



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: October 29, 2014
Board Meeting Date: December 9, 2014
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 San Mateo Community Health Authority extending the term through December 31, 2017, increasing the amount by \$13,597,500, to an amount not to exceed \$38,412,142, and revising the Healthy Kids family contribution policies.

BACKGROUND:

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

The San Mateo Community Health Authority, as the governing body of the Health Plan of San Mateo (HPSM), is the contracted HK plan administrator under an agreement approved by your Board in May 2005. Since that time, your Board has approved a series of amendments to adjust the per-member-per-month (PMPM) premium costs as needed and to implement extensions of this agreement through December 31, 2014.

DISCUSSION:

This agreement is being amended for the next three years so that HPSM can continue to administer the HK program, as it has for the past eleven years. The current HK PMPM rate of \$101.02 will remain the same for the duration of the agreement. The amendment also reflects the HK family contribution changes approved by the CHI Oversight Committee. Since January 1, 2014, the HK family contribution policies were

modified to align with the Affordable Care Act. In particular, the income threshold was increased from 133% of the Federal Poverty Level (FPL) to 138% FPL for HK members whose family contributions are waived. Also, the family contribution for members with household incomes between 301% FPL and 400% FPL was increased from \$90 per quarter to \$150 per quarter.

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

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing health coverage for low-income children in the County, promoting access to preventive and regular healthcare. It is anticipated that 3,800 children will be enrolled in the HK program.

PERFORMANCE MEASURE(S):

| Measure | FY 2014-15 Estimated | FY 2015-16 Projected |
|-----------------------------------|-----------------------------|-----------------------------|
| Number of children enrolled in HK | 3,708 | 3,800 |

FISCAL IMPACT:

The term of the amended agreement is January 1, 2010 through December 31, 2017. The amount of the agreement is not to exceed \$38,412,142. An amendment cost of \$2,303,256 is included in the CHI Health Coverage Unit FY 2014-15 Adopted Budget. Similar arrangements will be made for future years. The Net County Cost for FY 2014-15 is \$2,000,000.

The contract is funded in part with \$2,750,000 in contributions from First 5 San Mateo County, Peninsula and Sequoia Healthcare Districts. The payment provisions in this contract are essentially the same as those of the prior contract.