversee data reliability monitoring to ensure LCSA maintains complete and reliable data in accordance with the standards set forth by the federal incentive funding system outlined in the federal Child Support Performance and Incentive Act of 1998.
- b) Take all steps necessary to ensure the accuracy of all data, including data entered into the state automated system; provide policy and system documentation to ensure data is entered correctly; and ensure LCSA is in compliance with federal state data reliability standards. The implementation of required corrective actions is included in these steps.
- c) Coordinate and oversee the quarterly data reliability reviews and participate in other data reliability efforts consistent with Department directives. This ensures the maintenance of complete and reliable data in accordance with the standards set forth by the federal incentive funding system.
- d) Coordinate, oversee, and participate in all annual federal data reliability audit activities as needed, including, but not limited to, the following:

- i) Provide LCSA-specific case samples selected by federal auditors to validate;
- ii) Coordinate, facilitate, and attend conference calls to discuss questions;
- iii) Request the LCSA provide any case documentation required;
- iv) Work with the LCSA to address and resolve issues with problem cases;  
and
- v) Work with the LCSA to address and resolve any case variances as identified by federal auditors.

2) *Administrative Expense Claim Schedule and Certification CS 356 Claim Audits*

- a) Perform fiscal reviews of reported expenditures and abatements on the Administrative Expense Claim Schedule and Certification (CS356).
- b) Coordinate and conduct audits and reviews of the LCSAs, to ensure compliance with program requirements.
- c) Provide LCSA with notification of the review, audit scope, methodology and audit process.
- d) Request and require the LCSA to provide all fiscal and administrative records necessary to comply with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in Title 2 CFR Part 200 as well as access to necessary case and financial records.
- e) Follow up on allegations of fiscal noncompliance and evaluate, monitor and document the risk identified and the impact to the child support program.
- f) Report on LCSA compliance with the Uniform Requirements, Child Support Program Regulations and in relation to costs claimed on the CS356.

- g) Obtain corrective action within 6 months following the issuance of the final report.

### 3) *Other Audits*

Coordinate and oversee federal and state auditors when conducting required audits to assess completeness, accuracy, reliability, and security of data used in calculating the performance indicators. This includes, but is not limited to, the following:

- a) Department of Finance, Bureau of State Audits, and contract auditors as prescribed by the Department, access to all requested information in order to conduct audits/reviews including, but not limited to, data reliability audits, administrative and expenditure claims audits, and Internal Revenue Service Safeguard reviews.
- b) Require LCSA to provide independent auditors all case records necessary to comply with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in Title 2 CFR Part 200 as well as access to necessary case and financial records. Monitor data reliability to ensure the LCSA maintains complete and reliable data in accordance with the standards set forth by the federal incentive funding system outlined in the federal Child Support Performance and Incentive Act of 1998.

## **F. Compliance and Monitoring**

Conduct the Annual Self-Assessment and Quality Assurance Reviews of the child support program to monitor and measure compliance with, and ensure the implementation of actions necessary to meet federal requirements, pursuant to 45 CFR §§ 303 and 308, and state requirements per FC Division 17, Chapters 1 and 2, and Title 22 California Code of Regulations Division 13.

- 1) Assess and identify the need for compliance reviews in programmatic areas and communicate to LCSA.
- 2) Conduct compliance reviews which may entail cases, data, or onsite at LCSA.
- 3) Inform LCSA Compliance Coordinator of preliminary finding of non-compliance.
- 4) Make a final determination that the findings either stand, or are reversed and brought into compliance, in consideration of information provided by the LCSA.
- 5) Inform the LCSA Director and Compliance Coordinator of the requirements to develop a corrective action plan or improvement strategy in the event of non-compliance findings.
- 6) Review LCSA's corrective action plan or improvement strategy for approval or consult with the LCSA to revise.
- 7) Inform LCSA Director and the Compliance Coordinator of the statewide and individual count results.
- 8) Report the results of the Annual Federal Assessment Review and any LCSA corrective action plan(s) to the Federal Office of Child Support Enforcement.
- 9) Evaluate LCSA's progress in achieving compliance through the corrective action plan or improvement strategy.

#### **G. Outreach**

- 1) Per 45 CFR §302.30 and FC §17210, establish systems for informing the public, including custodial and non-custodial parents of dependent children, of its services and operations.
- 2) Make Title IV-D outreach materials available to the public and the LCSA.

- 3) Provide appropriate translation of statewide public education and outreach materials and required forms.
- 4) Coordinate with the LCSA Public Information Officer regarding any media contact.

## **H. Program Performance**

### *1) Performance Management Plan*

- a) Develop a state strategic plan and annual goals.
- b) Develop an annual performance plan aligned with the state strategic plan and annual goals.
- c) Review and approve LCSA performance management plan and quarterly updates.

### *2) Corrective Action*

- a) Require a corrective action plan for any area of noncompliance identified by a federal or state audit, or state program or local review or assessment, or resulting from any conditions of program deficiencies pursuant to FC §17602.
- b) Withhold part or all federal and state funds from the LCSA, after notice to the LCSA as required by FC §17604, when the Director of the Department determines the LCSA is failing in a substantial manner to comply with any provisions of the POC, Title IV-D or federal or state laws, regulations, policies, and directives.
- c) Impose sanctions on the county for failure of the LCSA to meet audit or performance-related criteria as specified in federal and state laws, regulations, policies, and directives.

## **I. Fiscal Administration**

In accordance with federal and state laws, regulations, policies, and directives, the Department shall carry out the fiscal activities described herein.

### *1) Accounting and Recordkeeping*

In discharging its fiscal accountability per 45 CFR §302.14, the Department will maintain an accounting system and supporting fiscal records to adequately ensure claims for federal funds are in accordance with applicable federal requirements.

### *2) Separation of Cash Handling and Accounting*

Per 45 CFR §302.20, maintain methods of administration designed to ensure persons responsible for handling cash receipts of support do not participate in accounting or operating functions which would enable concealment of the misuse of support receipts within the accounting records.

### *3) Payment Application Data Security Controls*

Provide policy direction regarding the acceptance and processing of electronic payments.

### *4) Budgeting and Annual Allocation Process*

- a) Review and approve the LCSA annual operating budget as required by FC §17306(b)(9).
- b) Issue an initial and/or final allocation which provides sufficient funding to ensure each child support agency operates an efficient and effective program in compliance with the State Plan.
- c) Provide approval or denial of the LCSAs request for new funding needs for the upcoming budget year.



- d) Request expenditure projections necessary to assess spending trends and patterns statewide.
- e) Request submission of fiscal information necessary to accurately develop the annual Governor's Budget for the child support program.
- f) Audit final submission of the CS356 Local Child Support Agency Administrative Expense Claim Schedule and Certification form.
- g) Review and approve or deny written requests for equipment and capital expenditures as defined in Title 2 CFR Part 200.439 and the LCSA Fiscal Administrative Manual.

5) *Data Reporting*

- a) Compile and validate the CS34 (Monthly Report of Collections and Disbursements) and the CS35 (Supplement to the CS34 Monthly Report of Collections and Disbursements) data and provide the LCSA with a monthly notification upon completion. Compile and validate the OCSE 34 (Child Support Enforcement Program Quarterly Collection Report) and OCSE 396 (Child Support Enforcement Program Quarterly Financial Report) and submit to the federal government on a quarterly basis.
- b) Compile monthly state performance data and provide the LCSA with a monthly notification upon completion. Compile and submit the OCSE 157 (Child Support Enforcement Annual Data Report) to the federal government on an annual basis.
- c) Request local court operations data from LCSA as needed to support program improvements.

6) *Bonding*

Pursuant to 45 CFR §302.19, the Department shall require a surety bond covering against loss resulting from dishonesty, for every person who has access to or control over funds collected under the child support enforcement program.

7) *Contracting*

The Department will review, activate, and maintain an inventory of submitted contract/agreements in the Cooperative Agreement Tracking System (CATS) entered by LCSA.

a) Superior Court – Court POC

Provide an approved template for the LCSA to complete when entering into a plan of cooperation with the Superior Court. The Department shall:

- i) Review the Court POC between the LCSA and the Superior Court within 60 days of electronic submission via CATS.
- ii) Ensure compliance with all pertinent state and local regulations and the requirements and provisions of Title IV-D and this POC.

b) Shared Service Agreements

- i) Review and approve all shared services agreements within 60 days of electronic submission via CATS. If the Department fails to approve or deny the submitted agreement within 60 days of receipt, it shall be deemed approved.
- ii) Convene a statewide workgroup to identify and promote program improvement and efficiencies through shared services opportunities.

c) Non-Title IV-D Activities

- i) Per 45 CFR §302.15, Parts 304, 305, and 308, monitor LCSA to ensure compliance and the integrity of Title IV-D funding.
- ii) Per 45 CFR §303.20 and FC §17304, monitor to ensure the LCSA is separate and independent from any other county agency or department. Upon submission of a plan from an LCSA Director to perform Non-Title IV-D activities, respond within 30 days. Request for additional information or an extension of the review period should still be completed within 30 days.

d) IT Contracts

Manage and oversee IT Contracts for the acquisition of goods or services related to information technology: computer hardware, software licenses, software development, and maintenance of hardware and software in accordance with State and Federal laws, regulations, and policies as stated herein.

- i) Automatic Data Processing
  - a) Review and approve, prior to execution, any IT contracts or service agreements per 45 CFR §95.611(a)(1)(b) for acquisitions costing \$5,000,000 or more and 45 CFR §95.611(3) \$1,000,000 or more.
  - b) Forward approved proposed contracts to the Administration for Children and Families for federal approval.
- ii) Comply with Governor issued Executive Order (EO) S-09-09 per SIMM section 18 concerning state contract expenditures and exemptions approved by the Technology Agency for IT system or service contracts.
- iii) Comply with Office of Child Support Enforcement Master Contracts for State IT Products and Services per 45 CFR part 95, Subpart F.

- iv) Comply with all contract language including 3rd parties who access child support information.

**J. Information Security and Privacy Protection**

- 1) Ensure access to information from the following sources, including but not limited to, the Department of Motor Vehicles (DMV), Franchise Tax Board, Social Security Administration, Medi-Cal Eligibility Data System (MEDS), Title IV-A and Employment Development Department (EDD), is consistent with the terms and conditions of agreements entered into between the Department and those information providers, including the terms and conditions of the DCSS Medi-Cal Privacy and Security Agreement (DCSS PSA) with the California Department of Health Care Services attached hereto as Attachment A.

DCSS must also ensure access is consistent with the terms and conditions of the following agreements, including but not limited to, the Information Exchange Agreement (IEA) between SSA and DCSS, IEA Attachment 2 - Computer Matching and Privacy Protection Act Agreement between SSA and CHHS, and IEA Attachment 4 - "Electronic Information Exchange Security Requirements for State and Local Agencies Exchanging Electronic Information with SSA" (Technical Systems Security Requirements (TSSR)). These sensitive documents will be provided to the LCSA Information Security Officer separately.

