



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-1244

Board Meeting Date: 1/7/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Gina Wilson, Chief Financial Officer, San Mateo County Health

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 of January 1, 2017 through December 31, 2020, 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. The 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. The 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 provided by San Mateo County Health. 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, the Board approved an agreement with HPSM for FY 2015-16 and 2016-17 for the term July 1, 2015 through September 30, 2019. On June 6, 2017 the Board approved two amendments: the term of the first amendment is July 1, 2015 through September 30, 2019, and provides for \$21,056,738, or \$10,528,367 in net new revenue to the County; and the term of the second amendment is January 1, 2015 through September 30, 2019 and provides for \$5,850,265, or \$2,925,133 in net new revenue to the County.

On February 27, 2018, the Board approved a third amendment to the agreement for the term January 1, 2017 through September 30, 2019 in the amount of \$3,526,477 or \$3,350,153 in net new revenue to the County.

On September 18, 2018, the Board approved a fourth amendment to the agreement, for the term

January 1, 2017 through December 31, 2019 in the amount of \$6,310,282 or \$3,155,192 in net new revenue to the County.

On April 9, 2019, the Board approved a fifth amendment to the agreement, effective January 1, 2017 to December 31, 2020 which originally was expected to generate \$20,195,392 in revenue of which \$4,815,009 was to be net new revenue to the County. However, upon review of the calculations with the HPSM, the amendment resulted in \$19,157,116 in revenue, of which \$12,143,496 was net new revenue to the County. The federal match required from this IGT was reduced based on lower membership numbers, as compared to the original estimate.

DISCUSSION:

The original agreement and subsequent amendments allow HPSM to provide supplemental payments to County Health to support the provision of services to HPSM's Medi-Cal members in FY 2015-16, FY 2016-17 and FY 2017-18 and overlapping calendar years of 2015, 2016 and 2017. In exchange for these funds, County Health 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 be used to fund health services and not returned to the County General Fund.

The State is now requiring that the HPSM and the County enter into a sixth amendment to the agreement in order to address additional funding available for members of the "duals" population (i.e., those who qualify for both Medicare and Medicaid), which was not included in the scope of the original agreement. This additional funding covers calendar year 2017 and was retroactively made available under the State's Voluntary IGT program. This amendment will be for the term of January 1, 2017 through December 31, 2020 and will provide for additional revenue of \$4,094,320, of which \$2,047,159 is the net new revenue to be received by San Mateo Medical Center (SMMC).

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.

It is anticipated that 412,104 Medi-Cal recipients will be enrolled with SMMC.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Actual	FY 2019-20 Projected
Number of Medi-Cal recipients enrolled with SMMC (member months)	434,454 Medi-Cal Recipients	412,104 Medi-Cal Recipients

FISCAL IMPACT:

The term of the amendment is January 1, 2017 through December 31, 2020 and totals to \$4,094,320, of which \$2,047,159 is new net revenue to the County and was recorded in FY2019-20.