# Amendment 2019-1

## Medi-Cal Medical Services Agreement Between
## San Mateo Health Commission d/b/a Health Plan of San Mateo
## And
## San Mateo Medical Center

This Amendment to the Medi-Cal Medical Services Agreement is made this ___th day of_____, 2019, by and between the San Mateo Health Commission, a public entity, hereafter referred to as "PLAN," and the County of San Mateo, San Mateo County Health System, San Mateo Medical Center hereinafter referred to as "COUNTY."

Recitals

WHEREAS, PLAN and COUNTY have entered into an agreement effective September 9, 2008 for the delivery of Covered Services to PLAN's Medi-Cal members; and

WHEREAS, PLAN maintains a Medi-Cal Services Contract with the State of California, Department of Health Care Services; and

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

New Subsection 6.1.5

Section 6 of the Agreement, "Payments and Incentives," is amended to include a new subsection 6.1.5, which shall read, in its entirety, as follows:

"6.1.5 Shared Savings

6.1.5.1 Division of Shared Savings

For calendar year 2019, PLAN will calculate the costs for medical services that PLAN has incurred for Medi-Cal and Medicare members assigned to COUNTY clinics, as well as the revenues that PLAN has received from Medi-Cal and Medicare for serving these members for that calendar year. Based on that calculation, if the cost for such medical services is less than ninety percent (90%) of the revenue that the PLAN receives from Medi-Cal and Medicare for these members assigned to COUNTY clinics during that calendar year, PLAN shall remit to COUNTY one half of the difference between such actual costs and ninety percent (90%) of such revenue ("Shared Savings Payments"). For purposes of these Shared Savings Payments, each of three lines of business (Medi-Cal, Medi-Cal Expansion, and Medicare Cal MediConnect will be calculated separately). Solely by way of example:

(a) If the PLAN received $1,000,000 in revenue for Medi-Cal members assigned to COUNTY clinics and the cost of medical services incurred by the PLAN for such members is $800,000, the PLAN shall remit to the COUNTY $50,000 (i.e., one half of the difference between the cost of such services and 90% of the revenue received by the PLAN for such members).

(b) If the PLAN received $1,000,000 in revenue for Medi-Cal Expansion members assigned to COUNTY clinics and the cost of medical services incurred by the PLAN for such members is $900,000, the PLAN shall remit no payment to the COUNTY.

(c) If the PLAN received $1,000,000 in revenue for Cal MediConnect members assigned to COUNTY clinics and the cost of medical services incurred by the PLAN for such members is $950,000, the PLAN shall remit no payment to the COUNTY.

(d) Total shared savings payments made to the COUNTY for 2019 using these three examples would be $50,000.

Notwithstanding the foregoing, in no event shall the total of all Shared Savings Payments for the 2019 calendar year exceed twenty-five percent (25%) of the total PLAN payments made to COUNTY for the services rendered during the 2019 calendar year. In the event that the Shared Savings Payments calculated in accordance with Section 6.1.5 exceed twenty-five percent (25%), the PLAN shall remit payment of Shared Savings Payments capped at 25% of the total PLAN payments made to COUNTY for the services rendered during the 2019 calendar year.

6.1.5.2 Remittance Process

PLAN will perform the year-end reconciliation calculation described in Section 6.1.5.1. no later than May 31, 2020, and make any payment owed to COUNTY by June 30, 2020. PLAN will use best available information at the time of the calculation, including claims paid through March 31, 2020 for dates of service 1/1/19 – 12/31/19, a reasonable calculation of Incurred But Not Reported (IBNR) expenses, pharmacy costs and rebates, and reinsurance premium and recovery estimates.

6.1.5.3 Accounting Treatment

The Shared Savings Payments shall not be considered patient revenue received in exchange for services. Such payments are intended to incentivize COUNTY to effectively manage its assigned population. Shared Savings Payments shall be paid separately from claims and made distinguishable for accounting purposes. Data and formulas used to calculate Shared Savings Payments shall be shared with COUNTY for validation.

6.1.5.4 Attribution

The calculation of Shared Savings Payments will be limited to PLAN Medi-Cal and Medicare members assigned to COUNTY clinics. This shall include members who are eligible under the Medi-Cal Expansion criteria listed in section 6.1.3 of this Agreement and members whose enrollment lapsed but who were retroactively reinstated. This shall exclude members who have Medicare coverage through another entity and for whom PLAN is only responsible for cross-over costs and services only covered under Medi-Cal.

6.1.5.5 Included Revenue

The calculation of Shared Savings Payments will include all payments received by PLAN from Medi-Cal and Medicare for months when members were assigned to COUNTY

clinics, including retroactively, to pay for services and manage the care of the above population.

6.1.5.6 Excluded Revenue

The calculation of Shared Savings Payments will exclude all payments received and paid out by PLAN related to the Designated Public Hospital Directed Payment programs including the Enhanced Payment Program and the Quality Improvement Program.

6.1.5.7 Included Costs

The calculation of the costs for medical services that PLAN has incurred for Medi-Cal and Medicare members assigned to COUNTY clinics will include all primary care capitation payments and paid medical claims for dates of service during months when members are assigned to COUNTY clinics. The entire cost of an inpatient stay will be included when the admission date for that stay occurs during a month for which the member meets the criteria laid out in section 6.1.5.4 of this agreement. The shared savings calculation shall also include quality improvement and pay-for-performance payments to COUNTY, and PLAN expenses categorized as Utilization Management/Quality Assurance expenses.