- 2) Provide governance and oversight on Information Security and Privacy related issues and represent the Department and LCSA to external agencies on related matters.
- 3) Maintain and disseminate Information Security policies and standards consistent with 5 U.S.C 552a, 42 U.S.C. 654(26), 45 CFR §95.621, 45 CFR §302.85, 45 CFR §303.21, 45 CFR §305.60, 45 CFR §307.10, 45

CFR §307.11, 45 CFR §307.13, IRC 6013(I)(6), IRC 6103(I)(8), IRC 6103(I)(10), IRC 6103(p)(4), IRS Publication 1075, NIST 800-53 rev. 4, CA Family Code §17212, CA Civil Code §1798.29, CA State Administrative Manual §5300, and Payment Card Industry (PCI) Data Security Standard version 3.0.

- 4) Provide assistance with maintenance of Business Continuity Management Plans.
- 5) Enforce Federal and State requirements for Information Security Incident Reporting.
- 6) Implement and manage a security safeguards review program which assesses local compliance with all security-related requirements; and assist LCSA Directors and staff with compliance efforts.
- 7) Coordinate all Federal and State Information Security Reporting requirements to include the annual IRS Safeguard Security Report (SSR), Business Continuity Plans, and Incident Reporting.
- 8) Maintain an Information Security Awareness Training program pursuant to Federal and State mandates.
- 9) Monitor access to all information and systems maintained by the Department.

## **K. Information Technology**

### *1) IT Policies and Procedures*

Establish and maintain Information Technology (IT) policies and procedures for child support IT systems in compliance with the Code of Federal Regulations (CFR), the Statewide Administrative Manual (SAM), IRS Publication 1075, the State Information Management Manual (SIMM), OCSE Security Agreement and the State Fiscal Administrative Manual to:

- a) Provide IT technical support for all Department provided systems and technologies.
- b) Maintain a centralized IT Service Desk in support of Department provided IT systems and technologies.
- c) Maintain Department controlled statewide systems' availability and performance to meet the child support program needs.
- d) Identify and implement improvements to the statewide systems under the control of the Department.
- e) Communicate immediately notifications and updates concerning system availability.

## 2) *IT Procurements*

Manage and oversee all procurements of IT goods and services in accordance with state and federal laws, regulations, and policies as stated herein. Acquire IT goods and services in accordance with the Principles for IT Procurement per SAM §5230.4 and Public Contract Code §12100.

- a) Review and approve or deny requests for LCSA IT procurements within 30 days according to the LCSA Fiscal Administrative Manual.
- b) Deny IT procurement requests that do not include business case and LCSA IT Request Form per Department policy.
- c) Comply with the Department of Finance and Department of General Services oversight and approval process per SAM §4819 and §5200.
- d) Provide approval or denial of IT procurements to support a new technology project. The state will review utilizing the Project Approval Lifecycle State/Gate required by the Department of Technology.

- e) Provide language to ensure software ownership rights and modification information is incorporated in all applicable procurements per 45 CFR §95.617.

### 3) *IT Asset Management*

Manage state-owned IT assets for the child support program and production systems; including identification and classification of state-owned hardware and software, telecommunications, maintenance costs and expenditures, support requirements, and the ongoing refresh activities necessary to maintain the IT assets per SAM §4989.

Establish and maintain policies and procedures for management of IT state-owned assets in accordance with state and federal laws, regulations, OCSE Security Agreement, LCSA Fiscal Administrative Manual, IRS Publication 1075, and policies as stated herein.

- a) Manage IT equipment, maintain inventory records on the equipment, and take periodic physical inventories per 45 CFR §95.707, and Department policies.
- b) Establish and maintain contracts to support the warranty of state-owned assets.
- c) Upon notification, the Department will review and provide written approval/denial, within 30 days, for LCSA requests to move state-owned IT assets. A move is defined as a relocation of an asset to a different physical building address in the same county and the exchange of state-owned IT assets with other LCSAs.
- d) Provide oversight and support during relocation activities in order to manage DCSS or State-owned assets for Business Continuity per IRS Publication 1075.
- e) Maintain the Departments LCSA IT Request Form for new IT items.

- f) Work with LCSA and vendors to provide replacements of IT equipment that is no longer able to meet the operational requirements.
- g) Maintain a software management plan and certificate of software compliance per SAM §4846 to prevent software piracy and promote good software management practices.
- h) Develop and implement a technology refresh plan to replace equipment prior to its end of support or lifecycle per SAM §5001.
- i) Manage disposition of state-owned assets per 45 CFR §95.707 and SAM §5900, §8633, and §8640.
- j) Upon receipt of a list of state-owned IT assets to be surveyed for disposal, the Department will review and provide written approval/denial and handling instructions, within 30 days.
- k) Provide instructions on the usage and maintenance of state-owned assets.

#### 4) *Systems Development*

Responsible and accountable for ensuring the development of technology adheres to the Department, state, and federal regulations and mandates as stated herein.

- a) Review and approve or deny requests for the development of new technology systems or applications to support the child support program. Review alternative analysis to address the availability, usability, maintainability and cost effectiveness of prewritten and tested application programs in lieu of developing programs in-house per SAM §5175.2.
- b) Comply with the project approval lifecycle scope for system development per SAM §4922 and §4819.
- c) Ensure information security controls are designed in new system development per SAM §5315 and the OCSE Security Agreement.



## **L. Federal Grants**

Section 1115(a) of the Social Security Act provides the Office of Child Support Enforcement (OCSE) with authority to fund demonstration grants. Only State Title IV-D agencies, or the state umbrella agency of which they are a part of, can receive 1115 Demonstration Grants.

- 1) Monitor Section 1115 Demonstration Grant forecasts and announcements.
- 2) Alert LCSA of potential forecasts, announcements, and timelines for national child support grant program opportunities.
- 3) Provide support to LCSA in preparing grant conceptual proposals.
- 4) Assign a grant sponsor to assist the LCSA in the application process for any grant proposal the Department has approved in concept.
- 5) Submit grant application documents to OCSE.
- 6) Monitor funded grant projects through completion.
- 7) Assist LCSA in preparation of quarterly and end-of-project performance and financial grant reports; submit to OCSE.

## **M. Civil Rights**

Adhere to and administer and operate the Title IV-D program in accordance with the provisions of the Title VI and Title VII of the Civil Rights Act of 1964, as amended; the California Fair Employment and Housing Act; the Americans with Disabilities Act of 1990 and 2008 Amendment; the Rehabilitation Act of 1973, §504 and §508; the California Department of General Services, Office of the State Architect, Title 24 CCR and Title 28 CFR Part 35, and appendix A of Title 28 CFR Part 36; the Dymally-Alatorre Bilingual Services Act and all other applicable federal and state laws, regulations, policies, and directives prohibiting discrimination on the basis of age, sex, race, color, religion, ancestry, national origin, disability, medical condition, denial of family and

medical care leave, genetic information, marital status, military and veteran status, or sexual orientation.

## **N. Non-Compliance**

- 1) If the LCSA does not comply with the terms and conditions of this POC, and non-compliance becomes an issue, the Department may withhold funds for any of the following:
  - a) Failure to submit required reports or requested data.
  - b) Major breach of federal or state program requirements or of the requirements of this POC.
  - c) Failure to meet minimum federal standards on a federal performance measure, including federal data reliability requirements.
- 2) The Department shall notify the LCSA in writing of the LCSA's specific failure or breach and the required corrective action plan prior to the withholding of funds. Notification shall be at least 60 days prior to the withholding of funds. The Department may begin withholding from any funds due the LCSA during the monthly payment process until the LCSA is in compliance, or has an approved corrective action plan, and is in compliance with that plan.
- 3) Establish and implement an appeal process consistent with the requirements set forth in FC §17604(f), to be available to any LCSA sanctioned or pending sanction.
- 4) If the LCSA submits a justification for reconsideration:
  - a) Consider and make a decision on all appeals within 30 calendar days of receipt of the appeal.
  - b) Notify the LCSA in writing, of the results of the request for reconsideration within 30 calendar days of receipt.

- c) Restore any withheld funding to the LCSA if the facts presented in the appeal persuade the Department that the sanctions should not have been imposed.

## **SECTION V: LCSA RESPONSIBILITIES**

As a condition of receiving federal and state funds from the Department, ensure a current, signed POC is received by the Department prior to the beginning of each Federal Fiscal Year.

- 1) Responsible to provide all Title IV-D program services as required by federal or state laws, regulations, policies, or directives within County of Monterey as directed by the Department and described herein.
- 2) Notify the Director and Regional Administrator of any situation or circumstance directly impacting the operation of the local child support agency, including closure for holidays, furlough and other county specific circumstances.
- 3) Promptly notify the Director and Regional Administrator of changes in LCSA Leadership; these include Director, Assistant Director, or any other high-level management positions.
- 4) Conduct customer service surveys regularly and provide results monthly to the Department.

### **A. Case Management**

#### *1) Case Processing*

- a) Accept all applications and referrals requesting service in accordance with 45 CFR §303.2.
- b) Per 45 CFR §303.4 and CFR §303.31(b), establish child support and medical support orders.
- c) Per 45 CFR §302.31 and 22 CCR §112210, ensure all actions on a Title IV-D case have been suspended; when:

- i) Notified by the county welfare department (CWD) of good cause for non-cooperation pursuant to Welfare and Institutions Code (WIC) §11477.04.
  - ii) The case is under the jurisdiction of the juvenile court as provided in WIC §300.
- d) In accordance with 45 CFR §303.3, conduct locate activities, using all appropriate federal, state, and local locate resources to assist in the location of all NCPs or CPs whose whereabouts or assets are unknown.
- e) Initiate appropriate enforcement actions to obtain payment of current and past due support in all Title IV-D cases with court orders for child and/or medical support in accordance with federal and state laws, regulations and policies (45 CFR §303.6).
- f) Enter into CSE and report to CWD, when known, the following on Title IV-D cases:
- i) Any welfare applicant/recipient who refuses to cooperate with the LCSA in the establishment or enforcement of child support orders (45 CFR §264.30).
  - ii) Payments directly received by aided CP in accordance with 45 CFR §302.32(a).
- g) In accordance with 45 CFR §303.8, review child support orders when requested by an NCP or CP, or, when the LCSA becomes aware of a change of circumstances which may affect the support obligation. Review, and, if appropriate, adjust orders for current Temporary Assistance for Needy Families (TANF).
- h) Manage Title IV-D cases from other jurisdictions pursuant to the Uniform Interstate Family Support Act (FC §§5700.101-5700.905).

