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THE SAN MATEO HEALTH COMMISSION
Regular Meeting
May 8, 2024 - 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., Boardroom
South San Francisco, CA 94080

This meeting of the San Mateo Health Commission will be held in the Boardroom at 801 Gateway Blvd., South San Francisco. 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/BkDeGX_E7Mo?feature=share
Please note that while there will be an opportunity to provide public comment in person, 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 Community Advisory Committee Minutes, April 2024
 - 4.2 Approval of San Mateo Health Commission Meeting Minutes from April 10, 2024
- 5. Specific Discussion/Action Items**
 - 5.1 Approval of Provider Investment Fund Proposal*
- 6. Report from Chief Executive Officer**
- 7. Other Business**
- 8. Adjournment**

**Items for which Commission action is requested.*

Government Code §54957.5 requires that public records related to items on the open session agenda for a regular commission meeting be made available for public inspection. Records distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission. The Commission has designated the Clerk of the San Mateo Health Commission located at 801 Gateway Boulevard, Suite 100, South San Francisco, CA 94080, for the purpose of making those public records available for inspection. Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Clerk of the Commission at least two (2) working days before the meeting at (650) 616-0050. Notification in advance of the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

DRAFT

**HEALTH PLAN OF SAN MATEO
COMMUNITY ADVISORY COMMITTEE MEETING
Meeting Minutes
Wednesday, April 17, 2024
801 Gateway Blvd. – 1st Floor Boardroom
South San Francisco, CA 94080**

**Agenda Item: 4.1
Date: May 8, 2024**

Committee Members Present: Amira Elbeshbeshy, Ricky Kot, Hazel Carrillo, Robert Fucilla, Angela Valdez

Committee Members Absent: Ana Avendano, Ed.D, Marmi Bermudez, Cynthia Pascual, Ligia Andrade-Zuniga.

Staff Present: Megan Noe, Amy Scribner, Keisha Williams, Charlene Barairo, Luarnie Bermudo, Cecille Mortel, Rustica Magat-Escandor, Corinne Burgess, Michelle Heryford

- 1.0 Call to Order/Introductions:** The meeting was called to order by Ms. Scribner at 12:11 pm, a quorum was met.
- 2.0 Public Comment:** There was no public comment.
- 3.0 Approval of Meeting Minutes for January 17, 2024:** The minutes from the January 17, 2024, meeting were approved as presented. **Kot/Fucilla MSP**
- 4.0 Consent Agenda:** The consent agenda was approved as presented. **Williams/Kot MSP**
- 5.0 HPSM Operational Reports and Updates:**
 - 5.1 CEO Update:** Amy Scribner, Chief Health Officer spoke to the group on behalf of Pat Curran, CEO. She spoke about the budget; updated information continues to come from the State. They do not expect any programs or services being cut for Medi-Cal (MC). They do, however, anticipate revisions in May that may impact deficits even more than initially planned but none that should risk funding or member eligibility. She advised the group that HPSM has been selected as one of three plans in California to be in a D-SNP default enrollment pilot program. Which basically means that any member with the MC line of business (LOB) who are newly eligible for Medicare will automatically be enrolled in HPSMs CareAdvantage LOB. The CareAdvantage team is actively working to bring this pilot to implementation, they have a target date of Fall of 2024. She also updated the committee on HPSM investments. HPSM has been focused on using their financial reserves as investments in many different areas such as

funding to providers, funding for innovation and funding for a new community investment plan. Approvals for dollars allocated will go through the San Mateo Health Commission (SMHC), but they will be sharing community investment fund information at the CAC meeting in July for discussion and input.

5.2 CMO Update: There was no update.

5.3 Provider Services (PS): Amy Scribner, Chief Health Officer updated the group on behalf of Director of Provider Services, Luarnie Bermudo. Provider Services (PS) are actively working on building network capacity in key access areas and have completed 20 new provider agreements. They include several new referral providers including an endocrinologist, and other service providers such as home health, a new speech therapy provider called Expressible Speech Language Pathology as well as others. There are 12 new dental providers, including specialty dental, endodontia and primary dental providers. They expanded their agreement with Seton Hospital to include additional capacity for services like dental operating room (OR) time for special needs members. There are 6 new behavioral health providers and one new Community Support (CS) provider - 24 Hour Home Care, they will be doing some of HPSMs personal care assistance. There was a question about how members will know about these new providers. HPSM is no longer automatically sending out the annual provider directory, but they are sending a notice of action form that members can fill out if they still want to receive it. Otherwise, they are encouraging members to use the member portal or to go to the HPSM website to access the provider list. This is recommended as the best way to find this information as the constant changes made to this list makes it difficult to keep hard copies updated.

5.4 Member Services (MS) Report: Keisha Williams, Director of Member Services went over the Q1 Member Services (MS) report. HPSM membership is at 157,000 across all LOBs. Q1 enrollment shows a 3.84% decrease in members. Which means roughly 6,000 members lost coverage for the quarter. Many of these cases could be attributed to the ongoing eligibility process which is still happening. Many members are being termed and then being retroactively added back. There was also a large drop in the ACE expansion. There were approximately 14,000 members that transitioned to full scope MC and there were some that went to Kaiser. Calls increased in Q1 related to the transitions that occurred. There were many calls about Kaiser, in particular members not understanding the change and unsure how to access their benefits. There were also many questions from members about the ACE transition. The request for proposal

(RFP) for the new phone system was approved. The implementation process should commence in late Q2 or early Q3, by Q4 the system should be implemented. Once that occurs, they should be able to report call center metrics again. Member Services recently hired 5 call center representatives. They also have a recent hire for a new position dedicated to training and staff development.

5.5 CareAdvantage (CA) Enrollment and Call Center Report: Rustica Magat-Escandor, Call Center Supervisor provided the Q1 report on behalf of CareAdvantage Manager, Charlene Barairo. As of March 2024, CA membership is 8,498, that is a 1% decrease from January 2024. They enrolled 447 members in Q1, 321 in January alone. In Q1, CA Medicare specialists conducted informational presentations at the San Mateo Senior Showcase in Millbrae, they also did events in Belmont and with Wider Circle in March. 347 members were disenrolled from CA in Q1, the most common reasons for disenrollment is death, enrollment in another plan and loss of MC eligibility. The CA unit continues to review the State MC system and will contact members to remind them about their renewal packets to ensure they maintain their MC eligibility. She noted the importance of obtaining the most up-to-date member contact information. The Medicare open enrollment period runs from January 1st through March 31st. Members can now switch to another Medicare Advantage plan or go back to original fee for service Medicare and join the MC drug plan. Many members are pleased with the new fitness benefit, as well as the no-cost prescription delivery service. The CA Call Center has encountered some challenges with the Kaiser transition, mainly from those who are current CA members who are in the deeming period and want to remain enrolled in CA, and from potential CA members seeking to enroll in CA. They are advised to contact Healthcare Options. The department is currently fully staffed. They hired 3 CA navigators; they have been onboarded and are taking calls. They also filled a bilingual Chinese speaking CA navigator position. This person will be on site full-time to support walk-in members.

5.6 Grievance and Appeals (G&A) Report: Amy Scribner, Chief Health Officer went over the G&A report for Q1. As noted in the MS report overall membership decreased in Q1. The volume for all grievances and appeals increased from Q1 of 2024. Numbers are going up; this is largely due to a process change that was implemented this year that is now a requirement. Up until recently when a member called to complain about a service, the Call Centers would do what they call a first call resolution, which meant they tried to resolve the issue and then ask if the member wanted to file a grievance.

This year all complaints now automatically go to grievance. As a result, they are seeing increases. The rate of complaints per thousand members was within the goal for California Children Services (CCS) and MC. CareAdvantage continues to be outside of the goal and are actually reporting the highest numbers in over a year at about 10%. Healthworx and ACE were slightly above the goal as well, likely due to the transition with ACE. Both ACE and Healthworx have small memberships so one or two members can really skew the results. They have not identified any trends. Overall timeliness was above the goals of 95%, coming in at 98.2%. Behavioral Health Therapy (BHT) has decreased from prior quarters, but the grievance numbers continue to be high as a whole. Ms. Scribner reports that actions steps are ongoing. HPSM meets with Magellan regularly and are in the process of moving from Magellan to the in-house network for these services, they are awaiting DMHC approval before proceeding. They hope to have this completed by September of this year. PCP change requests remain stable and reflective of past quarters. Ms. Scribner provided a breakdown of membership numbers. Grievances for CareAdvantage show that customer service, quality of care (QOC) and billing are the top three, which is what they usually see. On the appeal side prescription drugs continues to be high, followed by durable medical equipment (DME) and Part B drugs. On the MC side, customer service, QOC and access are the top three grievances. For appeals, other service therapy, DME, and imaging were the highest for Q1.

6.0 New Business: There was no new business.

7.0 Adjournment: The meeting was adjourned at 12:38 pm by Amy Scribner.

Respectfully submitted:

M. Heryford

M. Heryford

Assistant Clerk to the Commission

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
April 10, 2024 – 12:30 a.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4. 2

DATE: May 8, 2024

Commissioners Present: Jeanette Aviles, M.D. Barbara Miao
Michael Callagy George Pon, R. Ph., Chair
David J. Canepa Manuel Santamaria
Bill Graham, Vice-Chair

Commissioners Absent: Si France, M.D., Raymond Mueller, Kenneth Tai, M.D.,
Ligia Andrade Zuniga

Counsel: Judith Holiber

Staff Presenting: Pat Curran, Trent Ehrgood, Ian Johansson, Glenn Smith, Eben Yong.

1. Call to order/roll call

The meeting was called to order at 12:33 a.m. by Commissioner Pon, Chair. A quorum was present.

2. Public Comment

There were no public comments.

3. Approval of Agenda

Commissioner Aviles moved to approve the agenda as presented (Second: Graham) **M/S/P.**

4. Consent Agenda

Commissioner Santamaria commented on a correction needed in the March 13, 2024, minutes regarding the number of guaranteed income projects in California to 200 (rather than 1,200). The correction was noted, and the Consent Agenda was approved with the minutes as corrected. Motion: Aviles (Second: Graham) **M/S/P.**

5. Specific Discussion/Action Items:

5.1 Approval of Audited Financial Statements for the Twelve Month Period Ending December 31, 2023

[Commissioner Callagy arrived at this time]

Mr. Trent Ehrgood, HPSM Chief Financial Officer, reviewed the attached presentation summarizing the audited financials as prepared by Moss Adams, external audit firm, for the twelve month period ending December 31, 2023. This information was prepared and

presented in more detail at the March 25, 2024, Finance/Compliance Committee by Moss Adams. who reported on their audit procedures and findings. They reported there were no audit adjustments, but HPSM accounting team did propose some adjustments based on updated information that were incorporated into the financial statements. The communication to commissioners and the final audited financial statements were distributed with the commission meeting materials. These documents are presented as drafts because the auditors are still wrapping up a few audit procedures. The auditors plan to issue the final version by Friday. HPSM is required to file the audited financial statements with the California Department of Health Care Services (DHCS) by April 30th.

