



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: November 25, 2014
Board Meeting Date: January 27, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Gina Wilson, Chief Financial Officer

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, for services to Medi-Cal members, for the term of July 1, 2014 through September 30, 2017, funded through Intergovernmental Transfers.

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 members, 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 the Health System these supplemental funds for services to Medi-Cal members.

DISCUSSION:

This agreement allows HPSM to provide supplemental payments to the Health System to support the provision of services to HPSM's Medi-Cal members in FY 2014-15. In exchange, the Health System is required to remain a participating provider in HPSM and maintain services such as emergency room licensure, inpatient surgery suites, treatment for mental health and substance use disorders, and community-based

services. The agreement terms also require that the IGT revenues are used to fund health services and not returned to the County General Fund.

The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and Resolution has 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 the number of Medi-Cal recipients treated at SMMC will increase from 39,571 in FY 2013-2014 to 45,043 in FY 2014-15.

PERFORMANCE MEASURE(S):

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Number of Medi-Cal recipients treated at SMMC	39,571	45,043

FISCAL IMPACT:

The term of the agreement is July 1, 2014 through September 30, 2017. The expected supplemental funds to be received by the Health System are \$28,000,000, of which \$14,000,000 is net new revenue. These dollars will be used to fund services and facilities for Health System patients and clients.