

## HOSPITAL AGREEMENT

### Amendment 2003-01

This Agreement is made this 1st day of January, 2003, by and between the San Mateo Health Commission, a public corporation, hereinafter referred to as "PLAN", and San Mateo County d.b.a. San Mateo Medical Center, hereinafter referred to as HOSPITAL."

#### RECITALS

WHEREAS, PLAN and HOSPITAL have previously entered into an Agreement effective December 1, 1993;

WHEREAS, Article XIV.C of such Agreement provides for amending such Agreement; and

WHEREAS, the San Mateo Health Commission has approved changes in withhold and surplus distributions as contained in Section C of Exhibit 2.

WHEREAS, both parties wish to extend the term of the Agreement

NOW, THEREFORE, PLAN and HOSPITAL hereby agree as follows:

#### Paragraph One – Article X, Term, Termination and Effect of Termination

Article X. (A) is amended to read:

“A. Term. The term of this Agreement shall commence on December 1, 1993 and shall terminate on December 31, 2003.”

#### Paragraph Two - EXHIBIT 2. Reimbursement Addendum

I. Section C - Risk/Savings Account of Exhibit 2 is amended to add a new subsection (6) to read:

“(6) Special Deficit Situation

If the annual accounting for the PLAN results in a deficit in the PLAN as a whole and a surplus in a Primary Hospital Pool Account, then all or part of the surplus in a Primary Hospital Pool Account may be used to fund the deficit in the PLAN as a whole. The use of surplus funds shall be done pursuant to the following process:

a) In addition to any other accounting required by this Agreement, an accounting of the PLAN as a whole shall be rendered by the PLAN annually no later than four (4) months after the conclusion of the PLAN's fiscal year. Such accounting shall be certified by PLAN's chief financial officer and by the PLAN's outside auditor as part of the annual audit of PLAN.

- b) "Deficit in the PLAN as a whole" means that situation in which the PLAN's operating Expenses (medical and administrative) for a fiscal year exceed all the PLAN's Revenues (operating and non-operating) for the same fiscal year. The results of this calculation will be reported in the Statements of Revenues, Expenses and Changes in Retained Earnings of PLAN's annual audit performed by its outside auditor.
- c) The portion of the surplus from a Primary Hospital Pool Account to be used to fund any deficit of the PLAN as a whole shall be determined by multiplying the total deficit in the PLAN as a whole by the percent which the assigned members in the pool represent of all assigned members in the PLAN. If this first calculation does not eliminate the total deficit, additional calculations shall be made until the deficit is eliminated or the Primary Hospital Pool Account's surplus is eliminated.
- d) After the deficit in the PLAN as a whole is eliminated, any remaining surplus will be distributed according to subsection (5)."

**Paragraph Three - Effective Date**

This amendment shall be effective January 1, 2003.

**Paragraph Four - Waive 45 Day Provision**

By signing this Amendment, both parties mutually agree to waive the 45 business day notice requirement for contract amendments as provided for in Section 1375.7 of the California Health and Safety Code.

**Paragraph Five - Incorporation of Agreement Rights, Duties and Obligations**

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged.

**SAN MATEO HEALTH COMMISSION**

Date: 2-21-2003 By: Michael W. Murray  
 Title: Executive Director

**HOSPITAL**

Name: Rose Jacobs Gibson  
San Mateo County d.b.a. San Mateo Medical Center  
 Date: \_\_\_\_\_ By: \_\_\_\_\_  
 Title: President, Board of Supervisors



Exhibit 3

**FULL CAPITATION ALLOCATIONS**

Effective 1/1/2003

**FOR CASE-MANAGED MEMBERS:**

Beneficiaries' Aid Category	Regular Hours PCP Cap	Extended Hours PCP Cap	Referral	Hospital Inpatient	Hospital Outpatient & Other Med	Pharmacy	Total Allocation	
							Regular PCP Cap	Extended PCP Cap
<b>Public Assistance:</b>								
Aged	\$5.36	\$5.85	\$7.13	\$56.97	\$22.53	\$118.62	\$210.61	\$211.10
Blind	8.67	9.49	18.21	78.74	91.95	193.57	391.14	391.96
Disabled	13.83	15.18	20.52	99.78	67.33	191.84	393.30	394.65
Family	10.35	11.33	13.09	22.97	16.36	18.59	81.36	82.34
<b>Med Needy No SOC:</b>								
Aged	9.83	10.76	25.80	76.40	51.22	97.26	260.51	261.44
Blind	29.05	31.83	76.31	545.55	134.04	38.98	823.93	826.71
Disabled	29.05	31.83	64.06	542.61	162.30	106.71	904.73	907.51
Family	16.94	18.58	30.21	64.09	30.06	19.48	160.78	162.42
MI Child No SOC	13.35	14.63	22.58	62.38	41.76	26.11	166.18	167.46
Refugees	10.35	11.33	12.97	35.27	19.96	12.83	91.38	92.36
Percent of Poverty	13.11	14.43	11.64	31.26	12.12	13.24	81.37	82.69

**FOR SPECIAL MEMBERS:**

Beneficiaries' Aid Category	Regular Hours PCP Cap	Extended Hours PCP Cap	Referral	Hospital Inpatient	Hospital Outpatient & Other Med	Pharmacy	Total Allocation	
							Regular PCP Cap	Extended PCP Cap
<b>Med Needy SOC:</b>								
Aged	\$0.00	\$0.00	\$8.01	\$103.64	\$61.88	\$180.04	\$353.57	\$353.57
Blind	0.00	0.00	102.46	726.01	386.64	224.47	1,439.58	1,439.58
Disabled	0.00	0.00	78.05	543.62	189.22	373.39	1,184.28	1,184.28
Family	0.00	0.00	92.30	423.33	79.70	24.77	620.10	620.10
<b>MI Adult:</b>								
SOC	0.00	0.00	265.39	1,964.67	176.43	161.80	2,568.29	2,568.29
No SOC & Pending	0.00	0.00	216.41	511.73	140.71	7.57	876.52	876.52
MI Child SOC	0.00	0.00	65.11	544.81	260.46	8.45	878.83	878.83
MIA LTC	0.00	0.00	264.79	579.94	176.43	161.80	1,182.96	1,182.96
<b>MN LT Non-Grant:</b>								
Aged	0.00	0.00	4.35	26.48	36.40	135.49	202.72	202.72
Blind	0.00	0.00	72.94	433.30	135.25	253.31	894.80	894.80
Disabled	0.00	0.00	72.94	433.30	135.25	253.31	894.80	894.80
BCCTP	0.00	0.00	43.23	138.88	79.14	151.06	412.31	412.31

**Paragraph Two - Effective Date**

This amendment shall be effective January 1, 2003.

**Paragraph Three - Waive 45 Day Provision**

By signing this Amendment, both parties mutually agree to waive the 45 day notice requirement for contract amendments as provided for in Section 1375.7 of the California Health and Safety Code.

**Paragraph Four - Incorporation of Agreement Rights, Duties and Obligations**

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged.

**SAN MATEO HEALTH COMMISSION**

Date: 2-26-2003

By: Michael W. Murray

Title: Executive Director

**HOSPITAL**

Name: San Mateo County d.b.a.  
San Mateo Medical Center

Date: \_\_\_\_\_

By: \_\_\_\_\_

Rose Jacobs Gibson

Title: President, Board of Supervisors