



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: Sheriff-Coroner
Department No.: 032
Agenda Date: June 23, 2026
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Bill Brown, Sheriff-Coroner *bb*
Contact: Lieutenant David Harman
SUBJECT: Medi-Cal County Inmate Program (MCIP) Agreement (26-60144) with California Department of Health Care Services for Eligible Justice Involved Individuals

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, and authorize the Sheriff or designee to execute the State of California, Health Services Agency Department of Health Care Services (DHCS) Medi-Cal County Inmate Program (MCIP) Participation Agreement 26-MCIPSANTABARBARA-42;
- b) Approve, and authorize the Sheriff or designee to execute the MCIP Agreement (#26-60144) with the DHCS for Medi-Cal reimbursement for eligible incarcerated persons in an amount not to exceed \$7,209.78 for July 1, 2026, through and including June 30, 2027, \$7,782.23 for July 1, 2027, through and including June 30, 2028, and \$8,411.93 for July 1, 2028, through and including June 30, 2029; and;
- c) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

Summary Text:

The Medi-Cal County Inmate Program (MCIP) allows providers to receive payment from Medi-Cal for services related to the healthcare and mental healthcare of incarcerated people held in the custody of the Sheriff and treated outside of the facility when determined eligible. This agreement will allow DHCS to pay providers directly for covered services and bill the Sheriff's Office for any gaps between what Medi-Cal covers and what is reimbursed to DHCS by Medicare. MCIP is intended to offset the costs to local government when treatments require admission to any offsite qualifying healthcare facility. To participate in this program DHCS charges the Sheriff's Office a very low administrative fee to cover the costs, which are estimated not to exceed \$23,403.94 for FY 2026-27 through FY 2028-29. The fees are split amongst the counties participating, and are based on each county's population and program usage.

Discussion:

If this item is approved by your Board, the Sheriff's Office will continue to coordinate with the Department of Social Services (DSS) and local hospitals (as well as other providers) to process MCIP eligibility of incarcerated persons. DHCS will charge a very low administrative fee to cover its cost, which is estimated not to exceed \$23,403.94 for FY 2026-27 through FY 2028-29. The administrative fees are split between the counties that participate, and the fees are based on county population statistics and program usage.

MCIP makes federal financial participation (FFP) available for medical care provided to Medi-Cal eligible incarcerated people. The County receives budgetary savings because it does not fund the federal share of MCIP services for their Medi-Cal eligible incarcerated people, nor is the County required to pay the total cost of hospital services provided when individuals with active Medi-Cal receive treatment and services. The County is required to contribute an annual amount to DHCS to participate in this program, which is identified in section B of the Board recommended actions.

With the implementation of California's Advancing and Innovating Medi-Cal (Cal-AIM) for justice involved individuals, the County will be eligible to be reimbursed for certain healthcare related expenses and services that are provided to the incarcerated population after October 1, 2026. Cal-AIM will only allow reimbursement for authorized services for a specific duration of an incarcerated person's stay within the jails (i.e. during the last 90 days). Should an incarcerated person stay longer than 90 days and be treated at a local hospital for several days and or weeks, the County may not be able to seek full Medi-Cal reimbursement through Cal-AIM, but would instead utilize MCIP to decrease the costs of services provided to Medi-Cal patients at off-site hospitals.

Background:

The County has participated in the MCIP since FY 2020-21, with two separate three-year agreements being approved by your Board. When incarcerated persons in the custody of the Sheriff require medical attention outside the confines of the jail facilities, they are taken to the appropriate location to receive treatment. MCIP is intended to offset the costs to local government when treatments require admission to any offsite qualifying healthcare facility. Participation in MCIP allows hospitals such as Cottage and Marian, who are Designated Public Hospitals (DPH) to make claims through the certified public expenditure (CPE) process. Medi-Cal providers can directly bill DHCS for MCIP services and DHCS will reimburse the Medi-Cal providers at their applicable Medi-Cal rate for the services rendered, to the extent FFP is available. In turn, DHCS will seek reimbursement through Medi-Cal FFP

and charge the County the balance (non-FFP) remaining. This Medi-Cal benefit will likely result in significant savings exceeding \$100,000 annually depending on qualified medical services billed.

Attachment A explains the agreement of services provided by MCIP and gives guidance to counties that are voluntarily signing up for the program and details how to receive the MCIP's benefits. It also includes the administrative services agreement which outlines the responsibilities of each party as well as how the administrative fee for each county is applied (a portion is based on population of the County, and a portion is split evenly between all Counties participating).

Performance Measure:

In 2026, the Medi-Cal Inmate program was utilized by medical service providers in over fifty instances. During this agreement, the Sheriff's Office will ensure that the annual savings from participating in this program exceed the annual administrative service fee charged by DHCS for participation in this program. The annual fees are \$7,209.78 in FY 2026-27, \$7,782.23 in FY 2027-28, and \$8,411.93 in FY 2028-29.

Contract Renewals:

The current contract has allowed DHCS to pay providers directly for covered services and bill the Sheriff's Office for any gaps between what Medi-Cal covers and what is reimbursed to DHCS by Medicare. MCIP has made FFP available for medical care provided to Medi-Cal eligible incarcerated people.

This program has helped the County and Sheriff's Office to save significantly on overnight hospital stay costs. Unfortunately, the exact amounts cannot be calculated as the medical providers that bill Medi-Cal for services rendered do not submit invoices to the County for the amounts they would have billed the County had they not billed Medi-Cal. However, to illustrate the savings realized, by participation in the program, during the third quarter billing cycle of FY 2025-26 the Sheriff's Office would have been billed over \$750,000 absent participation in the MCIP program, but was only billed for \$8,570.33 under MCIP.

Fiscal and Facilities Impacts:

This agreement will allow the County and Sheriff's Office to continue to utilize Medi-Cal for payment for in-patient hospital stays for Medi-Cal eligible inmates in lieu of covering the entire costs of medical treatment for incarcerated persons. The County would be responsible for the non-federal share of cost which is significantly lower than the amount billed by medical providers when not utilizing Medi-Cal. The program requires that the County pay administrative charges to the State of California in amounts not to exceed \$7,209.78 in FY 2026-27, \$7,782.23 in FY 2027-28 and \$8,411.93 in FY 2028-29 based on pro-rata population of each county participating in the program.

Fiscal Analysis:

Budgeted: Yes, the fees are budgeted in FY 2026-27 and will be included in future budgets.

Funding Source	FY 2026-27	FY 2027-28	FY 2028-29	Total
General Fund	\$7,209.78	\$7,782.23	\$8,411.93	\$23,403.94
State				
Federal				
Fees				
[Other Source]				
Total	\$7,209.78	\$7,782.23	\$8,411.93	\$23,403.94

Staffing Impacts:

N/A

Special Instructions:

Clerk of the Board:

Please send one official Minute Order to the Sheriff's Office, Attention: Lieutenant David Harman.

Attachments:

Attachment A – State of California - Health and Human Services Agency Department of Health Care Services Medi-Cal County Inmate Program (MCIP) Participation Agreement 26- SANTABARBARA-42;

Attachment B – Medi-Cal County Inmate Program Agreement for Administrative Services.

Contact Information:

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Lieutenant

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