6.1.5.8 Excluded Costs

The calculation of Shared Savings Payment will exclude consideration of payments that do not relate to the direct provision of services, such as PLAN administrative expenses. For PLAN Medicare CareAdvantage CalMediConnect members assigned to COUNTY clinics, the calculation of saving shall exclude cross-over costs and services only covered under Medi-Cal.

6.1.5.9 Quality Benchmarks

Shared savings calculated pursuant to 6.1.5.1 will be pro-rated by the number of quality metrics out of eight that meet or exceed the following minimum performance levels:

a) The combined average panel engagement for all primary care clinics for Medi-Cal members as defined in the Medi-Cal primary care agreement by December 31, 2019 must meet or exceed 50%;
b) All Medi-Cal Benchmark Pay for Performance (P4P) measures selected for calendar year 2019 as specified in Attachment E.1.10 must meet or exceed the HEDIS MPL (minimum performance level, 25$^{th}$ percentile) by the April 1, 2020 report run for dates of service 1/1/2019 – 12/31/2019.

6.1.5.10 Withholds

At the time of the final earnings calculation, if COUNTY is not in good standing with the contract terms specified in the Medi-Cal PCP Agreement or Care Advantage PCP Agreement for which it received written notice and request for corrective action during calendar year 2019, 100 percent of Shared Savings Payments will be temporarily withheld for up to six months from the date of the final earnings calculation and PLAN will provide written notification of the withhold pending a six month cure period. If COUNTY completes the corrective action within the cure period, 100 percent of the earned Shared Savings Payments shall be remitted to COUNTY. If COUNTY does not complete the

corrective action within the cure period, COUNTY will forgo the entire amount of the earned Shared Savings Payment.

6.1.5.11 Shared Savings Statements

HPSM shall provide a semi-annual preliminary shared savings statement with a 90-day claims lag, within 120 calendar days of the end of the quarter. Such statement shall include year-to-date revenue, utilization, costs and savings for the attributed populations by service type and line of business to enable COUNTY to track medical costs relative to 90 percent of revenue targets described in Section 6.1.5.1. A final shared savings statement will be provided at the time of the year-end reconciliation in accordance with the timeframes specified in Section 6.1.5.2.

Attachment E is amended to include a new subsection Attachment E.1.10, which shall read, in its entirety, as follows:

## ATTACHMENT E.1.10

## BENCHMARK PERFORMANCE MEASURE SELECTION (TRACK 3 PROVIDERS ONLY)

For calendar year 2019, PLAN and COUNTY agree that the following seven (7) Benchmark Performance Measures shall apply to: All COUNTY primary care clinics combined.

____ Adult BMI Assessment
__X_ Asthma medication Ratio*
__X_ Cervical cancer screening*
____ Comprehensive Diabetes Care
____ Depression screening and follow-up (ages 12+)*
____ Diabetes Blood Pressure Control
____ Diabetes Eye Exam
____ Diabetes HbA1c Control*
__X_ Diabetes Medical Attention for Nephropathy (including screening)
__X_ Encounter Threshold*
__X_ Immunizations for Adolescents – Combo 2
____ Immunizations for Children – Combo 3
____ Initial Health Assessments
__X_ Mammogram for Breast Cancer Screening
____ Substance Misuse (SBIRT)
__X_ Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents
____ Well-child visit (ages 3-6)

*HPSM assigned metric based on clinic patient population.
Pediatric Clinic Assigned Measures:
Encounter Threshold
Asthma medication ratio
Depression screening and follow-up
Clinic selects 4 additional P4P measures for payment
Adult Clinic Assigned Measures:
Encounter Threshold
Diabetes HbA1c control

Cervical cancer screening
Clinic selects 4 additional P4P measures for payment
Family Practice (Adults and Pediatrics):
Encounter Threshold
Asthma medication ratio
Cervical cancer screening
Clinic selects 4 additional P4P measures for payment

Final bonus payment will be made based on having at least 30 patients who meet the measure eligibility criteria. If a selected measure does not have 30 patients who qualify by December 1, 2019, an alternative measure for payment shall be selected before December 31, 2019.

See HPSM Benchmark P4P bonus program guidelines within the HPSM Medi-Cal Provider Manual for full measure and payment specifications.

Subject to the provisions of Health and Safety Code section 1375.7, PLAN reserves the right to update, retire or replace any measure or payment structure under the pay for performance program at any time. Please see full Pay for Performance bonus program guidelines for complete terms and conditions of participation.

Participating providers will receive monthly reports showing the benchmark performance calculation and member list for how the benchmark performance is calculated.

## Effective Date

This amendment shall be effective as of January 1, 2019, and its term shall run through December 31, 2019.

## Incorporation of Agreement Rights, Duties and Obligations

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.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: San Mateo Health Commission d/b/a Health Plan of San Mateo

| Contractor Signature | Date | Contractor Name (please print) |
|---|---|---|
| | 03/11/2019 | Patrick Curran |

COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board