Mr. Ehrgood stated that the auditors issued an unmodified opinion which is the best result to be given in an audit. Mr. Ehrgood gave a detailed review of the adjustments that trued up the final numbers that ended with a more favorable bottom line. There are a lot of estimates in the financial statements and the adjustments made during the audit process were for prior years not 2023.

Mr. Ehrgood reviewed the balance sheet, which measures HPSM's financial condition at a point in time, December 31st each year, highlighting the growth in cash and assets and growth in net position/reserve levels. The profit/loss information was presented from 2014 through 2023 as officially reported, and then restated with prior-year adjustments moved to effective year.

Commissioner Graham commended staff on the audit and the report. In communications with the auditors, he noted the praise communicated by auditors regarding the staff work to prepare for the audit. Mr. Ehrgood stated that this is a credit to the Finance Team and Francine Lester HPSM Controller. Commissioner Callagy echoed that the Finance Team does a good job completing this complex audit, and noted the comments made by the auditors regarding accuracy and organization.

Commissioner Miao moved approval of the external audited financials for the period ending December 31, 2023, as presented. (Second: Santamaria) **M/S/P.**

5.2 Cyber Security Update Presentation

Mr. Pat Curran introduced Mr. Eben Yong, Chief Information Officer. Mr. Yong reviewed the attached presentation informing the commission of the current situation related to Cyber Security and the Health Plan of San Mateo's tools and systems in place for Cyber Defense.

- Mr. Yong gave some history and current events on cyber-attacks and breaches that have occurred costing millions of dollars to organizations through Ransomware viruses. Many organizations paid the ransom to regain their data and operations. When these viruses occur, it has crippled organizations from all operations such as disabling them from paying claims, providing authorizations for services, and dispensing medications.
- In addition to disabling operations, personally identifiable information records are stolen in these attacks.

- Recovery is a long process even if the ransom is paid. There are no guarantees that recovery will be complete, and that information will still not be released.
- Causes of these Ransomware infections are usually due to malicious links in email or compromised attachments. These attacks have increased 5x from 2019-2023, with payments increasing from \$220M to \$1.1B.
- Another approach to recovery is to use data backups to the time before the infection.
- At HPSM the security system includes:
 - Areas that have sensitive information are secured and monitored via alarm systems. Staff are trained and tested on proper use.
 - Access to internal informational systems is secured with user ID, passwords and biometric factors.
 - Security partners with 24/7 – 365 access monitor HPSM systems and data.
 - Vendors who have access to our office and systems are required to use the same safeguards as HSPM staff. Outside vendors with whom we share data have requirements that are agreed upon within our contracts and Business Associate Agreements to keep our data safe.
 - Multifactor authentication is used to add an additional layer to secure access to data and systems. This is used upon logging into Windows, VPN, and our core systems and financial systems.
 - Unsafe emails are blocked, and staff are trained and tested on keeping a watchful eye on any suspicious emails and attachments. Additionally, staff are trained and tested with email phishing campaigns, presentations and information to raise awareness. IT staff have systems in place to identify when these emails are opened and can track who has opened them and also subsequent actions that are taken.
- Mr. Yong reported on the IT Security Steering Committee and the members of the Leadership Team who are involved on a regular basis to oversee the systems in place and monitor our ongoing efforts to invest, build, and strengthen cyber defenses to protect the data and services provided to HSPM members and providers.
- A request for proposal process will be performed to develop a strategy and roadmap for HPSM’s IT infrastructure with priority given to security.

Discussion and questions regarding what would happen if a breach was encountered were addressed, noting that full review of all systems would be performed and cleared from any signs of file corruption.

5.3 Investment Fund Update Presentation

Mr. Curran reviewed the attached presentation on the investment funds for the Health Plan of San Mateo. Mr. Curran gave an overview of the recent discussions regarding investment fund strategies. He stated that in May 2023, the Commission was presented with ideas around an investment framework: primary care, dental, and evaluation of a PACE program were the three key focal points at that time. In June 2023, there was more discussion about provider workforce and how we can support providers as they emerge from the pandemic. In September 2023 the Commission approved a five-year investment in primary care. In November 2023 staff reviewed outlines of a strategic plan and impacts.

In January 2024, the commission reviewed the financial reserve policy adding one additional month of operational expenses as an additional contingency reserve. The discussion today around Investment Funds has been presented to the Finance/Compliance Committee at its March 25, 2024, meeting and will be brought forward at the May Commission meeting.

Mr. Curran reviewed the three areas of proposed investments: Provider Investment (up to 50% of uncommitted reserves); Community Investment (up to 25% of uncommitted reserves); and an Innovation Center (amount TBD). The investment funds have a three-year timeline. He noted that the Community Investment Fund is part of our DHCS contract and HPSM will build and expand upon this requirement. Work has already begun with the potential of the Baby Bonus program, as well as exploration into housing and other initiatives. Another area to be built upon is HPSM's unique tradition of implementing innovative new programs by developing a center with dedicated funding to test new ideas in partnership with our providers, members, and community.

Mr. Curran outlined the next steps for investment funds, noting that the Provider Investment Fund Strategy is the first investment strategy that will be discussed more at the May Finance/Compliance and Commission meetings. More will follow in June regarding the potential of a community investment in the Baby Bonus Program, and then in Q4 2024 a broader discussion of community investments. By the beginning of 2025, the hope is to have more of an outline of an Innovation Center and structure for funding consideration.

Commissioner Canepa expressed appreciation for the Community investment Fund Strategy, as well as the inclusion of the Baby Bonus program as a part of that strategy. He stated that this presents a great opportunity with which to use our reserves.

5.4 Ravenswood Dental Proposal

Mr. Curran spoke about past dental capacity investments already approved by the Commission, including NEMS hiring an Oral Surgeon, the UOP Clinic at the Navigation Center, funding for NEMS' Daly City clinic, and the Ravenswood Funding in East Palo Alto, both of which were funded through Children's Health Initiative (CHI) dollars. He noted that the formula for capacity expansion has equated about \$100,000 to add capacity for 500-1,000 new patient visits (members who have not been seen before), which is a mix of children and adults. In addition to HPSM's investment, Sequoia Healthcare District will be also involved in funding this new dental clinic in Redwood City.

Mr. Curran reviewed the proposed funding to expand dental capacity through Ravenswood:

- New Clinic Site in Redwood City
- Partnership with Sequoia Healthcare District
- 11 dental operatories

The funding of \$202,677 would be used to increase access and \$228,375 would cover the cost of a Registered Dental Assistant training program. The impact criteria include up to

1,000 new visits per year, improved access for adults, measurable progress for both access and workforce over a five year span, and would be financially sustainable as an FQHC clinic model. This would also support the broader success of dental integration. Commissioner Callagy asked about the potential to work with community colleges and other organizations to expand the dental assistant workforce. Mr. Curran responded that though initial conversations have taken place, this is an area for HPSM could explore further.

Commissioner Maio asked when the clinic would be finished. Mr. Curran noted it would be likely around the end of 2025. Commissioner Graham moved approval of the one-time funding to Ravenswood Family Health Network in the amount of \$431,042 to increase access to care for Health Plan of San Mateo members and to enhance workforce development by implementing a dental assistant training program. (Second: Callagy) **M/S/P.**

5.5 Compliance Audit Update

Mr. Ian Johansson, Chief Government Affairs and Compliance Officer, presented an update related to the compliance audit results that were presented at the previous commission meeting. Commissioner Mueller had asked for a comparison of findings to other Medi-Cal health plans and where HPSM fell within those findings. Mr. Johansson shared his presentation which is attached to these minutes.

In his review of the comparison of 2021-2023, Mr. Johansson pointed out that this comparison includes local plans like HPSM and commercial plans like Kaiser, Anthem, etc. He reviewed some of the reasons why HPSM has a higher number of findings compared to others including the difference in services and benefits, as well as differences in the audits themselves. Currently, HPSM is the only plan in the state providing dental services and our audits include adherence to dental services requirements where previously dental was solely handled by Denti-Cal. HPSM is one of the five plans out of 22 in California that administers California Children Services (or Whole Child Model) These variances are a factor in the differences HPSM has in comparison to other Medi-Cal plans. Mr. Johansson also noted that some plans within a geographic region can have similar findings. He shared one specific instance of a finding related to ownership and control disclosures forms that both HPSM and San Francisco Health Plan encountered related to a provider that refuses to comply with DHCS requirements, which resulted in a repeat finding for HPSM.

At our previous commission meeting, Commissioner Santamaria asked about the state's rating system for health plans. Mr. Johansson reported that the DHCS measures plan performance across several domains. This process includes a medical contract audit, quality measures (HEDIS) scores, network adequacy and routine required reports. Adherence to all of these elements is monitored on a regular and ongoing basis.

Mr. Johansson touched on the DHCS Medical Audits and what DHCS can do in response to audit findings: DHCS can impose on health plans corrective action plans, monetary sanctions and administrative sanctions. Corrective action plans require that plans demonstrate how they will correct the finding. Monetary sanctions can be imposed to

plans with poor performance and/or, they can go a step further with administrative sanctions where they can go so far as to remove leadership personnel if they significantly fail to adhere to the standards of the contract. Related to repeat findings, DHCS will look at the progress being made towards remediating the finding. DHCS had previously reserved the right to impose a monetary sanction for repeat findings occurring in three consecutive years. DHCS evaluates the plan's efforts to remediate issues, including year over year progress, before determining if a financial sanction needs to be applied. In the past nine years, HPSM has not received a monetary or administrative sanction related to its audit performance. At HPSM, when we receive audit findings, they are taken very seriously and are discussed at the compliance committee, leadership team meetings, and with individual staff involved in the finding. Compliance staff immediately work with operational teams to begin a process of enacting comprehensive correction action plans to respond to the findings, including monitoring and demonstrating performance related to the corrective action plan. Particularly, where findings are complex or repeat, staff takes extra care and concern providing more detail on how the plan is remediating those issues.

Mr. Johansson spoke about the Quality Measures which are now called MCAS (Medi-Cal Managed Care Accountability Set). He explained that DHCS releases the performance of health plans annually and apply sanctions based on a three-tiered system. Last year, HPSM did not receive any sanction for its quality scores. In determining to impose sanctions and the size of the sanction, DHCS looks for scores that are below the minimum performance levels. They also consider year over year results to determine if the plan's performance is improving or declining.

