



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: July 25, 2013
Board Meeting Date: September 10, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Agreement with San Mateo Health Commission

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with the San Mateo Health Commission, doing business as Health Plan of San Mateo, to provide healthcare services to Medi-Cal members, for the term of July 1, 2010 through October 30, 2014.

BACKGROUND:

The County of San Mateo has contracted with the San Mateo Health Commission, doing business as Health Plan of San Mateo (HPSM), since January 1994. Your Board has approved numerous agreements and amendments for the provision of healthcare and behavioral healthcare services to HPSM participants, including those enrolled in the Medi-Cal program. Your Board has also approved prior agreements and amendments related to Intergovernmental Transfers (IGTs), as this is a mechanism we have used for years to help pay for services in the Health System. An IGT is a federally-approved mechanism whereby County funds are provided to the State to draw down matching federal dollars for the Medi-Cal program. In our case, the IGTs are used to increase the funding to HPSM. HPSM and the Health System then enter into agreements by which HPSM pays us these additional funds for healthcare services for Medi-Cal members.

Because the State frequently presents us with very short timelines to execute IGTs, in January 2011, your Board authorized the County Manager to execute future IGT Agreements between the County and the California Department of Health Care Services. In FY 2010-11, we applied for an increase in the IGT for that year from the base of \$28,000,000 to \$42,540,910. Approval was received in FY 2011-12. Accordingly, on January 27, 2012, the County Manager executed an expanded IGT Agreement for FY 2010-11. The IGT was not funded, however, until FY 2012-13. The Health System has been working to determine the best way to receive the funds so as not to displace other sources of funding, and has been discussing with the Health Plan the best use of the funds. We have just concluded our analysis and our agreement with the Health Plan, so we are now ready to accept the funds.

DISCUSSION:

This agreement with the San Mateo Health Commission allows HPSM to increase payments to the Health System to support the provision of healthcare services to HPSM's Medi-Cal members as a result of the expanded IGT. The Health System is required to remain a participating provider in HPSM and maintain services such as emergency room licensure, inpatient surgery suites and the provision of behavioral health, substance use disorder, and community-based services. The terms also require that the IGT revenues are used for healthcare services and not returned to the County General Fund.

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

Approval of the agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing funds to pay for healthcare services to Medi-Cal beneficiaries resulting in further improved health outcomes and lower costs. It is anticipated that 95% of clients will be maintained in the least restrictive care setting through case management.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Percent of at-risk clients maintained in the least restrictive setting through case management	98%	95%

FISCAL IMPACT:

The term of the agreement is July 1, 2010 through October 30, 2014. The gross amount of the additional funds to be received by the Health System is \$14,540,910, of which \$9,522,332 is net new revenue. There is no impact to Net County Cost.