



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** November 8, 2012  
**Board Meeting Date:** January 15, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jean S. Fraser, Chief of the Health System  
Srija Srinivasan, Director, Strategic Operations

**Subject:** Amendment with the San Mateo Community Health Authority for the Healthy Kids Program

**RECOMMENDATION:**

Adopt a Resolution authorizing an amendment to the agreement with the San Mateo Community Health Authority for outreach and retention activities for 0-5 Medi-Cal and Healthy Kids members, extending the term through December 31, 2013 and increasing the amount by \$6,597,500 to \$19,597,500.

**BACKGROUND:**

In February 2002 your Board established and funded the San Mateo County Children's Health Initiative (CHI) to address community-wide concern for the 17,000 County children who lacked access to comprehensive health coverage. In January 2003 San Mateo County created the Healthy Kids (HK) insurance program to cover children ineligible for Medi-Cal (MC) and Healthy Families (HF) programs and initiated an outreach and enrollment strategy to enroll children in all three public programs.

The San Mateo Community Health Authority (the Authority), as the governing body of the Health Plan of San Mateo (HPSM), is the contracted plan administrator for HK under an agreement approved by your Board in May 2005. In March 2007 your Board approved the transfer of governance of CHI to the Authority. In March 2008 your Board approved a recommendation to lower the HK per-member-per-month (PMPM) rate from \$92.13 to \$74.47 after an analysis of program costs in its first four years. In January 2010 your Board approved a new three-year agreement with the Authority through December 31, 2012 with the same HK PMPM rate of \$74.47. In November 2010 your Board approved an amendment to the Agreement to increase the HK PMPM rate to \$101.02 and other HK policy and administrative changes.

**DISCUSSION:**

This amendment extends the agreement for another year, keeps the same HK PMPM rate at \$101.02 and increases the total agreement amount by \$6,597,500 for a new amount of \$19,597,500 for the annual PMPM coverage and to allow HPSM to support a Member Services Specialist for outreach and retention activities for 0-5 Medi-Cal and Healthy Kids members. These specific activities will be paid for by First 5 funds.

The amendment and Resolution have been reviewed and approved by County Counsel as to form.

The new outreach and retention activities recommendation was approved by the First 5 Commission at its November 26, 2012 meeting, thus resulting in a delay in bringing this agreement to your Board.

Children's Health Initiative-Health Coverage Unit (CHI-HCU) requests that your Board authorize the 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.

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.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing health coverage for low-income children in San Mateo County, which promotes access to preventive and regular healthcare. It is anticipated that 4,800 will be enrolled, which is an indicator of the reach of the HK program.

**PERFORMANCE MEASURE(S):**

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Number of children enrolled in HK	4,732	4,800

**FISCAL IMPACT:**

The term of this agreement is January 1, 2010 through December 31, 2013, for a maximum obligation of \$19,597,500. Amendment costs of \$3,298,750 are included in the Children's Health Initiative-Health Coverage Unit (CHI-HCU) FY 2012-13 Adopted Budget. The cost for the subsequent year is \$3,298,750 and will be included in the (CHI-HCU) FY 2013-14 Recommended Budgets. The contract is funded with \$4,597,500 in contributions from First 5 San Mateo County, Peninsula and Sequoia Healthcare Districts and the CHI Trust Fund. The County contribution for this Agreement for FY 2012-13 is \$2,000,000. The payment provisions and levels of service in this contract are different from the prior year because of the additional outreach and retention activities funded by First 5.