



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 16-586

Board Meeting Date: 9/26/2017

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Srija Srinivasan, Director, Family Health Services and Health Coverage Unit

**Subject:** Agreement with California Department of Health Care Services for the County Children's Health Initiative Program

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with the California Department of Health Care Services to provide funding for the County Children's Health Initiative Program for the term of July 1, 2015 through September 30, 2019, estimated at \$7,392,713.

**BACKGROUND:**

Since 2005, as part of our county's efforts to sustain universal health insurance for children, your Board executed agreements with the State of California to enable a portion of the local Healthy Kids (HK) children's insurance program to receive federal reimbursement. The County Children's Health Insurance Program (C-CHIP) is a collaboration between the State and San Mateo County to provide federal funding for children's health insurance that meets federal and state requirements. San Mateo, San Francisco, and Santa Clara counties are the only three California counties that pursued such an arrangement to support our local children's health insurance programs. The State of California changed the administration of this program as part of larger changes that unified children's coverage within the State Medicaid program, Medi-Cal, and to comply with an Affordable Care Act (ACA) provision that required insurance programs preceding the ACA to be maintained in the manner that existed before the ACA.

Your Board executed an agreement with the State in February 2015 that aligned with this "maintenance of effort" provision with the State bearing the financial responsibility for the non-Federal costs of the program; the term of that agreement was from January 1, 2014 through June 30, 2015.

Under the February 2015 agreement, the County operated the HK program in accordance with federal and state requirements such as the program's scope of benefits, consumer cost-sharing, and eligibility determination processes. The County was required to maintain twelve months of continuous coverage for any child who is enrolled, and notify consumers should the County ever withdraw from

the program.

**DISCUSSION:**

Since April 2015, the Health Coverage Unit (HCU) Director has been pursuing a new agreement with California Department of Health Care Services (CDHCS). CDHCS has a two-year window for invoicing services and, as a result, on September 30, 2017, HCU will no longer be able to claim for services provided July 1, 2015 through September 30, 2015. DHCS has just informed HCU that an agreement covering services from July 1, 2015 to September 30, 2019 is pending and they would like to have it executed by your Board within one week. As a result, HCU is seeking authorization for the Health System Chief to sign the agreement on behalf of your Board.

The State received federal approval to delay provisions of C-CHIP's alignment with the ACA as larger significant efforts of Medi-Cal expansion took precedence. During the past several months, we worked with the State to adapt operational components and to achieve agreement on the appropriate reimbursement rate. This agreement includes an increase in the per-member per month reimbursement rate from \$101 to \$189.

The Health System also requests that your Board authorize the Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The agreement and Resolution have been reviewed and approved by County Counsel as to form.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing affordable health insurance to children who are not eligible for full scope Medi-Cal or a subsidized insurance plan through Covered California. We anticipate 1,100 of our 1,300 Healthy Kids enrollees to be enrolled in CCHIP.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Projected</b>
Number of children enrolled in Healthy Kids to be enrolled in CCHIP	1,000	1,100

**FISCAL IMPACT:**

The term of this agreement is July 1, 2015 to September 30, 2019. The amount of the agreement is estimated at \$7,392,713 for a 51-month term. The amount claimed each year is dependent on the number of children enrolled; funds in an amount of \$1,927,800 are included in the HCU FY 2017-18 Adopted Budget. Similar arrangements will be made in future HCU budgets. Since the County is receiving this funding, there is no Net County Cost.