

THE SAN MATEO HEALTH COMMISSION

Regular Meeting

July 09, 2025 - 12:30 p.m. Pacific Time

Health Plan of San Mateo

Primary Location: 801 Gateway Blvd., Boardroom, South San Francisco, California

-or-

Teleconference Location: 17907 Holli Blue Rd., Champion, Michigan

This meeting of the San Mateo Health Commission will be held in the Boardroom at 801 Gateway Blvd., South San Francisco, California, with public access by teleconference available at 17907 Holli Blue Rd, Champion, Michigan. Members of the public wishing to view this meeting remotely may access the meeting via YouTube Live Stream using this link: <https://youtube.com/live/GZwSyurNBw8?feature=share> Please note that while there will be an opportunity to provide public comment in person and from the teleconference location, there is no means for doing so via the Live Stream link.

AGENDA

1. Call to Order/Roll Call

2. Public Comment/Communication

3. Approval of Agenda*

4. Consent Agenda*

4.1 Approval of San Mateo Health Commission Meeting Minutes from June 11, 2025

5. Specific Discussion/Action Items

5.1 Approval of RFP for Practice Transformation*

5.2 Update on State and Federal government

6. Report from Chief Executive Officer

7. Other Business

8. Adjournment

**Items for which Commission action is requested.*

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DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
June 11, 2025 – 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.1

DATE: July 9, 2025

Commissioners Present: Jeanette Aviles, M.D. Raymond Mueller
 Michael Callagy Ligia Andrade Zuniga
 Jackie Speier Kenneth Tai, M.D.
 Bill Graham, Chair Manuel Santamaria, Vice Chair
 Shabnam Gaskari

Commissioner Ray Mueller joined the meeting at 12:54 pm.

Commissioners Absent: Amira Elbeshbeshy
 Si France, M.D.

Counsel: Kristina Paszek

Staff Presenting: Pat Curran, Trent Ehrgood, Chris Esguerra, M.D., Richard Moore, M.D.

1. Call to order/roll call

The meeting was called to order at 12:30 p.m. by Commissioner Graham, Chair. A quorum was present.

2. Public Comment

There were no public comments.

3. Approval of Agenda: The agenda was approved as presented. Motion: Speier (Second: Tai). **M/S/P.**

4. Consent Agenda: The consent agenda was approved as presented. Motion: Andrade-Zuniga (Second: Speier). **M/S/P.**

5. Specific Discussion/Action Items:

5.1 Approval of 2024 Financial Audit: Trent Ehrgood, HPSM CFO, went over the results of the 2024 financial audit, conducted by Moss-Adams, a long time HPSM vendor who recently merged with Baker Tilly, an independent accounting and consulting firm. HPSM received an unmodified opinion, the highest opinion that can be awarded. The audit commenced in October 2024 and was completed in February 2025. Moss-Adams worked in collaboration with HPSMs accounting team to produce the financial statements and make any adjustments necessary. They also produced the lengthy footnotes which were included in the packet. There were no audit adjustments made by the auditors, however Mr. Ehrgood noted that the Plan did take this opportunity to refine estimates that they use for certain items and propose

those as adjustments during the process, which were tested by the auditors. These adjustments were incorporated into the financial statements. The results were presented to and approved by the San Mateo Health Commissions (SMHC) Finance/Compliance Committee in March. They are seeking final approval today with the full Commission. However, these results have already been filed with the Department of Managed Health Care (DHMC).

Deliverables include the Communication with the Commissioners along with the actual financial statements, which have the audit report within them. Mr. Ehrgood reiterated that the unmodified opinion earned by HPSM is the highest opinion possible. He went over the financial results for 2024, the year the audit encompasses, noting that the lower 2024 surplus is because 2022 and 2023 were unusual years with higher-than-normal surpluses. He explained that the Managed Care Organization (MCO) tax is a mechanism the State uses to raise funds to pay their share of funding for Medi-Cal. For HPSM it is a zero-sum game because that money is put back into capitation revenue as a reimbursement. He also noted the \$40M in non-operating revenue includes rent collected from the County for their space on the second floor but much of it is from interest earned from cash. There is a new line item called non-operating expense. The \$10M reported in 2023 is from the contribution HPSM made to Seton to support their infrastructure for a seismic retrofit. In 2023 that expense was originally listed as an administrative expense but is now reclassified as non-operating expense for comparative purposes. Mr. Ehrgood informed the group that starting in 2024 DHCS requires managed care plans who have a surplus in the Medi-Cal line to invest a portion, 5% into the community. This comes to approximately \$3.3M and is recorded as non-operating expense in 2024. These monies have been set aside. He will offer more details about that later as they are still considering their options.

Mr. Ehrgood briefly went over liabilities, the biggest estimate on the balance sheet is the claims payable. This is money HPSM owes their providers for services rendered as of December 31st which haven't been paid yet. He explained that if you take the assets minus liabilities you end up with the Tangible Net Equity, also known as the reserves. They currently stand at \$680M. He shared an illustration of the reserves, explaining the different levels and breaking down the \$136.2M in committed equity that was recently approved by the SMHC. Commissioner Callagy commended HPSM and the financial team for the positive results, noting how difficult it is to get an unmodified opinion. Commissioner Graham agreed and acknowledged that HPSM has done consistently well with this important audit.

Commissioner Tai motioned to approve the results of the 2024 financial audit. (Second: Speier) **M/S/P.**

- 5.2 SMHC Retreat Update:** Pat Curran, HPSM CEO, shared a letter from Colleen Murphey, HPSM Chief Operating Officer, who was unable to attend the meeting due to medical reasons. She shared her gratitude for the Commission and the work that they do provide a healthcare safety net in San Mateo County, as well as for the HPSM staff who ensure that the organization remains a stable and reliable institution.

Chris Esguerra, HPSM Chief Medical Officer, provided a summary and recap of the topics and

areas of concern discussed at the SMHC Retreat in April. He went over the four areas that had the strongest interest from the group, noting that three of the areas have already been explored and/or piloted by HPSM.

- 1) Career pathways as a broad strategy, with a focus on Community Health Workers.
- 2) Leveraging HPSMs strengths as a convener and data hub.
- 3) Expanding HPSMs role in supporting housing access.
- 4) Considering HPSMs role in accelerating additional programs for childcare.

Early exploration and/or piloting is underway for the first three items listed above.

Additional “runner up” ideas with broad interest include:

- Deeper behavioral health integration.
- Additional food as medicine investments
- HPSM as owner/operator of facilities providing services that address critical access needs.

The first two are currently being explored or piloted by HPSM. Additional themes around core operational work, long-standing precedents and new opportunities arose that were lower priority but align with current HPSM efforts or discovery. Next steps include additional updates on the impacts of state budget changes, which will be shared at the July meeting. They will await clarity on the federal budget and policy implications in the coming months before pursuing additional large-scale investments. In the interim, HPSM will continue to assess and scope the top priority areas shared to identify more specific opportunities that align with HPSMs impact criteria and bring these to the Commission for review as appropriate.

