

State of California—Health and Human Services Agency  
Department of Health Care Services  
Medi-Cal County Inmate Program (MCIP)  
**Participation Agreement 20-MCIPMONTEREY-27**

County Name: Monterey

**ARTICLE I – STATEMENT OF INTENT**

The purpose of this Participation Agreement (PA) between the Department of Health Care Services (DHCS) and the County of Monterey (County) is to permit the County to voluntarily participate in the Medi-Cal County Inmate Program (MCIP).

**ARTICLE II - AUTHORITY**

This PA is authorized by Welfare and Institutions Code sections 14053.7, 14053.8, and Penal Code section 5072.

**ARTICLE III – TERM AND TERMINATION OF THE AGREEMENT**

1. This PA is effective on July 1, 2020 (date).
2. This PA will remain in effect until terminated by either party pursuant to and in accordance with the requirements and conditions set forth in this PA.
3. Termination Without Cause:

Either party may terminate this PA without cause, and terminate the participation of the County in MCIP by issuing at least a 30 day prior written notification to the other party of the intent to terminate. Notice of termination shall result in the County's immediate withdrawal from MCIP on the termination date and exclusion from further participation in MCIP unless and until such time as the County's participation is reinstated by DHCS in MCIP. The County shall remain obligated to pay for the non-federal share of all MCIP services provided to the County.

4. Termination With Cause:

If the County fails to comply with any of the terms of this PA, DHCS may terminate this PA for cause effective immediately by providing written notice to the County's representative listed below. Furthermore, DHCS may terminate this PA for cause if DHCS determines that the County does not meet the requirements for participation in MCIP, the County has not submitted a valid reimbursement claim, or that the County is unable to certify that the claims are eligible for federal funds. Termination for cause will result in the County's immediate withdrawal and exclusion from further participation in the MCIP.

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The conviction of an employee, subcontractor, or authorized agent of the County, or of an employee or authorized agent of a subcontractor, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal applicant or beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of that employee, agent, or subcontractor, or employee or agent of a subcontractor, from participation in MCIP. Failure of the County to exclude a convicted individual from participation in MCIP shall constitute a breach of this agreement for which DHCS may terminate this PA.

DHCS may terminate this PA in the event that DHCS determines that the County, or any employee or contractor working with the County has violated the laws, regulations or rules governing MCIP.

In cases where DHCS determines in its sole discretion that the health and welfare of Medi-Cal beneficiaries or the public is jeopardized by continuation of this PA, this PA shall be terminated effective the date that DHCS made such determination. After termination of the PA, any overpayment must be returned to DHCS pursuant to Welfare and Institutions Code sections 14176 and 14177.

Finally, this PA will terminate automatically upon the termination of the County's MCIP Administrative Service Agreement.

**ARTICLE IV – PROJECT REPRESENTATIVES**

Jonabel Perez  
Finance Manager  
1414 Natividad Road  
Salinas, CA 93906  
Telephone: (831) 755-4559  
E-Mail: [Perezjo@co.monterey.ca.us](mailto:Perezjo@co.monterey.ca.us)

Shelly Taunk, Chief  
County-Based Claiming and Inmate Services Section  
Telephone: (916) 345-7934  
Fax: (916) 324-0738  
E-Mail: [Shelly.Taunk@dhcs.ca.gov](mailto:Shelly.Taunk@dhcs.ca.gov)

Direct all inquiries and notices to:

Inmates Medi-Cal Claiming Unit  
Local Governmental Financing Division  
1501 Capitol Ave., MS 4603  
P.O. Box 997436  
Sacramento, CA 95899-7436  
Telephone: (916) 345-7895  
E-Mail: [DHCSIMCU@dhcs.ca.gov](mailto:DHCSIMCU@dhcs.ca.gov)

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Any notice, request, demand or other communication required or permitted hereunder, shall be deemed to be properly given when delivered to the project representatives identified above.