Mr. Johansson also touched on the health plan's NCQA quality score. He explained that they use the same data as DHCS to produce a Star Rating. HPSM is a 4-Star health plan, and is one of only four Medi-Cal plans in the state to achieve this level out of 22 plans in the state. We are proud that we did not receive any sanctions and the fact that we are a 4-Star rating that is publicly posted on NCQA's website.

Mr. Johansson again touched on HPSM's audit performance relative to that of other Medi-Cal plans. He stated that HPSM staff work very diligently in the evaluation of findings and management of corrective action plans with Compliance Committee, Leadership, and soon the Finance/Compliance Committee. HPSM's focus is to improve the process and reduce and eliminate findings. HPSM staff strive to reach a goal of zero findings and are evaluating improvements that can be made at HPSM through its committees and leadership team. This includes reevaluating what information is brought to the Finance/Compliance Committee.

6. Report from Chief Executive Officer

Mr. Curran had nothing to add to his written report. Commissioner Graham asked about the dental program that was touched on in the written report. Mr. Curran clarified that it is the program with Sequoia Healthcare District where HPSM is recruiting new dentists with the San Mateo Dental Society that will see patients. Sequoia Healthcare District and Sequoia Hospital

are funding a learning collaborative to get those dentists together to better learn how to expand HPSM's dental provider network.

7. Other Business

There was no other business discussed at this time.

8. Adjournment

The meeting was adjourned at 1:48 pm

Submitted by:

C. Burgess

C. Burgess, Clerk of the Commission

2023 Financial Audit Results

Presentation to Commission

April 10, 2024



2023 Financial Audit Summary



- Moss Adams performed interim audit procedures in October 2023, final field work in February 2024, and finalized adjustments and prepared financial statements and footnotes in early March 2024.
- Moss Adams presented details of their audit procedures and their findings to Finance/Compliance Committee on March 25th.
- 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 10, 2024.
- Approved audited financials are due to DMHC by April 30, 2024.

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



	<u>2023</u>	<u>2022*</u>
Capitation revenue	1,276,459,257	1,030,893,888
Healthcare cost	1,031,939,924	834,331,847
Administrative expenses	70,779,795	54,383,580
MCO Tax	57,570,721	38,472,420
Income/(loss) from operations	<u>116,168,817</u>	<u>103,706,041</u>
Non-operating revenue	34,986,653	11,418,375
Net income/(loss)	<u>151,155,470</u>	<u>115,124,416</u>

* 2022 restated to gross-up directed payments for comparative purposes.

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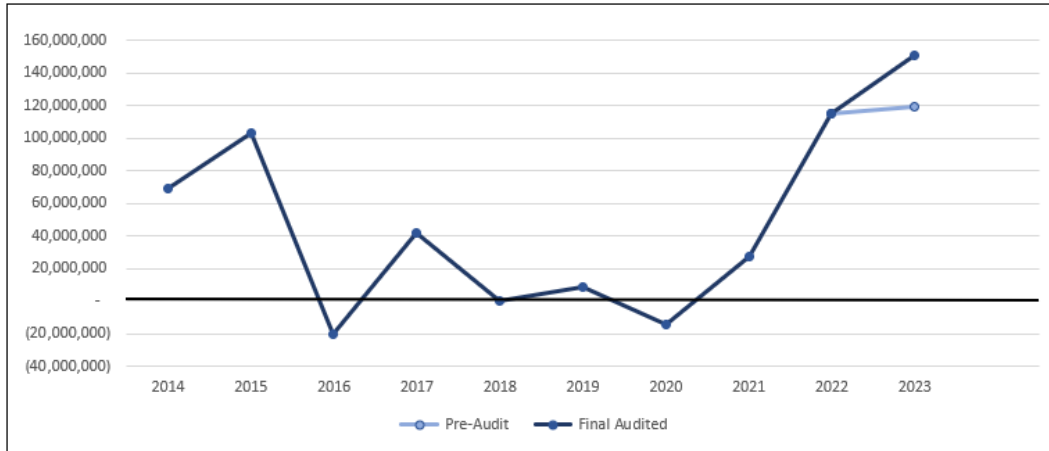
Balance Sheet – Final Audited



	<u>12/31/2023</u>	<u>12/31/2022</u>
Assets:		
Cash and Investments	738,400,292	590,619,358
Capitation and other receivables	273,711,335	210,190,031
Other current assets	14,123,355	11,478,611
Capital assets	59,364,274	60,977,607
Other LT assets and deferred outflows	11,325,447	16,097,525
Total assets and deferred outflows	<u>1,096,924,703</u>	<u>889,363,132</u>
Liabilities:		
Medical claims payable	110,157,421	100,748,474
Provider incentives payable	11,255,574	12,737,495
Amounts due to the State of California	161,788,284	174,363,272
Accounts payable, accrued liabilities, other	176,446,415	109,569,830
Net LT pension liability, deferred outflows, other	10,619,040	16,441,562
Total liabilities and deferred inflows	<u>470,266,734</u>	<u>413,860,633</u>
Net Position (Reserves)	<u>626,657,969</u>	<u>475,502,499</u>

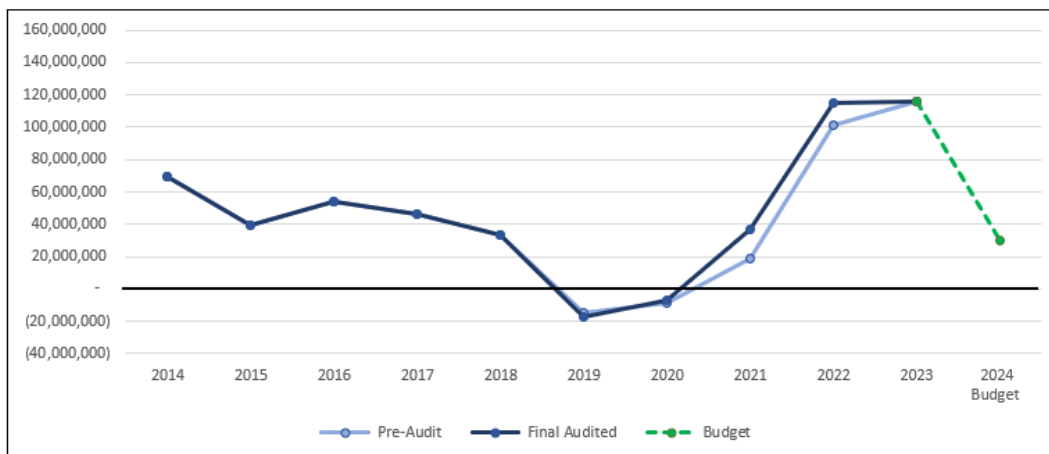
6

Profit/Loss – Final Audited



7

Profit/Loss – Restated



8

Commission Action Item



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

Thank you



Cybersecurity Update

Health Plan of San Mateo Commission Meeting

April 10, 2024



Agenda

- Security Threat Landscape
- What Is Ransomware?
- Security in the “HPSM Home”
- Cyber Defense Spotlight
- What’s Next?



¹<https://www.databreachtoday.com/record-breaking-ransomware-profits-surpassed-1b-in-2023-a-24300>

Security Threat Landscape



- Partnership HP breach – March-April 2022 - Operations down, 850,000 PII records stolen
- Change Healthcare breach – February 2024 (ongoing) - Nationwide disruption of health care services, 22TB of data stolen
- Ransomware 5x increase in payments from 2019 to 2023 – \$220M to \$1.1B¹

¹<https://www.databreachtoday.com/record-breaking-ransomware-profits-surpassed-1b-in-2023-a-24300>

What is Ransomware?



- Malware encrypts data
- Causes downtime, recovery costs, exfiltrates data, threats to release data
- Infection is usually due to malicious link in email or compromised attachment
- Ransomware is a business model (Ransomware-as-a-service, Ransomware gangs)
- People or organizations who are infected recovery–use backups, or even pay the ransom

Security in the “HPSM Home”



- Alarm system with locks on doors and windows
- Home occupants receive training
- Vault – centralized area with valuables with specialized monitoring and alerting
- Trackers on devices outside the vault
- Entry: key + biometrics
- Security partner (24/7 monitoring)
- Vendors – external teams who have access to HPSM systems and data

5

Cyber Defense Spotlight



- Multifactor authentication – something you know (credentials) and something you have (smartphone)
- Enhancing application security – Enable MFA upon logging into Windows, VPN, core systems, financial systems, and more
- Email Gateway – Monitor and block unsafe emails
- Safe Web Browsing – Monitor and block unsafe websites
- Staff training and education – Email phishing campaigns, Staff presentations, raising awareness

6

What's Next?



- Staff education and training
- IT Security Steering Committee (ITSSC)
- Cyber investments
- RFP (Infrastructure & Security)

HPSM is committed to ongoing efforts to invest, build, and strengthen cyber defenses to protect the data and services provided to HPSM members and providers

7

Thank You



HPSM Investment Fund Update and Dental Capacity Request

San Mateo Health Commission
April 10, 2024

Investment Fund Background

- Discussion of Investment Framework: **May 2023**
- Discussion on Provider Workforce: **June 2023**
- Primary Care Investment Strategy: **Sept. 2023**
- Strategic Plan/Impact Criteria: **Nov. 2023**
- Approval of Financial Reserve Policy: **Jan. 2024**
- Discussion of Investment Funds at
Finance/Compliance Committee: **March 2024**

Strategic Plan Goal 6: Investing for the Future

Goal

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

Example Initiatives

- Establish investment criteria and implement evaluation processes to direct financial resources towards the greatest impact for the healthcare safety net.
- Evaluate opportunities to partner with other organizations to support specific populations, such as PACE-eligible members.
- Invest in efforts to enhance HPSM's brand and awareness of CareAdvantage by HPSM.

Metrics

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

3

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 an investment that can make **measurable progress** 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**.

Proposed HPSM Investments



1. Provider Investment Fund

Ensuring a stable and accessible provider network is critical to our mission and vision. HPSM will develop criteria to invest in our network:

- Financially sustainable provider rate increases and one-time investments
- Three-Year Time Horizon
- 50% of Uncommitted Reserves

2. Community Investment Fund

HPSM can leverage our unique role in the San Mateo County health ecosystem and meet state requirements by developing a community investment fund.

- Three-Year Time Horizon
- 25% of Uncommitted Reserves

3. Innovation Center

HPSM can build on its long tradition implementing innovative new programs by developing a center with dedicated funding to test new ideas in collaboration with our providers, our members, and our community.