Commissioner Kenneth Tai recused himself from the discussion and the vote around item 5.3 at this time as directed by County Attorney, Kristina Paszek.

5.3 Letter of Approval for NEMS to operate a PACE organization in San Mateo County:

Richard Moore, M.D., HPSM Senior Medical Director, reported on the results of HPSMs efforts to find an organization to operate a Program of All Inclusive Care for the Elderly (PACE) center in San Mateo County. It is a fully capitated insurance program for a select number of county residents that qualify. PACE programs do everything that a comprehensive medical care program would do. They coordinate primary, specialty and hospital care, they see members in PACE centers which include social and medical services, they also take care of transportation and prescribe and monitor medications. They are also responsible for managing and paying for all those services. They provides a true full team approach. Regulations require that there are 11 interdisciplinary teams. Many PACE centers have medical social workers and integrated psychiatry or psychology in their programs. He noted that in the next 30 years there will be a significant increase in people needing long-term care with a 3-fold rise in the number of people over 85 years old. He explained the selection process that he and the evaluation team, made up from representatives from San Mateo County, used to make this recommendation.

Dr. Moore noted that in order to open a PACE center in a place that is under a County Organized Health System (COHS), the health plan must submit a letter of support to the Department of Health Care Services (DHCS), who will conduct their own vetting process before deciding. After reaching out to five different organizations, the evaluation team decided on North East Medical Services (NEMS). Their presence and experience in the northern part of the county was a big consideration. At present, the North County is where there is the greatest need and where there is the highest number of potential members. NEMS has been serving patients in San Mateo County since 2011 and have strong relationships with community partners. Additional services include dental, behavioral health and optometry. NEMS is also known for their linguistic and culturally sensitive care. There was a question about those who were not considered. Dr. Moore noted that it was mainly due to a lack of presence in the community. For many of the others this would be a new initiative where they would be starting from scratch, without the contacts, hospitals and physicians needed. He also reiterated that NEMS' presence and experience in the North County was a very important factor.

Commissioner Andrade-Zuniga motioned to approve the letter of support for NEMS to operate a PACE center in San Mateo County. (Second: Callagy) **M/S/P.**

Commissioner Tai returned at this time and stayed for the remainder of the meeting.

- 6. Report from Chief Executive Officer:** Pat Curran, HPSM CEO, reported that in the coming months HPSM will be tracking very closely what is happening at the state and federal level. There will be an update from Ian Johansson, HPSM's Chief Government Affairs and Compliance Officer in July and September. They should know by the end of June what the State budget looks like in terms of Medi-Cal funding. They will come to the Commission again once the federal government makes decisions on how they will fund the State for Medi-Cal. What will be reported about the state in July will likely be a placeholder, as a special state legislative session in the fall is likely. There is talk that at the federal level, changes could happen as early as July but likely won't be discussed here until September or October. Beyond that there is concern about what they need to think about in terms of coverage and the precedent in the community about covering members as well as how to provide stability for members and stability for HPSM providers. There is a lot of angst in the provider community about what cuts would mean, so they will be tracking that as well and having discussions based on what they know. HPSM will also continue to move forward with recommendations and investments.

Mr. Curran also informed the group that one of the San Mateo County boards and commissions has been meeting to look at healthcare access on the coast. There have been listening sessions and reports. One of the commissions, specifically for farm workers, asked HPSM to distribute a report that they completed. It focused on the coast side clinic of the San Mateo Medical Center (SMMC). The report will be sent to all Commissioners. Mr. Curran stressed that while this isn't an action item, it is important to understand the needs of that community. HPSM provides coverage to about 25% of the people who live on the coast.

There was a request for an update on the Baby Bonus program. Mr. Curran replied that the program is up and running and they are continuing to enroll families and hire community health workers, though he was unable to provide concrete numbers at that time.

7. Other Business: Commission Chair, Bill Graham informed the commission that he is leaving Sequoia Hospital after 25 years of service. He intends to continue his work with the SMHC, which is entirely appropriate according to the bylaws.

8. Adjournment: The meeting was adjourned at 1:42 pm.

Submitted by:

M. Heryford

M. Heryford, Clerk of the Commission

2024 Financial Audit Results

Presentation to Commission

June 11, 2025



2024 Financial Audit Summary



- Moss Adams performed interim audit procedures in October 2024, final field work in February 2025, and finalized adjustments and prepared financial statements and footnotes in early March 2025.
- Moss Adams presented details of their audit procedures and their findings to Finance/Compliance Committee on March 24th.
- No audit adjustments were made by the auditors, but HPSM accounting staff proposed some adjustments based on updated information, which were incorporated into the financials.
- Final approval by HPSM Commission today, April 23, 2025.
- Approved audited financials are due to DMHC by April 30, 2025.

Audit Deliverables



- Communication to the Commissioners
- Financial statements with audit report and footnotes to the financial statements

3

Report of Independent Auditors



Unmodified Opinion

Financial statements are fairly presented in accordance with generally accepted accounting principles.

4

Statement of Revenue and Expenses Final Audited



	2024	2023
Capitation revenue	1,239,683,958	1,276,459,257
Healthcare cost	1,076,146,610	1,031,939,924
Administrative expenses	69,038,855	60,779,795
MCO Tax	78,726,161	57,570,721
Income/(loss) from operations	15,772,332	126,168,817
Non-operating revenue	40,920,645	34,986,653
Non-operating expense	(3,350,000)	(10,000,000)
Net income/(loss)	53,342,977	151,155,470

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Balance Sheet – Final Audited



