



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 23, 2013
Board Meeting Date: June 18, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

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 the provision of services to Medi-Cal members for the term of July 1, 2012 through December 31, 2013 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 us these supplemental funds for services for 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 2012-13. 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 terms also require that the IGT revenues are used to fund health services and not returned to the County General Fund.

The reason this Agreement is so late is because the State just notified us of approval of the IGT for \$28,000,000.

The agreement and Resolution have 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 95% of clients will be maintained in the least restrictive care setting through case management.

PERFORMANCE MEASURE:

Measure	FY 2012-12 Actual	FY 2012-13 Projected
Percent of at-risk clients maintained in the least restrictive setting through case management	98%	95%

FISCAL IMPACT:

The term of the agreement is July 1, 2012 through December 31, 2013. The known supplemental funds to be received by the Health System are \$28,000,000, of which \$14,000,000 is net new revenue since we had to provide \$14,000,000 to the State through the IGT. Amounts for both the County IGT contribution and the anticipated \$28,000,000 revenue from HPSM were included in the FY 2012-13 Adopted Budget approved by your Board earlier this year. There is no impact to Net County Cost.