- i) Comply with federal and state laws, regulations, policies, and directives for case closure (45 CFR §303.11).
- j) Ensure all financial processing is in accordance with 45 CFR §302.32(b).

## 2) *Case Records Maintenance*

Prepare and maintain records for each Title IV-D case which includes information necessary for proper and efficient processing of cases in accordance with federal and state laws, regulations, policies, and directives for the administration of the Title IV-D program (45 CFR §302.15). This includes, but is not limited to, the following:

- a) Applications for child support services.
- b) Records created to locate and identify NCPs, to establish paternity, and to obtain, modify, and enforce support orders, including medical support, and the costs incurred in such actions. This includes any relevant facts and actions taken by the LCSA and the results of such action.
- c) Records pertaining to the amount and sources of support collection and the distribution of these collections.
- d) All records pertaining to complaint resolution and state hearings (22 CCR §120107).

## 3) *Case Records Retention*

- a) Maintain all Title IV-D closed case records for a period of four years and four months from the date of case closure per 22 CCR §111450, and purge from all systems unless the case is subject to an open federal or state audit, civil litigation, or a court order that extends the retention period.
- b) Extend the retention period and maintain case records for any open federal or state audit, civil litigation, or a court order until the audit is complete, the court case is closed, or a court ordered extension of the retention period expires.

- c) The LCSA may send documents to central imaging or use local scanning capabilities. All documents scanned into CSE must be verified as readable.
- d) Once the documents have been verified, those documents must be destroyed via the LCSAs' confidential destruct process.

#### 4) *Case Complaint Resolution*

##### a) Ombudsperson

- i) Have in place an Ombudsperson who is responsible for the implementation of a program which provides assistance to CPs and NCPs, employers, and the public on inquiries regarding the child support program, local complaint resolution process, and the state hearing process. The Ombudsperson shall be the liaison with the Department for all issues relating to the Ombudsperson program. The Ombudsperson shall review complaint activity, identify systemic issues, and make recommendations to the LCSA Director for improvement of services to customers.
- ii) The Ombudsperson is the designated State Hearing Coordinator for the purpose of managing the hearing schedule, securing the hearing site, contracting, and acting as the contact person for the complainant and liaison with the State Hearing Office.

##### b) Complaint Resolution Program and State Hearing

Maintain a complaint resolution program and state hearing process as set forth in FC §17800, et seq., and as specified in Title 22 CCR §120100, et seq. The LCSA shall:

- i) Maintain the complaint resolution process and seek to resolve all complaints within 30 days. Complaint investigators shall contact the customer and attempt to resolve complaints to the satisfaction of the

customer consistent with the statutes, regulations, policies, and directives governing the Title IV-D program. The LCSA Director or designee may extend the period for resolution of the complaint an additional 30 days in accordance with the regulations adopted pursuant to 22 CCR §120105(b).

- ii) Accurately track and report any complaints in the Department's Complaint Resolution Tracking System (CRTS).
- iii) Make complaint resolution activity log entries in the Child Support Enforcement (CSE) system.
- iv) Image or send to central scan complaint resolution documents.
- v) Work with the Department's Office of Legal Services staff to facilitate resolution of any complaints as needed.
- vi) Continue to work with customers to resolve issues regardless of whether or not the customer requested a state hearing.

#### 5) *Litigation, Writs and Appeals*

Any decision by an appellate court regarding child support can have broad application to state child support policy, all LCSAs, and the Department.

- a) LCSA shall notify the Department as soon as possible upon receipt of notice of an appeal in a Title IV-D case using the Appellate Case Review process.
- b) LCSAs who wish to pursue a writ or appeal of a court's decision on a Title IV-D case, shall submit a request to the Department using the Appellate Case Review process prior to taking any appellate action. Consistent with the authority established in FC §17304(b), a writ or appeal shall not be filed unless approved by the Department. However, this provision is not intended to prevent any action by a county counsel, or private counsel hired to act in



the same capacity as a county counsel, to defend the county from any action for damages, including sanctions.

- c) The LCSA, when informed of such action being taken by the county counsel or private counsel, shall inform the Department by way of email ([DCSSLegalServicesMailbox@dcss.ca.gov](mailto:DCSSLegalServicesMailbox@dcss.ca.gov)) when the action is related to a child support matter.

## **B. Paternity Opportunity Program**

Administer and promote the statewide Paternity Opportunity Program in collaboration with DCSS to provide voluntary paternity establishment services as set forth in 45 CFR §302.31(a)(1), §302.70(a)(5), §303.5(g) and FC §§7570 – 7577.

- 1) Establish a "POP Coordinator" as a point of contact for DCSS.
- 2) Publicize the availability of the program and ensure written material is accessible to parents and current or potential witnessing agencies.
- 3) Provide LCSA staff training and ensure staff availability to provide witnessing services to parents free of charge by explaining their rights and responsibilities, respond to questions, and facilitate the submission of a Declaration of Paternity form to DCSS within 20 days of the date the last parent signed the Declaration.
- 4) Maintain a written agreement with local birthing hospitals and other entities providing prenatal services to ensure that completed Declaration of Paternity forms are submitted to DCSS within 20 days of the date the last parent signed the Declaration and pay a sum of \$10 for each Declaration that is subsequently filed by DCSS.
- 5) Upload each written agreement with a birthing hospital into CATS.

- 6) Provide training and outreach to staff of all authorized agencies within the county, including birthing hospitals, to ensure staff are able to explain to parents their rights and responsibilities, respond to questions, and witness parents' signatures.
- 7) Attend periodic POP training provided by DCSS.
- 8) Monitor compliance, performance, and Declaration error rate and develop improvement strategies in collaboration with DCSS, as needed.

### **C. Training**

- 1) Collaborate with DCSS to administer a statewide training program that delivers quality and efficient training based on the LCSA needs; submit annual training requests to DCSS as a way to communicate those needs.
- 2) When statewide standards have been developed, ensure that locally developed child support program related training material is in compliance with statewide standards, federal and state policies, regulations and laws.

### **D. Tribal Relations**

Maximize opportunities to establish and maintain effective working relationships with tribal governments.

Pursuant to Title 42 USC Chapter 7 §654(7) and (33), and Title 45 CFR §302.34, the LCSA may enter into cooperative agreements with other entities, including Indian tribes or tribal organizations provided they are included in the Title IV-D state plan. LCSAs pursuing working relationships with tribal governments could include, but are not limited to, developing:

- 1) Cooperative agreements with individual Tribal TANF programs to establish procedures for referring Tribal TANF recipients to the LCSA to secure Title IV-D services and to memorialize the expectations of both the Tribal TANF program

and the LCSA. This agreement must be submitted to the Department prior to enactment for approval.

- 2) Cooperative agreements with federally recognized tribes, pursuant to the Full Faith and Credit for Child Support Orders Act (FFCCSOA) which specifically applies to Indian Country (as defined by Title 18 USC §1151), as well as States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and U.S. territories and possessions, to recognize and enforce the other's valid child support orders, i.e., orders entered with appropriate subject matter and personal jurisdiction. The FFCCSOA requires the appropriate parties of such jurisdiction to:
  - a) Enforce, according to its terms, a child support order consistent with FFCCSOA by a court or agency of another State.
  - b) Modify such an order only in accordance with FFCCSOA.
- 3) In addition, the LCSA shall take the following actions:
  - a) Appoint a tribal liaison to provide local expertise on tribal matters and serve as a single point of contact for tribes, tribal organizations, and Tribal IV-D programs; and participate in all activities convened by the Department's tribal liaison related to tribal issues.
  - b) Initiate and appear at court proceedings under California Rule of Court, Rule 5.372 at the request of the Department.
  - c) Provide notice to the Tribal IV-D program operating under Title 45 CFR §309.65(a) in California.
  - d) File a motion with the court that shows the manner in which the intent to request case transfer was made in accordance with FC §17212 and which states whether any party provided with notice objected, the identity of the party objecting, and the reason indicated for the objection.

- e) Conduct itself in accordance with FC §17406 which includes providing the court with authorities to secure information concerning tribal laws and the legal effect of tribal judgments or orders under FC §5700.317.
- f) Provide assistance, upon request, with case account and unreimbursed assistance pool audits as needed.
- g) Enforce, according to its terms, a child support order consistent with FFCCSOA by a court or agency of another State.
- h) Modify such a child support order only in accordance with FFCCSOA.
- i) Provide the full range of services available under the Title IV-D plan in responding to intergovernmental cases under Title 45 CFR §302.36, to any comprehensive Tribal IV-D programs operating under Title 45 CFR §309.65(a).

## **E. Audits**

### *1) Data Reliability*

- a) Maintain complete and reliable data in accordance with the standards set forth by the federal incentive funding system outlined in the federal Child Support Performance and Incentive Act of 1998.
- b) Take all steps necessary to ensure the accuracy of all data, including data entered into CSE; follow policy and system documentation to ensure data is entered correctly, and maintain compliance with federal and state data reliability standards. The implementation of required corrective actions is included in these steps.
- c) To ensure the maintenance of complete and reliable data is in accordance with the standards set forth by the federal incentive funding system, conduct

quarterly data reliability reviews and participate in other data reliability efforts consistent with Department directives.

- d) Participate in all annual federal data reliability audit activities as needed, including, but not limited to, the following:
  - i) Validation of data in cases that are part of the sample selected by the federal auditors;
  - ii) Submission of any related questions to the Department;
  - iii) Attending conference calls to discuss questions;
  - iv) Assemble and provide any hardcopy case documentation required, and image such documents to ensure availability of documents in CSE;
  - v) Working with the Department to address and resolve issues with problem cases; and
  - vi) Working with the Department to address and resolve any case variances as identified by the federal auditors.

2) *Administrative Expense Claim Schedule and Certification CS 356 Claim Audits*

- a) Monitor the fiscal administration and program performance to ensure compliance with all related laws, regulations and policy in administering the child support program, including the adequate safeguard of program assets.
- b) Implement an effective system of internal controls.
- c) Ensure proper reporting of claimed costs on the Administrative Expense Claim Schedule and Certification (CS356).
- d) Gather and provide the auditor access to all records and documents to support fiscal and administrative compliance.

- e) Coordinate and provide staff for interviews, conference calls, entrance conferences, and exit conferences.
- f) Provide a written response to reported audit findings (if any).
- g) Develop a plan of action and provide documentation that demonstrates corrective action of findings was taken within 6 months following the issuance of the final report (as needed).

### 3) *Other Audits*

Allow federal and state auditors to conduct required audits to assess completeness, accuracy, reliability, and security of data used in calculating the performance indicators. This includes, but is not limited to, the following:

- a) Department of Finance, Bureau of State Audits, California Department of Child Support Services and contract auditors as prescribed by the Department access to all requested information in order to conduct audits/review including, but not limited to, data reliability audits, administrative and expenditure claims audits, and Internal Revenue Service Safeguard reviews.
- b) Provide necessary case records to independent auditors. Grantees and sub grantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 2 CFR Part 200, Subpart F – Audit Requirement Sections 200.500 – 200.521. In addition, each subgrantee shall permit independent auditors to have access to the records and financial statements.

