

**THE SAN MATEO HEALTH COMMISSION  
Regular Meeting  
November 8, 2023 - 12:30 p.m.  
Health Plan of San Mateo  
801 Gateway Blvd., 1<sup>st</sup> Floor Boardroom  
South San Francisco, CA 94080**

**AGENDA**

- 1. Call to Order/Roll Call**
- 2. Public Comment/Communication**
- 3. Approval of Agenda**
- 4. Consent Agenda\***
  - 4.1 Finance Report
  - 4.2 Approval of Amendments to Agreements with San Mateo County Family Health Services and Lucile Packard Children's Hospital for Whole Child Model
  - 4.3 Approval of Amendment to Agreements with Compliance Strategies
  - 4.4 Approval of San Mateo Health Commission Meeting Minutes from September 13, 2023.
- 5. Specific Discussion/Action Items**
  - 5.1 Approval of a Five Year Strategic Plan (2024-2028)\*
  - 5.2 Presentation on External Audit Results
  - 5.3 Approval of Capacity Grant Agreement with 3Prong Health for expansion of access to Mental Health Services\*
- 6. Report from Chief Executive Officer**
- 7. Other Business**
- 8. Adjournment**

*\*Items for which Commission action is requested.*

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**FINANCE/COMPLIANCE COMMITTEE MEETING**

**Meeting Summary**

**August 7, 2023 – 12:30 pm**

**Criminal Justice Training Center, 400 County Center, Redwood City, CA 94064**

**-or-**

**Health Plan of San Mateo -Boardroom 801 Gateway Blvd, South San Francisco, CA 94080**

**Agenda Item: 4.1**

**Date: November 8, 2023**

**Member's present:** Mike Callagy, Bill Graham, George Pon

**Members absent:** Ligia Andrade-Zuniga, Si France, M.D.

**Staff present:** Trent Ehrgood, Pat Curran, Francine Lester, Chris Esguerra, M.D., Corinne Burgess, Glenn Smith, Michelle Heryford

**1.0 Call to Order** – The meeting was called to order by Commissioner Graham at 12:31 pm. A quorum was met.

**2.0 Public Comment** – There was no public comment.

**3.0 Approval of Meeting Summary for June 26, 2023** – The meeting summary for June 26, 2023, was approved as presented. **Callagy/Pon M/S/P**

**4.0 Preliminary Financial report for the six-month period ending June 30, 2023** – HPSM CFO, Trent Ehrgood reviewed the financials. HPSM is reporting another quarter with a significant surplus at \$32.4M. Along with the \$34.4M from Q1, the total YTD is \$66.7M. Of this surplus amount, \$8.5M is prior -year adjustments, \$6.8M of this was recorded in Q2. There are also hospital directed payments that flowed through 2023 that relate to 2022, but the revenue and expense was recognized separately and mostly offset each other. One change to prior year is a revenue pickup. There was almost \$1M in Q1 and another \$4.3M that came through from Q2. This is mostly true ups to the member count and the fact that the category of aid this belongs to has different rates, which goes back a couple of years to 2021 and 2022. Every couple of years DHCS does corrections and some of that flowed through for the prior year. The other prior-year item is provider incentive adjustments, which is a favorable adjustment of about \$1.4M due to over accrued liability last year.

He briefly went over membership, noting that it has been increasing for the last three years. In Q3 they should begin to see the impact of the redetermination process, at this point it is still too soon to tell. Though the number of members disenrolled is expected to be small.

He itemized the \$28M budget variance. At the end of Q1, HPSM was ahead of budget by \$14M and now through June they are ahead by \$28M. One driver is higher revenue yield, which was \$2.7M last quarter and is now almost \$5.2M. Half of that is due to the better-than-expected yield on the Medicare CareAdvantage product, the rest is scattered amongst the different Medi-Cal populations. There is a negative variance from supplemental payments for maternity, as reimbursement is not built into the rates. It is paid on a case-by-case basis, and the negative variance is mostly a timing issue. The YTD healthcare cost variance is similar to Q1 with a \$10M favorable variance, meaning Q2 was pretty much on budget. Non-operating revenue has more than doubled from Q1, this is the interest earnings on the cash reserves.

Mr. Ehrgood broke down healthcare costs, he pointed out the cost for hospital inpatient (IP) is growing due to a high volume of admissions. There was a question about the impact from delays in discharge. Mr. Ehrgood said that once the member no longer needs to be in the hospital, they flip to admin days and a lower per diem rate. He was asked if they track the number of admin days that members spent in the hospital when it wasn't necessary. It's not formally tracked; however anecdotal evidence has shown that there are particular challenges with the San Mateo Medical Center (SMMC) around this issue. Dr. Esguerra noted that they are having some success out of county with favorable partners that are willing to accept more challenging cases.

Mr. Ehrgood also highlighted increasing transportation costs for non-medical transportation. This is a benefit that started a several years ago to help members with transportation to the doctor's office or to their pharmacist. HPSM uses a company that utilizes Uber for these rides. This budget item is higher than anticipated and while they expected it to grow, it's growing even more than they previously thought. They are seeing similar trends with other local health plans. HPSM will look into the benefit as some cases of abuse have been reported. Hospital admission trends show numbers returning to pre-pandemic levels similar to 2019.

Mr. Ehrgood highlighted results by line-of-business (LOB). HPSM is running at a surplus on all lines of business (LOB) with the exception of the Medicare LOB. It's negative \$10M for the first six months, which was expected. He reminded the group there are often true ups to revenue for the Part D benefit or for risk adjustments in subsequent years.

Reserve levels are at \$542M, well above the required amount. Mr. Ehrgood summarized key takeaways. There was a discussion on the dental benefit. HPSM continues to see an uptick in dental utilization. When the program originally started there was approximately 30-40 dental providers, there are approximately 350 contracted providers right now. HPSM has a team to help members with access, helping to get appointments sooner rather than later. There is still ongoing work, they are working with dental offices on the Medi-Cal process, which is a difficult one.

HPSM hired Milliman, an actuary consultant, to do an analysis of 2022 dental encounters, and one of the things they asked for was for them to compare reimbursement rates with other commercial plans. HPSM is paying 30% above the Medi-Cal fee schedule at 130%. While that may sound like a lot, it's a big percentage on a small number. He noted the tobacco tax from Prop 56 is an add-on for certain dental codes. When you combine the two it's not that far off from what a dentist in a commercial plan would get. This should be noted when recruiting, as one of the stigmas about Medi-Cal is the reimbursement rate.

There was a question about the number of members using the non-medical transportation benefit to pick up medications from their pharmacies. Mr. Ehrgood confirmed there is quite a large number of members who use this benefit. They are starting to look at pharmacy claims and transportation claims by date of services (DOS) to determine if they are proper requests. In some cases, they are not. There was a question about why rides to the pharmacy are necessary at all when medications can be sent to the members' home. It was noted that the State has not set up home delivery when they took over the pharmacy benefit, like HPSM has done for the CareAdvantage line. Next year HPSM plans to promote mail order on the CA side to highlight the contrast to the State and hopefully influence policy.

Lastly Mr. Ehrgood asked the committee if they are open to changes to the size of the packet. He is suggesting consolidating the financials by funding source instead of LOB to cut down on the number of pages. The committee agreed to the proposed changes and reserved the right to go back to the previous packet if desired. The financial report was approved as presented. **Callagy/Pon MSP**

**5.0 Provider Investment Overview** –Mr. Ehrgood reviewed HPSMs Provider Investment proposal. The areas they hope to impact include oral health, the Program of All-Inclusive Care for the Elderly (PACE), primary Care, D-SNP, and the provider workforce. They are looking at providing help as an Investor/Funder. In this role HPSM would dedicate the budgeted net income for 2023, approximately

\$75M, to explore both one-time funding and ongoing investment opportunities. Mr. Ehrgood broke down the preliminary allocation of funds for each of the areas mentioned. For the D-SNP, the plan is to have that entity funded at 6 times the Department of Managed Health Care (DMHC) level of \$16M, which comes to about \$100M. This amount would be a shift of reserves from HPSM to the 501C3. HPSM's reserves will go from \$475M to \$375M, however the required amount would also decrease to a new level of about \$27M. The committee is scheduled to vote on this item at the San Mateo Health Commission (SMHC) meeting in September. There was brief discussion about the vulnerability of hospitals in the area that uses Medi-Cal and Medicare monies as their predominant funding, such as Seton and the San Mateo Medical Center (SMMC). It was noted these establishments don't have the commercial business to offset the lack of funding they receive. The committee recognizes it's a large statewide issue and that it has not received the attention from the State Legislator and Governor's office that it should.

