

Date: August 16, 2011
To: Health Plan of San Mateo Primary Care Providers
Subject: Elimination of Dual Eligible Medi-Cal Capitation

In my previous communication dated July 11, 2011, I discussed the March 2011 Legislature and Governor Brown approved Assembly Bill 97 (AB 97), which included deep cuts to the Medi-Cal program. Included in my communication were recommendations for provider payment reductions to offset the Medi-Cal program cuts. These recommendations were also discussed at two community meetings held in mid-July, and at the Physician Advisory Group meeting on August 3, 2011. On August 10, 2011, the San Mateo Health Commission approved the HPSM staff recommendations.

Effective October 1, 2011, as part of the recommended provider payment reductions, the Health Plan of San Mateo (HPSM) is eliminating the Medi-Cal capitation payments to Primary Care Providers (PCPs) assigned with Medi-Cal members who are also Medicare eligible (also known as "dual eligible"). PCPs with dual eligible members are already reimbursed with Medicare dollars via fee for service Medicare or HPSM's CareAdvantage plan. Your last dual eligible Medi-Cal capitation payment will be in September 2011.

HPSM recognizes this cut is coming at a very bad time and we pledge to do everything to minimize its impact. Thank you for your continued partnership in providing care to San Mateo County's most vulnerable residents.

If you have any questions or comments about this notification, please call HPSM's Provider Services Department at 650-616-2100.

Sincerely,



Maya Altman
Chief Executive Officer