- Dollar Amount TBD

5

Next Steps for Investment Funds



❖ Provider Investment Fund Strategy

- May Finance/Compliance Committee
- May Health Commission Meeting

❖ Community Investment Fund Strategy

- Potential Baby Bonus Investment: June
- Broader Program Elements: Q4 2024

❖ Innovation Center

- Structure and Funding: Q1 2025

6

Dental Capacity Investment

❖ **Past Dental Capacity Investments**

- NEMS Funding for Oral Surgeon
- UOP School of Dentistry Funding for Navigation Center
- NEMS Funding for Daly City Clinic (through CHI)
- Ravenswood Funding for East Palo Alto (through CHI)

❖ **Formula for Capacity Expansion**

- \$100,000 to add capacity for 500-1,000 new patient visits

7

Ravenswood Dental Capacity Proposal

- ❖ New Clinic Site in Redwood City
- ❖ Partnership with Sequoia Healthcare District
- ❖ Planning for 11 dental operatories
- ❖ Two components of Proposal
 - Funding for Additional Access (\$202,667)
 - Funding for RDA Training Program (\$228,375)

8

Impact Criteria

- ❖ **Meaningful Member Access**
 - *1,000 new visits per year*
- ❖ **Best Possible Health Outcomes**
 - *Critical access for growing adult membership*
- ❖ **Leverage HPSM Strengths**
 - *Funding dental capacity has led to greater access*
- ❖ **Measurable Progress over five years**
 - *Up to 3,000 new member visits over three years*
 - *5-10 new RDAs trained and deployed over two years*
- ❖ **Stewardship of Resources**
 - *Financially sustainable FQHC clinic model*
- ❖ **Address HPSM threats/opportunities**
 - *Broader impact of successful dental integration*

DHCS Audit Performance Data

Ian Johansson

Chief Government Affairs & Compliance Officer

April 10, 2024



Background



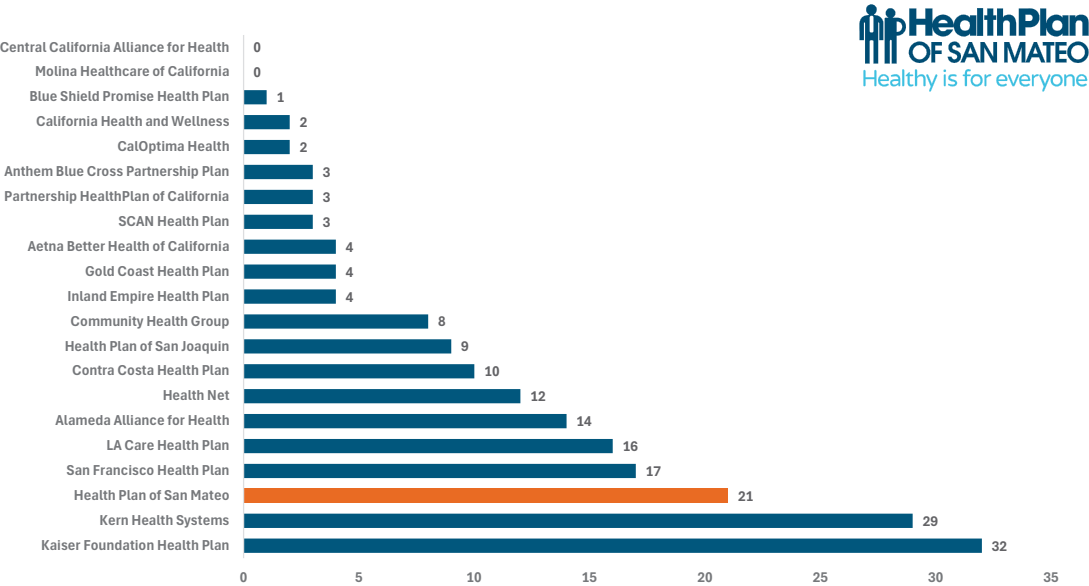
- Follow-up presentation

- Presented HPSM 2023 DHCS Audit performance data at February Commission meeting
- The Commission requested a comparison of HPSM performance to that of other Medi-Cal plans
- Data pulled from DHCS website (www.dhcs.ca.gov)

DHCS Audit Performance Data



- Results span three years, 2021-2023
 - Majority of audits occurred in 2023
- Audits include local plans (like HPSM), and commercial plans
 - Including Kaiser, Anthem, Molina, and others
- Excludes limited scope audit results
 - Allows for better comparison of plan experience and performance



Caveats



- Plan audit schedules and findings may not be one-to-one
- Managed care plans differ in services and benefits
 - Examples:
 - HPSM is the only plan with dental integration
 - HPSM is one of 5 plans with CCS carved-in (Whole Child Model)
- Some similarities are shared by plans of the same model, or geographically
 - Example:
 - HPSM and San Francisco Health Plan (SFHP) share a finding for ownership and control disclosure forms

5

In Context – Audits & Quality



- DHCS measures plan performance across several domains
 - Adherence to DHCS contract, policy letters (PL), and all plan letters (APL)
- These include, but are not limited to
 - Medical (Contract) Audit
 - Quality Scores
 - Network Adequacy
 - Routine Reporting

6

In Context – Audits & Quality



- DHCS Medical Audits & Sanctionable Activity
 - Permits DHCS to take steps, including, but not limited to:
 - Assignment of corrective action plans,
 - Monetary sanctions,
 - Non-monetary (administrative) sanctions
 - Assignment of a CAP or sanction is based on:
 - Details of the contract violation, and
 - The Plan’s efforts to correct the violation

7

In Context – Audits & Quality



- HPSM has not received administrative or financial sanctions related to its audit performance
- HPSM makes every effort to demonstrate:
 - Take every finding seriously,
 - Develop and enact comprehensive CAPs,
 - Demonstrate performance to those CAPs,
 - Demonstrate progress on complex and repeat findings

8

In Context – Audits & Quality



- Quality Measurement – MCAS
 - Medi-Cal Managed Care Accountability Set
 - Released annually
 - Plans sanctioned for performance as follows:

Enforcement Tiers	Tier 1	Tier 2	Tier 3
Triggers	<i>One (1) measure below the MPL in any one (1) domain</i>	<i>Two (2) or more measures below the MPL in any one (1) domain</i>	<i>Three (3) or more measures below the MPL in two (2) or more domains</i>

In Context – Audits & Quality



- Quality Measurement – MCAS
 - Where sanctions are warranted, DHCS takes several factors into consideration
 - Deviation (size of violation) from minimum performance level (MPL)
 - Worsening or improving performance
 - Measurement Year (MY) 2022
 - No sanction received

In Context – Audits & Quality



- NCQA Quality Score
 - Based on same data reviewed by DHCS
 - Demonstrates HPSM’s commitment to high quality outcomes for members
 - HPSM is one of four (4) Medi-Cal plans with this quality score
 - Out of 22 Medi-Cal plans

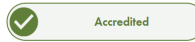
San Mateo Health Commission dba Health Plan of San Mateo

California



Health Plan Rating[®]
★★★★☆ 4.0 of 5

INSURANCE TYPE [®] Medicaid	PRODUCT TYPE HMO
NEXT REVIEW DATE 12/17/2024	MEMBERS ENROLLED 146,306
EVALUATION PRODUCT Renewal Survey	WEBSITE http://www.hpsm.org



Last update: 03/15/2024
Ratings are updated annually (September)

11

How are we responding?



- Elevating audit finding and CAP discussions at Compliance Committee (internal), and Finance/Compliance Committee (external, board-level)
 - Continued focus on repeat findings
- Evaluating improvements to Compliance Program processes, people, and systems
- Evaluating and acting on in-sourcing of delegated services

12

What should the Commission focus on?



- Knowing HPSM audit results, especially repeat findings
 - Audit reports and corrective action plan (CAP) information will be reviewed at Finance/Compliance Committee meetings
 - Starting with 2024 Audit Report (measurement year 2023-24)
- Knowing when there is a sanction risk and when sanctions are applied
 - Disclosures to both Finance/Compliance Committee and the full Commission
- Focus on issues affecting patient/member care

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What should you be worried about?



- HPSM is in good standing with its regulatory partners, including DHCS
- HPSM's Leadership Team and Compliance Team continue to evaluate how to improve audit performance
- HPSM is a high-quality health plan, as demonstrated by its NCQA Star Rating and DHCS MCAS metrics
- HPSM continues to be sought out as a partner of DHCS to innovate in the Medi-Cal program

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Next DHCS Audit



- Lookback period:
 - Q3 2023 to Q2 2024
- Audit dates:
 - Q3 2024
- Anticipated challenges
 - Auditing HPSM to two separate contracts
 - Prior (2023) contract and new (2024) contract
 - Preparing teams to respond to pre- and post-2024 contract requirements
 - Some teams impacted more than others
- May result in more findings this year due to adjustment to 2024 contract

15

Questions?



- Contact me
 - ian.johansson@hpsm.org
- Hotline available 24/7
 - 844-965-1241

16

Questions?



Appendix



DHCS Audit Structure



- Audit Scope: Six (6) categories (areas)
 - Against which plan performance is assessed, using
 - Case review (prior authorizations, grievances and appeals)
 - Plan documentation (policies and procedures)
 - Staff interviews
 - Deficient evidence may be cited as an area of concern (audit exit conference) and a finding (audit report)

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DHCS Audit Structure



- Six (6) reviewed categories:
 - Utilization Management
 - Case Management and Coordination of Care
 - Access and Availability
 - Members Rights
 - Quality Management
 - Administrative and Organizational Capacity

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DHCS Audit Structure



- Categories & Subcategories (2023 Audit Instructions)
 - Cat 1: Utilization Management
 - 1.1.A Utilization Management Program Requirements
 - 1.2 Prior, Concurrent, and Retrospective Authorization Reviews
 - 1.3 Appeals Procedures
 - Cat 2: Case Management and Coordination of Care
 - 2.1.B California Children’s Services
 - 2.1.C Early Intervention / Developmental Disability Services

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DHCS Audit Structure



- Categories & Subcategories
 - Cat 3: Access and Availability
 - 3.8 Non-Emergency Medical Transportation and Non-Medical Transportation
 - Cat 4: Member’s Rights
 - 4.1 Member Grievance System and Oversight
 - Cat 5: Quality Improvement
 - 5.1 Quality Improvement System

22

DHCS Audit Structure



- Categories & Subcategories
 - Cat 5: Quality Improvement
 - 5.2 Delegation of Quality Improvement Activities
 - 5.3 Provider Qualifications
 - Cat 6: Administrative and Organizational Capacity
 - 6.2 Fraud and Abuse

23

DHCS Audit Structure



- Categories & Subcategories
 - Addendums A through H
 - General Information
 - Policies and Procedures
 - Resumes/CVs
 - Organizational Charts
 - Committee Information
 - Member Materials
 - Provider and Member Newsletters
 - Corrective Actions and Interventions

24

MEMORANDUM

AGENDA ITEM: 5.1

DATE: May 8, 2024

DATE: April 30, 2024
TO: San Mateo Health Commission
FROM: Patrick Curran, CEO
RE: Approval of Provider Investment Fund Proposal

Recommendation:

HPSM staff recommends that the San Mateo Health Commission approve the implementation of a Provider Investment Fund to support our provider partners and enhance access for our members. The Provider Investment Fund will include provider rate changes and one-time investments that comprise up to 50% of HPSM reserves which are uncommitted, that is over and above the Stabilization and Contingency Reserves and DMHC required tangible net equity.

