



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-475

Board Meeting Date: 6/30/2020

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 the San Mateo Health Commission

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with the San Mateo Health Commission dba Health Plan of San Mateo for services to Medi-Cal members, for the term of January 1, 2015 through December 31, 2022, funded through Intergovernmental Transfers.

BACKGROUND:

The County of San Mateo has contracted with the San Mateo Health Commission dba 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), a federally approved mechanism whereby County funds are provided to the State to draw down matching federal dollars for the Medi-Cal program. The County has long used IGTs to help pay for health services.

On April 11, 2017, the Board approved an agreement with HPSM for FY 2015-16 and FY 2016-17 for the term of July 1, 2015 through September 30, 2019.

On June 6, 2017 the Board approved two amendments: 1) 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; and 2) 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, the Board 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.

On September 4, 2018, the Board approved the fourth amendment for the period January 1, 2015 through December 31, 2018 in the amount of \$6,310,282 or \$3,155,192 in net new revenue.

On April 9, 2019, the Board approved the fifth amendment for the period January 1, 2015 to December 31, 2020 for the FY 2017-18 voluntary rate range program, which resulted in \$19,157,116 of revenue, or \$12,143,496 in net new revenue.

On January 7, 2020, the Board approved the sixth amendment effective January 1, 2017 through June 30, 2020 in the amount of \$4,094,320, or \$2,047,159 in net new revenue.

The seventh amendment to extend the termination date to December 31, 2020 for the first and third amendments was approved by the Chief of San Mateo County Health, pursuant to your resolution allowing such amendments.

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, 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 are used to fund health services and not returned to the County General Fund.

The State requires an eighth amendment for the FY 2018-19 voluntary rate range program. This amendment will provide for additional revenue of approximately \$22,000,000, of which approximately \$15,000,000 is the net expected to be received by San Mateo Medical Center (SMMC). The actual amounts will be determined upon Medi-Cal member enrollment reconciliation by the State which is expected to be completed before the end of this fiscal year.

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 395,000 Medi-Cal recipients will be enrolled with SMMC.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Actual	FY 2019-20 Estimated
Number of Medi-Cal recipients enrolled with SMMC	434,454 Medi-Cal recipients	395,000 Medi-Cal recipients

FISCAL IMPACT:

The term of the eighth amendment is from January 1, 2017 through December 31, 2022 and totals \$22,000,000, of which \$15,000,000, is the expected new net revenue. \$15,927,060 was included in the FY 2018-19 Adopted Budget.