## **F. Compliance and Monitoring**

Participate with and respond to inquiries by the Department in conducting the Annual Self-Assessment and Quality Assurance Reviews of the child support program to monitor and measure compliance with, and ensure the implementation of actions

necessary to meet federal requirements pursuant to 45 CFR, §§ 303 and 308, and state requirements per FC Division 17, Chapters 1 and 2, and Title 22 California Code of Regulations Division 13.

- 1) Establish a Compliance Coordinator to serve as a point of contact for DCSS.
- 2) Research and respond to preliminary findings of non-compliance to either concur or refute findings.
- 3) In the event of non-compliance findings, develop and submit a corrective action plan to DCSS for approval.

#### **G. Outreach**

- 1) Per 45 CFR §302.30 and FC §17210, conduct outreach programs to inform the public of the availability of Title IV-D services to the general public.
- 2) Collaborate with the Department to make Title IV-D outreach materials available to the public.
- 3) Coordinate with the Department's Public Information Office regarding any media contact.

#### **H. Program Performance**

##### *1) Performance Management Plan*

Implement a performance management plan, under the direction of the Department.

- a) Align tactics with the Department's Strategic Plan and annual goals.
- b) Focus on enhancing the delivery of program services and improved performance.
- c) Provide quarterly updates to the Department on the progress of the plan.

## *2) Corrective Action*

Develop and implement a corrective action plan, as required by the Department and/or the federal government, for any area of noncompliance identified by a federal or state audit, or state program or local review or assessment, or resulting from any conditions of program deficiencies as may be required by the Department pursuant to FC §17602.

## **I. Fiscal Administration**

In accordance with federal and state laws, regulations, policies, and directives, the LCSA shall carry out the fiscal activities described herein. The LCSA will submit complete and accurate financial and statistical information and data within the quarterly or annual timeframes required by federal and state laws and regulations, policies, and directives.

### *1) Accounting and Recordkeeping*

- a) Implement and maintain accounting standards and systems consistent with uniform accounting procedures prescribed by federal and state requirements. These standards conform to generally accepted accounting principles (GAAP) established by the American Institute of Certified Public Accountants.
- b) Maintain sufficient accounting and fiscal recordkeeping systems to ensure claims for available funds are submitted in accordance with applicable federal and state requirements. 2 CFR Part 200 provides principles for determining allowable costs.
- c) Maintain all financial records, supporting documents, statistical documents, and other records pertinent to an administrative expense claim for a period of four years and four months commencing on the last day of the quarter in which the costs were claimed, unless the claim is subject to an open federal, state, or local audit, civil litigation or a court order that extends the retention



period. If a claim is subject to an open federal, state, or local audit, civil litigation or court order requiring extended retention, the LCSA shall maintain the records supporting the claim until the audit is complete, the court case is closed, or a court-ordered extension of the retention period expires.

- d) Implement policies and procedures to ensure monthly tracking and monitoring of expenditures compared to budgeted/allocated amounts.
- e) As required by Title 2 CFR Part 200, Appendix VII, D. 1. a, retain a copy of the State Controller's Office (SCO) approved countywide cost allocation plan which identifies and describes the methods and procedures established for properly charging costs of administration, services, and training activities; estimated costs; the bases used for allocating various pools of costs to programs and activities; and other such information necessary to document the county's cost allocation methods and procedures. The countywide cost allocation plan and claims for federal funds shall conform to Department regulations, procedures, and directives.
- f) Maintain cash basis claiming. Cash-claiming requirements for reporting costs are as follows:
  - i) A continuous cash flow basis for reporting costs on the Administrative Expense Claim (AEC CS 356).
  - ii) Compliance with GAAP and the SCOs accounting standards and procedures for California counties.

## *2) Separation of Cash Handling and Accounting*

Per 45 CFR §302.20, adopt and enforce procedures of administration designed to ensure persons responsible for handling cash receipts of support do not participate in accounting or operating functions which would enable concealment of the misuse of support receipts within the accounting records. Such procedures shall follow

generally recognized accounting standards, state and county fiscal manuals, generally accepted government auditing standards and generally accepted accounting principles.

### *3) Payment Application Data Security Controls*

When accepting electronic payments, LCSA must comply with the Payment Card Industry (PCI) compliance standards. Electronic payments are defined as any Visa or MasterCard credit or debit cards or a payment made with a bank routing number and account number. PCI compliance standards are operational and technical requirements set by the PCI Security Standards Council to protect account holder data. Refer to policy related to this payment activity and information in the Security Manual.

### *4) Budgeting and Annual Allocation Process*

- a) Have mechanisms in place to effectively plan for and develop an annual budget; execute the annual budget in accordance with program priorities, appropriate and allowable costs, and reporting requirements; track, monitor, and adjust, as necessary, expenditures throughout the year to operate with amounts allocated by the Department.
- b) Per FC §17306(b)(9), submit an annual budget, via the CS921 Budget Display and the EDP M&O Budget Request, for the upcoming state fiscal year and provide a copy of the LCSA proposed operating and final budget including the prior year's actual expenditures.
- c) Refine the proposed budget plan as necessary to operate within the amounts included with the Department's final allocation letter.
- d) Ensure an implementation plan is included in the final annual budget for any special funding received to accomplish specific tasks.

- e) Identify and submit to the Department, new funding needs for the upcoming budget year through the CS921 Budget Display process and/or immediately upon identification of additional needs by written submission to the Department's budget office.
- f) Upon request from the Department, submit expenditure projections necessary to assess spending trends and patterns statewide.
- g) Upon request and within 30 days, submit fiscal information necessary to accurately develop the child support program's annual budget.
- h) Ensure data is accurate and enter data in the CS356 Administrative Expense Claim system by the 15<sup>th</sup> of January, April, July, and October, or, the next business day should the 15<sup>th</sup> fall on a weekend or holiday, unless otherwise directed by the Department.
- i) Comply with federal and state requirements including requirements to obtain federal prior written approval for expenditures from the Department for an electronic data processing contract, purchase order, or lease agreement associated with program costs in excess of \$1,000,000.
- j) Obtain prior written approval from the Department for equipment and capital expenditures as defined in Title 2 CFR, Part 200.439, and the LCSA Fiscal Administrative Manual for non-IT purchases in excess of \$5000 and all applicable IT purchases as specified in the LCSA IT Request Form.

5) *Data Reporting*

- a) Ensure data input is accurate to reflect actions in the case and to ensure statewide consistency.
- b) Provide, when requested, the number of full-time equivalent staff (FTE's) including part-time and contracted staff each month.

- c) Collect and provide local court operations data as requested by the Department to support program improvements.

6) *Bonding*

Pursuant to 45 CFR §302.19 the LCSA shall secure bonding of employees.

- a) Provide a surety bond against losses resulting from employee dishonesty for every employee who receives, disburses, handles, or otherwise has access to any child support funds or support collections under the child support enforcement program required by Title IV-D of the Social Security Act.
- b) Establish surety bonds in amounts sufficient to protect the county against loss resulting or following from employee dishonesty.
- c) Ensure compliance with these bonding requirements by any other public or private agency in which a plan of cooperation or purchase of service agreement is established involving any cash handling and/or accounting function.
- d) Bonding requirements may be satisfied by a county's approved self-bonding or self-insurance program adequate to cover any loss of child support funds following employee dishonesty.
- e) In no case shall a self-bonding or self-insurance program reduce or limit the liability of the county or the LCSA for losses of child support collections.
- f) Any self-bonding or self-insurance program shall require an appropriate county official to certify as follows: "This County is self-bonded or self-insured for an amount adequate to cover any loss of child support funds following employee dishonesty."
- i) Government Code (GC) §6599.01 provides direction on self-insurance.

- ii) The County will be required to undergo periodic independent confirmation of its ability to meet this certification.

## 7) *Contracting*

Submit all agreements electronically via the Cooperative Agreement Tracking System (CATS) per LCSA Letter 14-14.

### a) Cooperative Agreements

- i) Retain ultimate responsibility and accountability for such services under written cooperative agreements or contracts approved by the LCSA Director and the Department.
- ii) Ensure all delegated or contracted Title IV-D functions or activities, including, but not limited to, timeframes for case-processing are in compliance with the requirements and provisions of Title IV-D and are performed as prescribed by federal and state laws, regulations, department security policies and directives, and this POC.
- iii) All agreements shall be in writing specifying an effective date, expiration date of the agreement, and the timeframe and method by which the agreement must be renewed or amended.

### b) Superior Court Plan of Cooperation – (Court POC)

- i) Enter into an annual Plan of Cooperation with the Superior Court.
- ii) The Court POC must be completed on the template prepared and approved by Judicial Council of California and the Department.
- iii) Terms of the Court POC can only be amended with the written approval of the Director of the Department of Child Support Services and the administrator of courts.

iv) The Court POC shall be electronically submitted via CATS.

c) Shared Service Agreements

Shared services agreements with other LCSAs are encouraged to promote program improvement and local and statewide cost-effectiveness. LCSAs shall:

- i) Obtain prior written approval from the Department before entering into the cooperative agreements to fulfill certain tasks related to Title IV-D services.
- ii) Submit all agreements electronically via CATS.
- iii) Support a statewide workgroup to identify and promote program improvement and efficiencies through shared service opportunities.

d) Non-Title IV-D Activities

Pursuant to 45 CFR §303.20 and FC §17304, the local child support agency shall be separate and independent from any other county department. The LCSA must ensure that performing a Non-Title IV-D activity will not result in degradation of performance and are expected to continue efforts to improve.

Submit a plan to the Department via CATS for review and approval prior to performing any Non-Title IV-D activity. Non-Title IV-D activities include but are not limited to overseeing another department or program, local revenue and recovery/reimbursement activities, and enrollment activities for a health insurance market place. The plan shall be submitted on the Request to Perform Title Non IV-D Activities form DCSS 0704 and include the following:

- i) Contain a clear description of the specific duties, functions and responsibilities of each party.
- ii) Specify the financial arrangements including budget estimates, covered expenditures, and a cost allocation plan.

- iii) Specify the kind of records that will be maintained (including but not limited to Personnel Activity Reports, and/or systems for allocating salaries and wages and any revenue received. (Refer to Title 2 CFR, Subset A, Chapter II, Part 200, Subpart E - Cost Principles)
- iv) Specify the dates on which the arrangement begins and ends, any conditions for revision or renewal, and the circumstances under which the arrangement may be terminated.

e) IT Contracts

Comply with the contract language for the acquisition of goods or services related to information technology: computer hardware, software licenses, software development, and maintenance of hardware and software in accordance with Department, state and federal laws, regulations, and policies.

