



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 19-974

Board Meeting Date: 10/8/2019

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, Health System  
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center  
Carlos Morales, Director, Correctional Health Services

**Subject:** Agreement with Department of Health Care Services to Participate in the Medi-Cal County Inmate Program

### **RECOMMENDATION:**

Adopt a resolution authorizing an agreement with the State of California Department of Health Care Services to participate in the Medi-Cal County Inmate Program for the term of July 1, 2019 to June 30, 2020, in the amount not to exceed \$2,225,151.

### **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 of the California Department of Health Care Services (DHCS) Medi-Cal County Inmate Program (MCIP), which constitutes the following three programs:

- Adult County Inmate Program (ACIP) 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 off the grounds of the correctional institutions. Claims eligible for this program are retroactive from November 1, 2010.
- Juvenile County Ward Program (JCWP) 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 (CCRP) and County Medical Probation Program

(CMPP) 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 August 7, 2019, DHCS released fiscal year 2019-20 agreements for counties choosing to voluntarily participate in the fee-for service MCIP.

**DISCUSSION:**

Without voluntarily participating in the MCIP, CHS would be responsible for paying the cost of medical care of its inmates 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.

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

The agreement contributes 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 100% of those inmates requiring hospitalization.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Projected</b>
Percentage of inmates requiring hospitalization for whom CHS completes a Medi-Cal application	100% 49 inmates	100% 51 inmates

**FISCAL IMPACT:**

The term of the agreement is July 1, 2019 to June 30, 2020. The amount of the agreement is not to exceed \$2,225,151, which is included in CHS and SMMC FY 2019-20 Approved Recommended Budget. The not to exceed amounts are based on FY 2018-19 billable charges from non-contract Medi-Cal providers and SMMC, representing approximately 48 inmates who received inpatient services. The not to exceed amount also includes DHCS’ annual administrative charge, with 30% of the total administrative costs distributed evenly to participating counties over 50,000 in population

and 70% of the total administrative costs allocated to participating counties pro-rata based on population. For each subsequent fiscal year, 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 2018-19 were \$2,225,151. This includes \$1,207,612 billable from SMMC. Medi-Cal will now be claimable under this new program. As a result, it is estimated that 50% of the billable amount can be federally reimbursed, resulting in net expense savings to County Health. The expense savings for CHS in FY 2018-19 was \$369,124, which is the difference between the amount CHS would have paid providers before the federal share reimbursement and the non-federal share of cost CHS must reimburse DHCS. Future expense savings will vary depending on how many inmates are eligible for Medi-Cal and the level of care they require. Anticipated reimbursement for retroactive claims has not been determined yet, pending the release of guidelines and agreement from DHCS.

There is no Net County Cost associated with this agreement.