**6.0 Compliance Report** – There was no time for this item, it will be added to the November 6, 2023, agenda.

**7.0 Other Business** – There was no other business.

**8.0 Adjournment** – The meeting was adjourned at 1:36 pm by Commissioner Graham.

Respectfully submitted:

*M. Heryford*

M. Heryford

Assistant Clerk to the Commission

## MEMORANDUM

**AGENDA ITEM:** 4.2

**DATE:** November 8, 2023

**DATE:** October 23, 2023

**TO:** San Mateo Health Commission

**FROM:** Pat Curran, Chief Executive Officer  
Tejasi Khatri, Manager of Integrated Programs

**RE:** Approval of Amendments to Agreements with San Mateo County Family Health Services and Lucile Packard Children's Hospital

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### **Recommendation**

Authorize the Chief Executive Officer to execute amendments to agreements with the County of San Mateo Health System, Family Health Services Division (FHS), and Lucile Packard Children's Hospital (LPCH), to manage health care services provided to enrollees of the Whole Child Model (WCM).

### **Background**

The California Children's Services (CCS) Program is the State's program for providing diagnostic and treatment services, medical case management, and physical and occupational therapy services to children diagnosed with certain medical conditions. In 2012, the California Department of Health Care Services (DHCS) selected HPSM to implement a California Children's Services (CCS) Pilot in partnership with FHS. Beginning in July of 2018, based on State legislation, HPSM and other County Operated Health Systems (COHS) integrated CCS services into Medi-Cal managed care plans operations as a permanent program, referred to as the Whole Child Model (WCM). HPSM subsequently entered into an amended agreement with the State to participate in the Whole Child Model program.

The WCM program is available to HPSM Medi-Cal members who are: (i) between 0 and 21 years of age, and (ii) established as medically, residentially, and financially eligible by San Mateo County CCS. Services include assignment to a dedicated care management team that assists clients with accessing needed services, assistance in finding a qualified provider to address health concerns, and transition support as clients age out of the Whole Child Model program on their 21<sup>st</sup> birthday. HPSM has contracted with FHS since 2013, delegating the management of authorizations and care coordination functions for Whole Child Model eligible members.

LPCH is the largest CCS provider for San Mateo County. In 2014, LPCH was one of ten children's hospitals nationwide to receive a three-year Coordinating All Resources Effectively (CARE) Award. The CARE Award is a Health Care Innovation Award from the Centers for Medicare and Medicaid Innovation (CMMI) to test the efficacy of care coordination for children with complex medical conditions. This award has allowed LPCH to create a dedicated program called Coordinating and Optimizing Resources Effectively (CORE) to provide care coordination services for qualified patients, about 200 of whom are HPSM enrolled WCM members. Since the initial grant ended in 2017, HPSM has continued to contract with LPCH for these services based on the positive outcomes achieved.

### **Discussion**

On average, 1,300 HPSM members are eligible for the Whole Child Model at any given time. The goals of the Whole Child Model are to address the needs of the "whole child," reduce fragmentation of care, and preserve quality of care and access to providers who specialize in treating children with complex medical needs. Additionally, HPSM works with FHS and LPCH to explore strategies to improve outcomes, access, quality of care, provider satisfaction and support, and to reduce financial and operational inefficiencies. The current contracts with FHS and LPCH expire at the end of 2023. HPSM seeks to extend both contracts by three years and to continue evaluating the success of each partner through reporting on compliance, quality, and outcomes. Both FHS and LPCH bring a unique offering to their case management of the medically-complex, pediatric HPSM member. An additional three years of work are needed to determine the long-term feasibility of financially supporting each relationship.

### **Fiscal Impact**

Financial terms with FHS have been adjusted to implement a mutually agreed upon budget, which is not to exceed \$2,853,034 for the period of January 1, 2024 through December 31, 2024, not to exceed \$2,967,155 for the period of January 1, 2025 through December 31, 2025, and not to exceed \$3,085,841 for the period of January 1, 2026 through December 31, 2026. This budget was put into place to control the costs of the Whole Child Model program while still accounting for an expected annual 4% cost of living adjustment (COLA) increase for staff salaries. While the not to exceed amount for each budget year represents a true maximum, the budget will be reevaluated annually and adjusted down as necessary to reflect any changes due to state rates, membership fluctuations, or other unforeseeably influential factors.

Financial terms with LPCH have been extended and the total amount budgeted for this three-year extension is \$1,054,080. Actual reimbursement to LPCH continues to be \$122 per member per month, which has been consistent throughout the contract.

The budgeted not to exceed amounts for both contracts total \$9,960,110, but actual amounts paid will be contingent upon staffing, membership levels, and annual budgeting discussions that will consider factors that may arise during the proposed contract extension period.

**DRAFT**

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AMENDMENTS TO AGREEMENTS WITH  
SAN MATEO COUNTY FAMILY HEALTH SERVICES AND  
LUCILE PACKARD CHILDREN’S HOSPITAL**

**RESOLUTION 2023 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission and the California Department of Health Care Services have directed HPSM to implement the Whole Child Model (WCM) program;
- B. HPSM and San Mateo County Family Health Services (FHS) wish to extend the current Agreement and delegate to FHS utilization management and care coordination on behalf of Whole Child Model eligible members through the end of 2026;
- C. HPSM and Lucile Packard Children’s Hospital (LPCH) wish to extend the current Agreement and delegate to LPCH care coordination on behalf of eligible members through 2026.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

- 1. The San Mateo Health Commission approves:
  - a. Extending the current agreement with FHS to continue provision of services for WCM eligible members for a total amount of \$8,906,030, and for a term of January 1, 2024 through December 31, 2026;
  - b. Extending the current agreement with LPCH to continue CORE team services for a total amount not to exceed \$1,054,080, and for a term of December 1, 2023 through November 30, 2026; and
- 2. Authorizes the Chief Executive Officer to execute said amendments.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 8th day of November, 2023 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
George Pon, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
C. Burgess, Clerk

\_\_\_\_\_  
Kristina Paszek  
DEPUTY COUNTY COUNSEL

**MEMORANDUM**

**AGENDA ITEM: 4.3**

**DATE: November 8, 2023**

**DATE:** November 8, 2023  
**TO:** San Mateo Health Commission  
**FROM:** Pat Curran, Chief Executive Officer  
Ian Johansson, Chief Compliance Officer  
**RE:** Approval of Amendments to Agreements with Compliance Strategies

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**Recommendation**

Authorize the Chief Executive Officer to execute amendments to the agreements with Compliance Strategies to extend the agreements through December 31, 2024, for a total amount not to exceed \$445,000 for all agreements for Medicare audit and other consulting services.

**Background**

HPSM has worked with Compliance Strategies since 2014 to improve readiness for and participate in CMS audit activities. Compliance Strategies specializes in preparing health plans for CMS audits, addressing compliance gaps, and improving performance in key operational areas such as grievances and appeals, pharmacy, utilization management, and care management/model of care.

HPSM has not been audited by CMS since 2016, and recently transitioned from the Cal MediConnect (CMC) program to the Exclusively Aligned Enrollment (EAE) Dual-Eligible Special Needs Plan (EAE DSNP) program in 2022. These factors create a heightened risk for a CMS audit, when it occurs, due to changes in regulatory requirements and a higher chance HPSM will be selected for audit in 2024. CMS audits are incredibly intensive activities, lasting approximately 10 weeks beginning to end. Compliance Strategies consulting helps ensure HPSM can respond to a CMS audit, accurately and timely.

Compliance Strategies will add consulting services to these agreements in the areas of model of care, grievances and appeals, and an audit of an HPSM vendor. To perform these services well, and to minimize burden on HPSM staff, Compliance Strategies services help ensure compliance with CMS requirements and timely completion of required activities.

