

ADDENDUM A: MCIP Administrative Costs

The Medi-Cal County Inmate Program (MCIP) agreement is a one-year term contract giving counties the option to participate on an annual basis. At the beginning of each calendar year, counties have the opportunity to participate in the program for the upcoming State Fiscal Year (SFY) by completing the MCIP agreement. For the SFY of implementation, DHCS will reach out to the counties for their claim volume for the prior SFY to estimate the pro-rata nonfederal share of administrative cost per county prior to executing the contract. For each year thereafter, DHCS will run paid claim reports per county for the previous SFY to be shared with the counties.

Nonfederal share of administrative costs will be estimated using an administrative cost estimate developed by DHCS, in consultation with the California State Association of Counties and the County Health Executives Association of California and prior SFY claim volume for each participating county. The nonfederal share of administrative costs allocated to each county will be based on the following:

- 30% of the total administrative costs will be distributed evenly to all counties over 50,000 in population. (Population data will be obtained from the State of California Department of Finance, Demographic Estimates)
- 70% of the total administrative costs will be distributed to counties based on their pro-rata share of paid claim volume.

DHCS will invoice participating counties for the nonfederal share of administrative costs six months after the close of the SFY based on actual administrative costs, not exceeding the estimated amounts in the MCIP agreements. If the actual administrative costs exceed the maximum payable amounts in any of the MCIP agreements, then Article 6.A.3 of the MCIP Agreement applies and the contract will be terminated if the county will not sign an amendment to the MCIP agreement to make up the balance.

Timeline:

- **September** – DHCS will send invitations to all counties to participate in the MCIP for the upcoming SFY. Responses are due from the counties on September 31st.
- **October** - DHCS distributes contracts to counties by the second week of October.
- **February**- Counties will have a deadline of February 14th to review the contract. At this time, DHCS will run a paid claims report per county for the previous SFY. If it is the county's first time participating in the program, the county will need provide their claim volume from the prior SFY.
- **March**- DHCS will send out the contract with estimated nonfederal share of administrative costs by March 17th.
- **April** - Counties will have a deadline of April 30th to return signed contracts.
- **June** - DHCS will ensure contracts are in place by June 30th and ready for the start of the next SFY.