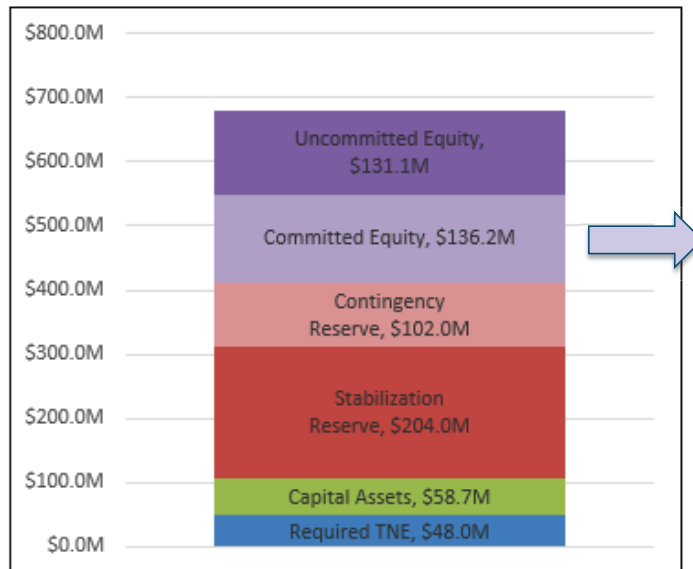
	12/31/2024	12/31/2023
Assets:		
Cash and Investments	868,954,857	738,400,292
Capitation and other receivables	200,751,470	273,711,335
Other current assets	16,195,906	14,123,355
Capital assets	58,729,820	59,364,274
Other LT assets and deferred outflows	16,786,062	11,325,447
Total assets and deferred outflows	1,161,418,115	1,096,924,703
Liabilities:		
Medical claims payable	101,806,272	110,157,421
Provider incentives payable	11,243,578	11,255,574
Amounts due to the State of California	202,037,524	161,788,284
Accounts payable, accrued liabilities, other	154,937,799	176,446,415
Net LT pension liability, deferred outflows, other	11,391,996	10,619,040
Total liabilities and deferred inflows	481,417,169	470,266,734
Net Position (Reserves)	680,000,946	626,657,969

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Tangible Net Equity (TNE)

Final Audited 12/31/2024 = \$680.0M

Uncommitted portion = \$131.1M



Committed Equity:

	Funding	Spend	Balance
Provider	\$100.0M	\$0.4M	\$99.6M
Primary Care	\$30.0M	\$0.5M	\$29.6M
Baby Bonus	\$7.0M	\$0.0M	\$7.0M
	\$137.0M	\$0.8M	\$136.2M

Commission Action Item

- Questions?
- Action item to accept/approve audited financial statements.

Thank you






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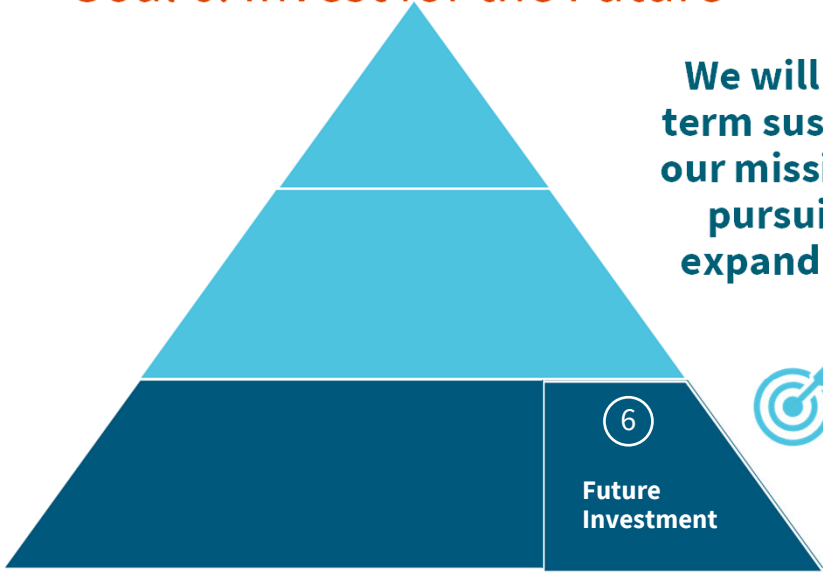
Agenda

- Provide a recap of our 2025 San Mateo Health Commission Retreat: **context, objectives, and structure** of the day
- Share **themes in collective priorities** that emerged
- Outline **HPSM's next steps** to continue our work on Goal 6




2

Goal 6: Invest for the Future



We will ensure HPSM's long-term sustainability to advance our mission, by evaluating and pursuing opportunities to expand or invest differently.

 All investments of HPSM reserves were made applying our impact criteria.

3

Planning for the road ahead





5

Grounding: approaching uncertainty with clear high-level priorities



1

- **Core operations** to uphold our mandate as a local, community-organized Medi-Cal and Duals plan

2

- **Long-standing precedents** aligned with our Mission, Vision, and local priorities

3

- **New opportunities** to consider to advance our strategic goals, including long-term sustainability

6

Our design focus for the day



1

- **Core operations** to uphold our mandate as a local, community-organized Medi-Cal and Duals plan

2

- **Long-standing precedents** aligned with our Mission, Vision, and local priorities

3

- **New opportunities** to consider to advance our strategic goals, including long-term sustainability

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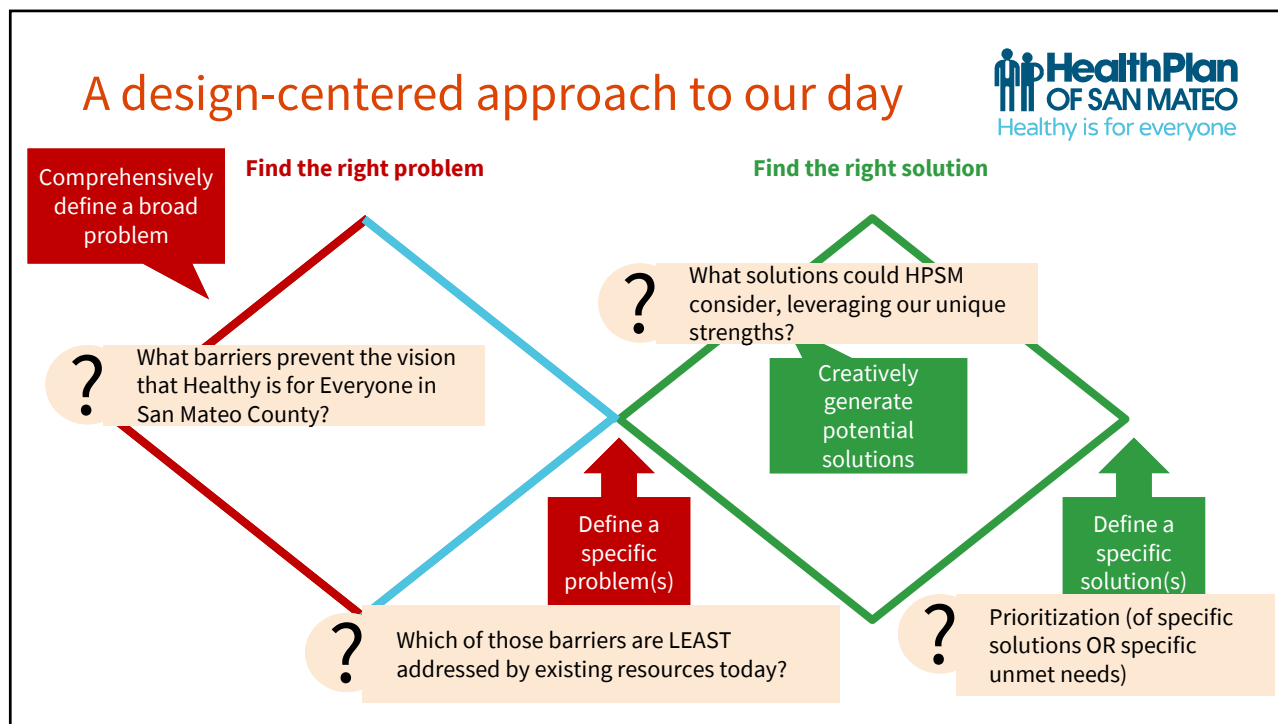
Objectives for our retreat



