

**Letter of Agreement for One-Time Core Team Stabilization Funding Between
San Mateo Health Commission d/b/a Health Plan of San Mateo And
San Mateo Medical Center (SMMC)**

This Letter of Agreement ("Agreement") is entered into as of August 29, 2025, by and between **San Mateo Medical Center** ("Provider" or "SMMC") and **San Mateo Health Commission dba the Health Plan of San Mateo** ("HPSM" or "Plan"). SMMC and HPSM may be referred to individually as a "Party" and collectively as "Parties". "Primary Care Practitioner" refers to the California-licensed Primary Care Physician, Nurse Practitioner, or Physician Assistant for which Provider is being given a grant under this Agreement.

"Medical Assistant" refers to a person who has received a certificate or training within the first three months of employment with Provider indicating satisfactory completion of training requirements (as specified in Title 16, Division 13, Chapter 3 of the California Code of Regulations).

NOW THEREFORE, the Parties agree as follows:

- I. HPSM is an independent public agency established by the San Mateo County Board of Supervisors, pursuant to California Welfare and Institutions Code Section 14087.51 serving primarily Medicaid and Medicare beneficiaries in San Mateo County, California. SMMC is a Federally Qualified Health Center ("FQHC") providing primary care and dental services in San Mateo County, California.
- II. Funding Source and Not-to-Exceed Amount:
 1. On May 8th, 2024, the San Mateo Health Commission ("Commission") approved one-time funding for a Primary Care Recruitment and Retention Grants, aimed at benefiting medically underserved community members by increasing access to primary care. The Commission approved a one-time funding allocation to fund individual grants to providers for the recruitment and retention of individual Primary Care Practitioners.
 2. This Agreement between HPSM and SMMC, is for the recruitment and retention of the following Primary Care Practitioners: 2 Physicians and 1 Nurse Practitioner and Medical Assistant: 1 Medical Assistant. Under no circumstances shall HPSM's obligation under this Agreement exceed six hundred thousand dollars and no cents (\$600,000).
- III. Terms:
 1. Core Team Stabilization Grant for Primary Care Practitioner. One-time funding is payment applied solely for the instance outlined in this Agreement and does not imply ongoing funding. Provider agrees to use any payments received from HPSM under this Agreement in accordance with the following terms:
 - 1.1. The award amount shall be two hundred thousand dollars (\$200,000) per Primary Care Physician.
 - 1.2. The award amount shall be one hundred fifty thousand dollars (\$150,000) for advanced practice practitioners (Nurse Practitioner or Physician Assistant).
 - 1.2.1. The Primary Care Physician must either:
 - Have been practicing within his or her current specialty for less than one year; or
 - the Primary Care Physician must relocate his or her primary place of practice into a HPSM service area for his or her specialty area.
 - 1.2.2. If the Primary Care Physician is leaving an established practice area, at least 75 percent of the revenues of the new practice must be generated from new patients not previously seen by the practitioner at his or her former practice.
 - 1.2.3. The Nurse Practitioner must either:
 - Have been practicing within his or her current specialty for less than one year; or

- the Nurse Practitioner must relocate his or her primary place of practice into a HPSM service area for his or her specialty area.

1.2.4. If the Nurse Practitioner is leaving an established practice area, at least 75 percent of the revenues of the new practice must be generated from new patients not previously seen by the practitioner at his or her former practice. Payment shall be made by HPSM following submission of an invoice by Provider to HPSM upon proof of successful hiring of qualifying Primary Care Practitioner at the contracted organization and credentialing with HPSM.

- The Primary Care Practitioner shall be required to remain employed by Provider for a period of five (5) years to retain the full award. In the event that the Primary Care Practitioner does not fulfill this requirement, Provider agrees to repay the award in full or in part as follows.

3.1.1. Fifty percent (50%) of the payment shall be forgiven after three (3) years of service. If the Primary Care Practitioner does not remain with Provider for at least three (3) years, Provider shall repay HPSM the full amount of the award.

3.1.2. One hundred percent (100%) of the payment shall be forgiven after five (5) years of service. If the Primary Care Practitioner remains employed by Provider for at least three (3) years, but less than five (5) years, Provider shall repay HPSM fifty percent (50%) of the award.

3.1.3. In accordance with the above, if the Primary Care Practitioner does not remain employed by Provider for a period of five (5) years, the following repayment by Provider is required.