Background:

HPSM currently has very strong reserves, which allows us to provide financial stability and predictability to our members and providers. It is important that HPSM act as good financial stewards of these reserves, as we expect future years of financial losses due to state budgetary challenges and the cyclical nature of Medi-Cal funding to health plans.

As our health care system has emerged from the pandemic, providers face significant challenges with rising costs and workforce shortages. Since the viability of our provider network is critical to our strategic goals of access, health equity, and health outcomes, HPSM can use some of its financial reserves to support providers.

HPSM staff has developed a strategy and criteria for prioritizing potential investments in our provider network to carry out over the next three years, with most provider rate changes occurring within the next year. HPSM staff has also developed criteria to invest in primary care through a \$30 million Primary Care Investment Fund that was already approved by the Health Commission in 2023.

Discussion and Fiscal Impact:

For the Provider Investment Fund, we are targeting the use of up to 50% of the uncommitted HPSM reserves, that is the amount over and above the Stabilization Reserve, the required DMHC Tangible Net Equity (TNE) requirement, and the Contingency Reserve. As of April 2024, this amount is approximately \$80 million and will fluctuate based upon monthly financial performance. HPSM staff will continue to make regular reports to the Finance/Compliance Committee and Health Commission about these funds.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF
PROVIDER INVESTMENT FUND PROPOSAL**

RESOLUTION 2024 -

RECITAL: WHEREAS,

- A. In January 2024 the San Mateo Health Commission updated its reserve policy to add a Contingency Reserve equal to one month of operating expenses to serve as a buffer to sustain future short-term operating losses and reductions in reserve levels without affecting HPSM provider and members;
- B. HPSM currently has strong financial reserves which exceed the amount dedicated to the Contingency Reserve, the Stabilization Reserve, and the required DMHC TNE amount;
- C. HPSM recognizes that the stability and viability of its provider network is critical to member access;
- D. HPSM staff recommend implementing a Provider Investment Fund to support providers through payment rate changes and one-time investments, using up to 50% of the uncommitted financial reserves.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to implement a Provider Investment Fund as well as the prioritization and approvals approach outlined in the attached memo by staff for both the Provider Investment Fund and Primary Care Investment Fund.
- 2. The Finance/Compliance Committee and the San Mateo Health Commission will periodically review the status of the Provider Investment Fund and the Primary Care Investment Fund.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 8th day of May, 2024 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

George Pon, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

Provider Investments Strategy and Approach

San Mateo Health Commission

May 8, 2024

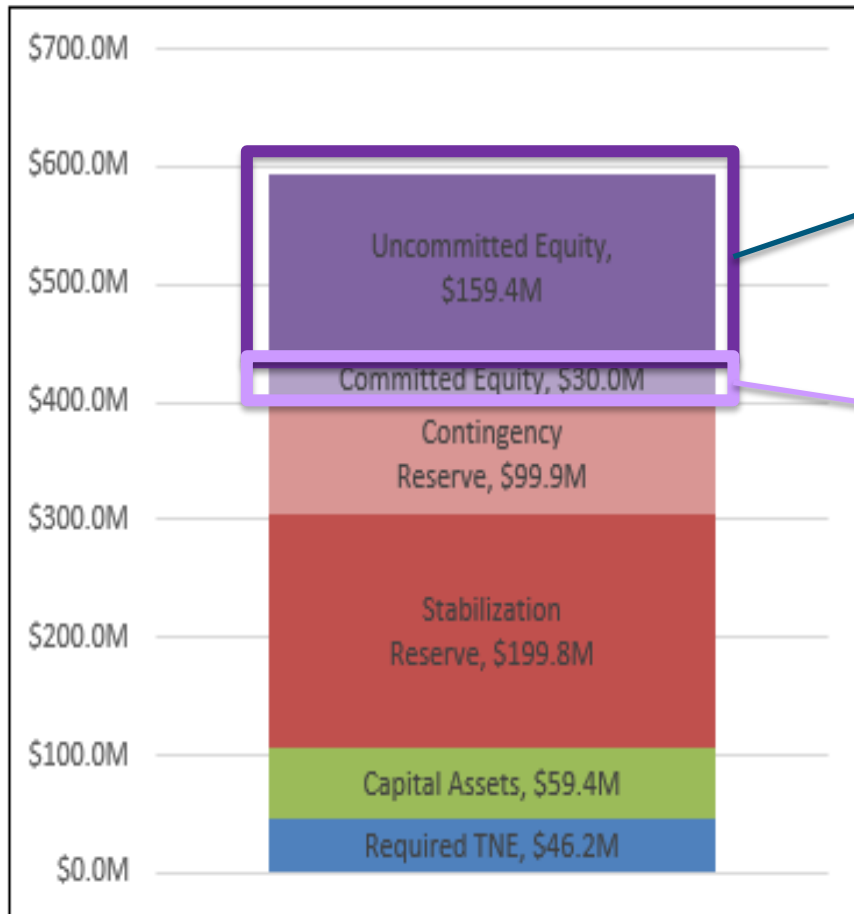
Recap from April 2024 SMHC



- At our 4/10/2024 meeting, we committed to developing and sharing back a strategy with you for how HPSM will increase provider rates and make one-time investments in our provider community, using the committed reserve funds in our **Provider Investment Fund** (one of four different committed funds of HPSM's reserves).
- Today, we'll be walking through that strategy, in the context of *two* of the four committed reserves funds: both **Provider Investments** and **Primary Care Investments**, because the goals of these two funds are interrelated.

Proposed HPSM Investments

Tangible Net Equity (TNE)



A Provider Investment Fund

B. Community Investment Fund

C. Innovation Center

D Primary Care Investment

At 12/31/23 Pre-Audit, TNE = \$594.7M
Uncommitted portion = \$159.4M

Objectives for today

By the end of this presentation you will have:

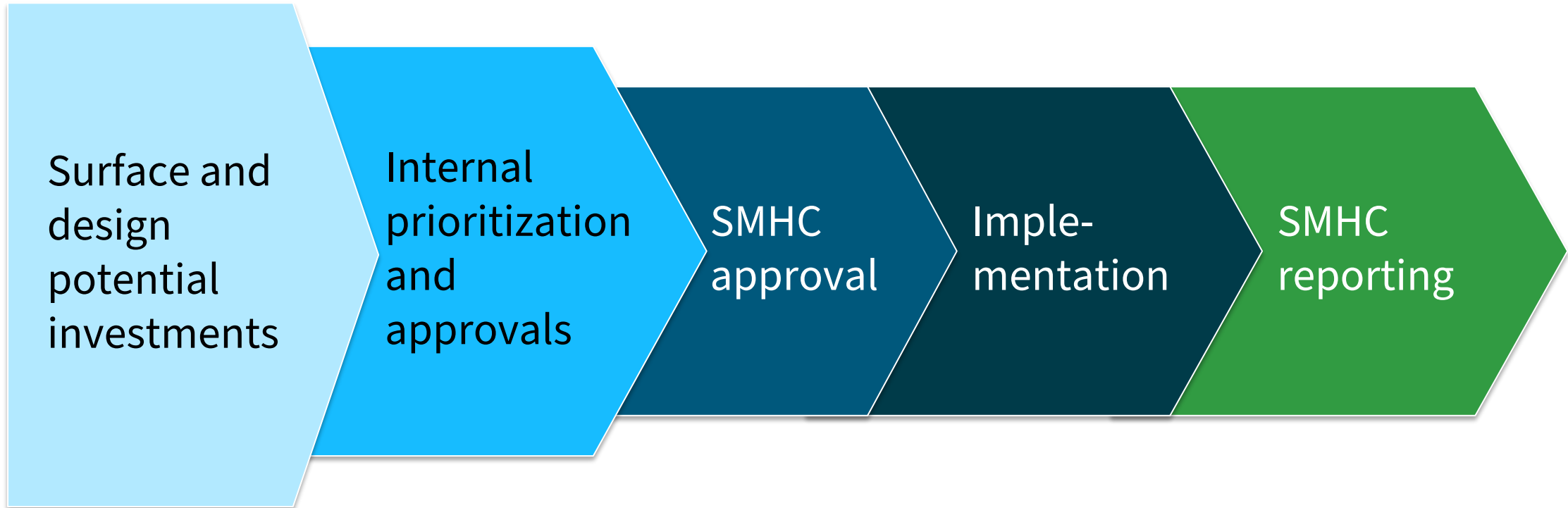
- Gained an understanding of how HPSM plans to prioritize potential investments within two allocations of HPSM reserves: Provider Investments and Primary Care Investments
- Provided feedback on our proposed process for ensuring:
 - That these investments are made in a timely manner, toward opportunities with the greatest impact
 - That we maintain transparency and accountability in the use of these funds

Objectives for today

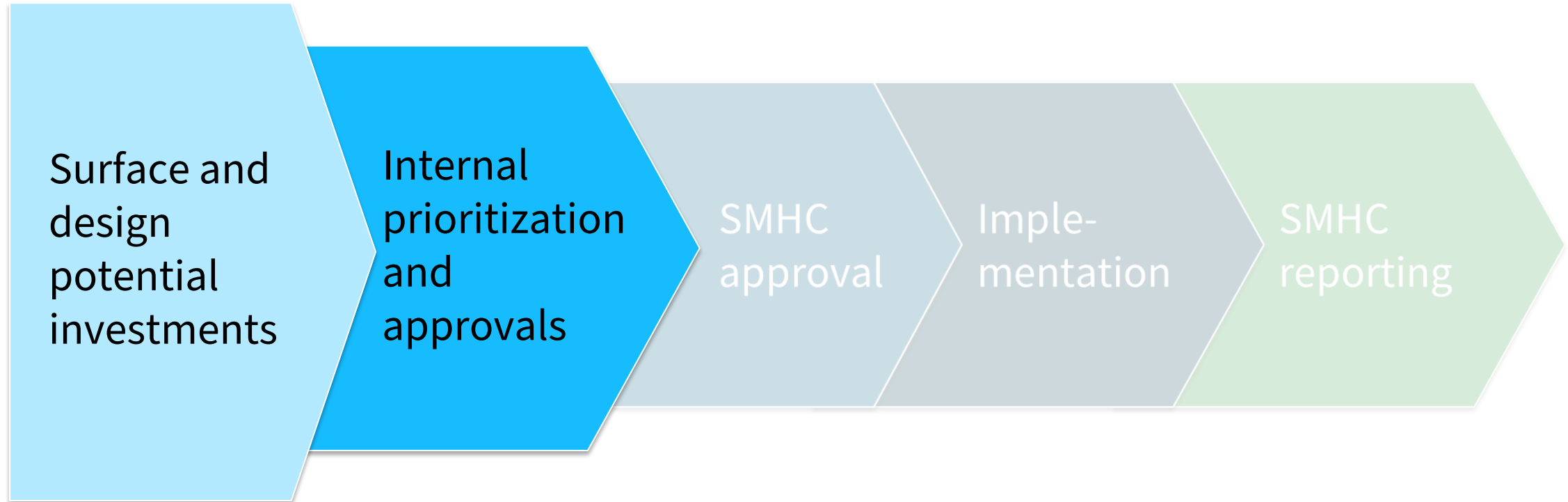
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- Provided feedback on our proposed process for ensuring:
 - That these investments are made in a timely manner, toward opportunities with the greatest impact
 - That we maintain transparency and accountability in the use of these funds

How will HPSM staff identify and prioritize potential investments for these two funds?



