



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 21-1008

Board Meeting Date: 12/14/2021

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**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:** Amendment to the Agreement with San Mateo Health Commission dba Health Plan of San Mateo

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with San Mateo Health Commission, dba Health Plan of San Mateo, for the administration of the Access and Care for Everyone program, extending the term through March 31, 2023, and increasing the amount by \$9,485,000, to an amount not to exceed \$82,905,000.

### **BACKGROUND:**

On July 21, 2015, your Board approved an agreement with the San Mateo Health Commission, dba Health Plan of San Mateo (HPSM), to provide third party administration (TPA) on behalf of the San Mateo Medical Center (SMMC) for the term of April 1, 2015 through March 31, 2018. The agreement has been amended several times since then to include a data usage agreement and to extend the term of the agreement through March 31, 2022, with a corresponding increase in funding.

### **DISCUSSION:**

HPSM will continue to provide various services to the County related to the Access and Care for Everyone (ACE) program, including, but not limited to, TPA claims processing and data management, outpatient pharmacy benefits, provider relations, and collection of ACE member participant fees. The amounts included in this contract cover both HPSM TPA fees, as well as fee-for-service payments made to non-SMMC medical providers for care provided to ACE patients. This amendment will extend the term of the agreement through March 31, 2023 and increase the amount payable thereunder by \$9,485,000, to an amount not to exceed \$82,905,000.

The amendment 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 HPSM's third-party administrator duties will comply with all applicable federal laws, regulations, reporting requirements, Centers for Medicare and Medicaid (CMS) instructions and with County Health's contractual obligations with the California Department of Health Care Services (CDHCS) 100% of the time.

**PERFORMANCE MEASURE:**

| Measure  | FY 2021-22 Estimated | FY 2022-23 Projected |
|--|----------------------|----------------------|
| Percentage of time HPSM's third-party administrator duties will comply with all applicable federal laws, regulations, reporting requirements, CMS instructions and with County Health's contractual obligations with CDHCS | 100%                 | 100%                 |

**FISCAL IMPACT:**

The term of the amended agreement is April 1, 2015 through March 31, 2023. The amendment increases the contract amount by \$9,485,000 to an amount not to exceed \$82,905,000 for the eight-year term. Funds in the amount of \$2,371,250 are included in the SMMC FY 2021-22 Adopted Budget. Funds in the amount of \$7,113,750 are included in the SMMC FY 2022-23 Recommended Budget. Similar arrangements will be made for future years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.