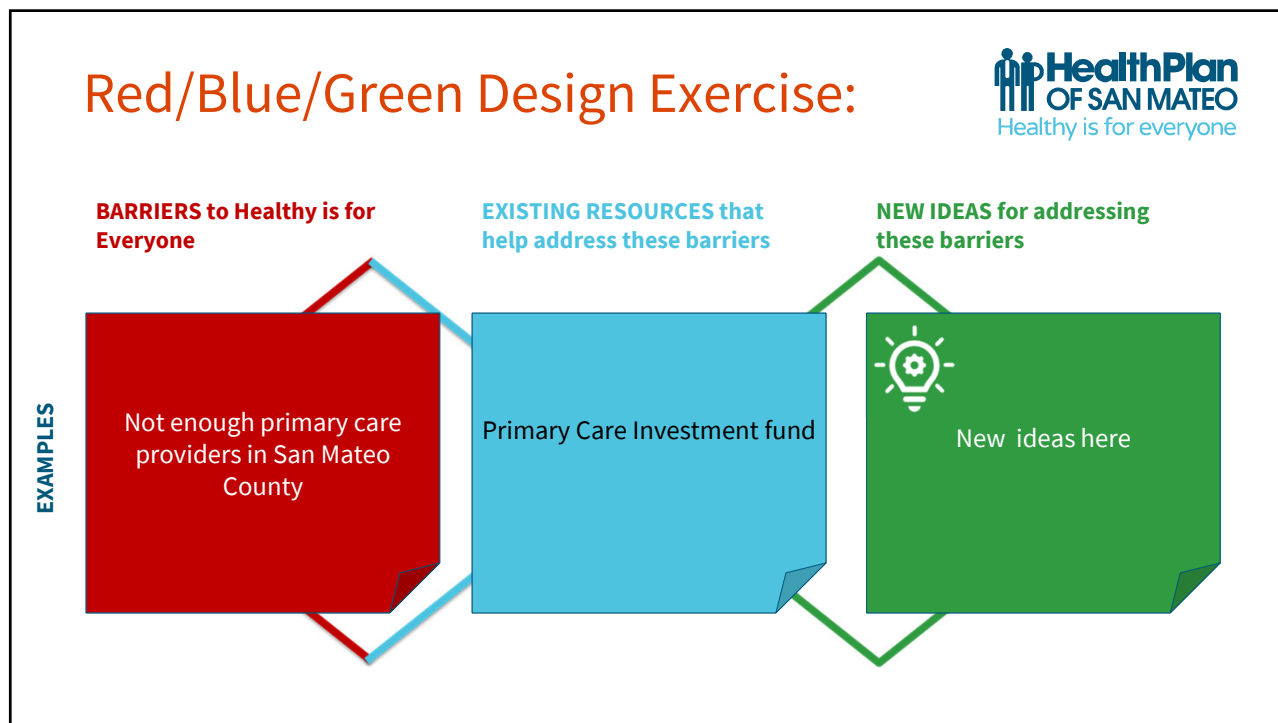
We set out to:

1. Develop relationships with fellow commissioners, HPSM executive leaders, and state and local partners
2. Contribute to a vision for which needs within the healthcare ecosystem HPSM should focus on addressing
3. Capture your reactions and feedback to initial ideas for HPSM investment proposals
4. Capture your ideas about potential additional investments for HPSM to explore
5. Align on next steps for HPSM's investment ideas

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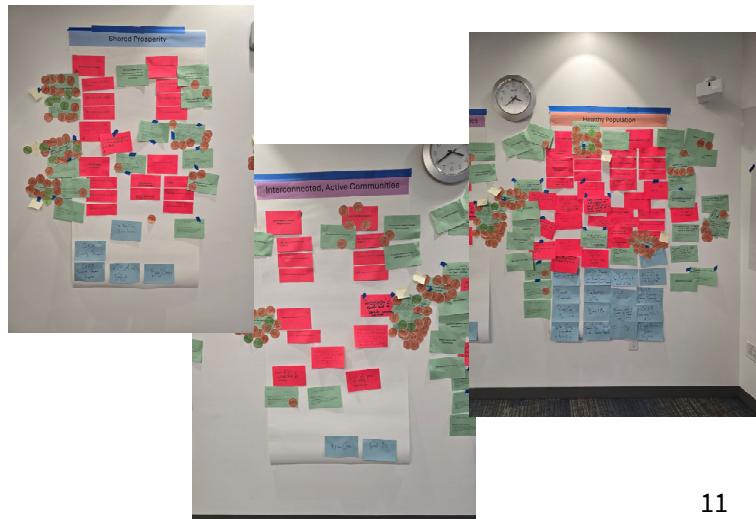


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It looked a little chaotic...



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...but some consistent themes emerged...

12

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Retreat Prioritization

Ideas that had strong interest from the group in evaluating further



- ★ **Career pathways** as a broad strategy, with a potential specific focus on **Community Health Workers**
- ★ Leveraging HPSM's strengths as a **convener and data hub**, with a potential specific focus on stronger **navigation** services
- ★ Expanding HPSM's role in supporting **housing** access
 - Considering HPSM's role in accelerating additional programs for **childcare**

★ *Early exploration or piloting already underway in these areas*

13

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Retreat Prioritization

Additional “runner up” ideas with broad interest



- ★ Deeper **behavioral health integration**
- ★ Additional **Food as Medicine** investments
 - HPSM as **owner/operator of facilities** providing services that address critical access needs

★ *Early exploration or piloting underway in these areas*

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Retreat Prioritization

Additional themes arose that were lower priority, but aligned with current HPSM efforts or discovery



Core Operational Work

- **Provider and primary care** investments (underway)
- **Member voice** and experience initiatives
- Refining how we conduct (and use) **risk stratification**
- **Communication** and **health education**
- **Alternative access** to care (mobile or virtual)