How will HPSM staff identify and prioritize potential investments for these two funds?



A Provider Investment Fund

Provider Investments: Prioritization



Provider Priority
(E.g., discrepancy of current HPSM rates from Medicare rates)

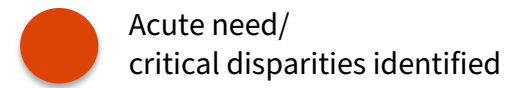
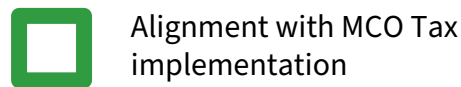
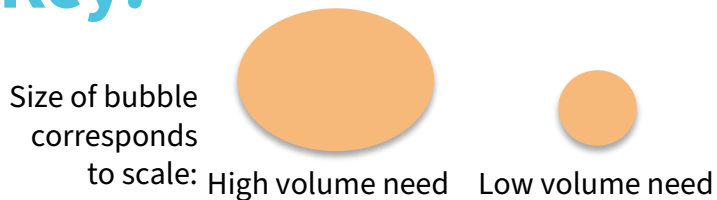
<p>Review closely <i>Particular considerations:</i></p> <ul style="list-style-type: none"> • Full picture of providers' payor mix /other HPSM or MC reimbursement • HPSM financial sustainability 	<p>Highly aligned No-regrets investments to prioritize first</p>
<p>Not prioritized</p>	<p>Review closely, consider alternatives <i>Particular considerations:</i></p> <ul style="list-style-type: none"> • Is issue lack of providers (vs. competitiveness of rates) • Where is it justified to make intentional exceptions to MC/Medicare rate norms to meet access goals

HPSM Member Access Priority

In Brief: For all potential investments, we consider:

- Member access priority
- Provider priority
- Financial sustainability including revenue and MCO tax alignment
- A more fitting alternate funding source is not available

Key:



Provider Investments: Prioritization



Provider Priority
(E.g., discrepancy of current HPSM rates from Medicare rates)

<p>Review closely</p> <p><i>Particular considerations:</i></p> <ul style="list-style-type: none"> • Full picture of providers' payor mix /other HPSM or MC reimbursement • HPSM financial sustainability 	<p>Highly aligned</p> <p>No-regrets investments to prioritize first</p>
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In Brief: For all potential investments, we consider:

- Member access priority
- Provider priority
- Financial sustainability including revenue and MCO tax alignment
- A more fitting alternate funding source is not available

HPSM Member Access Priority

Key:

Size of bubble corresponds to scale: High volume need Low volume need

Alignment with MCO Tax implementation

Acute need/ critical disparities identified

Methodology: how we measure access

X Axis: HPSM Member Access Priority

Access Category	Examples
Contract Sufficiency	<ul style="list-style-type: none"> • Geographic Access • Provider Ratios
Real World Availability	<ul style="list-style-type: none"> • Grievances • OON Utilization • Appointment Availability • Single Case Agreements
Population Needs Assessment	<ul style="list-style-type: none"> • HPSM Population Needs Assessment
Voices of the Community	<ul style="list-style-type: none"> • Qualitative Feedback from members, providers, community partners and staff.

In Brief: When determining network priorities.....

- We collect and analyze relevant access category data.
- We then use a framework to prioritize efforts that takes into consideration reach, impact, confidence, effort and emotion.

* Access priorities summarized in Appendix.

Provider Investments: Prioritization



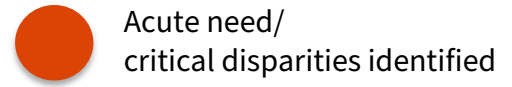
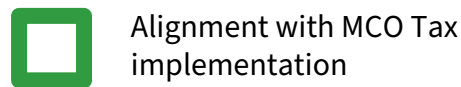
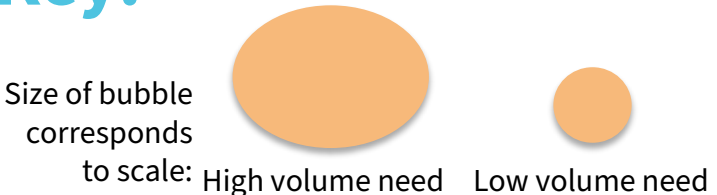
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- In Brief:** For all potential investments, we consider:
- Member access priority
 - Provider priority
 - Financial sustainability including revenue and MCO tax alignment
 - A more fitting alternate funding source is not available

HPSM Member Access Priority

Key:



Next Steps: Provider Investments



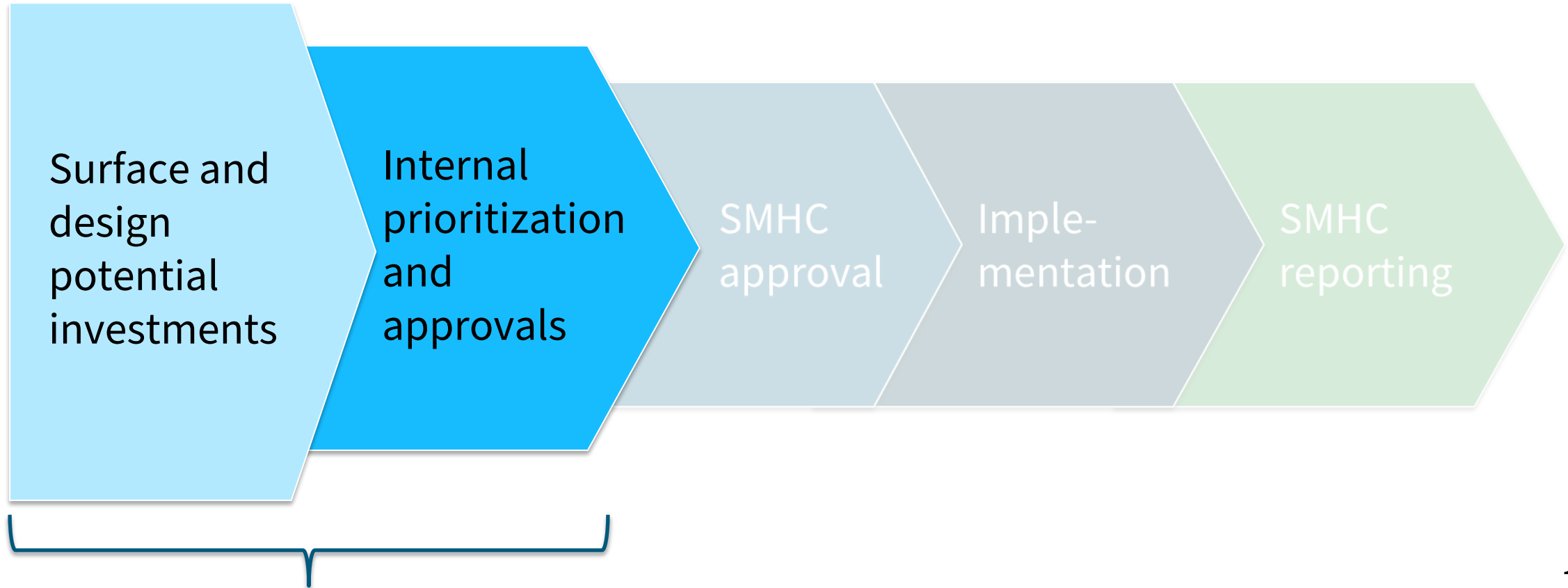
- **Finance Committee Review of the “Y Axis”** – HPSM analysis is underway to identify Medi-Cal rates that differ the most greatly from Medicare rates and that are the greatest “pain point” for providers.
- **Targeting network-wide changes to provider rates by January 2025**, following analysis and prioritization. We will engage with both the Finance/Compliance Committee and providers throughout this process.
- **In addition to network rate investments**, we will continue to surface and prioritize other potential one-time funding opportunities that advance member access and address provider needs, on a rolling basis.

Discussion



- What questions do you have about HPSM's proposed prioritization approach, for the **Provider Investment Fund**?
- What other suggestions and considerations should HPSM staff and leadership keep in mind when evaluating potential investments?

How will HPSM staff identify and prioritize potential investments for these two funds?



D Primary Care Investments

Primary Care Investment Goals

Strategically invest in primary care, to:



1. Better allocate resources: to address chronic underinvestment, support the implementation of advanced primary care, and shift from a focus on *volume to value*.



2. Promote a robust and thriving workforce: fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth, and joy.



3. Improve population health: support our network to be more population focused, in order to achieve better, more equitable health outcomes for our members.



