



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH SERVICES FHS

**File #:** 19-868

Board Meeting Date: 9/17/2019

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

**To:** Honorable Board of Supervisors

**From:** Louise F. Rogers, Chief, San Mateo County Health  
Srija Srinivasan, Deputy Chief, San Mateo County Health

**Subject:** Authorization for Funding to Kaiser Permanente to Transition Healthy Kids Children Ineligible for Medi-Cal to Kaiser Permanente Private Insurance

### **RECOMMENDATION:**

Adopt a resolution authorizing San Mateo County Health to provide funding to pay health insurance premiums to Kaiser Permanente for former Healthy Kids enrollees for the period of October 1, 2019 to September 30, 2020, in an amount not to exceed \$189,000.

### **BACKGROUND:**

San Mateo County has long provided necessary health coverage to all children through the Children's Health Initiative (CHI). Due to changes in the administration of the program, as codified in the State budget approved in June 2019, the San Mateo County Healthy Kids insurance product will be ending September 30, 2019, and the majority of Healthy Kids members will transition to the California Children's Health Insurance Program (C-CHIP) Medi-Cal coverage.

The San Mateo County Health (SMCH) Health Coverage Unit (HCU) has identified approximately 24-35 Healthy Kids members who are not eligible to transition to the C-CHIP Medi-Cal Coverage program since they did not meet the income and residency requirements. The CHI Oversight Committee, the cross-sector stakeholder group that provides oversight for the Healthy Kids program and is part of the governance structure of the Health Plan of San Mateo Commission, decided to provide up to one year of coverage for these Healthy Kids members by purchasing Kaiser Permanente (KP) Silver Individual Plans. The one-year of KP coverage will allow families to have more time to determine what is the best health coverage option for them. After this period of KP coverage funded by the CHI, the families may, at their own expense, choose to remain with the KP plan or choose other commercial insurance plans. The County will cease funding the premiums at that time.

### **DISCUSSION:**

The funders created a Healthy Kids Trust Fund (Fund) when the program was launched to enable the program to ramp up and withstand swings in program enrollment and cost. The Fund has been

managed by the HCU and will be used to pay the premiums for children who will receive up to one year of transition support through enrollment in the KP Silver Individual Plans through September 30, 2020, or until the month of the child's 19<sup>th</sup> birthday, whichever occurs first. The HCU will request that each family name the County as the accountable party for payment of the premiums. The premiums will be paid from the Fund and are estimated to cost less than \$450 per child per month.

HCU will continue to enroll Healthy Kids members in the KP plan until September 20, 2019, and will not be able to confirm the final count of Healthy Kids members who need to transition until that date. As of August 15, 2019, 24 members have been identified; the resolution authorizes payment for up to 35 members in case more are identified.

KP contracts with individuals and families to provide insurance benefits and cannot contract directly with the County for the provision of those services. There is no mutually acceptable County mechanism in place for reimbursing KP for the premiums and, therefore, we seek the Board's approval to allow SMCH to reimburse KP for these children's premiums, with SMCH listed as the payor for each individual. KP has agreed to bill the County for any member enrolled by the County under this program that designates the County as the third-party payor. The County chose KP as the insurer because premium costs approximate the costs through Covered California, and because KP coverage includes dental and vision benefits.

The resolution has been reviewed and approved by County Counsel as to form. SMCH staff have worked closely with the Controller's Office to ensure this payment mechanism is allowable.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring that there is a transition plan in place for health coverage for all San Mateo County children. In FY 2019-20, it is anticipated that a maximum of 315 member months of health coverage will be provided for eligible children.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 19-20 Projected</b>	<b>FY 20-21 Projected</b>
Maximum number of Kaiser health coverage member months provided for eligible children	315	105

**FISCAL IMPACT:**

The payments to KP will cover insurance premiums for members from October 1, 2019 through September 30, 2020. Exact premiums may vary, but are estimated at less than \$450 per member per month. The total premium amount for all members is not to exceed \$189,000 for the 12-month period. Funds in the amount of \$141,750 have been included in the HCU FY 2019-20 Approved Recommended Budget and \$47,250 in the HCU FY 2020-21 Recommended Budget. All costs will be paid by the Fund. There is no Net County Cost associated with this action.