Long-standing Precedents

- **Extending coverage** for areas at risk of reduced state and federal support

New opportunities

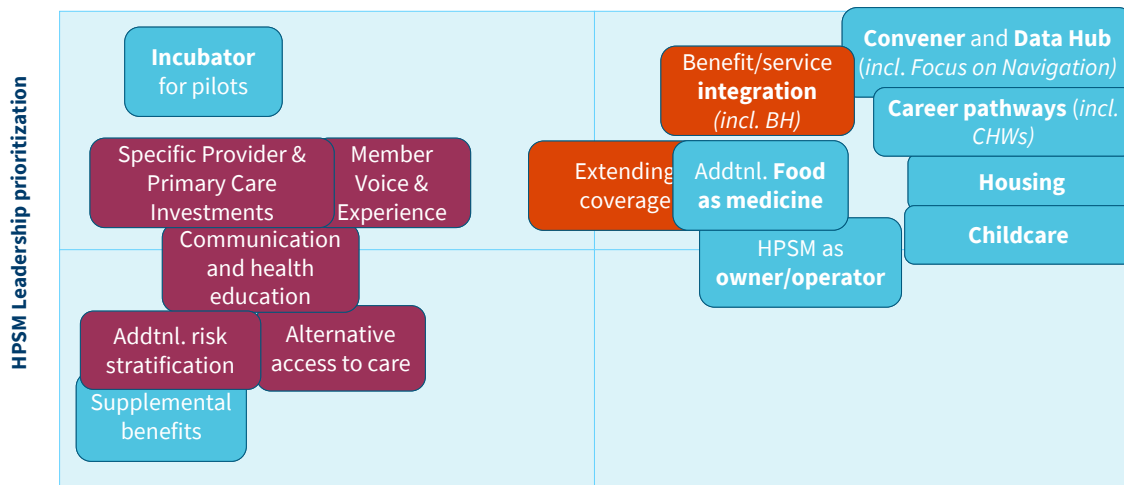
- Additional **supplemental benefits**

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Retreat x HPSM Leadership Prioritization

Prioritization of themes



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Top priorities in brief



What

- **Employment** (incl. CHWs)*
- Supporting **Housing** Access*
- Service & System **Navigation***
- **Childcare**
- **Behavioral Health** ecosystem*
- **Food as Health***

How

- Strong support for HPSM leveraging our strengths as a **convener** and **data hub**
- Endorsement to continue our precedent of **piloting integration efforts**

* Early exploration and/or piloting underway in these areas

17

17



Questions?

CM1

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Agenda



- Provide a recap of our 2025 San Mateo Health Commission Retreat: **context, objectives, and structure** of the day
- Share **themes in collective priorities** that emerged
- Outline **HPSM's next steps** to continue our work on Goal 6

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Awaiting additional clarity on budget and regulatory impacts in the coming months



High-level prioritization when navigating uncertainty



1

- **Core operations** to uphold our mandate as a local, community-organized Medi-Cal and Duals plan

2

- **Long-standing precedents** aligned with our Mission, Vision, and local priorities

3

- **New opportunities** to consider to advance our strategic goals, including long-term sustainability

20

Next steps

- Additional updates on the impacts of state budget changes will be brought for discussion in **July**.
- We will await clarity on federal budget and policy implications **in the coming months** before pursuing additional large-scale investments
- **In the interim**, HPSM will continue to assess and scope the top priority areas shared today, to identify more specific opportunities that align with our Impact Criteria, and bring these for Commission review as appropriate

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Appendix

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HPSM Impact Criteria



Is this an investment that:

- ☐ **Meaningfully impacts member access** to high-quality care, services and supports in alignment with our mission.
- ☐ **Supports our members' journey to the best possible health outcomes**, including equitable outcomes and a positive member experience
- ☐ **Leverages HPSM's unique strengths** including our unique capabilities, resources, relationships and role within the health care ecosystem.
- ☐ Is a goal that we can make **measurable progress on** within a five-year time frame.
- ☐ Supports strong **stewardship of our financial resources**.
- ☐ Addresses threats and opportunities that **impact HPSM's long-term organizational health**

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Mission

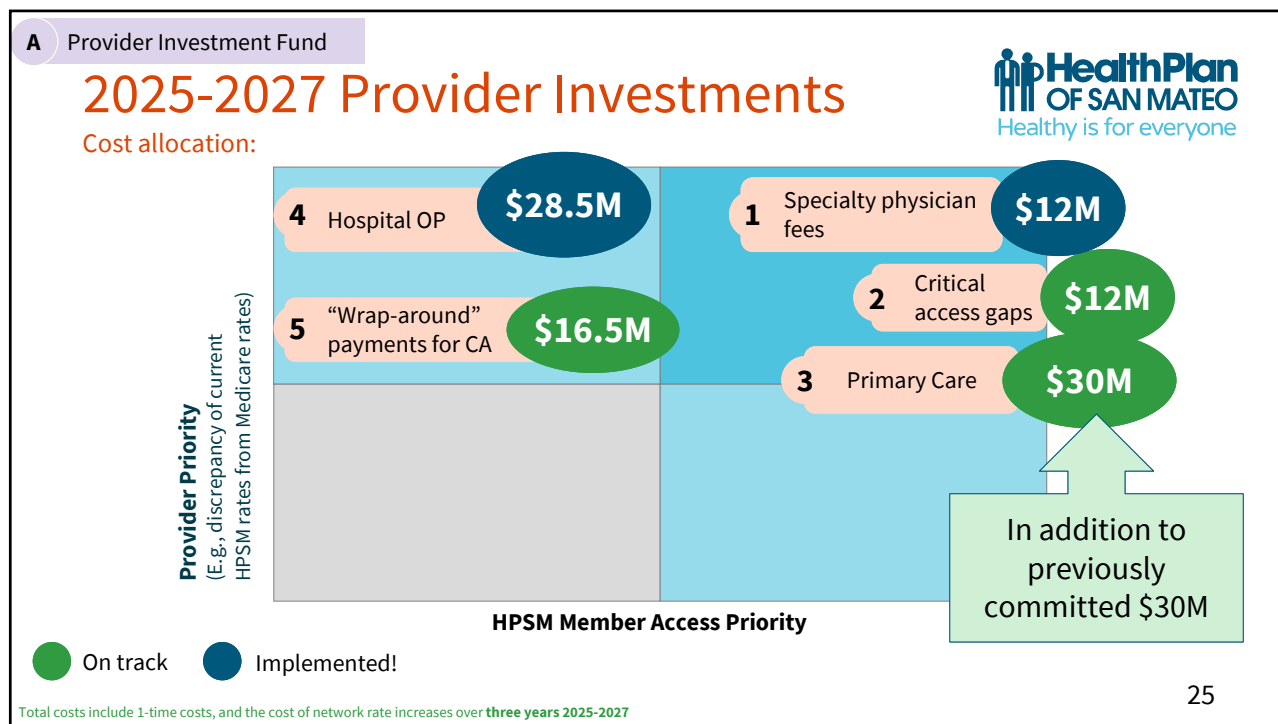


To ensure that **San Mateo County's underserved residents** have access to high-quality care services and supports so they can live the healthiest lives possible.