4. Enhance the care experience for members and families, so that they are satisfied, engaged in their care, and healthy.

Primary Care Investment Goals



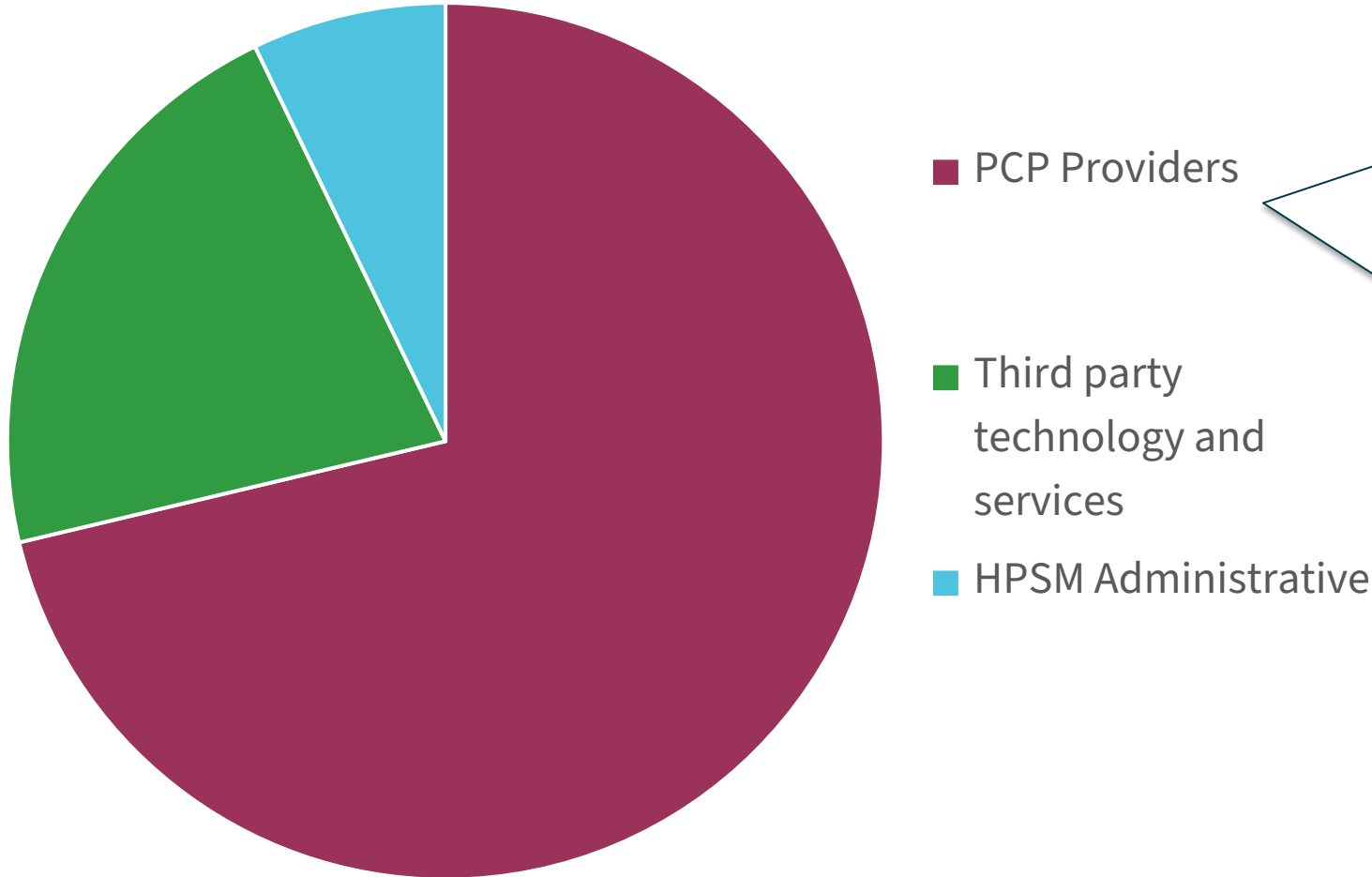
Additional prioritization considerations:

- Alignment with the concepts of piloting and evaluating
- Degree to which the investment leverages HPSM's unique strengths – *is HPSM the best fit for a funder/convener*
- Financial sustainability of the investment – *e.g., plans for sustaining improvements after a one-time investment*

Estimated Primary Care Allocation



DRAFT likely expenditures by category



Bulk of \$30M Primary Care Investments are likely to be distributed directly to providers. *For example:*

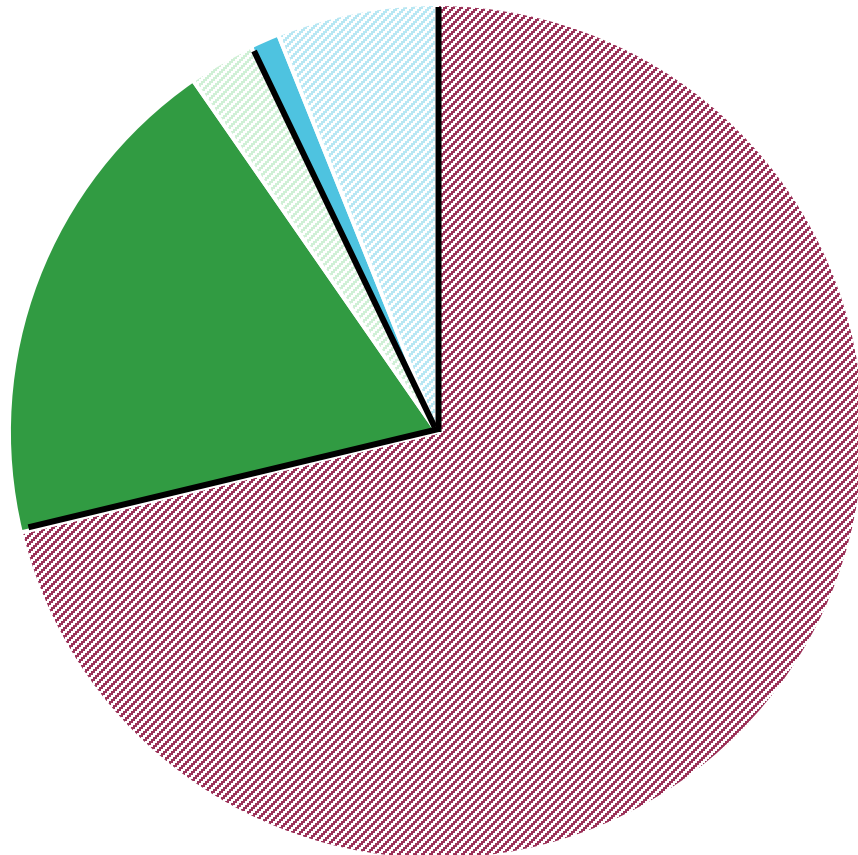
- One time funding for provider-led efforts
- Increases to Value-Based-Payment (P4P) Incentives
- Bonus payment structure for recruitment and retention

Estimated Primary Care Allocation



DRAFT likely expenditures by category & status

Placeholder allocation Investment in progress



- PCP Providers (e.g., one time funding, VBP* increases, recruitment bonuses)
- Technology and services: in progress**
- Technology and services: proposed
- HPSM Administrative: in progress**

Majority of allocation still to be determined based on prioritization

* VBP = Value-Based Payment, such as Pay-for-Performance incentive programs

Discussion re: Prioritization Approach

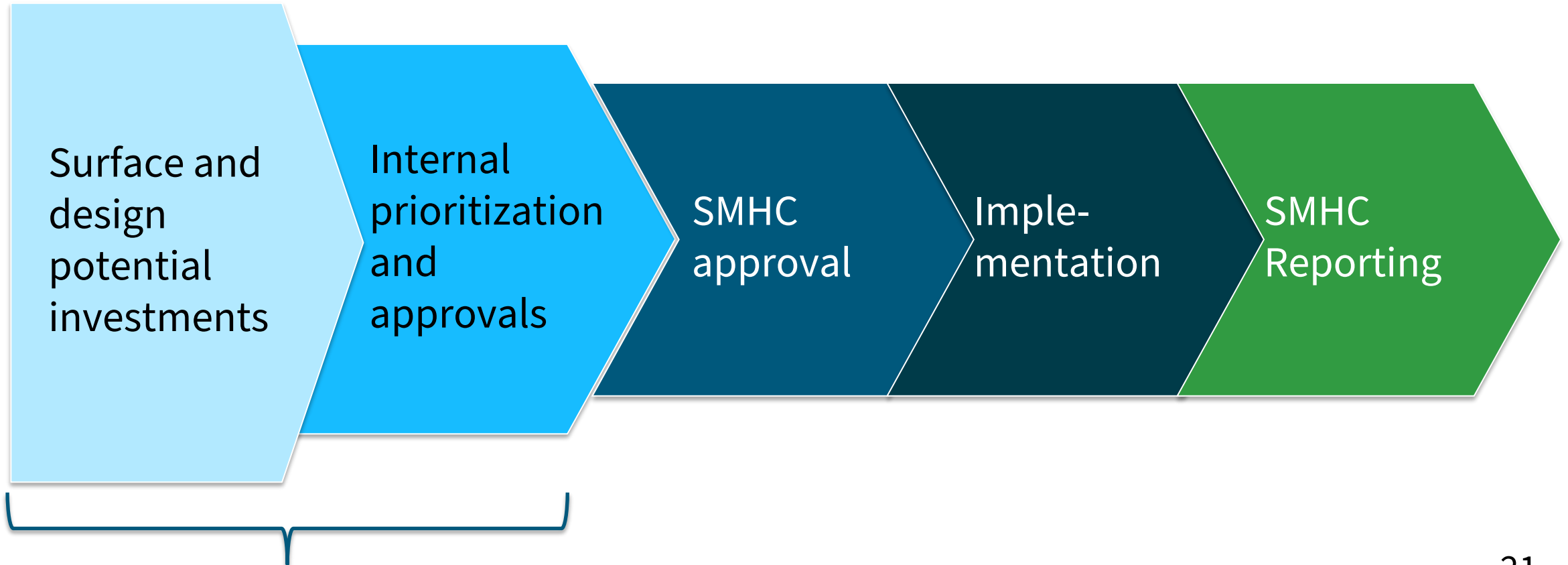
- What questions do you have about HPSM's proposed prioritization approach, for the **Primary Care Investment Fund**?
- What other suggestions and considerations should HPSM staff and leadership keep in mind when evaluating potential primary care investments?

