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**IMCU PPL 16-003**

**DATE: 12/28/2016**

**TO: COUNTY REPRESENTATIVES**

**SUBJECT: MEDI-CAL COUNTY INMATE PROGRAM Fiscal Year (FY) 2016-17 and FY 2017-18 PARTICIPATION FORMS**

This Policy and Procedure Letter (PPL) provides notice to counties regarding Medi-Cal County Inmate Program (MCIP) Participation Forms and provides dates as to when counties can participate in MCIP. Other previously published important documents and PPLs that provide guidance on MCIP can be found at <http://www.dhcs.ca.gov/provgovpart/Pages/MIP.aspx>. This PPL includes summaries from the guidance included in other MCIP PPLs and does not supercede the guidance provided in the other PPLs.

### **Background**

For FY 2016-17, the MCIP agreement with the Department of Health Care Services (DHCS) is for dates of service on April 1, 2017, through June 30, 2017. For FY 2017-18, the MCIP agreement with DHCS is for dates of service starting on July 1, 2017. MCIP constitutes the following three programs:

- Adult County Inmate Program (ACIP) authorized in Welfare and Institutions Code section 14053.7, provides Medi-Cal coverage to eligible adult county inmates.
- Juvenile County Ward Program (JCWP) authorized in Welfare and Institutions Code section 14053.8, provides Medi-Cal coverage to eligible juvenile county inmates (i.e. county wards).
- County Compassionate Release Program (CCRP) and County Medical Probation Program (CMPP) authorized 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.

Without voluntarily participating in the MCIP, the county is responsible for arranging and paying for medical care for its inmates. MCIP allows the county to create local budgetary savings for MCIP services provided to its MCIP-eligible inmates. DHCS' ability to draw federal funds for allowable services, consistent with federal law, allows counties to have a

budget savings for costs they would have otherwise incurred. Under MCIP, Medi-Cal providers receive federal reimbursement at the applicable Medi-Cal Fee-For-Service (FFS) rate/methodology using the same claiming process for non-inmate FFS Medi-Cal beneficiaries. In order to be covered as a MCIP service, a service must be a Medi-Cal service covered under ACIP, JCWP, CRPP, or CMPP, provided to a MCIP-eligible inmate while off the grounds of the county correctional facility. For ACIP and JCWP, the allowable inpatient hospital services are inpatient services, including inpatient psychiatric services and physician services, resulting in an expected stay of more than 24 hours. CCRP and CMPP provide full-scope Medi-Cal coverage. MCIP service claims will be submitted to DHCS for payment, consistent with standard FFS Medi-Cal claiming. Only MCIP inmate aid codes shall be used for provider claiming. Providers shall comply with the TAR/utilization review requirements for their particular provider type and the FFS MCIP service type.

### **Voluntary Participation in MCIP**

Counties may voluntarily choose to participate in MCIP by entering into the MCIP Agreement with DHCS, which will include maximum payable amounts for the county's nonfederal share of expenditures for both MCIP services and the county's apportioned share of DHCS' MCIP administrative costs based on Addendum A to the MCIP Agreement (Addendum A). MCIP services shall be invoiced quarterly and DHCS' MCIP administrative costs shall be separately invoiced on an annual basis to each participating county. MCIP service invoices will specify the total federally claimable cost, including a breakout of: the federal and nonfederal share portion by aid code and federal medical assistance percentage (FMAP).

### **MCIP Administrative Costs**

Counties electing to participate in MCIP are responsible for reimbursing DHCS for the nonfederal share of DHCS' administrative costs associated with administering MCIP, pursuant to Welfare and Institutions Code section(s) 14053.7(j) and 14053.8(h) and Government Code sections 26605.6(c)(1)(B)(ii) and 26605.7(e)(1)(B)(ii). Participating counties will be invoiced their share of DHCS' MCIP administrative costs, beginning in FY 2016-17, based on a methodology specified in Addendum A.

DHCS' MCIP administrative costs include, but are not limited to, providing counties with paid claim analysis reports, collecting the nonfederal share of expenditures for MCIP services, analyzing provider reports, and legal research and analysis related to MCIP.

### **Medi-Cal County Inmate Program County Participation Form**

The Department is requesting all counties complete the MCIP Participation Form for FY 2016-17 and FY 2017-18 marking the check box indicating their interest in participating in MCIP. This form is only being used to determine the counties' administrative costs and is not considered to be a binding MCIP Agreement. If DHCS does not receive a response MCIP Participation Form indicating an interest to participate in MCIP by the due date, it will not include the county in the calculation of the administrative costs. Furthermore, if a county later decides to participate, the administrative costs for each participating county will be

recalculated. If a county timely submitted the MCIP Participation Form indicating an interest to participate in MCIP and later decides to not participate, the administrative costs for each remaining participating county will increase. DHCS will provide participating counties with a final calculation of their administrative costs based on the executed contracts received by February 15, per Addendum A of the MCIP agreement.

If a county chooses not to participate in MCIP beginning April 1, 2017 and begins participation on the later date of July 1, 2017, then the county will not receive any budgetary savings for dates of service between April 1, 2017 and July 1, 2017, as claims for those dates of service are not reimbursable under the retroactive claiming process. This process will be explained further in a future PPL on the retroactive claiming process.

Please complete the Medi-Cal County Inmate Program Participation Form for FY 2016-17 and FY 2017-18. These forms are due to DHCS by January 9, 2017.

If you have any questions, please contact the Inmate Medi-Cal Claiming Unit at [DHCSIMCU@dhcs.ca.gov](mailto:DHCSIMCU@dhcs.ca.gov).

Sincerely,

Betty Lai, Chief  
Medi-Cal Claims and Services Branch