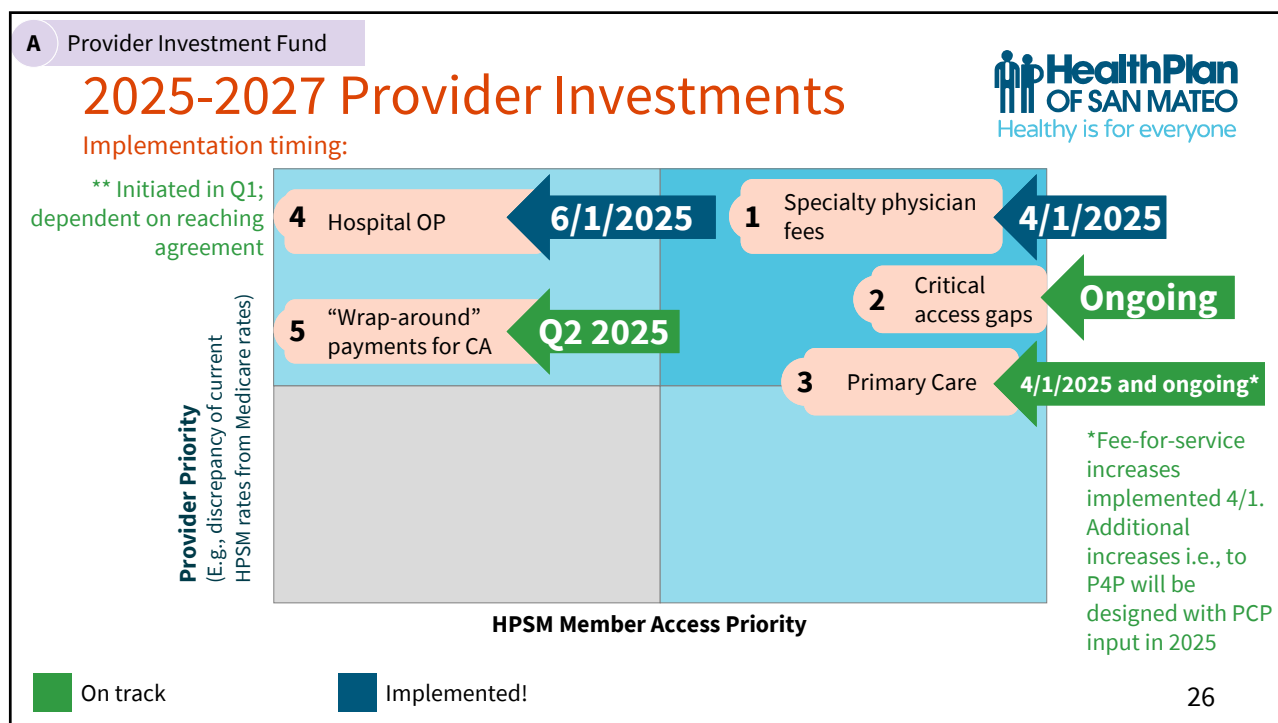
Vision

We believe that ***healthy is for everyone*** and work to continually advocate for our members' health -- especially those disproportionately impacted by health inequities -- and meet the highest quality of care standards.

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B Primary Care Investments

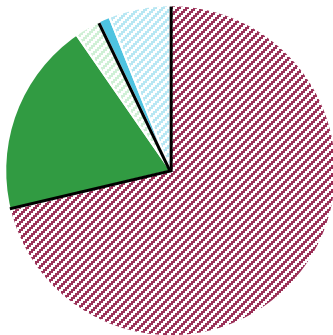
Progress on primary care investments



Projected expenditures by category & status, within initial \$30M Primary Care Fund:

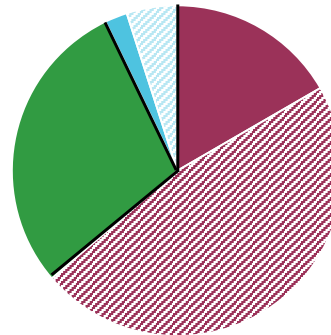
Placeholder allocation Investment in progress

May 2024



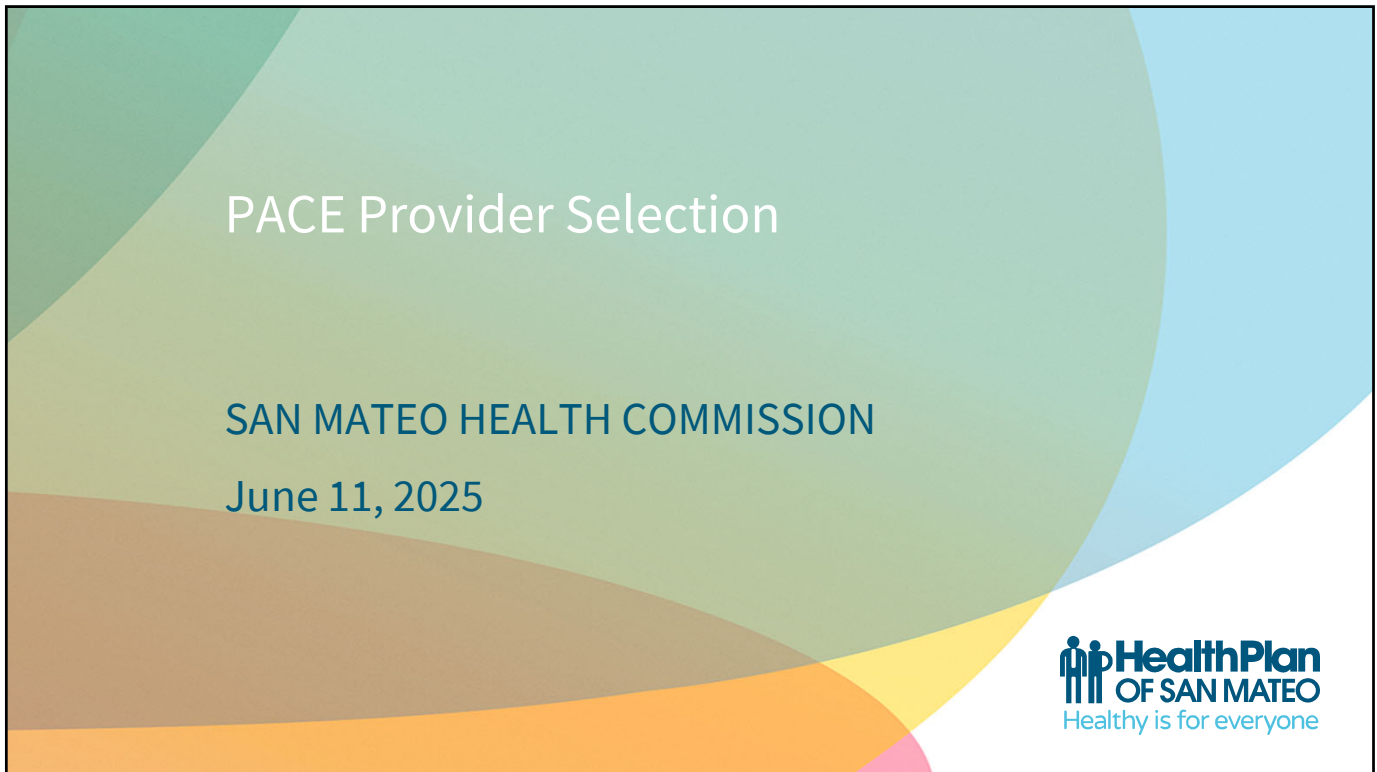
Directly to providers
Technology & services
Administrative costs

January 2025



On 4/1/2025, rate increases were deployed across the network that positively impact primary care providers and have an estimated 3-year impact of \$M

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What is PACE?



