

## HEALTH PLAN-PROVIDER AGREEMENT

### HEALTH AGREEMENT

#### AMENDMENT No. 8 – (Voluntary Rate Range for FY 18-19)

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 (the "Agreement");

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

WHEREAS PLAN, is a County Organized Health System, formed pursuant to Welfare and Institutions Code Section 14087.51 and Sections 2.23.010, 2.23.020 and 2.23.030 of the San Mateo County Ordinance Code, which has entered into and maintains a Medi-Cal Services Contract with the State California;

WHEREAS PROVIDER, is a department of 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, PROVIDER operates the only disproportionate share hospital (DSH), as defined in Welfare and Institutions Code Section 14105.98, in the County of San Mateo, and historically has been the largest DSH provider of adult (non-obstetric) inpatient service days to PLAN'S members; and whereas PROVIDER also provides mental health treatment; substance use disorder treatment; administrative, care and coverage coordination, public health services; and long term care institutional and home and community-based services to PLAN's members, among other services;

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

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

**A. Payment**

Should PLAN receive any Medi-Cal managed care capitation rate increases from the California Department of Health Care Services (DHCS) where the non-federal share is funded through an Intergovernmental Transfer (IGT) by the County of San Mateo specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #18-95682, effective for the period of July 1, 2018 through June 30, 2019, PLAN shall pay to PROVIDER the total amount of the increase in the total capitation rate received by the PLAN as a result of the IGT, including the related Federal Financial Participation, from the County of San Mateo for the period July 1, 2018 through June 30, 2019 (“VOLUNTARY RATE RANGE PAYMENTS” or “VRR PAYMENTS”) in accordance with Section D below regarding the form and timing of payments.

**B. Health Plan Retention**

PLAN will not retain any other portion of the VRR PAYMENTS received from the DHCS.

**C. 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 the 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](mailto:gwilson@smcgov.org) or via mail at San Mateo County Health System, 225 37th Avenue, San Mateo, CA 94403.

**D. Form and Timing of VRR Payments**

PLAN agrees to pay VRR PAYMENT to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the VRR PAYMENT 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 VRR PAYMENT to PROVIDER no later than thirty (30) calendar days after receipt of the Payment from the DHCS.

(3) Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the VRR PAYMENTS, PROVIDER and PLAN agree to work together in all respects to support and preserve the VRR PAYMENTS to the fullest extent possible on behalf of the safety net in SAN MATEO COUNTY.

**E. Consideration**

(1) As consideration for the VRR PAYMENT, PROVIDER shall use the VRR PAYMENT for the following purposes and shall treat the VRR PAYMENTS in the following manner:

(a) The payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the 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 Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained 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 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 payment funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of 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 shall constitute patient care revenues.

**F. Term**

The term of this Amendment shall commence on January 1, 2015 and shall be extended from December 31, 2020 to December 31, 2022.

All other terms and provisions of said Agreement and Amendments No. 1 through 7, 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: Health Plan of San Mateo      Date: May 26, 2020

By: Maya Altman, CEO: 

PROVIDER: COUNTY OF SAN MATEO      Date: \_\_\_\_\_

By: President, Board of Supervisors: \_\_\_\_\_

ATTEST

By: \_\_\_\_\_

Michael P. Callagy  
Clerk, Board of Supervisors