

HEALTH PLAN-PROVIDER AGREEMENT

HEALTH SYSTEM AGREEMENT

AMENDMENT No. 3

This Amendment is made this ____ day of _____ {month/year}, by and between San Mateo County Health Commission dba, Health Plan of San Mateo, a public entity *hereinafter* referred to as "PLAN", and the County of San Mateo, San Mateo County Health System, *hereinafter* referred to as "PROVIDER".

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective April 11, 2017;

WHEREAS, the parties may, by mutual consent, enter into written amendments to the Agreement

WHEREAS, the Plan is a County Organized Health System, formed pursuant to Welfare and Institutions Code Section 14087.51 and Sections 2.68.010, 2.68.020 and 2.68.030 of the San Mateo County Ordinance Code, which has entered into and maintains a Medi-Cal Services Contract with the State California;

WHEREAS, the Provider is a department of the County of San Mateo, a political subdivision of the State of California, which includes the San Mateo Medical Center division (including all affiliated clinics and providers), the Behavioral Health Recovery Services division (including all affiliated clinics and providers and responsibilities as the specialty behavioral health plan), the Family Health Services division, the Aging & Adult Services division, the Public Health, Policy and Planning division, the Health Coverage Unit division, and the Emergency Medical Services division, on behalf of its various divisions has previously entered into agreements with PLAN to provide services with respect to Medi-Cal PLAN members;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for base rate and 75 percent rate range (rate range) increases to PROVIDER with respect to services for Medi-Cal Optional Expansion (OE) enrollees of PLAN as a result of Medi-Cal managed care capitation rate amounts to PLAN funded in part by intergovernmental transfers ("IGTs"), pursuant to Sections 14199.2 and 14301.5 of the Welfare and Institutions Code, from SAN MATEO COUNTY to the California Department of Health Care Services ("State DHCS") to help assure the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

SECTION 1 A Payment is hereby amended to include the following:

OE MEDI-CAL MANAGED CARE BASE RATE AND RATE RANGE INCREASES

1. OE Base Rate and Rate Range Increases to PROVIDER

A. Payment

Pursuant to subdivision (e) of Section 14199.2, and subdivision (b) of Section 14301.5 of the Welfare and Institutions Code, should PLAN receive any OE Medi-Cal Managed Care Rate Payments ("OE MMCR Payments") from State DHCS, the nonfederal share of which is funded in any part by the SAN MATEO COUNTY specifically pursuant to the Intergovernmental Agreement Regarding Transfer of Public Funds, 16-93926 ("Intergovernmental Agreement") effective for the period of January 1, 2017 through June 30, 2017, all of the provisions below shall apply.

(1) PLAN shall pay to PROVIDER, for services provided during the term of this Amendment, the rates for services set forth in the Medi-Cal Medical Services Agreement between Plan and Provider Agreement as amended January 1, 2014, which shall be no less than the rates in effect as of January 1, 2018.

(2) PLAN shall pay to PROVIDER as "OE Base Rate" a maximum amount of \$3,111,617 and as "Rate Range Increase Payments," a maximum amount of \$414,860 for the period of January 1, 2017 through June 30, 2017, from the OE MMCR Payments (net of the Health Plan Retention described in paragraph 1.B) received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Payments for services provided by the PROVIDER to Medi-Cal beneficiaries. Notwithstanding the foregoing, payments to PROVIDER and other providers by PLAN from OE MMCR Payments (net of Health Plan Retention) for the relevant period shall be adjusted as appropriate to ensure that all such OE MMCR Payments received by PLAN are distributed, and in no case shall exceed the total amount of OE MMCR Payments. PLAN payments shall be based on actual OE MMCR Payments included in the HEALTH PLAN's monthly capitation payment or a lump-sum payment received from DHCS. OE Base Rate and Rate Range Increase Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

PLAN will not retain any other portion of the OE MMCR Payments received from the State DHCS.

C. Conditions for Receiving OE Base Rate and Rate Range Increase Payments

As a condition for receiving OE Base Rate and Rate Range Increase Payments, PROVIDER shall, as of the date the particular payment is due:

- (1) remain a provider of [as applicable] primary and specialty hospital and non-hospital services in the PLAN, to provide capacity for meeting the complex conditions of OE Medi-Cal beneficiaries;
- (2) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (3) maintain its current emergency room licensure status and not close its emergency room;
- (4) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

PLAN shall send a notice to PROVIDER when PLAN receives any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the County of San Mateo. Notices shall be sent to PROVIDER's Chief Financial Officer, Gina Wilson, via email at gwilson@smcgov.org or via mail at San Mateo County Health System, 225 37th Avenue, San Mateo, CA 94403.

E. Form and Timing of Payments

PLAN agrees to pay OE Base Rate and Rate Range Increase Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the OE Base Rate and Rate Range Increase Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the OE Base Rate and Rate Range Increase Payments to PROVIDER no later than thirty (30) calendar days after receipt of the OE MMCR Payments from State DHCS.

F. Consideration

(1) As consideration for the OE Base Rate and Rate Range Increase Payments, PROVIDER shall use the OE Base Rate and Rate Range Increase Payments for the following purposes and shall treat the OE Base Rate and Rate Range Increase Payments in the following manner:

(a) The OE Base Rate and Rate Range Increase Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the OE Base Rate and Rate Range Increase Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining OE Base Rate and Rate Range Increase Payment amounts shall be retained by PROVIDER to be expended for health

care services. Retained OE Base Rate and Rate Range Increase Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the retained OE Base Rate and Rate Range Increase Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on OE Base Rate and Rate Range Increase Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of OE Base Rate and Rate Range Increase Payments received, but not used. These retained PROVIDER funds may be commingled with other SAN MATEO COUNTY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the SAN MATEO COUNTY or federal matching funds will be recycled back to the SAN MATEO COUNTY general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Agreement or Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the OE Base Rate and Rate Range Increase Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which OE Base Rate and Rate Range Increase Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the OE Base Rate and Rate Range Increase Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the OE Base Rate and Rate Range Increase Payments to the full extent possible on behalf of the safety net in SAN MATEO COUNTY.

I. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which OE Base Rate and Rate Range Increase Payments were made to PROVIDER, PLAN shall perform a reconciliation of the OE Base Rate and Rate Range Increase Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of OE MMCRs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of OE Base Rate and Rate Range Increase Payments

made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. PLAN agrees to transmit to the PROVIDER any underpayment of OE Base Rate and Rate Range Increase Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

II Term

The term of this Amendment shall commence on January 1, 2017 and shall terminate on September 30, 2019.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: San Mateo Health Commission

By: CEO, _____ Date: _____

Maya Altman

PROVIDER: County of San Mateo

By: President, Board of Supervisors _____ Date: _____

ATTEST

By _____

John L. Maltbie

Cleck, Board of Supervisors