If Primary Care Practitioner leaves:	Repayment to HPSM:
1.3. 1 year from start date	\$200,000 for Physicians or \$150,000 for Nurse Practitioner
1.4. 2 years from start date	\$200,000 for Physicians or \$150,000 for Nurse Practitioner
1.5. 3 years from start date	\$100,000 for Physicians or \$75,000 for Nurse Practitioner
1.6. 4 years from start date	\$100,000 for Physicians or \$75,000 for Nurse Practitioner
1.7. 5 years from start date	\$0

- Core Team Stabilization Grant for Medical Assistant. One-time funding is payment applied solely for the instance outlined in this Agreement and does not imply ongoing funding. Provider agrees to use any payments received from HPSM under this Agreement in accordance with the following terms:

3.1. The award amount shall be fifty thousand dollars (\$50,000) for the Medical Assistant.

3.2. The Medical Assistant must either:

- Have been practicing within his or her current specialty for less than one year; or
- the Medical Assistant must relocate his or her primary place of practice into a HPSM service area for his or her specialty area.

3.3. If the Medical Assistant is leaving an established practice area, at least 75 percent of the revenues of the new practice must be generated from new patients not previously seen by the practitioner at his or her former practice.

- Payment shall be made by HPSM following submission of an invoice by Provider to HPSM upon proof of successful hiring of qualifying Medical Assistants at the contracted organization.

- The Medical Assistant shall be required to remain employed by Provider for a period of three (3) years to retain the full award. In the event that the Medical Assistant does not fulfill this requirement, Provider agrees to repay the award in full or in part as follows.

5.1.1. Fifty percent (50%) of the payment shall be forgiven after two (2) years of service. If the Medical Assistant does not remain with Provider for at least two (2) years, Provider shall repay HPSM the full amount of the award.

- 5.1.2. One hundred percent (100%) of the payment shall be forgiven after three (3) years of service. If the Medical Assistant remains employed by Provider for at least two (2) years, but less than three (3) years, Provider shall repay HPSM fifty percent (50%) of the award.
- 5.1.3. In accordance with the above, if the Medical Assistant does not remain employed by Provider for a period of three (3) years, the following repayment by Provider is required.

If Medical Assistant leaves:	Repayment to HPSM:
1.2. 1 year from start date	\$50,000
1.3. 2 years from start date	\$25,000
1.4. 3 years from start date	\$0

6. The term of the Agreement is from 8/29/2025 to 8/29/2030.

IV. Reporting:

- 4.1 Provider will report the following via email to grants@hpsm.org and Luarnie.bermudo@hpsm.org:

Required Documentation per Primary Care Practitioner and Medical Assistant	Timeline to Submit
Proof of Hire and FTE Status	Within 90 days of hire, required for payment to be disbursed
Proof of Medi-Cal Enrollment and HPSM Credentialing (for Primary Care Practitioner only)	Required for payment to be disbursed
Documentation of how grant is used	Within 90 days of hire, required for payment to be disbursed
Proof of Primary Care Practitioner and Medical Assistant Retainment	Annually for 3 or 5 years

V. Payment:

- 5.1 Upon receipt of fully executed Agreement and fulfillment of documentation requirements for payment listed in Section 4.1, Provider is expected to submit invoice to HPSM via email to Finance_AP@hpsm.org.
- 5.2 Payment will be made to Provider within thirty (30) days of receipt of invoice, provided requirements have been met to the satisfaction of HPSM.
- 5.3 Provider agrees that this payment applies solely for the period outlined above and does not imply ongoing funding.
- 5.4 If any Primary Care Practitioner or Medical Assistant is not paid the full amount provided by HPSM, Provider agrees to return any remaining amount to HPSM promptly and to provide documentation of the amounts paid to Primary Care Practitioner or Medical Assistant.

- VI. Effect of Grant and Annual Reevaluation:** SMMC hereby warrants and represents that due to its prior documentation of the expected effect of the grant, SMMC expects that the funds will contribute meaningfully to SMMC's ability to maintain or increase the availability, or enhance the quality, of services provided to a medically underserved population. With regard to any applicable continuing promises or obligations that may last longer than one year, on or before the annual anniversary of the effective date of this Agreement, SMMC shall evaluate, at reasonable intervals and at least annually, and document whether the Agreement continues to meaningfully contribute to the health center's ability to maintain or increase the availability, or enhance the quality, of services provided to medically underserved population(s). SMMC shall report its findings to HPSM no later than 90 calendar days after it completes its annual evaluation.

- VII. No Federal Reimbursement.** Neither HPSM nor SMMC will claim any payment or benefits in any form from a Federal health care program for funding of the recruitment and retention grant covered under this Agreement.

- VIII. No Referrals:** The Parties **expressly** agree that nothing contained in this Agreement is made in consideration of the

Primary Care Practitioners or Medical Assistant or SMMC making patient or member referrals for HPSM or SMMC to, or generate business for HPSM or SMMC, as a condition for receiving the benefits. Neither Party will knowingly or intentionally conduct himself or herself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medi-Cal programs. The Primary Care Practitioners or Medical Assistant are not otherwise restricted from referring or otherwise generating business for any entity of his or her choosing other than HPSM.

