



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 16-202

Board Meeting Date: 6/6/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
Gina Wilson, Chief Financial Officer

Subject: Amendments to the Agreement with San Mateo Health Commission

RECOMMENDATION:

Adopt a resolution authorizing Amendment No. 1 and Amendment No. 2 to the agreement with the San Mateo Health Commission, doing business as Health Plan of San Mateo, for services to Medi-Cal members, for the term July 1, 2015 through September 30, 2019 funded through Intergovernmental Transfers.

BACKGROUND:

The County of San Mateo has contracted with the San Mateo Health Commission, doing business as Health Plan of San Mateo (HPSM), since January 1994. Your Board has approved numerous agreements and amendments for the provision of healthcare and behavioral healthcare services to HPSM members, including those enrolled in the Medi-Cal program. Your Board has also approved prior agreements and amendments related to Intergovernmental Transfers (IGTs), which is a mechanism the County has long used to help pay for services in the Health System. An IGT is a federally-approved mechanism whereby County funds are provided to the State to draw down matching federal dollars for the Medi-Cal program.

On April 11, 2017, your Board approved an agreement with HPSM for FY 2015-2016 and 2016-2017 for the term July 1, 2015 through September 30, 2019.

DISCUSSION:

The original agreement allows HPSM to provide supplemental payments to the Health System to support the provision of services to HPSM's Medi-Cal members in FY 2015-16 and FY 2016-17. In exchange, the Health System is required to remain a participating provider in HPSM and maintain services such as emergency room licensure, inpatient surgery suites, treatment for mental health and substance use disorders, and community-based services. The agreement terms also require that IGT revenues are used to fund health services and not returned to the County General Fund.

The State has now required two amendments to this agreement; Amendment No. 1 to allow for an additional supplemental payments of \$21,056,738 (or \$10,528,367 in net revenues) for FY 2015-16 and FY 2016-17, and Amendment No. 2 for calendar year 2015 to include the “duals” populations (i.e., those who qualify for Medicare and Medicaid), which were not included in the original agreement.

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

The amendments to the agreement and resolution have been reviewed and approved by County Counsel as to form. These amendments are late because they were just received from State in May 2017.

Approval of the amendments to the agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing funds to pay for healthcare services to Medi-Cal beneficiaries, resulting in further improved health outcomes and lower costs. The original performance measures remains. It is anticipated that the number of Medi-Cal recipients enrolled at SMMC will increase from 35,695 in FY 2015-2016 to 38,000 in FY 2016-17.

PERFORMANCE MEASURE:

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Number of Medi-Cal recipients enrolled with SMMC	35,695	38,000

FISCAL IMPACT:

The term of Amendment No. 1 is July 1, 2015 through September 30, 2019, and totals to \$21,056,738, or \$10,528,367 in net revenue. The term of Amendment No. 2 is from January 1, 2015 through September 30, 2019 and totals to \$5,850,265, or \$2,925,133 in net revenue. These dollars will be used to fund services for Health System patients and clients.