

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

**RESOLUTION AUTHORIZING
AN AGREEMENT WITH THE HEALTH PLAN OF SAN MATEO TO PROVIDE
MEDICAL AND BEHAVIORAL HEALTH SERVICES TO HEALTH PLAN OF SAN
MATEO MEDI-CAL MEMBERS**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, since January 1994 the San Mateo Health Commission, doing business as Health Plan of San Mateo (HPSM), has entered into numerous agreements with the County for the provision of healthcare and behavioral healthcare services to HPSM members, including those enrolled in the Medi-Cal program; and

WHEREAS, on January 1, 2014, Medi-Cal eligibility expanded to include more low-income California residents, with HPSM having added approximately 29,000 additional Medi-Cal members by August 1, 2014, for a total HPSM Medi-Cal membership of approximately 100,000; and

WHEREAS, California's implementation of the Affordable Care Act (ACA) included the addition of treatment for substance use and moderate mental illnesses for adults, where such treatments were not previously covered by Medi-Cal; and

WHEREAS, in late July 2014, HPSM announced that it had funding through the ACA for these new Medi-Cal members and services and accordingly agreed to

compensate the San Mateo County Health System (Health System) for these services through a new form of payment called capitation (*i.e.*, a set fee per member per month rather than a fee for each procedure provided) by which HPSM will pay the Health System a rate of \$531 per member per month for each HPSM member in the Medi-Cal expansion group who is assigned to SMMC for their primary care, with the Health System providing inpatient and outpatient medical services, as well as treatment for mild to moderate mental illness, to these HPSM members; and

WHEREAS, the County and HPSM wish to enter into an Agreement whereby the Health System will provide such services in exchange for monthly capitation payments for the term July 1, 2014, through June 30, 2015, with automatic annual renewal unless either party chooses to terminate the agreement; and

WHEREAS, capitation revenue is quite sensitive to changes in the number of members assigned to the Health System such that the Health System needs to set aside a portion of the capitation revenue to ensure that it can fund services during membership downturns;

WHEREAS, this Board has been presented with a form of such Agreement and has examined and approved it as to both form and content and desires to enter into it.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the President of this Board of Supervisors be and is hereby authorized and directed to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of the Board

shall attest the President's signature thereto.

BE IT FURTHER RESOLVED that the Chief of the Health System or designee is authorized 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.

BE IT FURTHER RESOLVED that the revenue earned under this agreement shall be set aside in a special trust fund, and any interest earned by the special trust shall be deposited in the special trust fund.

* * * * *