

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MARCH 03, 2026**

MINUTE ORDER NO. 1

SUBJECT: SHERIFF - REQUEST APPROVAL FOR A SINGLE SOURCE CONTRACT WITH UNITED HEALTHCARE (AMERICHOICE) FOR ADMINISTRATIVE SERVICES ORGANIZATION (DISTRICTS: ALL)

OVERVIEW

The San Diego Sheriff's Office (Sheriff's Office) has a need for an administrative services organization (ASO) to support their Medical Services Division and seeks approval to negotiate with United HealthCare Services, Inc. (AmeriChoice) for the management of health care services provided to individuals in custody. Contracting with AmeriChoice will provide the Sheriff's Office with enhanced authority and flexibility to negotiate agreements with hospitals and health care organizations. AmeriChoice's established provider network and contracting expertise will enable the Sheriff's Office to negotiate more favorable rates with hospitals and specialty providers, improving cost control and access to care. This approach aligns with the County's strategic goals of improving health equity and fiscal sustainability by leveraging AmeriChoice's experience to streamline care coordination and reduce off-site medical costs. In addition to reducing expenditures, this approach will enhance fiscal oversight, improve operational control, and ensure continuity of high-quality care for individuals in custody.

Furthermore, the Sheriff's Office will ensure the following measures are implemented: provisions in all hospital contracts requiring participation in the Medi-Cal County Inmate Program (MCIP); renegotiation of outpatient emergency department rates; and the provision of case management services to coordinate hospital inpatient visits, discharge planning, and dispositions for cost-efficient step-down care, including skilled nursing facilities, long-term and acute care facilities. Some measures, such as participation in the Medi-Cal County Inmate Program (MCIP) are already in place. However, AmeriChoice will expand compliance efforts and renegotiate outpatient emergency rates to achieve full alignment with County, State, and Federal requirements, ensuring timely reimbursement for medical services, which will in turn support operational efficiency.

United HealthCare has successfully partnered with the County for over 30 years as an ASO, providing operational stability and expertise in managing complex health care needs for vulnerable populations, including those in custody. Both the County of San Diego Health and Human Services Agency and Probation Department have current contracts with AmeriChoice. The Sheriff's Office also previously contracted with AmeriChoice from 2002 to 2022 but transitioned to NaphCare as its ASO starting in June of 2022 as part of the comprehensive health care delivery contract. Off-site medical costs have seen a significant increase under the current contract with NaphCare and are projected to rise due to differences in care coordination and cost management approach.

By leveraging AmeriChoice's established network and expertise, the Sheriff's Office can achieve greater cost efficiency for off-site medical services compared to the current contract with NaphCare. The Sheriff Office's expected activities of the ASO include:

- Provider network development and oversight, ensuring access to quality care through the procurement of health care service contracts within the community to ensure access to off-site,

outpatient specialty care services, and inpatient services at hospitals. This activity is critical to maintaining continuity of care for individuals in custody ensuring timely access to medically necessary services beyond on-site capabilities.

- Claims processing and provider reimbursement for inpatient and outpatient medical care, which may include claims adjudication, payment processing, and financial analysis and management.
- Eligibility verification and enrollment coordination to ensure services are medically necessary and cost-effective.
- Grievance and appeals administration, utilization management, care coordination, and compliance with HIPAA and other regulatory standards.
- Management Information System (MIS) operations, including secure data management, reporting, and integration with County systems.
- California Advancing and Innovating Medi-Cal (CalAIM) billing and coordination, ensuring proper alignment with CalAIM requirements for reimbursement and reporting.

