

Amendment 2018-1

Medi-Cal Medical Services Agreement Between San Mateo Health Commission d/b/a Health Plan of San Mateo And San Mateo Medical Center

This Amendment to the Medi-Cal Medical Services Agreement is made this 11th day of January, 2018, by and between the San Mateo Health Commission, a public entity, hereafter referred to as "PLAN," and the County of San Mateo, San Mateo County Health System, San Mateo Medical Center hereinafter referred to as "COUNTY."

Recitals

WHEREAS, PLAN and COUNTY have entered into an agreement effective September 9, 2008 for the delivery of Covered Services to PLAN's Medi-Cal members; and

WHEREAS, PLAN maintains a Medi-Cal Services Contract with the State of California, Department of Health Care Services; and

NOW, THEREFORE, PLAN and COUNTY hereby agree as follows:

New Subsection 6.1.4

Section 6 of the Agreement, "Payments and Incentives," is amended to include a new subsection 6.1.4, which shall read, in its entirety, as follows:

"6.1.4 Shared Savings

6.1.4.1 Division of Shared Savings

For calendar year 2018, PLAN will calculate the costs for medical services that PLAN has incurred for Medi-Cal and Medicare members assigned to COUNTY clinics, as well as the revenues that PLAN has received from Medi-Cal and Medicare for serving these members for that calendar year. Based on that calculation, if the cost for such medical services is less than ninety percent (90%) of the revenue that the PLAN receives from Medi-Cal and Medicare for these members assigned to COUNTY clinics during that calendar year, PLAN shall remit to COUNTY one half of the difference between such actual costs and ninety percent (90%) of such revenue ("Shared Savings Payments"). Solely by way of example, if the PLAN received \$1,000,000 in revenue for Medi-Cal and Medicare members assigned to COUNTY clinics and the cost of medical services incurred by the PLAN for such members is \$800,000, the PLAN shall remit to the COUNTY \$50,000 (i.e., one half of the difference between the cost of such services and 90% of the revenue received by the PLAN for such members). Notwithstanding the foregoing, in no event shall Shared Savings Payments exceed twenty five percent (25%) of the total PLAN payments made to COUNTY for the services rendered during the 2018 calendar year.

6.1.4.2 Remittance Process

PLAN will perform the calculation described in Section 6.1.4.1. no later than May 31, 2019, and make any payment owed to COUNTY by June 30, 2019. PLAN will use best available information at the time of the calculation, including a reasonable calculation of Incurred But Not Reported (IBNR) expenses, pharmacy costs and rebates, and reinsurance premium and recovery estimates.

6.1.4.3 Accounting Treatment

The Shared Savings Payments shall not be considered patient revenue received in exchange for services. They are intended to incentivize COUNTY to effectively manage its assigned population. Shared Savings Payments shall be paid separately from claims and made distinguishable for accounting purposes. Data and formulas used to calculate Shared Savings Payments shall be shared with COUNTY for validation.

6.1.4.4 Attribution

The calculation of Shared Savings Payments will be limited to PLAN Medi-Cal and Medicare members assigned to COUNTY clinics. This shall include members who are eligible under the Medi-Cal Expansion criteria listed in section 6.1.3 of this Agreement and members whose enrollment lapsed but who were retroactively reinstated. This shall exclude members who have Medicare coverage through another entity and for whom PLAN is only responsible for cross-over costs and services only covered under Medi-Cal.

6.1.4.5 Included Revenue

The calculation of Shared Savings Payments will include all payments received by PLAN from Medi-Cal and Medicare for months when members were assigned to COUNTY clinics, including retroactively, to pay for services and manage the care of the above population.

6.1.4.6 Excluded Revenue

The calculation of Shared Savings Payments will exclude all payments received and paid out by PLAN related to the Designated Public Hospital Directed Payment programs including the Enhanced Payment Program and the Quality Improvement Program

6.1.4.7 Included Costs

The calculation of the costs for medical services that PLAN has incurred for Medi-Cal and Medicare members assigned to COUNTY clinics will include all primary care capitation payments and paid medical claims for dates of service during months when members are assigned to COUNTY clinics. The cost of an inpatient stay will be included when the admission date for that stay occurs during a month for which the member meets the criteria laid out in section 6.1.1.4 of this agreement. The shared savings calculation shall also include quality improvement and pay-for-performance payments to COUNTY, and PLAN administrative expenses categorized as Utilization Management/Quality Assurance expenses.

6.1.4.8 Excluded Costs

The calculation of Shared Savings Payment will exclude consideration of payments that do not relate to the direct provision of services, such as PLAN administrative expenses. For PLAN Medicare CareAdvantage Cal MediConnect members assigned to COUNTY

clinics, the calculation of saving shall exclude cross-over costs and services only covered under Medi-Cal.

6.1.4.9 Quality Withholds

PLAN may temporarily withhold Shared Savings Payments on a prorated basis if COUNTY does not meet the minimum thresholds for a set of clinical quality of care metrics agreed upon by PLAN and COUNTY for this purpose. PLAN and COUNTY will meet and confer in good faith to establish quality of care metrics by April 1, 2018 and criteria for payment.

Effective Date

This amendment shall be effective as of January 1, 2018, and its term shall run through December 31, 2018 with the intent that both parties will develop a shared risk model by October 31, 2018, with an anticipated effective date January 1, 2019.

Incorporation of Agreement Rights, Duties and Obligations

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: San Mateo Health Commission d/b/a Health Plan of San Mateo


Contractor Signature

1/19/2018
Date

MAYA ALTMAN
Contractor Name (please print)

COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board