



COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: January 24, 2017

TO: Board of Supervisors

FROM: County Executive Office

SUBJECT: Resolution authorizing the chairman of the Board of Supervisors to execute an agreement with the California Department of Healthcare Services (DHCS), allowing the County to participate in the Medi-Cal Inmate Participation Program (MCIP) for the last quarter of Fiscal Year 2016/17.

RECOMMENDATION: Approve the resolution.

FUNDING: This agreement requires the county to pay administrative costs to the California Department of Health Care Services (DHCS), with the amount for 2016/17 estimated at \$667. Under this agreement, DHCS would bill the Federal Government to cover eligible inmate inpatient treatment at around 90% of cost, with the County responsible for the remaining share. The estimated county share for the fiscal year is \$1,250. The expenditures in this agreement are within the department budget, and no budget amendment is needed. Since the county is currently liable for 100% of inmate medical expenses, this program will have a positive impact on the General Fund.

BACKGROUND: The County is responsible for the cost of inmate medical services provided to individuals incarcerated at jail facilities and the Juvenile Hall. Currently these services are largely provided through contract with the California Forensic Medical Group (CFMG). When an inmate needs inpatient treatment at a hospital or other medical facility, CFMG pays the first \$15,000, and the County directly pays any amounts above \$15,000.

A significant, but unknown portion of this treatment is for inmates who meet the income requirements to be covered by Medi-Cal. However, Federal law prohibits the claiming Medi-Cal funding for incarcerated individuals, except for inpatient services rendered off the grounds of the incarceration institution.

In 2010 with AB 1628, California amended statute to allow Medi-Cal claiming for eligible treatment of inmates admitted to inpatient facilities.

It was not until December of 2016 that the Department of Health Care Services (DHCS) implemented the Medi-Cal Inmate Participation program (MCIP), which is effective April 1, 2017. To participate, Counties are required to enter into agreements with DHCS. The agreement before the Board requires counties to pay a relatively minor portion of state administrative costs, estimated at \$667 for 2016/17. The program allows Medi-Cal funding to be used to cover inpatient medical expenses that are currently the responsibility of the County.

This program should result in savings to the County after admin costs. In order for the County to realize a savings, we will need to negotiate a change in the contract with CFMG, who has expressed willingness to work with the county on how to realize savings from this program.

The timeline for participating in this program is as follows:

- January 24th, Board Approval of the Agreement
- February 15th, Agreement due at the State
- April 1st, amended contract in place with CFMG
- April 1st, begin billing Medi-Cal for eligible services

The program requires counties to annually opt into the program. SR-17-0038 is a companion to this item and includes the agreement for Fiscal Year 2017-18.

Initiated by: Ryan Gruver, Senior Management Analyst

Approved by: Richard A. Haffey, County Executive Officer