



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-191

Board Meeting Date: 3/9/2021

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, 2024, 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 to the agreement: 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 to the agreement for the period of 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 to the agreement 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 to the agreement 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 October 21, 2019, the Chief of San Mateo County Health approved the sixth amendment to the agreement to extend the termination date of the agreement to December 31, 2020 for the first and third amendments, pursuant to your resolution allowing such amendments to the agreement.

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

On June 30, 2020, the Board approved the eighth amendment effective January 1, 2017 through December 21, 2022, in the amount of \$22,000,000, or \$15,000,000 in net new revenue.

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, FY 2017-18, FY 19-20 and overlapping calendar years of 2015, 2016, 2017 and July 2020 to December 2020. 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 a ninth amendment for the FY 2019-20 voluntary rate range program, covering an eighteen-month period from July 1, 2019 through December 21, 2020. This amendment will provide for additional revenue of approximately \$31,000,000, of which approximately \$20,000,000 is the net new revenue 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 38,000 Medi-Cal recipients will be enrolled with SMMC.

PERFORMANCE MEASURE:

Measure	FY 2019-20 Actual	FY 2020-21 Estimated
Number of Medi-Cal recipients enrolled with SMMC	34,641 Medi-Cal recipients	38,000 Medi-Cal recipients

FISCAL IMPACT:

The term of the ninth amendment is from January 1, 2015 through December 31, 2024 and totals approximately \$31,000,000, of which approximately \$20,000,000, is the expected new net revenue to the County. Approximately \$12,000,000 of these funds were included in the FY 2019-20 Adopted Budget and \$7,200,000 was included in FY 2020-21 Adopted Budget. The remainder - approximately \$800,000 - will be used to offset other revenue losses.