Due to the annual demands of Medicare compliance and operations, HPSM intends to pursue a standing Medicare consulting agreement through the RFP process after the work with Compliance Strategies concludes in 2024.

**Fiscal Impact**

HPSM has maintained separate agreements with Compliance Strategies for the efforts detailed in this memo (gap analysis, model of care, grievance and appeals support, vendor audit). Since the combination of these efforts exceeds the amount for which Commission approval is required, a consolidated approval in the amount of \$445,000 is being submitted for the Commission's approval. These services include efforts conducted in 2023, which will continue into and conclude in 2024.

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AMENDMENTS TO  
AGREEMENTS WITH COMPLIANCE STRATEGIES**

**RESOLUTION 2023 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health has entered into agreements with Compliance Strategies for consulting service in preparation and readiness for CMS Medicare Audits.
- B. HPSM has not been audited by CMS since 2016, and the change in the Medicare duals model requires significant changes to HPSM's Medicare operations; and
- C. HPSM has operational support needs for Medicare in the areas of compliance, vendor oversight, grievances and appeals, and model of care; and
- D. Amendments to agreements are needed to cover the additional services and costs.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to execute amendments to agreements with Compliance Strategies for services through December 31, 2024; and
- 2. Approves the Compliance Strategies agreements for a total amount not to exceed \$445,000.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 8th day of November, 2023 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
George Pon, Chair

ATTEST:

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
C. Burgess, Clerk

\_\_\_\_\_  
Kristina Paszek  
DEPUTY COUNTY COUNSEL

**DRAFT**

**SAN MATEO HEALTH COMMISSION**  
**Meeting Minutes**  
**September 13, 2023 – 12:30 p.m.**  
**Health Plan of San Mateo**  
**801 Gateway Blvd., 1<sup>st</sup> Floor Boardroom**  
**South San Francisco, CA 94080**

**AGENDA ITEM: 4.4**

**DATE: November 8, 2023**

Commissioners Present: Jeanette Aviles  
Michael Callagy  
David J. Canepa  
Si France, M.D.  
Bill Graham, Vice-Chair  
Barbara Miao  
Raymond Mueller  
George Pon, R. Ph., Chair  
Manuel Santamaria  
Ligia Andrade Zuniga

Commissioners Absent: Kenneth Tai, M.D.

Counsel: Kristina Paszek

Staff Presenting: Pat Curran, Miriam Sheinbein, M.D., Colleen Murphey, Trent Ehrgood

**1. Call to order/roll call**

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

**2. Public Comment**

No public comments were made at this time.

**3. Approval of Agenda**

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

**4. Approval of Consent Agenda**

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

**5. Specific Discussion/Action Items**

**5.1 Approval of Primary Care Investment Strategy**

Pat Curran introduced the recommendation to allocate \$30M of HPSM's reserves over the next five years for a strategic investment to promote and advance Primary Care in San Mateo County. The purpose is to achieve better and more equitable health outcomes for HPSM members. Dr. Miriam Sheinbein reviewed her presentation on the need for investment in Primary Care. The presentation is attached to these minutes.

Major points outlined were:

- The current crisis in access to Primary Care
- Principles of Primary Care

- The process used to identify problem areas and ways to improve
- The problems facing primary care, such as workforce shortages and burnout, underdeveloped population health, suboptimal care experiences.
- Defined the problems and approaches to transform systems: Better Use of Resources; Better Work; Better Care Experience; and Better Health.
- Reviewed the Quadruple Aim solutions for improvement in each.
- More will follow at future meetings on strategies and ways to improve and continue focus on Primary Care transformation.

Commissioner Callagy expressed concern and interest in approaches in recruiting and retain PCPs that can speak multiple languages to relate to our clients. Dr. Sheinbein stated that there is an extensive system map with many initiatives under each category of the Quadruple Aim. This issue is addressed around Better Work and Better Workforce Development considering how we convene multiple stakeholders such as local training institutions, the county workforce development, our PCP network and others to creatively strategize together to recruit and retain a workforce that represents San Mateo County.

Commissioner Miao ask what percentage of HPSM's reserves is the \$30M. Mr. Trent Ehrgood explained that the reserve level through June is \$542M. He reviewed the uncommitted reserves is at \$224M and will move to commit to this strategic investment.

Commissioner Graham acknowledged that this work is a move in the right direction and there are initiatives not yet developed in their entirety at this point. This is a huge problem in San Mateo County overall and this allocation makes sense. He confirmed that this first decision is to allocate and reserve the \$30M from the uncommitted reserves for the purpose of Primary Care and that further definitive initiatives will come back to the commission for the use of these funds. Mr. Ehrgood confirmed this is correct.

Commissioner Zuniga asked in terms of recruitment and retention, what intentions are there for more PCPs to serve health plan members and what incentives does HPSM use to recruit. Dr. Sheinbein stated there is a nationwide workforce shortage. She talked about strategies that are being used such as sign on and retention bonuses, training support, offering opportunities for growth for office staff as they stay with their organizations, to name a few.

Commissioner Zuniga asked about population groups. Dr. Sheinbein stated that this work has not begun but there is work beginning about bringing different groups in our community together, but they have not begun this yet bring a diverse workforce to HSPM.

Commissioner Miao asked about the difference between Primary Care and Advanced Primary Care. Dr. Sheinbein explained that Advanced Primary Care is a set of principles to ensure better outcomes, lower costs, better quality of care and a healthy workforce for those involved in Primary Care. Primary Care is a scope of health care provision and Advanced Primary Care is based on principals to improve existing Primary Care.

Commissioner France pointed out that the current cost for primary care is \$60M a year and

the \$30M is only a 10% increase per year. He stated the goal here is to make San Mateo County a designation for Primary Care Providers. He is in support of this initiative and suggested this may not be enough. Dr. Sheinbein agreed stating this \$30M over the next 5 years will be a start and it is likely that more will be needed to continue this transformation.

Ms. Murphey added that the health plan is uniquely positioned to direct these funds directly to primary care and then how we can operate as a convener. Dr. Sheinbein said our goal is to be a model for primary care investment and to align with other payers to invest in primary care.

Commissioner Graham concurred, noting that this is the catalyst for building relationships, challenging others to be a part of that solution. He expressed appreciation for the recognition that payment for services is lower than desired and the solution is not a payment solution, and the recognition that there are other fundamental challenges.

Commissioner Aviles commented that as a convenor and amplifier, the health plan will need to be very deliberate in the direction taken because it is more than providers, it is also workforce, the diversity of our community, and who will want to do this work and what it means to full time primary care.

Commissioner Aviles moved approval of the recommendation to allocate \$30M to the Primary Care strategic investment over the next five years. (Second: Graham). **M/S/P**

## **5.2 Approval of Agreement with Stellar Health**

Ms. Murphey introduced the recommendation for approval of an agreement with Stellar Health as one of the primary care investments in the amount of \$8,047,500 for a term beginning October 1, 2023, through December 31, 2026. Ms. Murphey reviewed her presentation which is attached to these minutes.

As background, Ms. Murphey reviewed the activities beginning in 2021 related to the planning staff has performed related to future technology needs. Staff looked at how we use technology to serve members and providers and to understand our business needs.

Ms. Murphey reported on the RFP performed leading to the selection of Stellar Health. The RFP looked at different components and various solutions. There were several responses that were narrowed down to 5 semifinalists, then 3 finalists. A panel of network providers participated in demos and scoring of the finalists leading to the selection of Stellar Health for the provider-facing tool. This tool will reduce the administrative burden on providers and help with how we approach population health. Much consideration was given to the focus on value-based payment, making it easier for providers to work within the system and reduce administrative burden on providers. Ms. Murphey gave examples of how this system would work for providers.

Additionally, Stellar usually deals directly with provider offices. This agreement would include Stellar staff directly providing technical assistance to provider offices. This will help providers who opt in to do better on quality improvement. This tool can be used for non-HPSM patients and can be a benefit to providers by allowing them to have one system tool for all their patients, if they want to pay for those additional services, or work with their other payer partners to do so. Another benefit would be the administrative lift from physicians to the rest of the staff. This would be an opt-in approach for providers, so they are not required to move into this system if they have something else that works for them.

