



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-154

Board Meeting Date: 3/24/2020

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: Agreement with the San Mateo Health Commission Doing Business as the Health Plan of San Mateo for the Provision of Medi-Cal Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with San Mateo Health Commission dba the Health Plan of San Mateo to provide Medicare and Medi-Cal services for clients residing in San Mateo County's Long-Term Care facilities for the term October 1, 2019 through September 30, 2022.

BACKGROUND:

The County of San Mateo through San Mateo Medical Center (SMMC) has contracted with San Mateo Health Commission dba Health Plan of San Mateo (HPSM) since January 1994. There are several agreements currently in place with HPSM to provide specific and varied services for Medicare and Medi-Cal patients.

DISCUSSION:

As a result of changing payment methodologies enacted by the Centers for Medicare and Medicaid Services (CMS), HPSM is implementing a new CMS Patient Driven Payment Model (PDPM) to reimburse SMMC for skilled nursing services for both of their Medicare and Medi-Cal lines of business. In conjunction with this change, HPSM desires to consolidate its separate Medicare and Medi-Cal provider agreements into a combined agreement to ensure consistency of operational and regulatory requirements. This agreement is coming to the Board late due to prolonged negotiations.

The agreement and resolution have been reviewed and approved by County Counsel 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 this agreement will increase the skilled nursing facility Medi-Cal per diem rate to \$725.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Actual	FY 2019-20 Estimated
Skilled nursing facility Medi-Cal per diem rate	\$418 per diem	\$725 per diem

FISCAL IMPACT:

The term of the agreement is October 1, 2019 through September 30, 2022. The anticipated amount of additional revenue SMMC will receive through the PDPM methodology is approximately \$1,200,000 on an annual basis. This is a 125% increase over SMMC's FY 2019-20 and FY 2020-21 Adopted Budgets. Similar arrangements will be made for future years. There is no Net County Cost associated with this agreement.