- i) Obtain approval from the Department through the LCSA IT Request Form prior to the execution of any IT contract or service agreements per 45 CFR §95.611(a)(1)(b) for acquisitions costing \$5,000,000 or more and 45 CFR §95.611(3) for acquisitions costing \$1,000,000 or more.
- ii) Ensure any contracts for IT services comply with the Office of Child Support Enforcement Master Contracts for State IT Products and Services per 45 CFR part 95, Subpart F, and the IRS publication 1075 rules and regulations to protect child support information.
- iii) All contract amendments must be submitted to the Department for prior federal and state approval per 45 CFR §95.611(a)(6) and (b)(1)(iv) and the LCSA Fiscal Administrative Manual.

**J. Information Security and Privacy Protection**

Establish, implement, and enforce information security protocols consistent with the Department Information Security Manual (ISM), IRS Publication 1075 and other relevant

information security authority such as state and federal law or recognized national standards.

- 1) Implement policies and procedures consistent with the ISM to ensure child support customer information is secure and protected from intentional and unintentional misuse or exposure. Controls include but are not limited to:
  - a) Limit access, use or disclosure of confidential child support information to purposes described in Internal Revenue Service Code 6103(p)(4), 6103 (l)(6), 6103 (l)(8), 6103 (l)(10), Title 42 USC §653a (f), (g) and (h); Title 45 CFR §302.35, §307.10, §307.11, §307.13, and FC §17212, and State Administrative Manual Section 5300. Maintain and disseminate Information Security policies and standards consistent with 5 U.S.C 552a, 42 U.S.C. 654(26), 45 CFR §95.621, 45 CFR §302.85, 45 CFR §303.21, 45 CFR §305.60, IRS Publication 1075, NIST 800-53 rev. 4, CA Civil Code §1798.29, CA State Administrative Manual §5300, and Payment Card Industry (PCI) Data Security Standard version 3.0.
  - b) Include the Department's Information Confidentiality and Protection Clause in any agreement or contract-defining access, user disclosure, and disposal of confidential child support information by third party organizations.
  - c) Ensure personally identifying information is not subject to public disclosure.
  - d) Comply with the confidentiality provisions of FC §17212 (Ensuring the Confidentiality of Support Enforcement Records), and Title 22 CCR, §§111430-111440.
  - e) Comply with provisions of IRS Publication 1075 to restrict disclosure of federal tax information.
- 2) Ensure access to information from the following sources, including, but not limited to the Internal Revenue Service, Office of Child Support Enforcement, Social Security Administration, Department of Motor



Vehicles, Medi-Cal Eligibility Data System (MEDS), Title IV-A and Employment Development Department, is consistent with the terms and conditions of agreements entered into between the Department and those information providers, including the terms and conditions of the Medi-Cal Privacy and Security Agreement with the California Department of Health Care Services attached hereto as Attachment A.

LCSA must also ensure access is consistent with the terms and conditions of the following agreements, including but not limited to, the Information Exchange Agreement (IEA) between SSA and DCSS, IEA Attachment 2 - Computer Matching and Privacy Protection Act Agreement between SSA and CHHS, and IEA Attachment 4 - "Electronic Information Exchange Security Requirements for State and Local Agencies Exchanging Electronic Information with SSA" (Technical Systems Security Requirements (TSSR)). The LCSA Information Security Officer will receive these sensitive documents separately.

- 3) Maintain Business Continuity Management Plans (BCMPs) to ensure appropriate level of service continuity. BCMPs shall be updated annually and submitted to the Department.
- 4) Annually submit the Safeguard Security Reports (SSR) to the Department by January 15<sup>th</sup>. The SSR should indicate any material changes in control activities from the previous year's submission.
- 5) All LCSA staff is required to complete the Department Information Security Awareness Training (ISAT) module via Child Support University (CSU) annually.
  - a) The LCSA will ensure all contractors/vendors satisfy the minimum requirement of completing the Department ISAT module in a PDF format provided by the Department's ISO.

- b) The LCSA is responsible for keeping an annual record of the contractor/vendors confidentiality statement, or upon new hire.
- 6) Comply with information security incident management in accordance with the requirements listed in the Incident Response Policy and cooperate with the Department to effectively respond and mitigate all incidents.
- 7) Ensure any potential security event or suspicious activity is immediately reported to the Department's Information Security Officer in accordance with the Department's ISM.
- 8) Notify the Department Information Security Office before downloading, extracting, or storing any child support data from Department systems, and before developing any applications, tools, or macros that would use child support data, or interface with Department systems.
- 9) Immediately report any suspected or known security or privacy related issues to the Department's ISM.

**K. Information Technology**

*1) IT Policies and Procedures*

Comply with Information Technology (IT) policies and procedures in compliance with the Code of Federal Regulations (CFR), Title 45, the Statewide Administrative Manual (SAM), §§4800-5900, IRS Publication 1075, the State Information Management Manual (SIMM), and the LCSA Fiscal Administrative Manual.

Submit complete and accurate information to the Department for IT services as required by Departmental, state and federal laws, regulations, and policies as stated herein.

## 2) *IT Procurements*

- a) Comply with the Department IT Procurement processes which are regulated per state policies and procedures.
- b) Obtain prior Departmental approval for IT Procurements.
- c) Submit the LCSA IT Request Form for the purchase at least 30 days prior for Department processing.

## 3) *IT Asset Management*

Comply with Departmental, state and federal laws, regulations, policies, and LCSA Fiscal Administrative Manual to ensure effective tracking and management of state-owned IT assets for the child support program.

- a) Comply with software licensing in accordance with SAM §4989.
- b) Submit a request to move state-owned IT assets. The request shall be submitted to the Department a minimum of 60 days prior to the anticipated date of physical relocation of the state-owned IT assets. A move is defined as a relocation of an asset to a different physical building address in the same county and the exchange of state-owned IT assets with other LCSAs.
- c) Submit a list of state-owned IT assets to be surveyed for disposal. The list shall be submitted to the Department within a minimum of 30 days for approval/denial and handling instructions.
- d) Comply with the OCSE Security Agreement in that State-owned equipment has the appropriate software with the latest updates to protect against attacks, including, at a minimum, current antivirus software and up-to-date system patches and other software patches.

#### 4) *Systems Development*

- a) Obtain approval from the Department through the LCSA IT Request Form prior to the development of software, automation processes, and other technology related systems to support the Child Support Program.
- b) Comply with Departmental, state and federal laws, regulations, policies and instructions for all system development activities per SAM §4800 and IRS 1075 Publication.
- c) Comply with the OCSE Security Agreement in the development of systems to ensure automatic execution of code is disabled and the solution enforces security policies by blocking, isolating, or quarantining non-compliant devices from accessing the state network and resources.

#### **L. Federal Grants**

Section 1115(a) of the Social Security Act provides the Office of Child Support Enforcement (OCSE) with authority to fund demonstration grants. Only State Title IV-D agencies, or the state umbrella agency of which they are a part of, can receive 1115 Demonstration Grants.

- 1) LCSA may submit a conceptual proposal to the Department.
- 2) If the state is awarded a grant by OCSE, the LCSA, as the demonstration site, will ensure milestones and projects are on track through completion of the grant.
- 3) Communicate with the Department on all grant activities.
- 4) Prepare all quarterly and end-of-project performance and financial grant reports and,
- 5) Submit all grant reports to the Department for review, approval, and submission to OCSE.

## **M. Civil Rights**

Adhere to, administer and operate the Title IV-D program in accordance with the provisions of the Title VI and Title VII of the Civil Rights Act of 1964, as amended; the California Fair Employment and Housing Act; the Americans with Disabilities Act of 1990 and 2008 Amendment; the Rehabilitation Act of 1973, §504 and §508; the California Department of General Services, Office of the State Architect, Title 24 CCR and Title 28 CFR Part 35, and appendix A of Title 28 CFR Part 36; the Dymally-Alatorre Bilingual Services Act and all other applicable federal and state laws, regulations, policies and directives prohibiting discrimination on the basis of age, sex, race, color, religion, ancestry, national origin, disability, medical condition, denial of family and medical care leave, genetic information, marital status, military and veteran status, or sexual orientation.

## **N. Non-Compliance**

- 1) Comply with the terms and conditions of this POC. Should non-compliance become an issue for any of the following reasons the Department may withhold funds:
  - a) Failure to submit required reports or requested data.
  - b) Major breach of federal or state program requirements or the requirements of this POC.
  - c) Failure to meet minimum federal standards on a federal performance measure, including federal data reliability requirements.
- 2) Upon written notification of non-compliance, submit a corrective action plan to the Department within a specified period of time. Failure to provide and fully implement an acceptable corrective action plan within the required time period will be grounds for the Department to begin withholding any funds due the LCSA

during the monthly payment process until the LCSA is in compliance, has an approved corrective action plan, and is in compliance with that plan.

- 3) If the LCSA chooses to request reconsideration from the Director of the Department or his/her designee, submit a justification for not meeting a requirement in this agreement. This assumes new or additional information, not previously available to either the LCSA or to the Department, has come to light and could substantially alter the position of the state and, subsequently, the outcome for the LCSA. The justification must be submitted within 30 working days from the date the Departments' notification letter to the LCSA is postmarked.

## **SECTION VI: ADDITIONAL PROVISIONS**

### **A. Certification of Contractor(s)**

Certify, by signing this POC, that neither it nor its principals are presently debarred, suspended, ineligible, proposed for debarment, declared ineligible, or voluntarily excluded from participating in the transaction by any federal department or agency pursuant to Executive Order 12549, and 2 CFR Part 382, whenever applicable. And that a contractor providing Title IV-D services must certify by signing an agreement that neither it nor its principals are presently debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participating in the transaction by any federal department or agency. Where the prospective contractor, as the recipient of federal funds, is unable to certify to any of the statements in the certification, such contractor must attach an explanation to their proposal. If the LCSA is unable to certify any of these statements, it must attach an explanation to that effect to the POC at the time of signing.

### **B. Certification of Lobbying**

- 1) Certify by signing this POC, that no federal appropriated funds will be paid by, or on behalf of, the LCSA, to any person for influencing or attempting to influence an officer or employee of any agency; a member of Congress; an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 2) Include language of this certification in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements), and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.  
Submission of this certification is a prerequisite for making or entering into this

transaction imposed by Title 31 USC §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- 3) Allow for inspection, review, and/or audit by authorized federal, state, regional, and county officials all Title IV-D records maintained pursuant to this POC.

### **C. State and Federal Law Conflicts**

To the extent that any provision of this POC or portion thereof is in conflict with any federal laws and/or state laws, and/or implementing federal regulations and/or state regulations, the laws and/or implementing regulations supersede such provision or portion thereof.

