



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-277

Board Meeting Date: 4/25/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to the Agreement with San Mateo Health Commission dba Health Plan of San Mateo

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with San Mateo Health Commission, dba Health Plan of San Mateo, for the administration of the Access and Care for Everyone program, extending the term through September 30, 2024, and increasing the amount by \$10,680,750, to an amount not to exceed \$93,585,750.

BACKGROUND:

The County is required to provide health care services to qualifying uninsured residents under Welfare and Institutions Code 17000. The County meets this requirement by offering the Access and Care for Everyone (ACE) program to qualifying uninsured residents whose income is below 200% of Federal Poverty Level.

On July 21, 2015, this Board approved an agreement with the San Mateo Health Commission, dba Health Plan of San Mateo (HPSM), to provide third party administration (TPA) services for the ACE program on behalf of San Mateo Medical Center (SMMC) for the term of April 1, 2015, through March 31, 2018.

The agreement has been amended multiple times since then to include a data usage agreement and to extend the term of the agreement through March 31, 2023, with a corresponding increase in funding.

The competitive bid process was previously waived pursuant to County of San Mateo Administrative Memo B-1, provision IV.B.2, which allows waivers for agreements with other public and government entities.

DISCUSSION:

Under this amendment, HPSM will continue to provide various TPA services to the County related to the ACE program, including, but not limited to, claims processing and data management, outpatient pharmacy benefits, provider relations, and collection of ACE member participant fees, which are typical functions of health plans. The amounts included in this contract cover both HPSM TPA fees (approximately \$190,000 per month), as well as fee-for-service payments made to non-SMMC medical providers for care provided to ACE patients (approximately \$400,000 per month). This amendment will extend the term of the agreement through September 30, 2024, and increase the amount payable thereunder by \$10,680,750, to an amount not to exceed \$93,585,750.

In addition to the administrative benefit this agreement provides, HPSM’s continued administration of the ACE program is essential to supporting the County’s obligation to provide health care services to qualifying residents under Welfare and Institutions Code 17000. There are 22,500 ACE participants who benefit from this arrangement through access to HPSM’s expanded provider network. The latter network augments SMMC’s capacity, ensuring timely access to health care services and connection to needed sub-specialties and suppliers outside the scope of SMMC. ACE participant needs include: access to dispensing opticians (1,000 participants/year), medical equipment suppliers (1,200 participants/year), and specialized treatment of diabetic retinopathy in individuals with type 2 diabetes (300 participants/year). Additionally, ACE participants are able to access treatment of less frequent, but more severe high-cost conditions such as congenital heart disorders, that require inpatient care (5 cases/year). Finally, ACE participants have access to HPSM’s Nurse Advice Line 24 hours a day, 7 days a week for non-emergency medical advice, which helps prevent avoidable emergency room visits.

County Attorney has reviewed and approved the resolution and amendment as to form.

The resolution contains the County’s standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

It is anticipated that HPSM’s TPA duties will comply with all applicable federal laws, regulations, reporting requirements, Centers for Medicare and Medicaid (CMS) instructions and with County Health’s contractual obligations with the California Department of Health Care Services (CDHCS) 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Estimated	FY 2023-24 Projected
Percentage of time HPSM’s TPA duties will comply with all applicable federal laws, regulations, reporting requirements, CMS instructions and with County Health’s contractual obligations with CDHCS	100%	100%

FISCAL IMPACT:

The term of the amended agreement is April 1, 2015 through September 30, 2024. The amendment increases the contract amount by \$10,680,750 to an amount not to exceed \$93,585,750 for the nine-and-a-half-year term. Funds in the amount of \$2,670,187 are included in the SMMC FY 2022-23 Adopted Budget. Funds in the amount of \$8,010,563 are included in the SMMC FY 2023-24 Recommended Budget. Similar arrangements will be made for future years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.