



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
San Mateo Medical Center

DATE: August 5, 2008
BOARD MEETING DATE: September 9, 2008
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: Sang-ick Chang, MD, Chief Executive Officer, *Sep*
San Mateo Medical Center
SUBJECT: Agreement with San Mateo Health Commission

RECOMMENDATION:

Adopt a resolution:

- A. Authorizing the execution of an Agreement with San Mateo Health Commission for Primary Care Physician Medical Services provided through Health Plan of San Mateo (HPSM) for its eligible members receiving services at San Mateo Medical Center (SMMC) for a term of January 1, 2008 through December 31, 2008 for estimated capitation and pay for performance payments to SMMC of \$3,555,461
- B. Authorizing the Chief Executive Officer (CEO) of SMMC or the CEO's designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

VISION ALIGNMENT:

Commitment: Ensure Basic Health and Safety for All.

Goal 5: Provide residents access to healthcare and preventive care.

The Agreement contributes to this commitment and goal by providing access to medical services to San Mateo County Medi-Cal eligible residents who are members of HPSM

Performance Measure(s):

Measure	FY 2007-08 Actual	FY2008-09 Projected
Number of capitated members	14,490	15,500

BACKGROUND:

The San Mateo Health Commission (Commission) administers the HPSM for all Medi-Cal eligible residents of San Mateo County. SMMC has been a participating hospital in HPSM since 1994. All San Mateo County Medi-Cal patients are automatically enrolled in HPSM and are assigned to hospital affiliated primary care providers (PCP).

DISCUSSION:

The Commission has provided an updated Agreement and wishes to continue this relationship. SMMC receives capitation payments from the Commission for services provided to patients through its facilities. Capitation payments are the average budgeted expenditures per member per month for the provision of a defined scope of services. Covered services are arranged under the case management of the PCP. The previous PCP agreement was structured with a risk based methodology which included a risk sharing pool. In the new Agreement, risk sharing is being replaced with performance incentives.

The new proposed performance based incentives include payments for submission of encounter forms, creation of an asthma action plan, OB referral in the 1st trimester, effective treatment of diabetes patients and for joining and continued involvement in the County IZ Registry

It is projected that SMMC will receive an additional \$1,073,720 in performance incentives as compared to the previous agreement.

This item was reviewed by the Health System Redesign Initiative Team and aligns with the first-year implementation plan approved by the Board of Supervisors on March 25, 2008.

County Counsel has reviewed and approved this Agreement.

The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination, and equal benefits.

FISCAL IMPACT:

The term of the Agreement is January 1, 2008 through December 31, 2008. There are no County costs.