The cost structure with this vendor is per member per month ranging from \$.60-\$1.25. Ms. Murphey explained how the structure are tied to at risk measures with payment of performance bonuses of up to double their base fees contingent on five areas: Star Rating; Provider adoption focusing on smaller practices that don't currently have access to these tools; annual wellness visits; five prioritized quality measures of HSPM's choosing annually; and, how well providers perform on the pay for performance program.

Ms. Murphey reviewed the next steps if approved including implementation and roll out. The goal is January 1, 2024, go-live date.

Commissioner Aviles asked about integrations with EMR. Ms. Murphey stated that there is integration capability with this particular vendor to have a pop up within the EMR. In the reference calls conducted with the other providers, they saw a lot of adoption by those who already had an EMR. We would provide support through implementation of dollars and this is actually in the contract as well to have some integration. There's some nuance to how you build into the EMR workflow that would be funded by the planning.

Commissioner Pon asked about the number of PCPs that would not be up to standards to handle the interface and integration. Ms. Murphey did not have a number but stated that there are still a significant percentage of practices who would be still on paper today. We are hoping to target and bring in some that are a little bit less involved today.

Commissioner Mueller asked about implementation and integration with the EPIC system which the County is heavily invested in and is moving into right now. Ms. Murphey confirmed that this was a very important question within the RFP process. This will be an area to work on with Stellar to make sure this works for EPIC. Commissioner Mueller further asked if we know the challenges related to this. Ms. Murphey answered that we do know that EPIC has improved in compatibility for a fee, and this is another area where we would consider subsidizing the integration.

Commissioner Canepa asked if there are other plans using this technology. Ms. Murphey stated that this is new and typically large provider groups might sponsor this for their providers. We're seeing a couple of health plan clients on the East Coast, Georgia but new in California.

Commissioner Canepa asked about redundancy in case there is a system failure. Ms. Murphey stated that this was covered in the RFP process. This system is not typically used for emergency transactions, which reduces the burden. HPSM's system can provide additional data to providers. As we build out that next portion of the RFP that internal analytics platform will include components to make some of that data available in multiple places.

Commissioner Graham commented on what is currently happening with data is archaic and this would create an interface that is much more user friendly and more real time in assessing how well providers are doing in their Pay for Performance. He pointed out that not all companies are good at interfaces, however the regulatory environment is pushing in this direction. He added another concern is hidden costs. However, since it's not required, providers have an option.

Commissioner Aviles asked when the Pay for Performance transformation will take place. Ms. Murphey stated, for year one, it will continue to make those reports available. Staff are exploring another place to post those reports through our existing provider portal and will continue to make that available while rolling this new platform out.

Mr. Curran added that HPSM could help financially support clinics with the implementation of the interface. The other important part of this is that clinics would use it for all their patients. We are cognizant of the primary care ecosystem need, which is ready access to data for all their patients.

Commissioner Callagy moved to approve the agreement with Stellar Health as presented. Motion: Callagy; (Second: Graham). **M/S/P**

## **6. Report from Chairman/Executive Committee**

There were no comments or reports from the Executive Committee at this time.

## **7. Report from Chief Executive Officer**

Mr. Curran touched on:

- The redeterminations for Medi-Cal have begun and will continue over the next year. The first and second month are much lower than anticipated. Much effort is going into encouraging people to return paperwork. We will continue to track this activity

- The MCO tax is included in the state budget and there will also be an additional ballot initiative for a permanent MCO tax on the November 2024 ballot. The already approved MCO tax is approximately \$19B over five years and the details of how it is to be used are yet to be determined.
- At the November meeting we will have an updated strategic plan for discussion and voting.

## **8. Other Business**

No other business was discussed at this time.

## **9. Adjournment**

The meeting was adjourned at 1:41pm

Submitted by:

*C. Burgess*

C. Burgess, Clerk of the Commission

Attachment 1 to  
SMHC Minutes 9-13-2023



## Primary Care as a Common Good

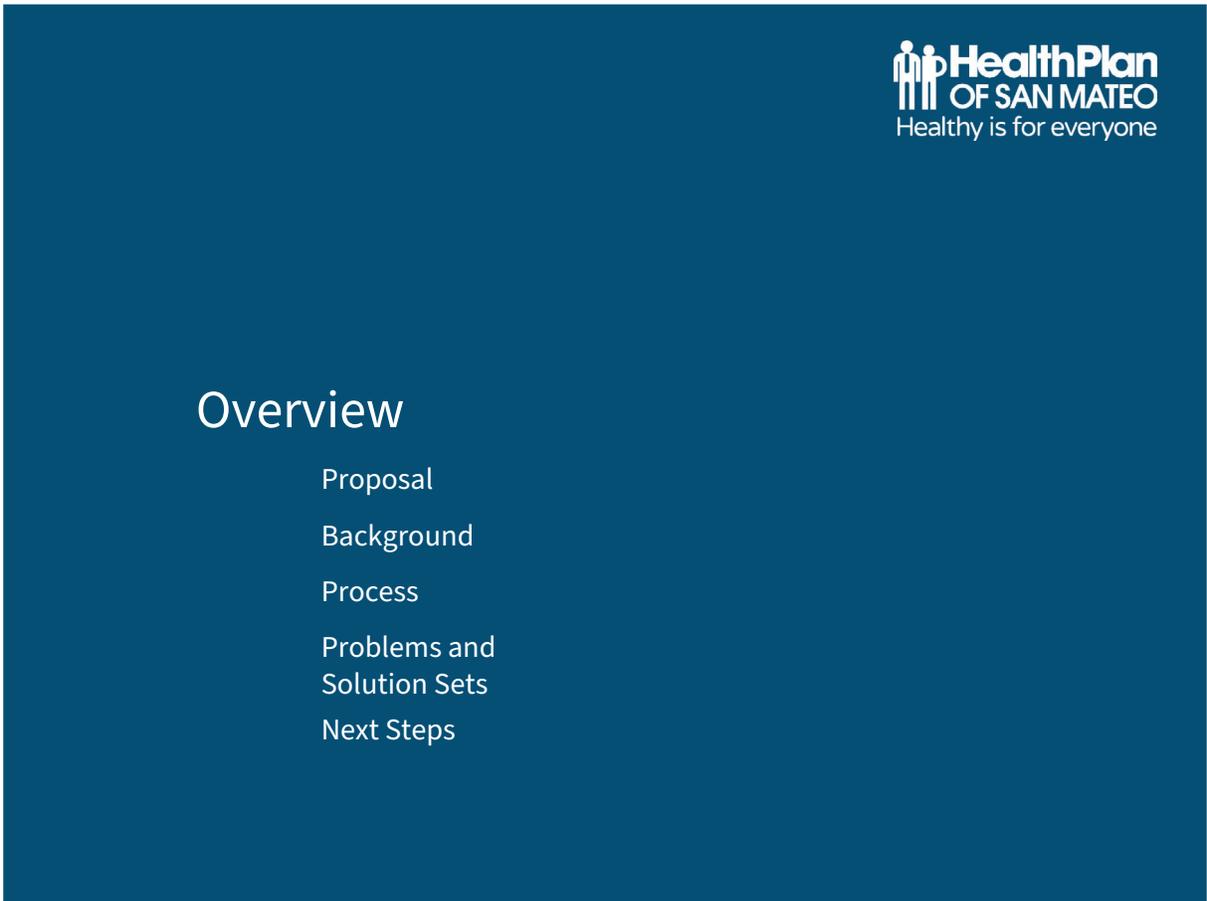
HPSM Primary Care Investment Strategy  
September 13, 2023