- IX. Volume.** The amount the grant award set forth in this Agreement will not vary, be adjusted, or negotiated, based on the volume or value of any expected business generation or referrals to HPSM or SMMC.
- X. No Restrictions on Donations, Resources, or Suppliers to SMMC:** The Parties expressly agree that nothing contained in this Agreement restricts SMMC's ability, if it chooses, to enter into agreements with other donor entities, lenders, suppliers, or providers to arrange for or enter into staffing arrangements or independent contracts for professional medical services, nursing services, or medical assistant services and the deployment of those services at locations of its choosing. In so doing, SMMC may look to and apply the procurement standards for beneficiaries of federal grants set forth in 45 C.F.R. § 75.326 through 75.340, if applicable.
- XI. No Restrictions On Care:** The Parties agree that nothing in this Agreement shall burden or affect SMMC's ability to provide care to all patients who clinically qualify for care.
- XII. Availability of Information.** SMMC must provide effective notification to patients of their freedom to choose any willing provider. In addition, SMMC must disclose the existence and nature of this Agreement to any patient who inquires. SMMC must provide such notification or disclosure in a timely fashion and in a manner reasonably calculated to be effective and understood by the patient.
- XIII. Non-Discrimination.** SMMC agrees to treat all patients in a nondiscriminatory manner.
- XIV. Master List of Agreements Between the Parties.** HPSM shall maintain a central master list of agreements between the Parties. HPSM is responsible for keeping this list up to date and may, at any time, make this list available for review upon request by regulatory authorities. Upon execution by both Parties, HPSM shall add this Agreement to the central master list of agreements between the Parties, and it will do so within 30 calendar days of such execution.
- XV. Venue.** Any disputes arising from or related to this Agreement shall be venued in the Superior Court for the County of San Mateo or the United States District Court for the Northern District of California. Provider agrees to pay reasonable attorneys' fees incurred by HPSM for any legal action brought by HPSM to enforce the repayment provisions provided for herein that results in repayment to HPSM, whether by judicial ruling or otherwise.
- XVI. Indemnification.** Provider agrees to indemnify, defend, and hold harmless HPSM for any claims, disputes, or litigation brought by individual practitioners or other third parties regarding payments made or allegedly due under this Agreement.
- XVII. Third Party Beneficiaries.** There are no third-party beneficiaries to this Agreement. The Agreement may only be enforced by the Parties.
- XVIII. Severability.** If any provision of this Agreement is found to be illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the illegal or unenforceable provision shall be stricken.
- XIX. Waiver.** No waiver of any provision of this Agreement or of the breach of any provision of this Agreement shall be effective unless it is written and signed by the Party against whom it runs. No waiver shall be deemed a waiver of any other matter.
- XX. Compliance with Applicable Law.** SMMC agrees to comply with all applicable federal, State, and local laws, ordinances, and regulations.
- XXI. No Right of Assignment or Delegation.** SMMC may not assign or otherwise transfer its rights or delegate any of its

obligations under this Agreement, with the exception of any needed subcontractors, which shall agree to be bound by all applicable terms and conditions of this Agreement. Any other attempted assignment shall be null and void and is considered a material breach of this Agreement.

XXII. Entire Agreement. This Agreement represents the complete, total and final understanding of the Parties, and no other understanding or representations, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the Parties hereto at the time of execution.

XXIII. Notices:

Unless otherwise agreed to in writing, any notice by email must be sent to all of the persons or positions and email addresses listed below and attaching the relevant signed notice in "PDF" format and additionally sending a hard copy by certified or registered U.S. Mail or other delivery method that provides proof of delivery (e.g. FedEx or UPS) to the physical address provided below.

To San Mateo Medical Center:

To HEALTH PLAN OF SAN MATEO:

Dr. Jeanette Aviles, Medical Director for Primary
Care Services,
javiles@smcgov.org

**ATTN: Medical Director for Primary Care
Services**

222 W 39th Ave.
San Mateo, CA 94403

Pat Curran, Chief Executive Officer Pat.Curran@hpsm.org
cc: Luarnie Bermudo, Provider Services Director
Luarnie.Bermudo@hpsm.org

**ATTN: Chief Executive Officer, Director of
Provider Services**

801 Gateway Blvd Suite
100 South San Francisco, CA 94080

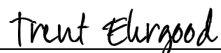
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be duly executed by their respective authorized officers:

Attest:

PLAN

Executed by:

DocuSigned by:



Signature

Trent Ehrgood - Chief Financial Officer

Name & Title

9/10/2025 | 6:58:59 PM PDT

Date

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:
Clerk of Said Board