



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: March 16, 2017
Board Meeting Date: April 11, 2017
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, 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 July 1, 2015 through September 30, 2019, 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.

DISCUSSION:

This IGT 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 2015-16 and FY 2016-17. 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 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 have been reviewed and approved by County Counsel as to form. This is late due to the agreement being received from the State only last month, even though a significant portion of the agreement term has already passed.

Approval of the agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by paying 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 35,695 in FY 2015-2016 to 38,000 in FY 2016-17.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Number of Medi-Cal recipients enrolled with SMMC	35,695	38,000

FISCAL IMPACT:

The term of the agreement is July 1, 2015 through September 30, 2019. The expected supplemental funds to be received by the Health System for FY2015-16 and FY2016-17 are \$24,469,760, of which \$12,234,880 is net new revenue. These dollars will be used to fund services for Health System patients and clients.