Presenter: Miriam Sheinbein, MD IBCLC



## Overview

- Proposal
- Background
- Process
- Problems and  
Solution Sets
- Next Steps

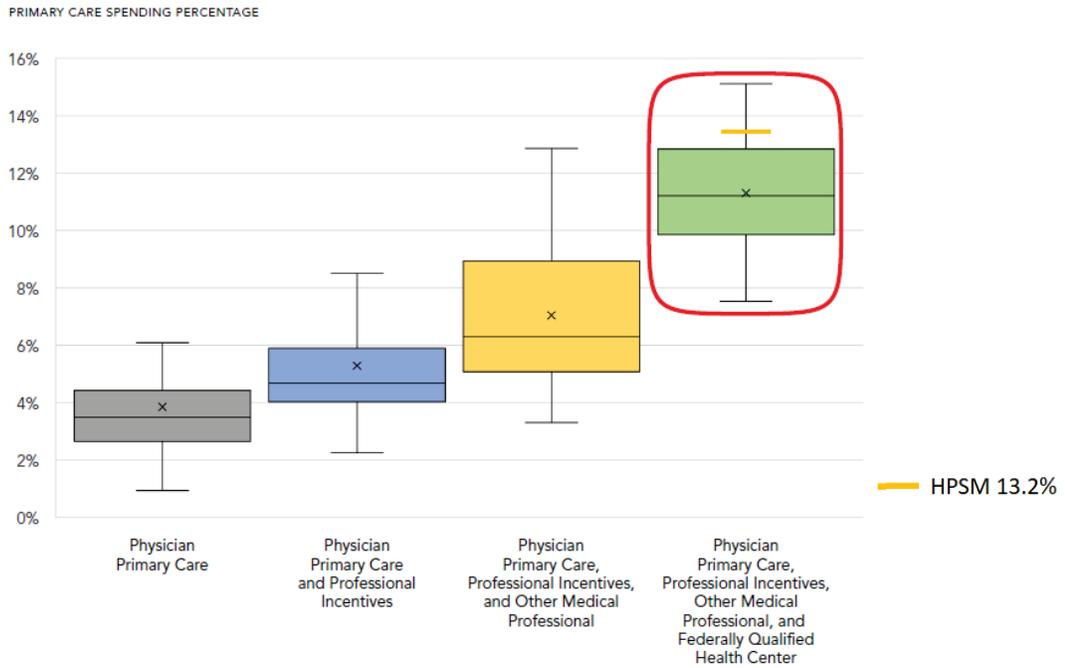


Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes (NASEM).

## Proposal

To allocate up to \$30,000,000 of HPSM reserves over the next five years for strategic investment to address the primary care crisis and to promote Advanced Primary Care in San Mateo County, in order to achieve better and more equitable health outcomes for our members.

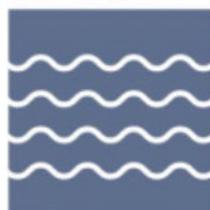
# Investing in Primary Care



Source: Edrington Health Consulting analysis of CY 2019 rate development templates; direct plan submission of proprietary data, July 2022.



PERSON & FAMILY CENTERED



CONTINUOUS



COMPREHENSIVE & EQUITABLE



TEAM BASED & COLLABORATIVE

## Shared Principles of Primary Care



COORDINATED & INTEGRATED



ACCESSIBLE



HIGH VALUE



## Our Progress to Date

- Discover
  - Interviewed 10 practice organizations (SMMC, 2 other FQHCs, 2 large systems, 5 private practices), with input from 14 providers
  - Conducted 15 conversations (5 group discussions, 1 webinar, 9 individual interviews) with 17 subject matter experts
- Define
  - Synthesized insights and Identified four problem areas
  - Developed ‘How Might We’ statements to guide ideation
- Develop
  - Produced set of hypothetical answers
  - Analyze, finalize, and prioritize
- Deliver



Define

## What problems within primary care are we trying to solve?



1. Financial Neglect
2. Workforce Shortages, Bandwidth and Burnout
3. Underdeveloped Population Health
4. Suboptimal Care Experience

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## Problem 1: Resource Allocation



- Primary care suffers from chronic underfunding and financial neglect.
- Primary care lacks resources to change the status quo.

How might we...

allocate resources to implement advanced primary care?

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## Problem 2: Workforce

- Primary care is consistently under-staffed. There are workforce shortages for primary care. It is challenging to recruit and retain members of the primary care team.
- Primary care practices have been asked to do more with fewer and fewer resources, leading to significant staff burnout.
- Primary care practices and practitioners are weighed down by administrative burden and inbox management.
- Existing staff don't have the bandwidth to take on more. Teams are not optimized to share the care.
- PCPs complain about access to specialty care affecting workload and patient care.
- Lack of racial concordance and representation between and among staff and members impacts equitable outcomes.

### How might we...

fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth, and joy?

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## Problem 3: Population Health

- Our PCPs are not population-focused. They do not have effective or consistent systems in place for population health management.
- Healthcare is not equitable. HPSM members experience disparities in health outcomes.
- Data about members is siloed and difficult to share and access. There is a lack of data visibility and transparency.

### How might we...

support our network to be more population focused, so that together we can achieve better and more equitable health outcomes for our members?

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## Problem 4: Experience



- On the 2022 CAHPS member experience survey, Medicare members scored HPSM below average on
    - Getting Appointments and Care Quickly
    - Getting Necessary Care
- And on the Medi-Cal Child Survey completed by the member's parent/guardian, areas for improvement include
- Rating of personal doctor
  - Doctor spent enough Time
  - Getting Urgent Care
  - Getting Needed Care
- Almost 10% of member grievances are complaints about appointment availability, especially with their PCPs.
  - Primary care does not have the capacity to address members' medical and social problems that impact health.
  - Care is not sufficiently integrated or coordinated within, across and outside the network.
  - Communication is not consistent between HPSM and PCPs.
  - The member's perspective is not regularly integrated into decision making about primary care.

### How might we...

improve the care experience for members and families, so that they are satisfied, engaged in their care, and healthy?

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## How Might We?



### Use Resources Better

- How might we allocate resources to implement advanced primary care?

### Promote a Robust and Thriving Workforce

- How might we fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth, and joy?

### Improve Population Health

- How might we support our network to be more population focused, so that together we can achieve better and more equitable health outcomes for our members?

### Enhance Care Experience

- How might we improve the care experience for members and families, so that they are satisfied, engaged in their care, and healthy?

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# Ideation

We must transform 4 systems:



## Better Use of Resources



How might we allocate resources to implement advanced primary care?

1. Measure/Report/Increase Primary Care Spend
2. Pay for Advanced Primary Care
3. Test Alternative Payment Models
4. Align with Other Payers
5. Offer Practice Supports

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## Better Work



How might we fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth, and joy?

1. Invest in Workforce Development
2. Bolster the 3Rs: Recruitment, Retention, and Resilience
3. Promote Team-Based Care that Increases PCP Capacity
4. Enhance Staff Diversity, Inclusion, and Belonging

20

## Better Population Health



How might we support our network to be more population focused, so that together we can achieve better and more equitable health outcomes for our members?

1. Increase Network Population Health Management Capabilities
2. Improve Data Transparency
3. Support Data Integration and Interoperability
4. Improve Performance and Reduce Disparities

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## Better Care Experience



How might we improve the care experience for members and families, so that they are satisfied, engaged in their care, and healthy?

1. Uplift member voices
2. Enhance Community Partnerships for more Coordinated, Integrated and Comprehensive Care
3. Improve Access
4. Increase Engagement

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# Quadruple Aim



## Better Use of Resources

1. Measure/Report/Increase Primary Care Spend
2. Pay for Advanced Primary Care
3. Test Alternative Payment Models
4. Align with Other Payers
5. Offer Practice Supports

## Better Work

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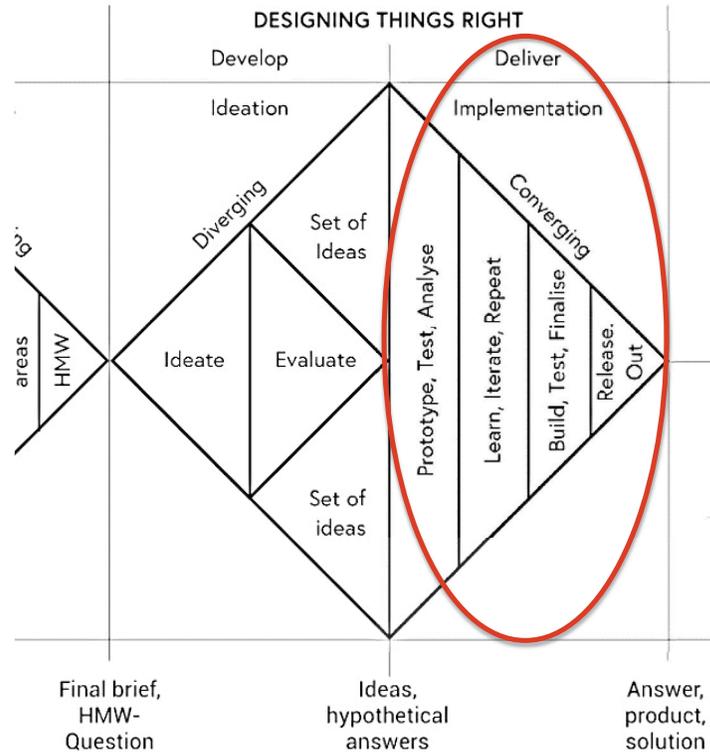
## Better Care Experience

1. Uplift member voices
2. Enhance Community Partnerships for more Coordinated, Integrated and Comprehensive Care
3. Improve Access
4. Increase Engagement



# Next Steps

## The Process



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## How will we deliver?