**ARTICLE V – PAYMENT TERMS AND INVOICING**

1. The County shall compensate DHCS for the County's apportioned share of the nonfederal share of MCIP services listed in Article VII, as required by Welfare and Institutions Code sections 14053.7 and 14053.8, Government Code sections 26605.6, 26605.7, and 26605.8, and Penal Code 5072 within 60 days of receipt of an invoice from DHCS, which specifies both the total federally claimable cost and the nonfederal share of the total cost, for payments DHCS has made to providers. The DHCS invoice shall not contain and the County shall not compensate DHCS for MCIP services provided by Medi-Cal providers where the County incurs the cost of providing MCIP services and claims them through the CPE process as outlined specifically for Designated Public Hospitals (DPHs). The County shall not reimburse DHCS for the nonfederal share of services as Certified Public Expenditures (CPEs) of DPHs.
2. DHCS shall submit to the County a quarterly invoice for MCIP services that identifies the nonfederal share amount, and a report that contains information regarding paid claims data for the quarter, including information identifying the provider of services and the beneficiary, the recipient aid code, and amount of reimbursement, and other information that may be agreed to between the parties.

If after comparing its owed nonfederal share to payments actually made, the County has overpaid DHCS, and the amount is undisputed DHCS shall refund the overpayment to the County within 180 days of receipt of an invoice containing the same information from the County. This refund may be made by offsetting the amount against the County's next quarterly payment due to DHCS.

3. DPHs, in MCIP participating counties may submit claims and follow the CPE process which includes a pricing methodology established on an annual basis. These DPHs are paid using Federal Financial Participation (FFP) only.

**ARTICLE VI – COUNTY RESPONSIBILITIES**

1. Except as provided in subdivision (f.) of this section, the County is responsible for reimbursing DHCS for the nonfederal share of MCIP services paid by DHCS.
  - a. The County may pay a Medi-Cal provider to the extent required by or otherwise permitted by state and federal law to arrange for services for Medi-Cal beneficiaries. Such additional amounts shall be paid entirely with county funds, and shall not be eligible for Social Security Act Title XIX FFP.
  - b. If DHCS pays the Medi-Cal provider more than what the County would have paid for services rendered, the County cannot request and receive the difference from the Medi-Cal provider.

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- c. If the County would have paid the Medi-Cal provider less than what DHCS paid the Medi-Cal provider, the County is still obligated to reimburse DHCS for the nonfederal share of DHCS' payment for the MCIP services.
  - d. In the event that FFP is not available for any MCIP service claimed pursuant to this PA, the County shall be solely responsible for arranging and paying for the MCIP service.
  - e. If the Centers for Medicare & Medicaid Services (CMS) determines an overpayment has occurred including the application of any federal payment limit that reduces the amount of FFP available then DHCS shall seek the overpayment amount from the provider, return the collected FFP to CMS, and return the collected nonfederal share to the County. In the event that DHCS cannot recover the overpayment from the Medi-Cal provider, the County shall pay DHCS an amount equal to the FFP portion of the unrecovered amount to the extent that Section 1903(d)(2)(D) of the Social Security Act is found not to apply.
  - f. The County is not responsible for reimbursing DHCS for the nonfederal share of expenditures for MCIP services provided by DPHs when those services are reimbursed under the CPE process because DHCS is not responsible for the nonfederal share of expenditures for MCIP services reimbursed in the CPE process.
2. If CMS determines DHCS claimed a higher Federal Medical Assistance Percentage (FMAP) rate than is allowed and FFP is reduced by CMS then the County shall hold DHCS harmless for the return of the FFP to CMS.
  3. Upon the County's compliance with all applicable provisions in this PA and applicable laws, the County may send its MCIP-eligible beneficiaries to Medi-Cal providers to receive MCIP services.
  4. The County understands and agrees that the overall nature of the medical facilities in which an inmate receives medical services must be one of community interaction such that members of the general public may be admitted to receive services and admission into the medical facility or into specific beds within the facility is not limited to individuals under the responsibility of a correctional facility, and that inmates are admitted to specific medical units based not on their statutes as inmates of a correctional institution, but rather on their treatment needs and plan of care.
  5. Ensure that an appropriate audit trail exists within records and accounting system and maintain expenditure data as indicated in this PA.
  6. The County agrees to provide to DHCS or any federal or state department with monitoring or reviewing authority, access and the right to examine its applicable records and documents for compliance with relevant federal and state statutes, rules and regulations, and this PA.
  7. In the event of any federal deferral or disallowance applicable to MCIP expenditures, the County shall provide all documents requested by DHCS within 14 days.

