



COUNTY OF SAN MATEO
Inter-Departmental Correspondence



DATE: January 18, 2017
BOARD MEETING DATE: February 14, 2017
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Louise Rogers, Chief, Health System
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center
Cassius Lockett, Director, Public Health, Policy and Planning
Stephen Kaplan, Behavioral Health and Recovery Services
Carlos Morales, Interim Director, Correctional Health Services

SUBJECT: Agreements with Department of Health Care Services to participate in the Medi-Cal County Inmate Program

RECOMMENDATION

Adopt a resolution authorizing agreements with the State of California Department of Health Care Services to participate in the Medi-Cal County Inmate Program, for the term April 1, 2017 to June 30, 2017, in an amount not to exceed \$556,063, and for the term July 1, 2017 to June 30, 2018, in an amount not to exceed \$2,224,253.

BACKGROUND:

In June 2014, your Board designated Correctional Health Services (CHS) as the entity to assist county jail inmates with their applications for health insurance affordability programs in accordance with Assembly Bill (AB) 720, Chapter 646, as part of California's implementation of the Affordable Care Act. This effort was also implemented in order to leverage savings in preparation for the California Department of Health Care Services' (DHCS) Medi-Cal County Inmate Program (MCIP), which is comprised of the following three programs:

- Adult County Inmate Program, authorized in AB1628 and added in Welfare and Institutions Code section 14503.7, provides Medi-Cal coverage to eligible adult county inmates for inpatient hospital services provided outside of the correctional institutions. Claims eligible for this program are retroactive from November 1, 2010.
- Juvenile County Ward Program, authorized in AB396 and Senate Bill (SB) 695 and added in Welfare and Institutions Code section 14053.8, provides Medi-Cal coverage to eligible juvenile county wards for inpatient hospital and inpatient mental health services provided off the grounds of the correctional institutions. Claims eligible for this program are retroactive from January 1, 2012.

- County Compassionate Release Program and County Medical Probation Program, authorized in SB 1462 and added in Government Code sections 26605.6, 26605.7, and 26605.8, permits county sheriffs to grant medical release or medical probation in lieu of jail time, if certain conditions are met.

On December 28, 2016, DHCS released agreements for counties choosing to voluntarily participate in the fee-for service MCIP.

DISCUSSION:

Without voluntarily participating in the MCIP, CHS is responsible for paying the total cost of inmate medical care provided outside the correctional facilities. DHCS, as the state agency administering the MCIP, has the ability to draw federal funds for allowable services such as inpatient hospital and psychiatric stays and physician services during the inpatient stay. These costs totaled \$926,718 in FY 2015-16 for patients served by CHS.

CHS will refer completed Medi-Cal applications to the Human Services Agency to determine and code eligibility appropriately for MCIP-eligible status for any inmate requiring inpatient hospitalization. CHS will also work with the Sheriff's Office for any potential compassionate release and/or medical probation opportunities as appropriate.

Non-contract Medi-Cal providers will directly bill DHCS for MCIP services, which DHCS will reimburse at the applicable Medi-Cal rate. DHCS will then seek and retain federal financial participation claimed for MCIP services and the County will reimburse DHCS for the nonfederal share of claims paid by DHCS to the Medi-Cal provider for MCIP services. When the medical services are provided by a Designated Public Hospital (DPH) such as the San Mateo Medical Center (SMMC), the financial federal participation resulting from expenditures for the MCIP services will be claimed by the DPH under a certified public expenditure process. The County will also reimburse DHCS its apportioned share of the nonfederal share for administrative costs incurred for the MCIP.

The agreements and resolution have been reviewed and approved by County Counsel as to form.

The agreements contribute to the Shared Vision 2025 outcome of a Healthy Community by pursuing federal reimbursement for inpatient hospitalization services provided to inmates who qualify for Medi-Cal coverage, strengthening the County's ability to arrange and provide for all inmates requiring hospitalization. It is anticipated that CHS will complete Medi-Cal applications for at least 95% of those inmates requiring hospitalization.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Estimated	FY 2017-18 Projected
Percentage of inmates requiring hospitalization for whom CHS completes a Medi-Cal application	95% 50 inmates	100% 53 inmates

FISCAL IMPACT:

The term of the fiscal year (FY) 2016-17 agreement will be April 1, 2017 to June 30, 2017, in an amount not to exceed \$556,063, and the term of the FY 2017-18 agreement will be July 1, 2017 to June 30, 2018, in an amount not to exceed \$2,224,253. CHS and SMMC will include these amounts in their Adopted FY16-17 and Recommended FY 2017-18 budgets.

The not to exceed amounts are based on FY 2015-16 billable charges from non-contract Medi-Cal providers and SMMC, representing approximately 50 inmates who received inpatient services. The not to exceed amount also includes DHCS' annual administrative charge, based on an allocation distributed evenly among participating counties and a pro-rated share of paid claim volume. For each subsequent FY, DHCS will require counties to enter into a new agreement. Additionally, DHCS will require counties to enter into a separate agreement for retroactive claims.

As noted above, CHS' total billable outside medical costs for FY 2015-16 were \$2,224,253. This includes \$1,260,785 billable from SMMC. Medi-Cal will now be claimable under this new program and as a result it is estimated that 50% of the billable amount can be federally reimbursed, resulting in net expense savings to the Health System. The expense savings will vary depending on how many inmates are eligible for Medi-Cal and the level of care they will require. Anticipated reimbursement for retroactive claims have not been determined yet pending the release of guidelines and an agreement from DHCS.

There is no Net County Cost associated with this agreement.