### **D. Severability**

If any provision of this POC or any portion is adjudged to be invalid by a court of competent jurisdiction, or if any provision of this POC or a portion loses its force or effect as a result of legislative action, that judgment or action does not affect the remainder of the provisions of this POC.



**SECTION VII: TERM AND APPROVAL**

**Effective Date:** October 1, 2016

**Expiration Date:** September 30, 2017

This POC shall be one year in duration, commencing at the start of the federal fiscal year, and shall be subject to renewal or amendment as necessary to reflect new or revised state and federal laws, regulations, and requirements.

This POC shall be signed by the Director of the LCSA and returned to the Department by the commencement of the new effective federal fiscal year. Failure to sign and return this POC may result in the withholding of part or all of the federal and state funds including incentive funds, or other compliance actions authorized by federal or state law, regulation, or policy.

This POC may be amended by a written agreement of both parties if required by changes in policies or directives that may occur during the term of this POC. The Department will communicate with the LCSA regarding any and all obligations under this POC and will, as needed, meet with the LCSA on issues or concerns about program responsibility, operations, or performance.

Failure of the parties to amend or renew the POC to reflect new or revised federal and state laws, regulations, policies, and directives does not relieve the LCSA of the responsibility to act in accordance with those laws, regulations, and requirements.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jo Ellen Holtzworth, Director  
County of Monterey  
Department of Child Support Services

\_\_\_\_\_  
Alisha A. Griffin, Director  
California Department of Child Support  
Services

*Approved as to form:*  
*Leticia Corrales, Deputy County Counsel*  
2017 State / LCSA POC

Reviewed as to fiscal provisions  
*[Signature]*  
\_\_\_\_\_  
Auditor-Controller  
County of Monterey 1-9-17

**MEDI-CAL PRIVACY AND SECURITY AGREEMENT BETWEEN  
the California Department of Health Care Services and the  
California Department of Child Support Services**

**PREAMBLE**

The California Department of Health Care Services (DHCS) and the California Department of Child Support Services (DCSS) enter into this Medi-Cal Privacy and Security Agreement (Agreement) in order to ensure the privacy and security of Medi-Cal Personally Identifiable Information (PII).

California Family Code §17202 designates DCSS as the single organizational unit responsible for administering the child support enforcement program under Title IV-D of the Social Security Act. Child support enforcement program functions can be performed by other agencies as required by law, by delegation of DCSS, or by cooperative agreements. Pursuant to 45 Code of Federal Regulations (CFR) 303.21 the federal confidentiality requirements applicable to DCSS are also applicable to any other local agency or official to whom the IV-D agency delegates its functions. DCSS ensures compliance by the local child support agencies (LCSAs) with all data security requirements applicable to information received for the administration of the child support enforcement program through an individual cooperative agreement (Plan of Cooperation) entered into between DCSS and the LCSAs.

This Agreement is entered into to provide the LCSAs access to information within the Medi-Cal Eligibility Data Systems (MEDS) to be used solely for the purpose of obtaining information for the administration of the child support enforcement program.

**DEFINITIONS**

For the purpose of this Agreement, the following terms mean:

1. "Assist in the administration of the child support enforcement program" means performing administrative functions on behalf of the child support enforcement program, such as obtaining information on custodial and non-custodial parents as stated in the California Family Code §17505, and collecting Medi-Cal PII for such purposes, to the extent such activities are authorized by law.
2. "Breach" refers to actual loss, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for other than authorized purposes have access or potential access to Medi-Cal PII, whether electronic, paper, verbal, or recorded.

3. "County Worker" means those county employees, contractors, subcontractors, vendors and agents performing any functions for the LCSA that require access to and/or use of Medi-Cal PII and that are authorized by the LCSA to access and use Medi-Cal PII.
4. "Medi-Cal PII" is information directly obtained in the course of performing an administrative function on behalf of Medi-Cal that can be used alone, or in conjunction with any other information, to identify a specific individual. PII includes any information that can be used to search for or identify individuals, or can be used to access their files; such as name, social security number, date of birth, driver's license number or identification number. PII may be electronic, paper, verbal, or recorded.
5. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Medi-Cal PII, or interference with system operations in an information system which processes Medi-Cal PII that is under the control of the LCSA, or a contractor, subcontractor or vendor of the LCSA.
6. "Secure Areas" means any area where:
  - a. County Workers assist in the administration of Medi-Cal;
  - b. County Workers use or disclose Medi-Cal PII; or
  - c. Medi-Cal PII is stored in paper or electronic format.

## **AGREEMENTS**

**NOW THEREFORE**, DHCS and DCSS mutually agree as follows:

DCSS shall ensure compliance with the following terms and conditions by the LCSAs through the Plan of Cooperation it enters into with each LCSA.

### **I. PRIVACY AND CONFIDENTIALITY**

- A. The LCSA workers covered by this Agreement (County Workers) may use or disclose Medi-Cal PII only as permitted in this Agreement and only to assist in the administration of the child support enforcement program in accordance with Title IV-D of the Social Security Act, 45 CFR 301 et. seq. and California Family Code §17000 et. seq., or as required by law. Disclosures, which are required by law, such as a court order, or are made with the explicit written authorization of the Medi-Cal client, are allowable. Any other use or disclosure of Medi-Cal PII requires the express approval in writing of DHCS. No County Worker shall duplicate, disseminate or disclose Medi-Cal PII except as allowed in this Agreement.

- B. Pursuant to this Agreement, County Workers may only use Medi-Cal PII to perform administrative functions related to administration of the child support enforcement program.
- C. Access to Medi-Cal PII shall be restricted to County Workers who need to perform their official duties to assist in the administration of the child support enforcement program.
- D. County Workers who access, disclose or use Medi-Cal PII in a manner or for a purpose not authorized by this Agreement may be subject to civil and criminal sanctions contained in applicable federal and state statutes.

## II. PERSONNEL CONTROLS

The LCSA shall advise County Workers who have access to Medi-Cal PII, of the confidentiality of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in applicable federal and state laws. For that purpose, the LCSA shall implement the following personnel controls:

- A. **Employee Training.** Train and use reasonable measures to ensure compliance with the requirements of this Agreement by County Workers, including, but not limited to:
  - 1. Provide initial privacy and security awareness training to each new County Worker within 30 days of employment and;
  - 2. Thereafter, provide annual refresher training or reminders of the privacy and security safeguards in this Agreement to all County Workers. Three or more security reminders per year are recommended;
  - 3. Maintain records indicating each County Worker's name and the date on which the privacy and security awareness training was completed;
  - 4. Retain training records for a period of three years after completion of the training.
- B. **Employee Discipline.**
  - 1. Provide documented sanction policies and procedures for County Workers who fail to comply with privacy policies and procedures or any provisions of these requirements.

2. Sanction policies and procedures shall include termination of employment when appropriate.

C. **Confidentiality Statement.** Ensure that all County Workers sign a confidentiality statement. The statement shall be signed by County Workers prior to accessing Medi-Cal PII and annually thereafter. Signatures may be physical or electronic. The signed statement shall be retained for a period of three years.

The statement shall include at a minimum:

1. General Use;
2. Security and Privacy Safeguards;
3. Unacceptable Use; and
4. Enforcement Policies.

D. **Background Screening.**

1. Conduct a background screening of a County Worker before they may access Medi-Cal PII.
2. The background screening should be commensurate with the risk and magnitude of harm the employee could cause. More thorough screening shall be done for those employees who are authorized to bypass significant technical and operational security controls.
3. The LCSA shall retain each County Worker's background screening documentation for a period of three years following conclusion of employment relationship.

### III. **MANAGEMENT OVERSIGHT AND MONITORING**

To ensure compliance with the privacy and security safeguards in this Agreement the LCSA shall perform the following:

- A. Conduct periodic privacy and security review of work activity by County Workers, including random sampling of work product. Examples include,

but are not limited to, access to case files or other activities related to the handling of Medi-Cal PII.

- B. The periodic privacy and security reviews must be performed or overseen by management level personnel who are knowledgeable and experienced in the areas of privacy and information security in the administration of the child support enforcement program, and the use or disclosure of Medi-Cal PII.

**IV. INFORMATION SECURITY AND PRIVACY STAFFING**

The LCSA shall:

- A. Designate information security and privacy officials who are accountable for compliance with these and all other applicable requirements stated in this Agreement.
- B. Assign county workers to be responsible for administration and monitoring of all security related controls stated in this Agreement.

**V. PHYSICAL SECURITY**

The LCSA shall ensure Medi-Cal PII is used and stored in an area that is physically safe from access by unauthorized persons at all times. The LCSA shall safeguard Medi-Cal PII from loss, theft, or inadvertent disclosure and, therefore, shall:

- A. Secure all areas of the LCSA facilities where County Workers assist in the administration of child support enforcement program and use, disclose, or store Medi-Cal PII.
- B. These areas shall be restricted to only allow access to authorized individuals by using one or more of the following:
  - 1. Properly coded key cards
  - 2. Authorized door keys
  - 3. Official identification
- C. Issue identification badges to County Workers.
- D. Require County Workers to wear these badges where Medi-Cal PII is used, disclosed, or stored.

- E. Ensure each physical location, where Medi-Cal PII is used, disclosed, or stored, has procedures and controls that ensure an individual who is terminated from access to the facility is promptly escorted from the facility by an authorized employee and access is revoked.
- F. Ensure there are security guards or a monitored alarm system at all times at the LCSA facilities and leased facilities where 500 or more individually identifiable records of Medi-Cal PII is used, disclosed, or stored. Video surveillance systems are recommended.
- G. Ensure data centers with servers, data storage devices, and/or critical network infrastructure involved in the use, storage, and/or processing of Medi-Cal PII have perimeter security and physical access controls that limit access to only authorized County Workers. Visitors to the data center area must be escorted at all times by authorized County Workers.
- H. Store paper records with Medi-Cal PII in locked spaces, such as locked file cabinets, locked file rooms, locked desks, or locked offices in facilities which are multi-use meaning that there are LCSA and non-LCSA functions in one building in work areas that are not securely segregated from each other. It is recommended that all Medi-Cal PII be locked up when unattended at any time, not just within multi-use facilities.
- I. The LCSA shall have policies that include, based on applicable risk factors, a description of the circumstances under which the County Workers can transport Medi-Cal PII, as well as the physical security requirements during transport. An LCSA that chooses to permit its County Workers to leave records unattended in vehicles must include provisions in its policies to provide the Medi-Cal PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and under no circumstances permit Medi-Cal PII be left unattended in a vehicle overnight or for other extended periods of time.
- J. The LCSA shall have policies that indicate County Workers are not to leave records with Medi-Cal PII unattended at any time in airplanes, buses, trains, etc., including baggage areas. This should be included in training due to the nature of the risk.

