



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-818

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

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

Subject: Amendment to the Agreement with San Mateo Health Commission

RECOMMENDATION:

Adopt a resolution authorizing an amendment 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 January 1, 2015 through December 31, 2018, 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 FY 2016-2017 for the term July 1, 2015 through September 30, 2019. On June 6, 2017 your Board approved two amendments: the term of the first amendment is July 1, 2015 through September 30, 2019, and totals to \$21,056,738, or \$10,528,367 in net new revenue; the term of the second amendment is from January 1, 2015 through September 30, 2019 and totals to \$5,850,265, or \$2,925,133 in net new revenue. On February 27, 2018, you approved the third amendment for the period January 1, 2017 through September 30, 2019 in the amount of \$3,526,477 or \$3,350,153 in net new revenue.

DISCUSSION:

The original agreement and subsequent amendments allow 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 just now required a fourth amendment for calendar year 2016 supplemental payments to include the “duals” populations (i.e., those who qualify for Medicare and Medicaid), which were not included in the original agreement. This amendment will provide for additional revenue of \$6,310,383, of which \$3,155,192 is the net to be received by the San Mateo Medical Center.

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 amendment to the agreement and resolution have been reviewed and approved by County Counsel as to form.

Approval of the amendment 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. It is anticipated that the number of Medi-Cal recipients treated at SMMC will increase from 38,019 in FY 2016-2017 to 38,039 in FY 2017-18.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Number of Medi-Cal recipients enrolled with SMMC	38,019 recipients	38,039 recipients

FISCAL IMPACT:

The term of this amendment is January 1, 2015 through September 30, 2019, and totals to \$6,310,383 in revenue, of which \$3,155,192 is net new revenue. Of the latter amount, \$1,423,078 was included in the FY 2017-18 Adopted Budget. The balance of \$1,732,114 will be held in a reserve account.