



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 29, 2012
Board Meeting Date: June 26, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Stephen Kaplan, Director, Behavioral Health & Recovery Services

Subject: Agreement with Health Plan of San Mateo for Medicare CareAdvantage program funding

RECOMMENDATION:

Adopt a Resolution authorizing the:

- A)** President of the Board to execute a revenue Agreement with the Health Plan of San Mateo for Medicare CareAdvantage services for an annual maximum of \$600,000, for the term January 1, 2012 through December 31, 2014; and
- B)** Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BACKGROUND:

On May 24, 2005, your Board approved an Agreement with the Health Plan of San Mateo (HPSM) whereby Behavioral Health and Recovery Services (BHRS) is reimbursed for the provision of mental health services to clients with Medicare CareAdvantage coverage through the HPSM. That Agreement was for the term January 1, 2006 through December 31, 2006, and automatically renews for one-year periods. This funding arrangement has made it possible for clients who have both Medi-Cal and Medicare insurance coverage to avoid having multiple coverage plans, which would have caused considerable hardship for clients in managing their healthcare.

The Agreement with the HPSM for mental health services was an essential component of the HPSM proposal to the federal Centers for Medicaid and Medicare Services for certification as the Medicare CareAdvantage Plan for San Mateo County.

DISCUSSION:

The HPSM has presented a superseding Agreement for Medicare CareAdvantage program services for the term January 1, 2012 through December 31, 2014. This Agreement includes necessary revised Medicare administrative requirements. Through this Agreement BHRS will continue to provide mental health services to clients with HPSM Medicare CareAdvantage health coverage. BHRS will present to your Board for approval a separate Agreement with HPSM, which shall be a revenue Agreement for the provision of services to clients with Healthy Families, Healthy Kids and HealthWorx insurance coverages. The Agreement was delayed due to ongoing negotiations between HPSM and BHRS.

The Agreement and the Resolution have been reviewed and approved by County Counsel.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

The Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing funding for mental health services through our provider network. BHRS provides a range of services to promote wellness and recovery and to support consumers remaining in the lowest possible level of care. The provision of outpatient mental health services through our provider network is one established level of care. The services funded through this Agreement contribute to this measure. It is anticipated that 87% of clients who receive these services will be maintained at a current or lower level of care.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Estimate	FY 2012-13 Projected
Percentage of clients receiving outpatient mental health services maintained at current or lower level of care.	87%	87%

FISCAL IMPACT:

The term of the Agreement is January 1, 2012 through December 31, 2014. Services will be reimbursed on a per-unit basis at rates that are ninety (90) percent of federal Medicare rates. These rates are equivalent to current reimbursement rates for these services. Projected annual revenue from this Agreement is approximately \$600,000 and has been included in the BHRS FY 2012-13 Recommended Budget. Similar arrangements will be made for FY 2013-14. There is no net County cost associated for services provided through this Agreement.