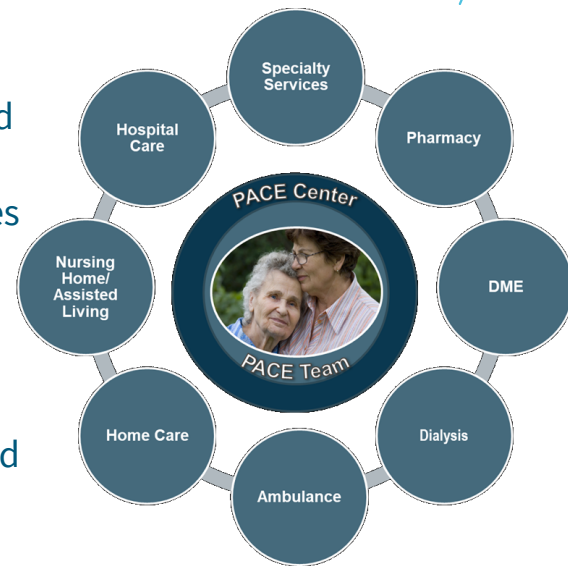
- Program of All-Inclusive Care for the Elderly
- A fully capitated, fully integrated, and comprehensive care program for adults age 55 or older living with chronic illnesses or disabilities.
- The PACE model can be described (by CHCF) as a cross between an HMO, a health care provider, and long-term care.
- History:
 - 1970s: A community-based care model was designed to serve older residents in the Chinatown-North Beach community of San Francisco.
 - 1983 - On Lok became the first PACE.

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Provider Network

- PACE organizations are responsible for coordinating and providing comprehensive care to their enrolled participants.
- This all-inclusive care model includes all services normally covered by Medicare and Medicaid.
- The PACE team is responsible for managing and paying for services delivered by contracted providers such as hospitals, nursing homes and specialists.



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Model of Care



- Across ALL settings, PACE integrates and coordinates care for participants, including drugs, transportation and meals.
- 11 Interdisciplinary Team roles are mandated.
- An individualized care plan is developed to respond to all of the participant's needs – 24 hours a day, 7 days a week, 365 days a year.
- Ideally, a PACE center will include a mental health worker.

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Benefits of PACE



- Provide the entire continuum of medical care and long-term services and supports required by frail older adults.
- PACE covers all Medicare Parts A, B and D benefits, all Medicaid-covered benefits, and any other services or supports that are medically necessary to maintain or improve the health status of PACE program participants.
- Regular, “High-Touch” Care
- No prior authorizations – services are discussed and approved at the interdisciplinary team meeting

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Why Consider PACE



- In the next 30 years, there will be a significant increase in people needing long term care with a 3-fold rise in the number of people over age 85 years.
- With this surge in total numbers of older adults comes an increasing prevalence of functional dependence and cognitive impairment as well as greater complexity of medical care needs.
- The traditional approach to long-term care had been residential nursing care or in-home care provided by family caregivers.
- The drivers include the high cost of residential care, the role of Medicaid on nursing home financing, and the plateau in nursing home bed capacity.

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PACE Centers



- As of April 2024 – California has 51 PACE centers run by 22 different providers.
- There are PACE programs in adjacent counties, including: San Francisco, Santa Clara, Alameda, Contra Costa, and Marin – but not in San Mateo County.

California PACE Plans April 2024	County
Center for Elders' Independence PACE	Alameda County
On Lok PACE	Alameda County
Welbe Bay Area PACE	Alameda County
Center for Elders' Independence PACE	Contra Costa County
AgeWell PACE	Marin County
North East Medical Services (NEMS)	San Francisco County
On Lok PACE	San Francisco County
IOA / On Lok PACE	San Francisco County
On Lok PACE	Santa Clara County
Welbe Bay Area PACE	Santa Clara County

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Preface



- California counties organized under County Organized Health Systems (COHS) must have a Letter of Support from the Health Plan in that county in order for the Letter of Intent to be accepted by DHCS.

Purpose of the RFP

- Evaluate if a PACE program would add value to San Mateo County by prompting this through the RFP process
- If there is a perceived value, decide if one or more of the responders would be a good fit to provide this service
- Offer a letter of support to the selected organization(s)



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Questions Needing to be Addressed



- What is the role of your organization and what do you think the role of HPSM should be?
- What do you see as the value of having a PACE in San Mateo County?
- What will be the added benefits to our members?
 - For example, on-site mental health support, dentist, audiologist, and podiatrist
- What is the strategy to overcome enrollment barriers as previously presented?
- What are additional anticipated challenges for sustained success of a PACE?
- How will the program provide an inclusive and culturally competent workforce able to communicate and effectively work with persons of various ethnic groups and diverse backgrounds?
- What are creative organizational and delivery methods for meeting service needs of the PACE participants?

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PACE Selection Work Group



- Amy Scribner – Chief Health Officer
- Trent Ehrgood – Chief Financial Officer
- Katie-Elyse Turner - Director of Financial Planning and Analysis
- John Okonne - Director of Medicare
- Gale Carino - Director of Integrated Care
- TC Nguyen - Program Manager, Community Care Partnerships *
- Kristen Common Chavez - Business System Analyst
- Richard Moore – Senior Medical Director
- Kaylee Knowles - Program Manager, Value Based Care *
- Nina Rhee – Deputy Director, Aging and Adult Services, County of San Mateo
- Talisha Racy - Deputy Director, Mental Health Services -Adult/Older Adults, BHRS

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PACE Selection Process



- RFP distributed
- Notice of intent to respond
- Q&A
- Proposals received
- First round of notifications
- Presentations by finalists
- Q&A
- Final selection
- San Mateo Health Commission presentation for final vote

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5 Responders/ Proposals Received



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Key Selection Criteria



- Presence in San Mateo County
- Demonstration of need
- Relationships with PCPs/specialists, hospitals, community organizations
- Addressed perceived barriers
- Capacity
- Readiness to serve diverse populations
- Financial
- Start up – experience, physical location, access to the center

(DHCS requirement: Less than 60-minute drive time between the participant's home and the PACE Center)

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Selection Committee Decisions



- There is a need for San Mateo County to have a PACE program.
- Start with / focus on the geographical area with the greatest need based on PACE eligibility = the North County.
- Our recommendation:



- Additional PACE centers could later be considered ~ 2 years after the current site is up and running..

