



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: October 9, 2012
Board Meeting Date: November 6, 2012
Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors, acting as the Governing Board of the In-Home Supportive Services Public Authority

From: Jean S. Fraser, Chief, Health System
Lisa Mancini, Director, Aging and Adult Services

Subject: Amendment to the Group Agreement with the Health Plan of San Mateo

RECOMMENDATION:

- A. Acting as the Governing Board of the In-Home Supportive Services Public Authority, adopt a Resolution executing an amendment to the group agreement with the San Mateo Community Health Authority, doing business as the Health Plan of San Mateo, for the provision of health benefits to independent providers of the In-Home Supportive Services program, increasing the individual monthly health insurance premium from \$195.31 to \$303 effective July 1, 2012, thus increasing the amount by \$2,174,086 to \$9,134,934.
- B. Resolution authorizing a transfer in the amount of \$519,573 from unanticipated realignment sales tax and \$499,198 from unanticipated Federal – In-Home Supportive Services revenue totaling \$1,018,771 to blanket insurance premiums for FY 2012-13

BACKGROUND:

On July 26, 2011, your Board approved Resolution 71547, authorizing a group agreement that allowed the San Mateo Public Authority (PA) to provide health insurance coverage to independent providers through the Health Plan of San Mateo's (HPSM) HealthWorx insurance product. The monthly premium rate for health benefits has not increased since the PA began providing health benefits to providers in 2001.

DISCUSSION:

It has been determined that a new rate for HealthWorx is required due to the increase in costs associated with the provision of health care coverage. HPSM remains the best provider of health insurance for In-Home Supportive Services (IHSS) independent providers due to their flexible accommodations of independent provider turnover of

those receiving coverage, as well as their low rate. As an example, health insurance through Kaiser HMO for one County employee costs \$506.54 per month plus a monthly employee co-pay of \$89.38. In comparison, health insurance coverage for one independent provider through HPSM costs \$303.00, including a current co-pay of \$10.00. HPSM has not increased its rate for the past eleven years. The contract is late being presented to your Board due to negotiations between the HPSM and the County to establish a fair and sustainable rate for the HealthWorx product.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to: insurance, hold harmless, non-discrimination and equal benefits.

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

This amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing affordable health benefits to the IHSS independent providers. Provision of these health benefits allows caregivers to stay healthy which prevents interruption to the continuation of care for IHSS recipients. Through the continuation of care in accordance with a care plan developed by case management staff, at-risk individuals are able to live in a least restrictive setting as possible. It is anticipated that 95% of at-risk individuals served by Aging and Adult Services will be able to remain living in a least restrictive setting within the community through case management.

PERFORMANCE MEASURE:

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

*The FY 2011-12 performance exceeded the division's expectations in this measure.

FISCAL IMPACT:

The term of the agreement remains July 1, 2011 through June 30, 2014. The maximum fiscal obligation is increased by \$2,174,086, from \$6,960,848 to \$9,134,934. The monthly premium per provider is increased from \$195.31 to \$303.00. The new annual cost of the agreement is anticipated to be \$3,454,200. The projected County share of this cost annually is \$1,112,074 and the remainder is covered by State and federal funds. The cost for the increase in health insurance coverage was not included in the IHSS PA FY 2012-13 Adopted Budget. The Appropriation Transfer Request in the amount of \$1,018,771 is for FY 2012-13 only. Funds for FY 2013-14 will be included in the PA Recommended FY 2013-14 budget. There is no increase to the Net County Cost.