



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 13, 2015
Board Meeting Date: June 16, 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, Health System

Subject: Amendment to the agreement with San Mateo Health Commission for services to Medi-Cal members

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the 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, 2013 through September 30, 2016, 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 amendment to the agreement allows HPSM to provide supplemental payments to the Health System to support the provision of services to HPSM's Medi-Cal members in FY2013-14 and future years as necessary. 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 amendment is late is because the State just confirmed approval of the expanded IGT amount of \$13,293,734 and provided contract documentation in May 2015. The amendment will extend the term of the most recent IGT agreement through September 30, 2016.

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 funds to pay for healthcare services to Medi-Cal beneficiaries, resulting in further improved health outcomes and lower costs. It is anticipated that 37,646 Medi-Cal recipients will be assigned to the San Mateo Medical Center (SMMC).

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Estimated	FY 2015-16 Projected
Number of Medi-Cal recipients assigned to SMMC	37,646	37,646

FISCAL IMPACT:

The term of the amended agreement is extended to September 30, 2016. The revised funds to be received by the Health System are \$41,293,734, of which \$13,293,734 is the increased amount. Since there is a required match, the net new revenue pursuant to this amendment is \$6,646,867. The amended amount has been included in SMMC's and Health Administration's FY 2015-16 Recommended Budget. There is no impact to net county cost.