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NEMS



- Serving patients in San Mateo County since 2011
 - 2 primary care clinics in Daly City serve over 13,000 Health Plan of San Mateo members
 - Many PACE eligible patients (over 40%) are currently NEMS patients (minimal disruption to care)
- Strong relationships with community partners (San Mateo County, San Mateo Medical Center, Seton Medical Center; also CPMC and UCSF)
- Delivers linguistic and culturally sensitive care
- NEMS San Francisco PACE serves 177 participants
- Underway to open a PACE Center in San Jose
- NEMS PACE will utilize NEMS shared administrative and utilization management services
- Add-ons include dental, behavioral health, and optometry
- Identified a potential 6,000 sq. ft. PACE Center at 1900 Sullivan Avenue and an Alternative Care Setting that would open in Year 2

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Conclusion / Voting Item



- Goal:
 - Upon determining a PACE program would be a benefit to the residents of San Mateo County, determine which provider should be granted the required Letter of Support from HPSM.
- Recommendation: Chief Executive Officer to issue a Letter of Support for NEMS to own and operate a PACE center in San Mateo County.
 - Not a joint venture between HPSM and NEMS
 - HPSM will not be providing financial support



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Thank
you 

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PACE Organizations (POs) in County Organized Health System and Single Plan Model Counties

Counties that provide Medi-Cal services through a County Organized Health System (COHS) are the sole source for Medi-Cal services in that county. Specifically, Welfare & Institutions code 14087.5 et seq. provides that counties that elect to organize as COHS hold the exclusive right to contract for Medi-Cal services in those counties. DHCS will only consider the operation of a third-party PO in a COHS county if the applicant includes a letter of support from the COHS that includes a statement from the COHS that the COHS supports the establishment of the independent PO in the county, and verification of the COHS' concurrence with the applicant's proposed service area. The COHS letter of support must be signed by the COHS' Chief Executive Officer, Chief Financial Officer, or the Chief Operational Officer.

DHCS Policy Letter 23-01

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MEMORANDUM

AGENDA ITEM: 5.2

DATE: July 9, 2025

DATE: July 9, 2025

TO: San Mateo Health Commission

FROM: Pat Curran, CEO

RE: Approval of \$6 Million for Practice Transformation efforts for Primary Care

Recommendation:

HPSM recommends that the San Mateo Health commission approve a do not exceed of \$6,000,000 from the Primary Care Investment Fund to support Practice Transformation by the Population Health Learning Center (PHLC), that will be used over the next 3 years.

Background:

During the May 2024 HPSM Commission meeting, the San Mateo Health Commission (SMHC) approved a strategy to invest in the HPSM provider network through the Provider Investment Fund. The aim of these investments is to enhance access to high-quality, member-centered care within the HPSM Provider Network. A total of \$60 million has been allocated for investment in the primary care network, with \$30 million designated for Primary Care Capacity Funding across the network.

In January 2025, HPSM provided further details on how investment dollars would be prioritized based on network needs, particularly in Primary Care. As part of the established oversight process, HPSM is required to seek approval of one-time provider investments.

The Health Commission has previously allocated capacity funding for various projects that have bolstered network capacity, which include several one-time capacity funding grants. Building on the momentum to enhance primary care access and implementing our Primary Care Investment Strategy, HPSM launched a Request for Proposal (RFP) in 2024 to identify a vendor to support our efforts in Practice Transformation. Population Health Learning Center (PHLC) was selected as the vendor to offer practice assessments and practice coaching across the HPSM network. The PHLC will play a crucial role in transforming our practices, focusing on improving care delivery and outcomes for our members. This funding will support a three-year period of practice transformation efforts that will enable our network to better serve the community.

Discussion & Fiscal Impact:

HPSM is requesting approval of \$6,000,000 from the \$30,000,000 allocated for Primary Care Investments for the launch of Practice Transformation across the network. This work will begin in Q3 of 2025 and will continue for 3 years. PHLC will work with the HPSM primary care network and begin with deploying practice assessments and then identifying practices that would most benefit from practice coaching.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF
APPROVAL OF \$6M FOR PRACTICE
TRANSFORMATION EFFORTS FOR PRIMARY CARE**

RESOLUTION 2025 -

RECITAL: WHEREAS,

- A. HPSM is committed to enhancing the quality of care through strategic investments in the provider network;
- B. The Population Health Learning Center has been identified as a key partner in facilitating practice coaching and assessments;
- C. The do not exceed amount of \$6 million will be used to support practice transformation efforts that align with HPSM's primary care investment strategy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to approve the disbursement of \$6 million from the approved Primary Care Investment Budget to support the Population Health Learning Center's practice coaching and assessments.
- 2. HPSM will monitor the progress of this initiative and provide periodic updates to the San Mateo Health Commission on its impact and outcomes.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this ____th day of _____, 2025 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

AGENDA ITEM: 5.2

DATE: July 9, 2025

**Meeting Materials are not included for
Item 5.2 – Update on State & Federal**

MEMORANDUM

AGENDA ITEM: 6.0

DATE: July 9, 2025

DATE: July 1, 2025
TO: San Mateo Health Commission
FROM: Patrick Curran
RE: CEO Report – July 2025

State Budget

The state has a final budget for the fiscal year July 2025 through June 2026. It is important to emphasize that this budget does not assume any federal changes to the Medicaid program, since those changes are not yet final. It is therefore likely that the state will need to re-open the budget for this year once the timing and extent of the federal budget funding reductions for Medicaid become known. Here are the main changes in the final state budget that affect HPSM and our members:

- No new enrollment of members age 19 and older in the Unsatisfactory Immigration Status (UIS) category beginning January 1, 2026. For existing members in that category who lose coverage, there is a three-month period that they can re-enroll.
- Eliminates dental coverage for all members age 19 and older in the UIS category beginning July 1, 2026.
- Introduces a monthly \$30 premium for most members age 19-59 in the UIS category beginning July 1, 2027.

We will give a more detailed update at the upcoming Health Commission meeting.

Federal Medicaid Policy

As I write this memorandum, the Senate narrowly passed a bill through the budget reconciliation process that would introduce significant reductions in Medicaid funding over the next ten years. Over the next few days, it will be debated and possibly voted on in the House of Representatives. We will give an update at the upcoming Health Commission meeting regarding the final bill, if it passes, or an update on the status if it does not.