



Board Agenda Item 26

DATE: February 7, 2017

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Medi-Cal County Inmate Program

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute an Agreement with California Department of Health Care Services for the Medi-Cal County Inmate Program for FY 2016-17, effective April 1, 2017 through June 30, 2017 (\$576,780).**
2. **Approve and authorize the Chairman to execute an Agreement with California Department of Health Care Services for the Medi-Cal County Inmate Program for FY 2017-18, effective July 1, 2017 through June 30, 2018 (\$2,305,901).**

Approval of the first and second recommended actions will allow medical providers to seek reimbursement from the California Department of Health Care Services (DHCS) Medi-Cal County Inmate Program (MCIP) for covered inpatient hospital services (covered services) rendered to eligible County adult inmates and juvenile wards (eligible inmates) from April 1, 2017 through June 30, 2017 for FY 2016-17 and for FY 2017-18. The agreement must be entered into annually hereafter in order to allow for providers to seek reimbursement for MCIP services to eligible inmates, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, providers would not be reimbursed by DHCS for covered services provided to eligible inmates who are incarcerated at Fresno County Detention Facilities and the Juvenile Justice Campus. Furthermore, the County would retain responsibility for payment to providers for these services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation in FY 2016-17 is \$576,780 and \$2,305,901 for FY 2017-18. DHCS will charge the County an annual administrative fee (\$1,780 for the FY 2016-17 4th Quarter and \$5,901 for FY 2017-18), which is based on a methodology specified in Addendum A of the agreements and included as reference as Attachment A. DHCS will charge the County for the non-federal portion of the Medi-Cal fee-for-service reimbursed to medical providers not to exceed \$575,000 for the FY 2016-17 4th Quarter and \$2,300,000 for FY 2017-18. Sufficient appropriations and estimated revenues are included in the Department Org 5620 FY 2016-17 adopted budget and will be included in the FY 2017-18 requested budget.

DISCUSSION:

Federal law generally prohibits claiming Medicaid funds to reimburse for health care services provided to inmates residing in correctional facilities. However, this prohibition does not apply to inpatient hospital services,

including inpatient psychiatric services and physician services provided to an eligible inmate at a medical facility that is located off the grounds of the correctional facility and when the inpatient hospitalization is expected to be for at least 24 hours. Assembly Bill 1628 (Chapter 729, Statutes of 2010) and Assembly Bill 396 (Chapter 394, Statutes of 2011) authorized DHCS and counties to claim Federal Financial Participation (FFP) for medical and psychiatric inpatient hospital services provided to County Medi-Cal eligible inmates housed in county correctional facilities.

On December 6, 2016, your Board approved Amendment II to Agreement No. 14-118 with Corizon Health, Inc., which provides for participation in MCIP for both retrospective services (prior to April 1, 2017) and prospective services (after April 1, 2017). The Department will bring the MCIP Agreement for retrospective services to your Board for approval when it becomes available from DHCS.

In order for providers to be able to send claims directly to DHCS for MCIP services from April 1, 2017 through June 30, 2017 and for FY 2017-18 provided to eligible inmates, the County must enter into the MCIP Agreement with DHCS on an annual basis. The agreement sets forth the terms that the County must abide by in order to participate in MCIP, including that DHCS will reimburse providers at the applicable Medi-Cal rate for the services rendered to the extent FFP is available.

As part of the MCIP Agreement, on January 3, 2017, the Department submitted to DHCS the MCIP Participation Forms for FY 2016-17 and FY 2017-18. The forms allowed DHCS to determine the County's administrative costs which have been included in the recommended agreements. The County shall retain financial responsibility for inpatient hospital services provided to inmates and wards who are not eligible for MCIP. Generally, these are inmates and wards who have not been suspended by the Social Security Administration's Medicare or Supplemental Security Income (SSI) programs, who are receiving pensions or have a source of income that is above the allowable Medi-Cal limit.

The agreements contain language stating that the County agrees to indemnify DHCS. The Department requested a mutual hold harmless clause to the agreement and that language limiting the State's liability in the case of a federal audit disallowance resulting from payments made by the federal Medicaid program be removed, but the requests were declined by DHCS. However, the recommended agreements are in the County's best interest as they allow for DHCS' ability to draw federal funds for allowable services, which in turn allows the County to realize a savings for costs that would have otherwise been incurred. The agreements may be terminated without cause by either party upon 30-day written notice.

REFERENCE MATERIAL:

BAI #36.1, December 6, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A

On file with Clerk - Medi-Cal County Inmate Program Agreement FY 2016-17

On file with Clerk - Medi-Cal County Inmate Program Agreement FY 2017-18

On file with Clerk - Participation Form FY 2016-17

On file with Clerk - Participation Form FY 2017-18

CAO ANALYST:

Sonia De La Rosa