1. Internally resource Experimentation and Evaluation
2. Invest in innovation and capacity-building through grants, incentive payments, and programming
3. Obtain Buy-in, Align and Mobilize
4. Convene, Collaborate, Co-design, Co-produce
5. Ongoing assessments
6. Deploy practice coaches
7. Storytelling

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## Resolution

- To allocate up to \$30,000,000 of HPSM reserves over the next five years for strategic investment to address the primary care crisis and to promote Advanced Primary Care in San Mateo County, in order to achieve better and more equitable health outcomes for our members.



## Discovery

### San Mateo Primary Care Interviews

- Dignity Health
  - Marie President
- Family Care Associates
  - Aaron Roland
- Live Well Pediatrics
  - Maria Luisa Osmeña
- North East Medical Services
  - Kenneth Tai, Helen Wong
- Other
  - Angelo Arcilla
  - Lornalyn Carrillo
- Pacific Family Medicine
  - Thanh Huynh
- Planned Parenthood Mar Monte
  - Margaux Lazarin, Cassie Friedrich
- Ravenswood Family Health Network
  - Jaime Chavarria
- San Bruno Pediatrics
  - Maria Abunto
- San Mateo Medical Center
  - Jeanette Aviles, Mithu Tharayil

## Expert Interviews



- **Elena Alcalá**
  - Deputy Directory, Community Health Partnership
- **Anna Lee Amarnath**
  - Align Measure Perform General Manager, Integrated Health Association
- **Palav Babaria**
  - Chief Quality Officer and Deputy Director of Quality and PHM, DHCS
- **Thomas (Tom) Bodenheimer**
  - Founding Director, Center for Excellence in Primary Care, UCSF
- **Jason Cunningham**
  - CEO, West County Health Centers
- **Crystal Eubanks**
  - Vice President, Care Transformation, Purchaser Business Group on Health
- **Kevin Grumbach**
  - Founding Director, Center for Excellence in Primary Care, UCSF
- **Chris Koller**
  - President, Milbank Memorial Fund
- **Lance Lang**
  - Physician Leader, Health Policy Consultant
- **Melissa Marshall**
  - CEO, CommuniCare Health Centers
- **Katrina Miller Parrish**
  - Chief Quality and Information Executive, LA Care
- **Robert (Bob) Moore**
  - CMO, Partnership Health Plan
- **Lindsay Petersen**
  - Senior Manager, Care Transformation, Purchaser Business Group on Health
- **Kathryn Phillips**
  - Associate Director, Improving Access, CHCF
- **Diane Rittenhouse**
  - Senior Fellow, Mathematica
- **Michael (Mike) Witte**
  - CMO, California Primary Care Association
- **Dolores Yanagihara**
  - Vice President, Strategic Initiatives, Integrated Health Association

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## What we heard from our PCPs



### Who are our Primary Care Providers?

Our primary care providers are motivated by a shared mission to provide quality care to those who are most in need.

Among our providers is a spectrum of team-based care from PCP-led practices to teamlets (PCP/MA) to interprofessional care teams with variation in standardized work and delegation of administrative tasks (shared care).

### Opportunities for Growth (Barriers)

- Recruiting and retaining a diverse workforce
- Bandwidth, limited resources, and administrative burden
- Access to specialty care (esp for N County)
- Population Health Management and Performance

### HPSM as a Resource

- Workforce Development
- Interoperability
- Learning Collaboratives
- Care coordination
- Social Supports

# What we learned from our SMEs

## Primary Care Investment

- Not One Size Fits All
  - We must vary our approach and our investments for different practices and needs
  - We must mobilize and engage our network to direct our investments
- Promote and Align with principles of Advanced Primary Care
  - Use these principles to monitor the value of our investment (rather than performance metrics)
  - Refine objectives and desired outcomes to distinguish expectations for all practices versus expectations to advance primary care (higher tier practices)
  - Support: financial, operational, workforce development
- Increase primary care spend
  - Measure, target, increase proportion over time
  - Ensure increased spend goes to primary care, not disseminated throughout system.
  - Pay for what's important to our primary care community.
  - Fund infrastructure, not just for outcomes
  - Fund adequately.
- Align with other payers
  - Small share of business requires multi-payer alignment to promote buy-in
  - Invest together

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# Areas of Friction

- That whatever we do is significant/salient enough to effect change in PC
  - Goal is transformation, not improvement at the margins
  - Engaging/mobilizing our network (big and small) towards Advanced PC
  - Limited PCP interest in assuming risk, which is a powerful tool for change
  - Ensuring investments are actually incentives for change and money flows directly to PC
  - PPS rates' effects on investments/incentives
- Different needs/capabilities among large systems and small independent practices\*
- PC Bandwidth and Competing Priorities:
  - staffing/burnout makes it difficult to focus on quality metrics/PHM
  - access to specialty care affects PCP workload (chicken or the egg?)
  - reduced administrative burden for PCPs in conflict with HPSM process/outcome priorities
- Stakeholder Representation:
  - misalignment between clinical, operational and finance
- Balancing flexibility and prescriptiveness of investments
- Other:
  - Helping to grow a diverse workforce\*
  - Limited knowledge about CalAIM
  - Incentivizing member engagement/behavior change

\*Also areas of alignment

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# What success looks like

## Primary care is

- Person & family centered; continuous; comprehensive & equitable; team-based & collaborative; coordinated & integrated; accessible; and high value.

## Primary care providers/teams are

- Working at top of license; interprofessional; paid on par with specialists;
- Easy to recruit and retain; engaged; happy; not burnt out; proud to be serving HPSM members
- Have the resources they need to provide advanced primary care and can focus on patient care rather than administrative tasks.

## Our members are

- Satisfied, engaged in their care, and healthy.

## Data is

- Clean, easy to access, and at everyone's fingertips

## HPSM

- Has direct and ongoing communication with at least one clinical AND operational partner at each primary care organization
- Measures primary care spend, increasing the proportion each year; PC spend is now  $\geq 12\%$  of total spend.

## HPSM is

- A 5-star plan, driven by member and provider satisfaction and outcomes on CAHPS and HEDIS.
- Seen as an expert in primary care investment.
- A collaborator and a convener.
- Internally resourced to continue scaling investment efforts and data integration.

Investment in Provider Care Gaps  
Technology  
Discussion of Proposed Agreement with Stellar Health  
San Mateo Health Commission  
9/13/2023



## Planning for Future Technology Needs



- 2021:** Meet Interoperability compliance requirements -- making a limited set of HPSM data available in a new industry-standard format
- 2022:** identify and prioritize HPSM's business needs that could have an impact on data and technology investments over the next several years.
- 2023:** Complete a “modular RFP” to identify one or more technology partners, to help us meet top-priority needs in an integrated way
- 2024 +:** Begin implementing new technology platform(s), and investments in staff data literacy

# Planning for Future Technology Needs



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3

# Modular RFP Update



<p><b>What we were looking for*:</b></p>	<p><b>Internal analytics platform</b> to support targeted, responsive improvements on HEDIS and Star Ratings</p>	<p><b>External provider tool</b> to make it easier for PCPs to identify &amp; close care gaps</p>
<p><b>Who responded &amp; reviewed?</b></p>	<p><b>23 vendors</b> responded to RFP; responses reviewed and scored by 6 HPSM department leaders</p>	<p><b>9 vendors</b> conducted first round demos, attended by 20 HPSM staff; <b>5 of these vendors</b> moved to second-round demos</p>
<p><b>How did we select?</b></p>	<p><b>3 finalists</b> evaluated by a panel of HPSM providers</p>	<p><b>1 VOC</b> for external provider tool (today’s discussion) <b>1 VOC</b> for internal analytics (negotiations still underway)</p>

\*Initial scope of requirements also included support for Encounter Data management

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## Modular RFP Update



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5

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# Selection criteria



**Business requirements**



**Provider feedback**



**Solution security**



**Competitive cost and value**

# Current digital experience to access care gaps information



**HealthPlan OF SAN MATEO**

MAIN MENU

- Favorites
- Full Access
- Help
- Log Out

Please sign in

Authorization Required

Name

Password

Login Chg Pwd

This HPSM computer system is for the official use by authorized users and may be monitored and/or restricted at any time. Confidential information may not be accessed or used without authorization. Unauthorized or improper use of this system may result in administrative discipline, civil and/or criminal penalties. By using this system you are acknowledging and consenting to these terms and conditions. LOG OFF IMMEDIATELY if you are not an authorized user or do not agree to the conditions in this warning.

