



# County of San Mateo

## Inter-Departmental Correspondence

---

**Department:** HEALTH

**File #:** 26-008

Board Meeting Date: 1/6/2026

---

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

**To:** Honorable Board of Supervisors

**From:** Colleen Chawla, Chief, San Mateo County Health  
Michael del Rosario, Director, Correctional Health Services

**Subject:** Authorizing the Controller to Pay Non-Contract Medical Service Providers at Non-County Facilities to Provide Services to County Incarcerated Persons

**RECOMMENDATION:**

Adopt a resolution authorizing the Controller to pay non-contract medical service providers at non-County facilities to provide services to County incarcerated persons not available at a County site, for the term of January 6, 2026, to December 31, 2026, in an amount not to exceed \$542,500.

**BACKGROUND:**

Since 1980, this Board has authorized the Controller to pay non-contract medical service providers at non-County facilities to provide services to County incarcerated persons when San Mateo Medical Center or a contracted medical care provider is unable to provide the necessary level of care.

Specific to Correctional Health Services (CHS), California Assembly Bill 658 (AB658), enacted on July 16, 2015, authorizes hospitals that do not contract with the county sheriff's police chief or other public agency to provide emergency health care services to local law enforcement patients at a rate equal to 110 percent of the hospital's actual costs, according to the most recent Hospital Annual Financial Data report issued by the Office of Statewide Health Planning and Development, as calculated using a cost-to-charge ratio.

In June 2023, this Board approved a resolution authorizing the Controller to pay non-contract medical service providers at non-County facilities to provide services to County incarcerated persons not available at a County site for the term of July 1, 2023, to June 30, 2028, in an amount not to exceed \$2,100,000.

**DISCUSSION:**

Due to the trending medical needs of the incarcerated population that are serving longer sentences at the County jail and in accordance with AB658 billing rates, CHS's outside hospital costs fluctuated

and significantly increased in FY 2023-24. Specifically, this annual cost has risen from \$420,000 to \$620,000 per year within the last three years. While the Medi-Cal County Inmate Program has allowed outside providers to claim Medi-Cal reimbursement for inpatient costs (i.e., lowering the responsible amount for CHS), outpatient costs - including trauma services - are still not reimbursable, resulting in a balance authorized under the current resolution of \$38,960.

Fiscal Year	Actual Outside Hospital Expenses	Authorized Balance Remaining (\$2,100,000 maximum)
2023-24	\$1,338,847	\$761,153
2024-25	\$693,721	\$67,432
2025-26	\$28,472	\$38,960

As a result of criminal justice realignment and changes in sentencing laws, incarcerated persons are staying in correctional facilities longer, requiring more medical care for which the County is financially responsible. Related to these longer stays, CHS is seeing an increase in patient acuity requiring treatment for cancer diagnoses, complications due to strokes, and other neurological conditions. Additionally, trauma services are required for emergency services, such as falls or chest pain complaints.

Due to these factors, CHS continues to have a need to access non-contract, non-County medical service providers. CHS will look to secure memorandum of understandings, agreements, or contracts with such medical service providers in the coming year. In order to continue to meet the needs of such CHS patients, CHS requests that this Board authorize the payment of non-contract medical service providers at non-County facilities when medically necessary and adopt a new resolution for payment of these services for a one-year term effective from January 6, 2026, through December 31, 2026. The resolution has been reviewed and approved by the County Attorney as to form.

It is anticipated that less than 10% of CHS patients will be referred to non-contract medical service providers for specialty care services.

**PERFORMANCE MEASURE:**

Measure	FY 2025-26 Estimated	FY 2025-26 Projected
Percentage of patients referred to non-contract medical services providers for specialty care services	<10% <100 patients	<10% <100 patients

**COMMUNITY IMPACT:**

Services provided by this resolution will positively impact the physical and emotional well-being of incarcerated persons who often are identifying or treating conditions not previously addressed. These services will further reduce unnecessary emergency admissions and inpatient hospitalizations during incarceration as well as upon community reentry. Individual and public health outcomes are improved from medical care received in a compassionate, culturally and linguistically appropriate, and timely manner.

**FISCAL IMPACT:**

The term of this agreement is January 6, 2026, through December 31, 2026. The total authorized

expenditures under the resolution are not to exceed \$542,500 for the one-year term. Inmate medical costs are funded by a combination of Health Realignment funds, Net County Cost and Medi-Cal. The cost of outside hospital services is included in the FY 2025-26 Approved Budget and will be included in the FY 2026-27 budget.