



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-643

Board Meeting Date: 7/25/2023

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. This 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. This 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, this Board entered into an agreement with HPSM to provide supplemental payments to County Health for services provided to HPSM members, based on an IGT arrangement for FY 2015-16 and FY 2016-17 for the term of July 1, 2015, through September 30, 2019.

On June 6, 2017, this Board approved two amendments to the agreement to include additional payments from HPSM to County Health for FY 2015-16 totaling an amount not to exceed \$21,056,738, or \$10,528,367 in net new revenue; and for FY 2016-17 totaling an amount not to exceed \$5,850,265, or \$2,925,133 in net new revenue.

On February 27, 2018, this Board approved the third amendment to the agreement to include additional payments from HPSM to County Health for FY 2016-17 for the term of January 1, 2017, through September 30, 2019, in an amount no to exceed \$3,526,477 or \$3,350,153 in net new revenue.

On September 4, 2018, this Board approved the fourth amendment to the agreement to include additional payments from the HPSM for calendar year 2016 for the term of 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, this Board approved the fifth amendment to the agreement to include additional payments from the HPSM for FY 2017-18 for the term of January 1, 2015, through 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, this Board approved the sixth amendment to the agreement to include additional payments from the HPSM for calendar year 2017 for the term of January 1, 2017, through December 31, 2020, in the amount of \$4,094,320, or \$2,047,159 in net new revenue.

The Chief of San Mateo County Health approved the seventh amendment to the agreement to extend the termination date for the first and third amendments from June 30, 2019, through December 31, 2020, to accommodate additional payments from the HPSM payments.

On June 30, 2020, this Board approved the eighth amendment to the agreement to include additional payments from the HPSM for FY 2018-19 for the term of January 1, 2017, through December 21, 2022, in the amount of \$22,000,000, or \$15,000,000 in net new revenue.

On March 9, 2021, this Board approved the ninth amendment to the agreement to include additional payments from the HPSM for FY 2019-20 for the term of July 1, 2019, through December 21, 2024. This amendment provided for additional revenue of approximately \$31,000,000, of which approximately \$20,000,000 is the net expected to be received by San Mateo Medical Center (SMMC). The final revenue received after the State completed its final reconciliation was \$31,186,214, of which \$20,965,103 was the net revenue received.

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, July 2020 through December 2020 and January 2021 through December 2021. 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 fund health services and not be returned to the County General Fund.

The State now requires a tenth amendment for the calendar year 2021 voluntary rate range program. This amendment will provide for additional revenue of approximately \$19,300,000, of which approximately \$12,000,000 is the net expected to be received by 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 this amendment contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The amendment and resolution have been reviewed and approved by County Counsel as to form.

It is anticipated that 46,000 Medi-Cal recipients will be enrolled with SMMC at the end of the fiscal year.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Number of Medi-Cal recipients enrolled with SMMC at the end of the fiscal year	41,356 Medi-Cal recipients	46,000 Medi-Cal recipients

FISCAL IMPACT:

The term of the tenth amendment is from January 1, 2015, through December 31, 2024 and totals \$19,300,000, of which \$12,000,000 was included in both the FY 2020-21 and FY 2021-22 Adopted Budgets.