Today's action requests to establish appropriations of \$13,900,000 in the Sheriff's Office, for medical and mental health services for the incarcerated population, and requests to authorize the Director of Purchasing and Contracting to enter negotiations with United Healthcare Services, Inc. (AmeriChoice), and subject to successful negotiations and determination of a fair and reasonable price, to award a contract for up to ten years, and an additional six months if needed, and to amend the agreement as required to reflect changes in services and funding allocations subject to the approval of the Sheriff's Office. The new contract is anticipated to begin by December 2026 and extend through December 2036. Approval of this agreement will ensure continuity of care for individuals in custody, maintain compliance with legal and regulatory mandates, safeguard the County's financial and operational interests, and partially mitigate the excess costs identified in the Fiscal Year 2025-26 Second Quarter Operational Plan Status Report and Budget Adjustments letter also being submitted to the Board on March 3, 2026.

RECOMMENDATION(S)

SHERIFF

1. Establish appropriations of \$13,900,000 in the Sheriff's Office, Other Charges, for medical and mental health services for the incarcerated population, based on Local Revenue Fund 2011, Community Corrections Subaccount. **(4 VOTES)**
2. In accordance with Board Policy A-87, Competitive Procurement, authorize the Director, Department of Purchasing and Contracting to enter negotiations with United Healthcare Services Inc. (AmeriChoice), and subject to successful negotiations and determination of a fair and reasonable price, award a contract for an administrative services organization for up to ten years, and an additional six months if needed, and amend the agreement as required to reflect changes in services and funding allocations, subject to the approval of the San Diego Sheriff's Office.

EQUITY IMPACT STATEMENT

This request for a single source for AmeriChoice to act as an administrative services organization (ASO) for the San Diego County Sheriff's Office (Sheriff's Office). Medical Services builds greater health equity for our incarcerated population. The Sheriff's Office prioritizes the health and safety of those in custody and an ASO would streamline and enhance delivery of services which will improve

outcomes and reduce health disparities. Above and beyond the Constitutional minimum requirements, jail facilities should reflect the community standard of integrated health care and support incarcerated persons with a holistic approach.

SUSTAINABILITY IMPACT STATEMENT

The San Diego County Sheriff's Office is continually creating efficiencies in County of San Diego (County) detention facilities to enhance the level of care, ensure timeliness of delivery, and increase access. This request supports the County's sustainability goal of providing just and equitable access by improving service delivery to those in its custodial care. An ASO such as AmeriChoice would be providing essential administration and management of the medical and mental health contracted services which are necessary to the health and well-being of all incarcerated persons. This approach maximizes the overall health and life trajectory of incarcerated persons and better supports reentry to the community upon release. The Sheriff's Office is dedicated to advancing health equity outcomes for incarcerated persons and having an ASO allows timely and effective management and accountability of contracted services.

FISCAL IMPACT

Funds for this request are partially included in the Fiscal Year 2025-26 Operational Plan for the San Diego County Sheriff's Office (Sheriff's Office). Off-site hospital costs are budgeted at a fixed level in the current agreement with NaphCare. Once the threshold of \$20,000,000 has been met any costs incurred over that cap are additional costs to the Sheriff's Office. The cap was exceeded as of the start of January 2026. The Sheriff's Office will owe NaphCare for any costs exceeding the cap for the remaining contract term, from January through May 2026 and for amounts that exceeded the cap in Fiscal Year 2024-25. The combined additional current and prior year costs, estimated at \$13,900,000, were not included in the Sheriff's budget. If today's requested actions are approved, appropriations of \$13,900,000 will be established within the Sheriff's Office, for a new contract with AmeriChoice to provide medical and mental health services for the incarcerated population. The funding source will be Local Revenue Fund 2011, Community Corrections Subaccount. If approved, this action will partially mitigate the excess costs identified in the Fiscal Year 2025-26 Second Quarter Operational Plan Status Report and Budget Adjustments letter also being heard today. Future year costs associated with ongoing operational needs and off-site hospital costs and related medical claims will be included in future Operational Plans for the Sheriff's Office. The funding sources considered for future costs will be Local Revenue Fund 2011, Community Corrections Subaccount and other available revenue sources identified by the Sheriff's Office. There will be no additional staff years associated with this action at this time.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

This item was withdrawn at the request of the Sheriff.

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter