

**SECOND AMENDMENT TO AGREEMENT BETWEEN COUNTY OF SAN MATEO  
AND SAN MATEO HEALTH COMMISSION, dba the HEALTH PLAN OF SAN MATEO**

This Second Amendment is entered into this \_\_\_\_ day of March, 2004.

**WITNESSETH:**

**WHEREAS**, on February 12, 2003 the parties entered into an Agreement for the Health Plan to administer the funding for the Healthy Kids program, with the term of said agreement being from February 12, 2003 to February 11, 2005 (hereafter "the Agreement"); and

**WHEREAS**, the agreement was first amended on January 27, 2004, and

**WHEREAS**, the parties now wish to further amend the agreement.

**NOW THEREFORE**, the parties agree that their Agreement for administration of the Healthy Kids Program is further amended as follows:

1. Sections 1.27 and 1.28 are hereby added to section 1 of the agreement, to read as follows:

1.27 "**Administrative Costs**" shall mean a percentage of all Premiums payable to PLAN under this Agreement not greater than the percentage that administrative expenses represent of the State capitation payments for the annual Med-Cal budget approved by the San Mateo Health Commission at the beginning of each calendar year.

1.28 "**Cost of Health Services**" shall mean the total calendar year costs of providing Covered Services to Members and shall include Administrative Costs and projections to pay the costs of incurred but not reported Covered Services.

2. Section 2.5 is hereby amended to read as follows:

2.5 In consideration of the Health Plan of San Mateo's administration of the program and payment for health care services to Members:

2.5.1 The funding parties authorize the Health Plan of San Mateo to retain twenty percent (20%) of any positive remainder after the Cost of Health Services for Members is subtracted from the total Premiums paid to PLAN in a given calendar year. Said retention will be used to offset the cost of administering the Program and to improve and to further the Health Commission's compliance with its mandate to provide health care services to those with limited means.

2.5.2 PLAN shall return eighty percent (80%) of any positive remainder to the COUNTY as determined in 2.5.1 within thirty (30) days of the San Mateo Health Commission's approval of its annual audit performed by an outside auditor; provided COUNTY is current in making Premium payments to PLAN pursuant to Sections 4.2, 4.3, and 4.4.

2.5.3 If an annual positive remainder is projected as of July 1<sup>st</sup> of a given calendar year, PLAN shall make an interim payment to COUNTY by July 31<sup>st</sup> of the calendar year equal to fifty percent (50%) of the amount to be returned pursuant to subsection 2.5.2 by; provided COUNTY is current in making Premium payments to PLAN pursuant to Sections 4.2, 4.3, and 4.4.

3. Section 9.2 is added to read as follows:

9.2 Within thirty (30) days of the San Mateo Health Commission's approval of its annual audit, the PLAN will provide the COUNTY with a copy of the audit and a report listing the following information for Healthy Kids members: 1) the Cost of Health Services for the Members, 2) the total Premiums paid to PLAN in a given calendar year, and 3) the remainder after subtracting the Cost of Health Services for the Members from the total Premiums paid to PLAN in a given calendar year. The Cost of Health Services for Members will be broken down into three sub-categories: the total costs of providing Covered Services to Members, Administrative Costs, and total projected payments for the costs of incurred but not reported Covered Services.

4. This amendment shall be effective on January 1, 2004.

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

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES** that the Agreement of February 12, 2003, as amended on January 27, 2004, be further amended accordingly, and that these amendments are hereby incorporated and made a part of the original Agreement and any amendments thereto, and subject to all provisions therein.

**IN WITNESS WHEREOF**, the parties have executed this Amendment on the date and year written below.

COUNTY OF SAN MATEO

SAN MATEO HEALTH COMMISSION

By: \_\_\_\_\_  
Mark Church, President  
Board of Supervisors, San Mateo County

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

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

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