## VI. TECHNICAL SECURITY CONTROLS

- A. ***Workstation/Laptop Encryption.*** All workstations and laptops, which use, store and/or process Medi-Cal PII, must be encrypted using a FIPS 140-2 certified algorithm 128 bit or higher, such as Advanced Encryption Standard

(AES). The encryption solution must be full disk. It is encouraged, when available and when feasible, that the encryption be 256 bit.

- B. **Server Security.** Servers containing unencrypted Medi-Cal PII must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review. It is recommended to follow the guidelines documented in the latest revision of the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Security and Privacy Controls for Federal Information Systems and Organizations.
- C. **Minimum Necessary.** Only the minimum necessary amount of Medi-Cal PII required to perform required business functions may be accessed, copied, downloaded, or exported.
- D. **Mobile Device and Removable Media.** All electronic files, which contain Medi-Cal PII data, must be encrypted when stored on any mobile device or removable media (i.e. USB drives, CD/DVD, smartphones, tablets, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm 128 bit or higher, such as AES. It is encouraged, when available and when feasible, that the encryption be 256 bit.
- E. **Antivirus Software.** All workstations, laptops and other systems, which process and/or store Medi-Cal PII, must install and actively use an anti-virus software solution. Anti-virus software should have automatic updates for definitions scheduled at least daily.
- F. **Patch Management.**
  - 1. All workstations, laptops and other systems, which process and/or store Medi-Cal PII, must have critical security patches applied, with system reboot if necessary.
  - 2. There must be a documented patch management process that determines installation timeframe based on risk assessment and vendor recommendations.
  - 3. At a maximum, all applicable patches deemed as critical must be installed within 30 days of vendor release. It is recommended that critical patches which are high risk be installed within seven days.



4. Applications and systems that cannot be patched within this time frame, due to significant operational reasons, must have compensatory controls implemented to minimize risk.

**G. *User IDs and Password Controls.***

1. All users must be issued a unique user name for accessing Medi-Cal PII.
2. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee, at maximum within 24 hours.
3. Passwords are not to be shared.
4. Passwords must be at least eight characters.
5. Passwords must be a non-dictionary word.
6. Passwords must not be stored in readable format on the computer or server.
7. Passwords must be changed every 90 days or less. It is recommended that passwords be required to be changed every 60 days or less.
8. Passwords must be changed if revealed or compromised.
9. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
  - a. Upper case letters (A-Z)
  - b. Lower case letters (a-z)
  - c. Arabic numerals (0-9)
  - d. Special characters

- H. *User Access.*** In conjunction with DHCS, management should exercise control and oversight, of the function of authorizing individual user access to Social Security Administration (SSA) data, Medi-Cal Eligibility Data System (MEDS), and over the process of issuing and maintaining access control numbers, IDs, and passwords.

- I. **Data Destruction.** When no longer needed, all Medi-Cal PII must be cleared, purged, or destroyed consistent with NIST SP 800-88, Guidelines for Media Sanitization, such that the Medi-Cal PII cannot be retrieved.
- J. **System Timeout.** The systems providing access to Medi-Cal PII must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- K. **Warning Banners.** The systems providing access to Medi-Cal PII must display a warning banner stating, at a minimum:
  - 1. Data is confidential;
  - 2. Systems are logged;
  - 3. System use is for business purposes only, by authorized users; and
  - 4. Users shall log off the system immediately if they do not agree with these requirements.
- L. **System Logging.**
  - 1. The systems which provide access to Medi-Cal PII must maintain an automated audit trail that can identify the user or system process which initiates a request for Medi-Cal PII, or alters Medi-Cal PII.
  - 2. The audit trail shall:
    - a. Be date and time stamped;
    - b. Log both successful and failed accesses;
    - c. Be read-access only; and
    - d. Be restricted to authorized users.
  - 3. If Medi-Cal PII is stored in a database, database logging functionality shall be enabled.
  - 4. Audit trail data shall be archived for at least three years from the occurrence.
- M. **Access Controls.** The system providing access to Medi-Cal PII shall use role based access controls for all user authentications, enforcing the principle of least privilege.

**N. *Transmission Encryption.***

1. All data transmissions of Medi-Cal PII outside of a secure internal network must be encrypted using a FIPS 140-2 certified algorithm that is 128 bit or higher, such as AES or TLS. It is encouraged, when available and when feasible, that 256 bit encryption be used.
2. Encryption can be end to end at the network level, or the data files containing Medi-Cal PII can be encrypted.
3. This requirement pertains to any type of Medi-Cal PII in motion such as website access, file transfer, and email.

- O. *Intrusion Prevention.*** All systems involved in accessing, storing, transporting, and protecting Medi-Cal PII, which are accessible through the Internet, must be protected by an intrusion detection and prevention solution.

**VII. AUDIT CONTROLS**

**A. *System Security Review.***

1. The LCSA must ensure audit control mechanisms are in place.
2. All systems processing and/or storing Medi-Cal PII must have at least an annual system risk assessment/security review that ensures administrative, physical, and technical controls are functioning effectively and provide an adequate level of protection.
3. Reviews should include vulnerability scanning tools.

- B. *Log Reviews.*** All systems processing and/or storing Medi-Cal PII must have a process or automated procedure in place to review system logs for unauthorized access.

- C. *Change Control.*** All systems processing and/or storing Medi-Cal PII must have a documented change control process that ensures separation of duties and protects the confidentiality, integrity and availability of data.

- D. *Anomalies.*** When the LCSA or DHCS suspects MEDS usage anomalies, the LCSA shall work with DCSS and DHCS to investigate the anomalies and

report conclusions of such investigations and remediation to DCSS and DHCS.

### **VIII. BUSINESS CONTINUITY / DISASTER RECOVERY CONTROLS**

- A. ***Emergency Mode Operation Plan.*** The LCSA must establish a documented plan to enable continuation of critical business processes and protection of the security of Medi-Cal PII kept in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours. It is recommended that counties conduct periodic disaster recovery testing, including connectivity exercises conducted with DHCS, if requested.
- B. ***Data Centers.*** Data centers with servers, data storage devices, and critical network infrastructure involved in the use, storage and/or processing of Medi-Cal PII, must include environmental protection such as cooling, power, and fire prevention, detection, and suppression.
- C. ***Data Backup Plan.***
  - 1. The LCSA shall have established documented procedures to backup Medi-Cal PII to maintain retrievable exact copies of Medi-Cal PII.
  - 2. The documented backup procedures shall contain a schedule which includes incremental and full backups.
  - 3. The procedures shall include storing backups offsite.
  - 4. The procedures shall ensure an inventory of backup media. It is recommended that the LCSA periodically test the data recovery process.

### **IX. PAPER DOCUMENT CONTROLS**

- A. ***Supervision of Data.*** Medi-Cal PII in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information may be observed by an individual not authorized to access the information.
- B. ***Data in Vehicles.*** The LCSA shall have policies that include, based on applicable risk factors, a description of the circumstances under which the

County Workers can transport Medi-Cal PII, as well as the physical security requirements during transport. A LCSA that chooses to permit its County Workers to leave records unattended in vehicles must include provisions in its policies to provide the Medi-Cal PII is stored in a non-visible area such as a trunk, that the vehicle is locked, and under no circumstances permit Medi-Cal PII be left unattended in a vehicle overnight or for other extended periods of time.

- C. **Public Modes of Transportation.** Medi-Cal PII in paper form shall not be left unattended at any time in airplanes, buses, trains, etc., including baggage areas. This should be included in training due to the nature of the risk.
- D. **Escorting Visitors.** Visitors to areas where Medi-Cal PII is contained shall be escorted, and Medi-Cal PII shall be kept out of sight while visitors are in the area.
- E. **Confidential Destruction.** Medi-Cal PII must be disposed of through confidential means, such as cross cut shredding or pulverizing.
- F. **Removal of Data.** Medi-Cal PII must not be removed from the premises of County Department except for justifiable business purposes.
- G. **Faxing.**
  - 1. Faxes containing Medi-Cal PII shall not be left unattended and fax machines shall be in secure areas.
  - 2. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them and notify the sender.
  - 3. Fax numbers shall be verified with the intended recipient before sending the fax.
- H. **Mailing.**
  - 1. Mailings containing Medi-Cal PII shall be sealed and secured from damage or inappropriate viewing of PII to the extent possible.
  - 2. Mailings that include 500 or more individually identifiable records containing Medi-Cal PII in a single package shall be sent using a tracked mailing method that includes verification of delivery and receipt.

**X. NOTIFICATION AND INVESTIGATION OF BREACHES AND SECURITY INCIDENTS**

During the term of this Agreement, the DCSS and LCSA shall implement reasonable systems for the discovery and prompt reporting of any Breach or Security Incident, and to take the following steps:

**A. *Initial Notice to DHCS:***

**Immediately upon discovery** of a suspected security incident that involves data provided to DHCS by the SSA, the LCSA shall notify DCSS and DHCS by email or telephone. If DCSS receives notification of a breach or security incident from the LCSA involving data provided to DHCS by the SSA, DCSS shall also immediately notify DHCS by e-mail or telephone.

**Within one working day of discovery**, the LCSA shall notify DCSS and DHCS by email or telephone of unsecured PHI or PI, if that PHI or PI was, or is, reasonably believed to have been accessed or acquired by an unauthorized person, any suspected security incident, intrusion, or unauthorized access, use, or disclosure of Medi-Cal PII in violation of this Agreement, or potential loss of confidential data affecting this Agreement. If DCSS receives such notice from the LCSA, DCSS shall immediately and no later than within one working day of its receipt of the LCSA's notice notify DHCS of the security incident. Notice shall be made using the "DHCS Privacy Incident Report" (PIR) form, including all information known at the time. The LCSA and/or DCSS shall use the most current version of this form, which is posted on the DHCS Privacy Office website ([www.dhcs.ca.gov](http://www.dhcs.ca.gov), select "Privacy & HIPAA" and then "County Use") or use this link:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/CountiesOnly.aspx>.

Initial, Investigation, and Completed PIRs are submitted to the DHCS Privacy Office and the DHCS Information Security Office.

A breach shall be treated as discovered by the LCSA as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach), who is an employee, officer or other agent of the LCSA. Notice shall be provided to the DHCS Privacy Office and the DHCS Information Security Office as well as the DCSS Information Security Office.