**onHAND**  
paper FOR BUSINESS

# Current digital experience to access care gaps information



**HealthPlan OF SAN MATEO**

MAIN MENU

- Favorites
- Full Access
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Full Access to Your Folders v7.02

Search for

Select	Name
<input type="checkbox"/>	Capitation Roster Report
<input type="checkbox"/>	Engagement Benchmark Report
<input type="checkbox"/>	HEALTHsuite Remittance Advice
<input type="checkbox"/>	Non-Assigned Members Report
<input type="checkbox"/>	NF Benchmark Member Detail Report
<input type="checkbox"/>	NF BenchmarkProgress Report
<input type="checkbox"/>	Annual P4P Payment Summary
<input type="checkbox"/>	P4P Benchmark Member Detail Report
<input type="checkbox"/>	P4P Benchmark Member Detail 3MonthLag Report
<input type="checkbox"/>	P4P Benchmark Member Detail SystemLevel CMC Report

1 2 3 ...

# Current digital experience to access care gaps information



Folder: YMCA DPP Report

Date	Pg	Documents
1/2/2022	1	1780856294 - YMCA OF SAN FRANCISCO
12/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
11/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
10/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
9/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
8/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
7/2/2021	1	1780856294 - YMCA OF SAN FRANCISCO
6/11/2021	1	1780856294 - YMCA OF SAN FRANCISCO

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paper FOR BUSINESS<sup>®</sup>

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# Current digital experience to access care gaps information



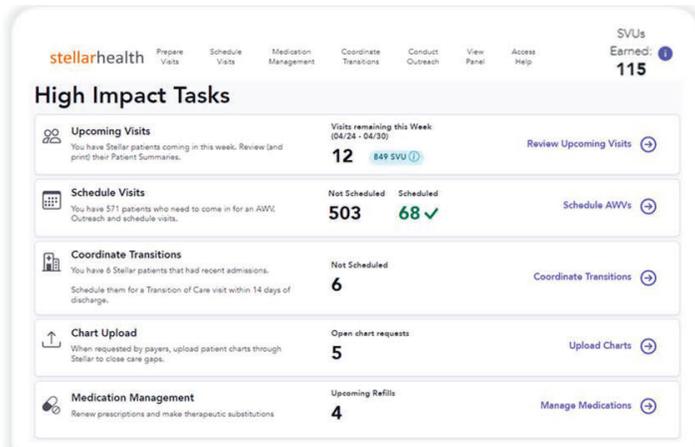
- Over a dozen different Excel reports
- Require referring to a separate program guide document to interpret what the data included means

P4P Medi-Cal #2 and #4: Member Detail

Field	Value Description
ProviderID	Provider HPSM ID
Provider_NPI	Provider NPI
Provider_Name	Provider Name
LOB	HPSM Line of Business
MemberID	Assigned Member HPSM ID
Last_Name	Assigned Member Last Name
First_Name	Assigned Member First Name
DOB	Assigned Member Date of Birth
Age	Assigned Member Age
Sex	Assigned Member Sex
Language	Assigned Member Primary Language
Phone	Assigned Member Phone
Columns M - AQ	Member-level eligibility and compliance, by quality metric. Column header describes quality metric shorthand (i.e. BCS = Mammogram for Breast Cancer Screening). See tab "INFO - CA" in eReport for full list of quality metrics. <b>KEY:</b> • Asterisk (*) = Non-compliant: Member eligible for measure but has not met criteria for compliance (i.e. member included in denominator but not numerator) • Date = Compliant: Member eligible for measure and has received the necessary procedure OR outcome measure is within compliant range (i.e. member included in denominator and numerator) • N/A = Ineligible: Member is not eligible for measure (i.e. member not included in denominator or numerator) • Number of 30-day all-cause hospital readmissions during measurement period. Rolls up to quality metric PCR. • Most recent HbA1c Test date (patients with diabetes only) • Most recent HbA1c Test Result • Number of months (may be nonconsecutive) member has been assigned to PCP in current calendar year • Flag (Y/N) for whether member is on track to hit minimum 9 months assignment to PCP for P4P credit • Flag (Y/N) for whether member is currently assigned to PCP panel
PCR_Readmissions_N	
Last_HbA1c_Test_Date	
Last_HbA1c_Test_Result	
Total_Eligible_Months	
Potential_9Month_Enrollment	
Current_Member	

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# New digital experience for providers to access care gaps



- Complete a checklist of **recommended value-based actions**
- **Improve quality and care** by focusing on the next most valuable task
- Keep every employee engaged and **democratize value-based care** with shared rewards
- **Pay providers and staff monthly**, rather than in 12-18 months
- Deliver **real-time actionable data** across all lines of business through one platform

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# Enabling quality improvement at a population level



Your practice's Quality Star Ratings for the current and previous years. Click on the Quality Measures to view patients eligible for each measure this year.

Quality Plan HMO Patients (n = 462)							
Quality Measure	2022 Completion Rate	2022 Star Rating	2023 Completion Rate	2023 Star Rating	Patients Eligible for Measure	Additional Patients to hit 5-star target	5-star Completion Target
Breast Cancer Screening	70%	4	44%	2	114	38	77%
Colorectal Cancer Screening	87%	5	24%	1	181	99	79%
Diabetes Eye Exam	90%	5	33%	3	6	3	79%
Average 2022 Score (target 4.0+ stars):		2.1	Average 2023 Score (target 4.0+ stars):		2.3		

Local Market Medicare HMO Patients (n = 136)							
Quality Measure	2022 Completion Rate	2022 Star Rating	2023 Completion Rate	2023 Star Rating	Patients Eligible for Measure	Additional Patients to hit 5-star target	5-star Completion Target
Adult BMI	10%	1	0%	0	43	43	99%
Breast Cancer Screening	33%	1	10%	1	10	7	77%
Colorectal Cancer Screening	85%	5	15%	1	13	9	79%
Diabetes HbA1C Control	17%	1	100%	5	10	0	83%
Average 2022 Score (target 4.0+ stars):		2	Average 2023 Score (target 4.0+ stars):		2		

- The Stellar App puts your **highest priority actions** directly in front of the provider and their staff
- Stellar **changes the workflow** for your practices to align with your specific goals
- Every action in the app is **fully customizable** to ensure a practices workflow is designed to provide the most optimal value-based care for their specific patient population
- SVUs earned per action can be tailored to drive focus on **highest value actions**

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## Ability to meet “ante in” minimum requirements, including:

- Solution security
- Strong customer references (incl. NorCal and Central Valley provider group and a health plan similar to HPSM)
- Experience working with Federally Qualified Health Centers (FQHCs) and Medicaid/Medicare plans
- Ability to integrate with other data platforms
- Stable funding and financials

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## Unique solution features

- “Gamified” user experience based on behavioral design
- Payor-agnostic platform
- Focus on reducing documentation burden for physicians
- Flexibility for providers to opt in
- Provider engagement supported by liaisons who meet with practice staff to provide coaching, technical assistance