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8. The County shall assist with the completion and delivery of completed Medi-Cal applications to the County Welfare Department within 90 days after the date of admission of the beneficiary to a Medi-Cal provider off of the grounds of the County correctional facility resulting in an expected stay of more than 24 hours.
9. As a condition of participation in MCIP, and in recognition of revenue generated by MCIP, the County shall pay quarterly administrative costs directly to DHCS.
  - a. The quarterly administrative costs payment shall be used to cover DHCS' administrative costs associated with MCIP, including, but not limited to, claims processing, technical assistance, and monitoring. DHCS shall determine and report staffing requirements upon which projected costs will be based.
  - b. The amount of the administrative costs shall be based upon the anticipated state salaries, benefits, operating expenses, and equipment necessary to administer MCIP and other costs related to that process.
  - c. The County shall enter in to a separate agreement with DHCS to reimburse DHCS for the administrative costs of administering MCIP.

**ARTICLE VII – DHCS RESPONSIBILITIES**

1. DHCS shall pay the appropriate Medi-Cal fee-for-service rate to Medi-Cal providers that directly bill DHCS for MCIP services rendered to the County's MCIP eligible beneficiaries and seek FFP for these service claims. DHCS shall be responsible to pay such Medi-Cal providers only to the extent the County commits to reimburse DHCS for the nonfederal share of all federally reimbursable MCIP claims and for which FFP is available and obtained by DHCS for the MCIP service claims.
2. DHCS shall maintain accounting records to a level of detail which identifies the actual expenditures incurred for MCIP services, the services provided, the county responsible, the specific MCIP-eligible beneficiary treated, the MCIP-eligible beneficiaries aid code, and the specific provider billing.
3. DHCS shall submit claims in a timely manner to CMS to draw down FFP and shall distribute FFP for all eligible claims.
4. DHCS shall:
  - a. Ensure that an appropriate audit trail exists within records and accounting system and maintain expenditure data as indicated in this PA.
  - b. Designate a person to act as liaison with the County concerning issues arising under this PA. This person shall be identified to the County's contact person for this PA.

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- c. Provide a written response by email or mail to the County's contact person within 30 days of receiving a written request for information related to MCIP.
  - d. With each quarterly administrative cost invoice, provide a paid claim analysis report to the County regarding MCIP claims submitted by providers for the County's MCIP-eligible beneficiaries. This analysis shall be used to determine the amount of the non-federal share that the County is obligated to pay under this PA.
5. Should the services to be performed under this PA conflict with DHCS' responsibilities under federal Medicaid law, those responsibilities shall take precedence.
  6. DHCS' cessation of any activities due to federal Medicaid responsibilities does not relinquish the obligation of the County to reimburse DHCS for MCIP services incurred by DHCS in connection with this PA for periods in which the County participated in MCIP.
  7. DHCS agrees to provide to the County, or any federal or state department with monitoring or reviewing authority, access and the right to examine its applicable records and documents for compliance with relevant federal and state statutes, rules and regulations, and this PA.

**ARTICLE VIII – FISCAL PROVISIONS**

1. DHCS will invoice the County quarterly at the address above. Each invoice shall include the agreement number and supporting documentation for the previous quarter's paid claims.
2. Counties are required to sign and submit the MCIP Certification and Hold Harmless by an authorized county representative to DHCS annually to ensure the County is providing efficient oversight of federal expenditures.