Upon discovery of a breach, security incident, intrusion, or unauthorized access, use, or disclosure of Medi-Cal PII, the LCSA and DCSS shall take:

1. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
  2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- B. *Investigation and Investigative Report.*** The LCSA shall immediately investigate breaches and security incidents involving Medi-Cal PII, and, if the initial PIR did not include all of the information marked with an asterisk, or if new or updated information is available, submit an updated PIR **within 72 hours of the discovery**. The updated PIR shall include all of the information marked with an asterisk, and all other applicable information listed on the form, to the extent known at that time.
- C. *Complete Report.*** If all of the required information was not included in either the initial report, or the investigation report, then a separate complete report must be submitted **within ten working days of the discovery**. The Complete Report of the investigation shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the PIR, the LCSA shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the Completed Report is submitted, by submitting the revised or additional information on an updated PIR. DHCS will review and approve or disapprove the determination of whether a breach occurred, and if individual notifications and corrective action plans are required.
- D. *Notification of Individuals.*** When applicable state or federal law requires DHCS to notify individuals of a breach or unauthorized disclosure of their Medi-Cal PII, the following provisions apply: If the cause of the breach is attributable to the LCSA or its subcontractors, agents or vendors, the LCSA shall pay any costs of such notifications, as well as any and all costs associated with the breach. The notifications shall comply with the requirements set forth in California Civil Code Section 1798.29, and 42 U.S.C. section 17932, and its implementing regulations, including but not limited to the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Privacy Office shall approve the time, manner and content of any such notifications and their review and approval must be obtained before

notifications are made. DHCS may elect to assign responsibility for such notification to the LCSA. In the event DHCS assigns notification responsibility to the LCSA, DHCS shall provide the LCSA with the appropriate direction and procedures to ensure notice is provided pursuant to applicable law. If the cause of the breach is attributable to DHCS, DHCS shall pay any costs associated with such notifications. If there is any question as to whether DHCS or the LCSA is responsible for the breach, DHCS and the LCSA shall jointly determine responsibility for purposes of allocating the costs of such notices.

- E. ***Responsibility for Reporting of Breaches when Required by State or Federal Law.*** If the cause of a breach of Medi-Cal PII is attributable to the LCSA or its agents, subcontractors or vendors, the LCSA is responsible for reporting the breach and all costs associated with the breach. If the cause of the breach is attributable to DHCS, DHCS is responsible for reporting the breach and for all costs associated with the breach. When applicable law requires the breach be reported to a federal or state agency or that notice be given to media outlets, DHCS and the LCSA shall coordinate to ensure such reporting is in compliance with applicable law and to prevent duplicate reporting, and to jointly determine responsibility for purposes of allocating the costs of such reports, if any.
- F. ***DHCS and DCSS Contact Information.*** To direct communications to the above referenced DCSS and DHCS staff, the LCSA shall initiate contact as indicated herein. DCSS and DHCS reserve the right to make changes to the contact information below by giving written notice to the LCSA. Said changes shall not require an amendment to this Agreement to which it is incorporated.



DHCS Privacy Office	DHCS Information Security Office	DCSS Information Security Office
<p>DHCS Privacy Office c/o: Office of HIPAA Compliance MS 4722 P.O. Box 997413 Sacramento, CA 95899-7413</p> <p>Email: <a href="mailto:privacyofficer@dhcs.ca.gov">privacyofficer@dhcs.ca.gov</a></p> <p>Telephone: (916) 445-4646 or (866) 866-0602</p>	<p>DHCS Information Security Office MS 6400 P.O. Box 997413 Sacramento, CA 95899-7413</p> <p>Email: <a href="mailto:iso@dhcs.ca.gov">iso@dhcs.ca.gov</a></p> <p>Telephone: EITS Service Desk (916) 440-7000 or (800) 579-0874</p>	<p>DCSS Information Security Office P.O. Box 419064 Rancho Cordova, CA 95741-9064</p> <p>Email: <a href="mailto:info.security@dcss.ca.gov">info.security@dcss.ca.gov</a></p> <p>Telephone: (916) 464-5045</p>

## XI. COMPLIANCE WITH SSA AGREEMENT

The LCSA shall comply with substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between SSA and DCSS, known as the Information Exchange Agreement (IEA), which are appended and hereby incorporated in to this Agreement (Exhibit A). The specific sections of the IEA with substantive privacy and security requirements, which are to be complied with by the LCSA are in the following sections: E, Security Procedures; F, Contractor/Agent Responsibilities; G, Safeguarding and Reporting Responsibilities for PII, and in Attachment 4, Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with SSA. If there is any conflict between a privacy and security standard in these sections of the IEA and a standard in this Agreement, the most stringent standard shall apply. The most stringent standard means the standard which provides the greatest protection to Medi-Cal PII.

If SSA changes the terms of its agreement(s) with DHCS, DHCS will, as soon as reasonably possible after receipt, supply copies to DCSS as well as the DHCS proposed target date for compliance. For a period of 30 days, DHCS will accept input from DCSS on the proposed target date and make

adjustments, if appropriate. After the 30 day period, DHCS will submit the proposed target date to SSA, which will be subject to adjustment by SSA. Once a target date for compliance is determined by SSA, DHCS will supply copies of the changed agreement to the DCSS and the LCSAs, along with the compliance date expected by SSA. If an LCSA is not able to meet the SSA compliance date, it must submit Corrective Action Plan (CAP) to DHCS for review and approval at least 30 days prior to the SSA compliance date.

**XIII. LCSA'S AGENTS AND SUBCONTRACTORS**

The LCSA shall enter into written agreements with any agents, including subcontractors and vendors, to whom LCSA provides Medi-Cal PII received from or created or received by LCSA in performing functions or activities related to the administration of the child support enforcement program that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to the LCSA with respect to Medi-Cal PII, including restrictions on disclosure of Medi-Cal PII and the use of appropriate administrative, physical, and technical safeguards to protect such Medi-Cal PII. The LCSA shall incorporate, when applicable, the relevant provisions of this Agreement into each subcontract or sub-award to such agents, subcontractors and vendors, including the requirement that any breach, security incident, intrusion, or unauthorized access, use, or disclosure of Medi-Cal PII be reported to the LCSA.

**XIV. ASSESSMENTS AND REVIEWS**

In order to enforce this Agreement and ensure compliance with its provisions, the LCSA shall allow DHCS and/or DCSS to inspect the facilities, systems, books, and records of the LCSA, with reasonable notice from DHCS and/or DCSS, in order to perform assessments and reviews. Such inspections shall be scheduled at times that take into account the operational and staffing demands. The LCSA agrees to promptly remedy any violation of any provision of this Agreement and certify the same to the DHCS Privacy Office, DHCS Information Security Office and DCSS Information Security Office in writing, or to enter into a written corrective action plan with DHCS containing deadlines for achieving compliance with specific provisions of this Agreement.

If assessments and reviews are performed by DCSS, DCSS agrees to use the review questionnaire to be provided by DHCS.

**XV. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

- In the event of litigation or administrative proceedings involving DHCS based upon claimed violations by the LCSA of the privacy or security of Medi-Cal PII, or federal or state laws or agreements concerning privacy or security of Medi-Cal PII, the DCSS and LCSA shall make all reasonable effort to make itself and County Workers assisting in the administration of the child support program and using or disclosing Medi-Cal PII available to DHCS at no cost to DHCS to testify as witnesses. DHCS shall also make all reasonable efforts to make itself and any subcontractors, agents, and employees available to the LCSA at no cost to DCSS and the LCSA to testify as witnesses, in the event of litigation or administrative proceedings involving DCSS or the LCSA based upon claimed violations by DHCS of the privacy or security of Medi-Cal PII, or state or federal laws or agreements concerning privacy or security of Medi-Cal PII.

#### **XVI. AMENDMENT OF AGREEMENT**

DHCS and DCSS acknowledge that federal and state laws relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. Upon request by DHCS, DCSS agrees to promptly enter into negotiations concerning an amendment to this Agreement as may be needed by developments in federal and state laws and regulations. DHCS may terminate this Agreement upon thirty (30) days written notice if DCSS does not promptly enter into negotiations to amend this Agreement when requested to do so, or does not enter into an amendment that DHCS deems necessary.

#### **XVII. TERMINATION**

This Agreement shall terminate on September 30, 2019, regardless of the date the Agreement is executed by the parties. The parties can agree in writing to extend the term of the Agreement; DCSS requests for an extension must be justified to and accepted by DHCS and limited to no more than a three-month extension. Such an extension may, upon DCSS request and DHCS approval, be renewed for one additional three month period. Regardless of the extension status, all provisions of this Agreement that provide restrictions on disclosures of Medi-Cal PII and that provide administrative, technical, and physical safeguards for the Medi-Cal PII in the LCSA's possession shall continue in effect beyond the termination of the Agreement, and shall continue until the Medi-Cal PII is destroyed or returned to DHCS.

**XVIII. TERMINATION FOR CAUSE**

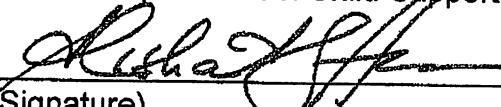
Upon DHCS' knowledge of a material breach or violation of this Agreement by the LCSA, DHCS may provide an opportunity for the LCSA to cure the breach or end the violation and may terminate this Agreement if the LCSA does not cure the breach or end the violation within the time specified by DHCS. This Agreement may be terminated immediately by DHCS if the LCSA has breached a material term and DHCS determines, in its sole discretion, that cure is not possible or available under the circumstances. Upon termination of this Agreement, the LCSA must destroy all PII in accordance with Section VII, above. The provisions of this Agreement governing the privacy and security of the PII shall remain in effect until all PII is destroyed and DHCS receives a certificate of destruction.

**XIX. SIGNATORIES**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.

The authorized officials whose signatures appear below have committed their respective agencies to the terms of this Agreement. The contract is effective on the day the final signature is obtained.

For the Department of Child Support Services,

  
\_\_\_\_\_  
(Signature)

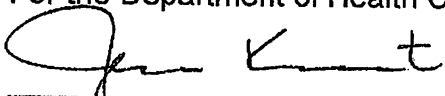
October 20, 2016  
\_\_\_\_\_  
(Date)

Alisha Griffin, Director

\_\_\_\_\_  
(Name)

Director  
\_\_\_\_\_  
(Title)

For the Department of Health Care Services,

  
\_\_\_\_\_  
(Signature)

10/26/16  
\_\_\_\_\_  
(Date)

Jennifer Kent

\_\_\_\_\_  
(Name)

Director  
\_\_\_\_\_  
(Title)

Exhibit A

Computer Matching and Privacy Protection Act Agreement (CMPPAA) between SSA and CHHS, and Information Exchange Agreement (IEA) between SSA and DCSS with Attachment "Electronic Information Exchange Security Requirements for State and Local Agencies Exchanging Electronic Information with SSA (Technical Systems Security Requirements (TSSR v. 7.0))." These are sensitive documents that are provided separately to the DCSS's privacy and security officer. DCSS will provide a copy of the Exhibit A to each LCSA information security officer to ensure LCSA's compliance with the terms and conditions therein.