Objectives for today

By the end of this presentation you will have:

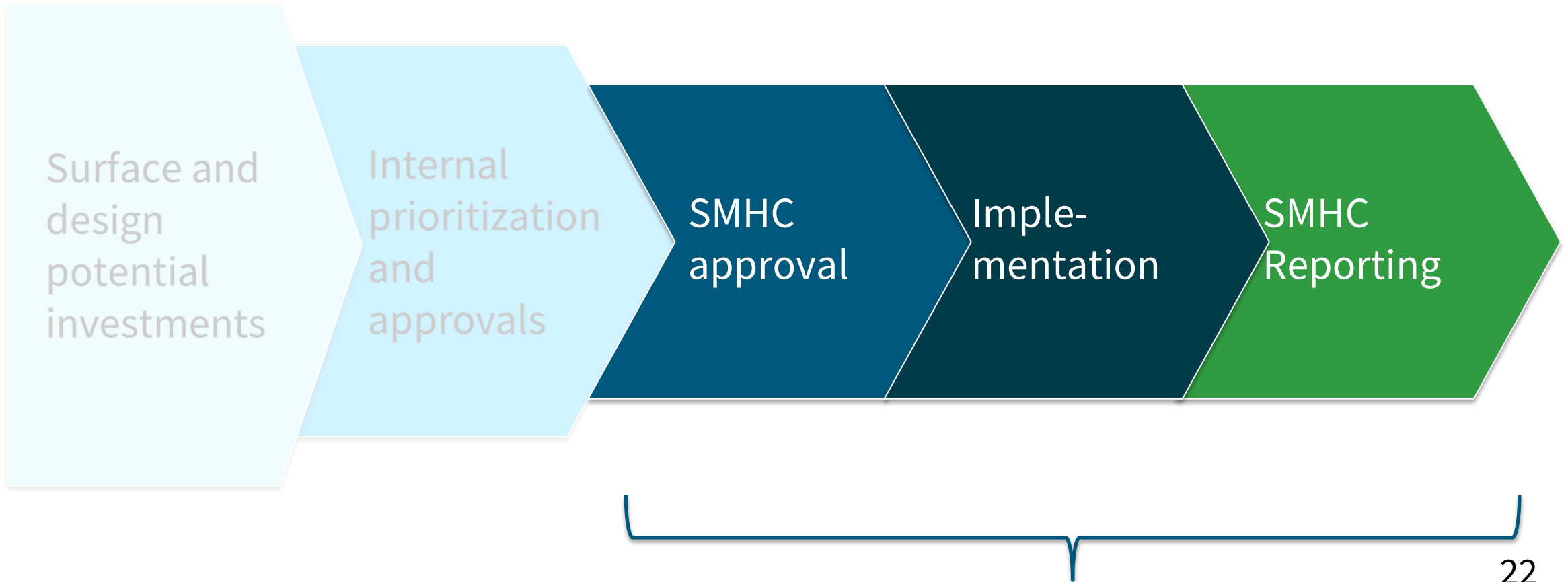
- Gained an understanding of how HPSM plans to prioritize potential investments within two allocations of HPSM reserves: Provider Investments and Primary Care Investments
- Provided feedback on our proposed process for ensuring:
 - That these investments are made in a timely manner, toward opportunities with the greatest impact
 - That we maintain transparency and accountability in the use of these funds

How will we ensure transparency, accountability, and speed-to-impact?



HPSM staff will surface recommendations, review proposals, and prioritize potential investments using the criteria shared today.

How will we ensure transparency, accountability, and speed-to-impact?



Ensuring effective oversight: Approvals

Type of expenditure	Proposed approvals process
Vendor expenditures (e.g., third party services or technology HPSM contracts for):	Follow established purchasing policies, including RFP and SMHC approval for >\$250K/year.
One-time investments made to providers:	HPSM will “bundle” potential investments of a similar type for SMHC approval.
Increases to network provider rates or increases to network Value-Based Payment programs:	Approved internally by HPSM leadership, following prioritization criteria and current practices.
Administrative HPSM staffing expenditures :	Approved internally by HPSM leadership, unless a meaningful deviation from approved admin budget is anticipated.

Ensuring effective oversight: SMHC Reporting

- Every 6-12 months, HPSM will report to SMHC and the Finance/Compliance Committee, on reserve expenditures towards both Provider Investments and Primary Care Investments
- Updates will include:
 - An accounting of what has been invested, planned upcoming investments, and remaining funds. This will include the amounts, type of investment, and information on which goals the investments advance.
 - Findings and learnings regarding the impact of investment dollars in advancing our investment goals to date.

Discussion

1. How might we adjust our approvals and reporting process, to make sure that investments are:
 - Made in a timely manner
 - Directed to opportunities with the greatest impact
 - Selected and implemented with transparency and accountability
2. Are there any topics discussed today that you would like further information or detail on?

Next steps

- Vote on today's proposal
- HPSM staff to incorporate any input from today into our approach for prioritization, oversight, and approvals
- HPSM to implement provider network rate increases out of the Provider Investment Fund no later than **January 2025** based upon the prioritization criteria and analysis we touched on today
- We will agendize the review of potential investments / bundles of investments on a rolling basis, following the approach we align(ed) on.

Approval of Prioritization and Approvals Approach



- Does the San Mateo Health Commission authorize the Chief Executive Officer to implement a Provider Investment Fund, as well as the prioritization and approvals approach outlined today for both the Provider Investment Fund and Primary Care Investment Fund?

Appendix: Member Access Priorities

Provider Investments: Prioritization



Provider Priority
(E.g., discrepancy of current HPSM rates from Medicare rates)

<p>Review closely <i>Particular considerations:</i></p> <ul style="list-style-type: none"> • Full picture of providers' payor mix /other HPSM or MC reimbursement • HPSM financial sustainability 	<p>Highly aligned No-regrets investments to prioritize first</p>
<p>Not prioritized</p>	<p>Review closely, consider alternatives <i>Particular considerations:</i></p> <ul style="list-style-type: none"> • Is issue lack of providers (vs. competitiveness of rates) • Where is it justified to make intentional exceptions to MC/Medicare rate norms to meet access goals


In Brief: For all potential investments, we consider:


- Member access priority
- Provider priority
- Financial sustainability including revenue and MCO tax alignment
- A more fitting alternate funding source is not available

HPSM Member Access Priority

Key:

Size of bubble corresponds to scale: High volume need Low volume need

 Alignment with MCO Tax implementation

 Acute need/ critical disparities identified

State of the Network: Executive Summary



- Resource-rich county, with uniquely strong indicators of access among Medi-Cal plans based on the number, type, and distribution of our contracted providers.
- However being a “contracted provider” does not mean a provider can guarantee availability. Measures of appointment availability and qualitative experience data are more mixed.
- Current network priorities include:
 - Long-standing areas of focus on primary care, OB/GYN, long-term care (honorable mention)
 - New direct networks for new CalAIM provider types, behavioral health, dental, and ABA services*
 - Needs for greater language capabilities and network diversity; imprecisely defined due to data challenges
 - Needs can be nuanced and are not always general, particularly in areas like NEMT, Behavioral Health, ST/OT
 - Small but acute needs for specific specialties, geographies, scope of practice

Network dashboard: top priority needs

X Axis: HPSM Member Access Priority

Primary Care	Primary Dental	Dental Specialty
Behavioral Health	NEMT	Speech/Occupational Therapy
Gender Affirming	CaAIM	OB/GYN
Ophthalmology	Optometry	Community Health Workers
Neurology	Doula	LTC/SNF

Network dashboard: top priority needs

X Axis: HPSM Member Access Priority

Type	Contract Sufficiency	Real World Availability	Pop Needs Assessment	VOC*	Key Insights
Primary Care	✓	✓	✓	✓	Evergreen, Workforce at risk
Dental	✓	✓	✓	✓	Primary, Specialty (Endo, Perio, Oral Surgery), Services for Special Needs (e.g. homebound, Dental OR/Anesthesia)
Behavioral Health	✓	✓	✓	✓	Psychological testing, in person services for kids, ABA Services, eating disorder specialists
NEMT		✓	✓	✓	Specific to gurney and providers who can transport members with multiple steps
ST/OT		✓		✓	Pediatric population, low volume but high impact

*Voices of the Community

Network dashboard: top priority needs

X Axis: HPSM Member Access Priority

Type	Contract Sufficiency	Real World Availability	Pop Needs Assessment	VOC*	Key Insights
Gender Reassignment		☑		☑	High Cost, complex service needs
CaAIM			☑	☑	Several Populations of Focus, Broad services
OB/GYN	☑	☑	☑	☑	Evergreen, workforce at risk
Ophthalmology and Optometry	☑	☑		☑	Access and Availability challenges
Neurology		☑		☑	Workforce limitations

*Voices of the Community

Network dashboard: top priority needs

X Axis: HPSM Member Access Priority

Type	Contract Sufficiency	Real World Availability	Pop Needs Assessment	VOC*	Key Insights
Gender Affirming		☑		☑	High Cost, complex service needs
CaAIM			☑	☑	Several Populations of Focus, Broad services
OB/GYN	☑	☑	☑	☑	Evergreen, workforce at risk
Ophthalmology and Optometry	☑	☑		☑	Access and Availability challenges
Neurology		☑		☑	Workforce limitations

*Voices of the Community

Network dashboard: top priority needs

X Axis: HPSM Member Access Priority

Type	Contract Sufficiency	Real World Availability	Pop Needs Assessment	VOC*	Key Insights
Doulas		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	New benefit, new network
LTC/SNF		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Evergreen, finite number of beds in county, need for custodial beds
CHW		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	New benefit, 0 in network contracted providers

*Voices of the Community

MEMORANDUM

AGENDA ITEM: 6.0

DATE: May 8, 2024

DATE: May 1, 2024
TO: San Mateo Health Commission
FROM: Patrick Curran
RE: CEO Report – May 2024

Healthworx Evaluation

HPSM has engaged Health Management Associates (HMA) in an evaluation of the HealthWorx program. This program, which HPSM has administered for many years, enrolls approximately 1,200 people, most of whom enroll through the Public Authority at San Mateo County and qualify for coverage as In-Home Supportive Services (IHSS) workers. As presented at a recent Health Commission meeting, this program has become increasingly complex and burdensome administratively due to growing requirements from the Department of Managed Health Care (DMHC). HMA is evaluating the coverage needs throughout the county to determine options for the HealthWorx program. We plan to present the results of this analysis to the Health Commission in Fall 2024.

HPSM Internship and Fellowship Program

HPSM has offered an internship and fellowship program since 2017. Originally intended as a 10-week summer program for college students, the program has now grown to include longer fellowships and many interns/fellows are graduate students. This program has been highly successful, as students work on important projects for HPSM, obtain valuable experience with and exposure to a community health plan, and view the challenges and disparities that exist in our health care system. Several HPSM interns and fellows are now HPSM employees! We are now in the midst of recruiting up to 8 interns/fellows for our next class, which will begin this summer.

State Budget

As discussed previously, the upcoming state budget for July 2024 through June 2025 includes substantial deficits. Despite that, the upcoming state budget does not include any reductions to either who is covered by Medi-Cal or what services are covered by Medi-Cal. The next major announcement will occur on or before May 14th, when the state announces an updated economic projection for the coming year, known as the “May Revise”. We will learn more at that time about potential changes, including any funding reductions or delays in program implementation.

Baby Bonus Project

As a follow-up to our discussion at the March Health Commission meeting, we continue to participate in the design of this innovative new program initiated by the Jackie Speier Foundation. The steering group has made significant progress in program design, fundraising, and the evaluation framework. Of particular note is that the steering group recommended that HPSM consider staffing community health workers to coordinate the enhanced services for newborns and families. We are planning to bring a proposal for discussion and potential vote to the Health Commission in June to fund both the monthly stipends for 300 families as well as for hiring a team of community health workers.