



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: November 22, 2013
Board Meeting Date: January 7, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean Fraser, Chief of the Health System
Srija Srinivasan, Director, Strategic Operations

Subject: Amendment to agreement with the State of California's Managed Risk Medical Insurance Board

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with the State of California Managed Risk Medical Insurance Board to revise Exhibits A and B of the agreement, extending the term through December 31, 2013, increasing the amount by \$199,985.86 to an amount not to exceed \$3,775,692.69.

BACKGROUND:

In 2005, your Board executed an agreement with the State of California's Managed Risk Medical Insurance Board (MRMIB) establishing San Mateo County as the administrator of the County Children's Health Initiative Program (C-CHIP), thereby giving the County access to federal funding through the County Health Initiative Matching Fund created through AB 495 (Diaz 2001). These matching federal funds allow local governments to provide comprehensive health insurance to children in families with incomes ranging from 250% to 300% of the Federal Poverty Level (FPL) which do not qualify for Medi-Cal or Healthy Families. The San Mateo County Health Kids program was established in 2003 as the local C-CHIP.

In the past eight years, your Board approved several amendments. In January 2013 your Board approved the tenth amendment to extend the contract term and increase the contract amount.

DISCUSSION:

The Affordable Care Act (ACA), includes provisions that extend federal subsidies to a small segment of the families receiving coverage through the Healthy Kids program. During the State legislative session that just concluded, the State secured authority to adapt C-CHIP to conform to the ACA's requirements and enable the State to assume

responsibility for the non-federal share of C-CHIP beginning January 1, 2014. This amendment extends the term of the County's participation in C-CHIP by three months, through December 31, 2013.

There are two primary changes in the requirements and terms included in this amendment. First, the County will not be including Healthy Kids participants living in households who will be eligible for subsidized coverage through Covered California within its C-CHIP claiming so that we can instead transition these children into Covered California coverage effective January 1. Second, the County is able to claim up to a higher rate for the segment of C-CHIP children who are not eligible for Covered California coverage for the three-month period of this amendment.

The Children's Health Initiative received this amendment late because the State was not able to obtain necessary guidance from the federal government until after the contract start date of October 1, 2013.

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

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing funds to pay for health coverage for children. It is anticipated that 41,000 children will be enrolled into Medi-Cal and Healthy Kids.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Medi-Cal and Healthy Kids	40,563	41,000

FISCAL IMPACT:

The term of the agreement is July 1, 2005 through December 31, 2013. The amount of the agreement is not to exceed \$3,775,692.69 in funding from the State. Funding is included in the Children's Health Initiative FY 2013-14 Adopted Budget. There is no Net County Cost impact associated with this amendment. The County expects to achieve a net savings of \$60,000 by transferring the eligible segment of the population to Covered California coverage rather than maintaining local coverage through the Healthy Kids program.