



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** HEALTH

**File #:** 21-921

Board Meeting Date: 11/16/2021

**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:** Return of Children's Health Initiative Funds to First 5 San Mateo County, Peninsula Health Care District, and Sequoia Health Care District, as Approved by the San Mateo Health Commission

### **RECOMMENDATION:**

Recommendation to:

A) Adopt a resolution authorizing and directing:

1. The use of funds in the Children's Health Initiative Trust Fund to address shared priorities related to children's health, or return funds to contributing funders, as determined by voting members of the Children's Health Initiative Coalition, subject to approval by the San Mateo Health Commission, in accordance with the Children's Health Initiative Coalition's amendment of its Memorandum of Understanding, with the restriction in place regarding the use of such funds to be amended accordingly; and
2. The return of Children's Health Initiative funds in the amount of \$171,750 to First 5 San Mateo County, in the amount of \$343,500 to the Peninsula Health Care District, and in the amount of \$1,004,400 to the Sequoia Health Care District; and

B) Approve an Appropriation Transfer Request (ATR) in the amount of \$1,519,650, transferring revenue from the Children's Health Initiative Trust Fund to First 5 San Mateo County, the Peninsula Health Care District, and the Sequoia Health Care District, and directing the Controller to take such steps as are necessary to effectuate this transfer.

### **BACKGROUND:**

In 2003, the County and key partners launched the Children's Health Initiative (CHI) to achieve universal health insurance coverage in San Mateo County. The County worked with many partners to further this aim through outreach to uninsured children and families, enrollment into public health coverage programs, and a locally supported health insurance program called Healthy Kids that was

designed to serve children ineligible for federal and state programs.

In 2007, governance for this initiative was moved from the County to the San Mateo Health Commission, the governing body for the Health Plan of San Mateo, with the newly formed CHI Coalition serving as an advisory body.

When state policy actions expanded the State's role in health insurance coverage for children, the CHI Coalition took actions to align local responsibilities accordingly, including a decision to close the local Healthy Kids program in 2019. The Coalition amended its Memorandum of Understanding (MOU) in 2020, stating that the Coalition would assure responsible stewardship of the financial resources originally contributed to support universal health coverage so that the funding is directed to address shared priorities related to children's health or returned to the contributing funders. The MOU further provided that County Health would oversee the financial stewardship of the restricted CHI Trust Fund established to support CHI.

### **DISCUSSION:**

Following the expansion of the State's role in health insurance coverage for children and the decision to close the local Healthy Kids program in 2019, the CHI Coalition has taken steps to direct financial resources originally contributed to support universal health coverage to other shared priorities related to children's health, in accordance with the CHI Coalition's MOU. For example, in related agenda items today, your Board's approval is also being sought for transfers from the CHI Trust Fund to support grant agreements related to children's dental care and oral health, as well as an agreement with the Mission Asset Fund to provide financial and coaching support to County residents whose children do not qualify for the federal child tax credit because of their immigration status.

The CHI Coalition's MOU also contemplates and authorizes the return of CHI funds to contributing funders. The CHI Coalition voted in recent months to authorize the return of funds to the four contributing funders in amounts proportional to the amounts originally contributed by these entities: San Mateo County, First 5 San Mateo County, the Peninsula Health Care District, and the Sequoia Health Care District. The San Mateo Health Commission approved and adopted the CHI Coalition's recommendation at its October 2021 meeting.

Through a separate item on today's agenda, this Board is approving the allocation of 100% of the County's share (\$1,053,400) of returned funds toward an agreement with Mission Asset Fund.

First 5 San Mateo County has agreed to allocate \$171,750 of its share toward the agreement with Mission Asset Fund, with the remaining \$171,750 returned to it as a contributing funder.

The amount to be returned to the Peninsula Health Care District is \$343,500, and the amount to be returned to the Sequoia Health Care District is \$1,004,400.

Your Board's approval is now being sought to effectuate the transfer of CHI funds to First 5 San Mateo County, the Peninsula Health Care District, and the Sequoia Health Care District, as they are held by the County in a restricted CHI Trust Fund. The County's role in overseeing financial stewardship of the restricted fund established to support CHI includes executing the recommended ATRs. This Board's approval of the ATRs satisfies the County financial requirements to document all financial transactions with the appropriate action by your Board.

**FISCAL IMPACT:**

This ATR appropriates a total of \$1,519,650 in revenue from the CHI Trust Fund into the Health Coverage Unit's operating budget, as well as appropriates the expenditure representing the return of funds. No Net County Cost is associated with this action.