**ARTICLE IX – BUDGET CONTINGENCY CLAUSE**

1. It is mutually agreed that if the State Budget Act of the current State Fiscal Year (SFY) and any subsequent SFYs covered under this PA does not provide sufficient funds for MCIP, this PA shall be of no further force and effect. In this event, the DHCS shall have no liability to pay any funds whatsoever to the County or to furnish any other considerations under the PA and the County shall not be obligated to perform any provisions of this PA.
2. If funding for any SFY is reduced or deleted by the State Budget Act for purposes of MCIP, DHCS shall have the option to either cancel this PA, with no liability occurring to DHCS, or offer an agreement amendment to the County to reflect the reduced amount.

**ARTICLE X – LIMITATION OF STATE LIABILITY**

1. In the event of a federal audit disallowance, the County shall cooperate with DHCS in replying to and complying with any federal audit exception related to MCIP. The County shall assume sole financial responsibility for any and all federal audit disallowances related to the rendering of services under this PA. The County shall assume sole financial

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responsibility for any and all penalties and interest charged as a result of a federal audit disallowance related to the rendering of services under this PA. The amount of the federal audit disallowance, plus interest and penalties shall be payable on demand from DHCS.

2. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Medi-Cal provider has received reimbursement for MCIP services under this PA, DHCS shall recoup from the Medi-Cal provider, upon written notice of 60 days after the completion of an audit or other examination that results in the discovery of an overpayment per Welfare and Institutions Code section 14172.5), amounts equal to the amount of the disallowance and interest in that state fiscal year for the disallowed claim, less the amounts already remitted to or recovered by DHCS.

**ARTICLE XI – AMENDMENT**

1. This PA and any exhibits attached hereto, along with the MCIP Administrative Agreement shall constitute the entire agreement among the parties regarding MCIP and supersedes any prior or contemporaneous understanding or agreement with respect to MCIP and may be amended only by a written amendment to this PA.
2. Changes to the project representatives may be made via written communication including email by either party and shall not constitute a formal amendment to the PA.

**ARTICLE XII – GENERAL PROVISIONS**

1. None of the provisions of this PA are or shall be construed as for the benefit of, or enforceable by any person not a party to this PA.
2. The interpretation and performance of this PA shall be governed by the State of California. The venue shall lie only in counties in which the California Attorney General maintains an office.

DHCS and the County shall maintain and preserve all records relating to this PA for a period of three years from DHCS' receipt of the last payment of FFP or until three years after all audit findings are resolved, whichever is later. This does not limit any responsibilities held by DHCS or the County provided for elsewhere in this PA, or in state or federal law.

**ARTICLE XIII – INDEMNIFICATION**

It is agreed that the County shall defend, hold harmless, and indemnify DHCS, its officers, employees, and agents from any and all claims liability, loss or expense (including reasonable attorney fees) for injuries or damage to any person or property which arise out of the terms and conditions of this PA and the negligent and intentional acts or omissions of the County, its officers, employees, or agents.

**ARTICLE XIV – AVOIDANCE OF CONFLICTS OF INTEREST**

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The County is subject to compliance with the Medi-Cal Conflict of Interest Law, as applicable and set forth in Welfare and Institutions Code section 14022, and Article 1.1 (commencing with Welfare and Institutions Code section 14047), and implemented pursuant to 22 California Code of Regulations, section 51466.

**ARTICLE XV – CONFIDENTIALITY**

The County shall comply with the applicable confidentiality requirements as specified in Section 1902(a)(7) of the Social Security Act; 42 Code of Federal Regulations, part 431.300; Welfare and Institutions Code section 14100.2; and 22 California Code of Regulations, section 51009; and, the Business Associates Agreement hereby incorporated by reference.

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The signatories to this PA warrant that they have full and binding authority to the commitments contained herein on behalf of their respective entities.

County Name:

**Name of Authorized Representative**  
(Person legally authorized to bind contracts for the County)

**Title of Authorized Representative**

**Signature of Authorized Representative**

**Date**

**STATE OF CALIFORNIA – DEPARTMENT OF HEALTH CARE SERVICES**

**Signature of the DHCS Authorized Representative**

**Typed or Printed Name of the DHCS Authorized Representative**

**Typed or Printed Title of the DHCS Authorized Representative**

**Date**