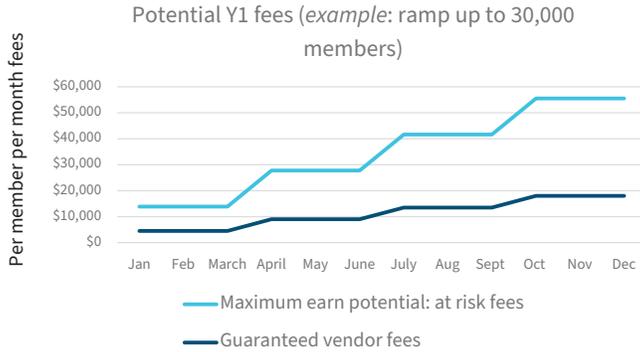
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Factors that drove our selection (3 of 3)

## Competitive fee structure



- Two thirds of potential fees are at risk based on outcomes
- “Pay for value”: all fees based upon adoption



Factors that drove our selection (3 of 3)

## Competitive fee structure



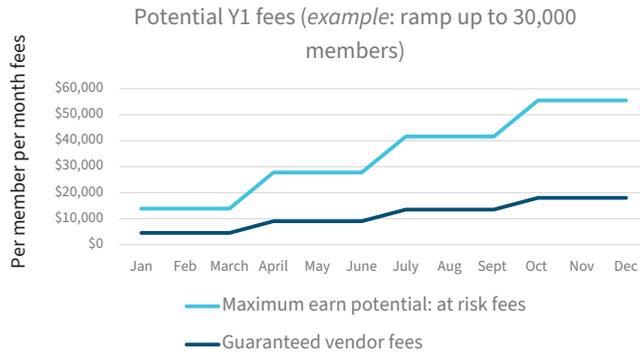
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Base vendor fees are paid on a per member per month basis – HPSM pays based upon actual adoption

## Competitive fee structure

- Two thirds of potential fees are at risk based on outcomes
- “Pay for value”: all fees based upon adoption



Vendor earns a performance bonus *up to* double their base fees, based on:

1. Plan Star Rating
2. Provider adoption
3. Annual wellness visits
4. Five prioritized quality measures of HPSM’s choosing (annually)
5. How well providers did earning their potential P4P \$\$

## Provider Digital Experience Goals



Improve the overall provider digital experience aligned with Provider Satisfaction



Drive providers to the provider portal as the source of truth



Improve overall provider data



Improve processes and create efficiencies for internal staff and providers



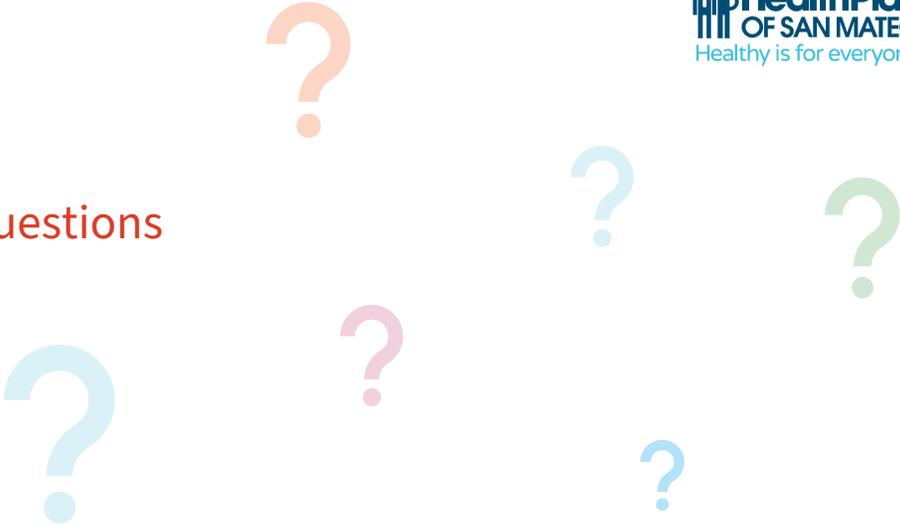
Support regulatory and/or accreditation requirements

## Next steps if approved



- Develop communication campaign to providers
- Draft roll out schedule of providers to meet with, using an opt in approach
- Targeting a January 1 2024 go-live for the first “wave” of practices
- Provider experience survey among practices who adopt
- Status updates to SMHC as part of primary care investment updates

## Questions



**MEMORANDUM**

**AGENDA ITEM:** 5.1

**DATE:** November 8, 2023

**DATE:** November 2, 2023  
**TO:** San Mateo Health Commission  
**FROM:** Patrick Curran, Chief Executive Officer  
Colleen Murphey, Chief Operating Officer  
**RE:** HPSM 2024-2028 Strategic Plan Approval

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**Recommendation:**

Approve the strategic plan and direct staff to develop a final document to reflect this approved strategic plan.

**Background:**

HPSM last developed a strategic plan in 2018 which was approved by the Health Commission. The existing plan was extended partly due to the pandemic and we are now presenting an updated five-year plan for 2024 through 2028. Staff gathered input from a variety of sources, such as contracted providers, community partners, HPSM staff, Health Commissioners, and used various sources of member data, as well as conducting an environmental scan.

The Health Commission and HPSM leadership held a strategic planning meeting on Wednesday, August 23<sup>rd</sup>, in which the main elements of the draft strategic plan were discussed. Based upon the input from that meeting, we have updated the plan and now bring to the Health Commission for approval.

**Discussion:**

The main elements of the plan include six organizational goals in two areas of focus:

- Better Health Experiences and Outcomes for all members
  - ✓ Outcomes
  - ✓ Access and Experience
  - ✓ Equity
- Thriving Organization Capacity and Resilience
  - ✓ Strengthening Culture and Teams
  - ✓ Solving Problems with Data
  - ✓ Investing for the Future

**Fiscal Impact:**

There is no fiscal impact with the approval of this 2024-28 Strategic Plan.

**DRAFT**

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF  
STRATEGIC PLAN FROM 2024 - 2028**

**RESOLUTION 2023 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission is responsible for oversight of HPSM and its important role as a community health plan and steward of public dollars;
- B. HPSM’s mission is to ensure that San Mateo County’s underserved residents have access to high-quality care, services and supports so they can live the healthiest possible lives; and
- C. HPSM has conducted a ten month process to capture input and perspectives from members, providers, community partners, HPSM employees, San Mateo Health Commission Commissioners, regulatory agencies and industry experts; and
- D. HPSM has developed an updated five-year strategic plan to accomplish six prioritized organizational goals, and guide its work in service of its mission.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

- 1. The San Mateo Health Commission authorizes the adoption of the HPSM Strategic Plan for the time period of 2024-2028 as outlined in the attached memo.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 8th day of November, 2023 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
George Pon, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
C. Burgess, Clerk

\_\_\_\_\_  
Kristina Paszek  
DEPUTY COUNTY COUNSEL

Agenda Item: 5.2  
Date: November 8, 2023

# External Audit Results & Trends, and 2022 Compliance Survey Results

Ian Johansson, Chief Compliance Officer

November 8, 2023

# 2023 External Audit Activity

- Department of Health Care Services (DHCS)
  - Routine medical compliance audit conducted July 31<sup>st</sup> to August 11<sup>th</sup>
  - Concurrent targeted audit conducted
    - Behavioral health and transportation
  - Pending receipt of audit report
- Department of Managed Health Care (DMHC)
  - Received audit report from 2021 audit

# 2023 External Audit Activity

- 2023 DHCS Audit
  - Routine audit reviews six (6) categories of operations
    - Utilization Management
    - Case Management and Coordination of Care
    - Access and Availability of Care
    - Members' Rights
    - Quality Management
    - Administrative and Organizational Capacity

# 2023 External Audit Activity

- 2023 DHCS Audit
  - DHCS provided “areas of concern” at audit conclusion
    - Not guaranteed to become findings
    - HPSM has an opportunity to rebut findings, once released
  - Audit report expected before end of 2023

# 2023 External Audit Activity

- 2023 DHCS Audit
  - Targeted audit of Behavioral Health and Transportation (Non-emergency medical transportation, Non-medical transportation)
  - Concerted effort based on stakeholder feedback to DHCS
  - No formal audit report to be produced
    - Expecting additional guidance and future routine audit attention in these areas

# 2023 External Audit Activity

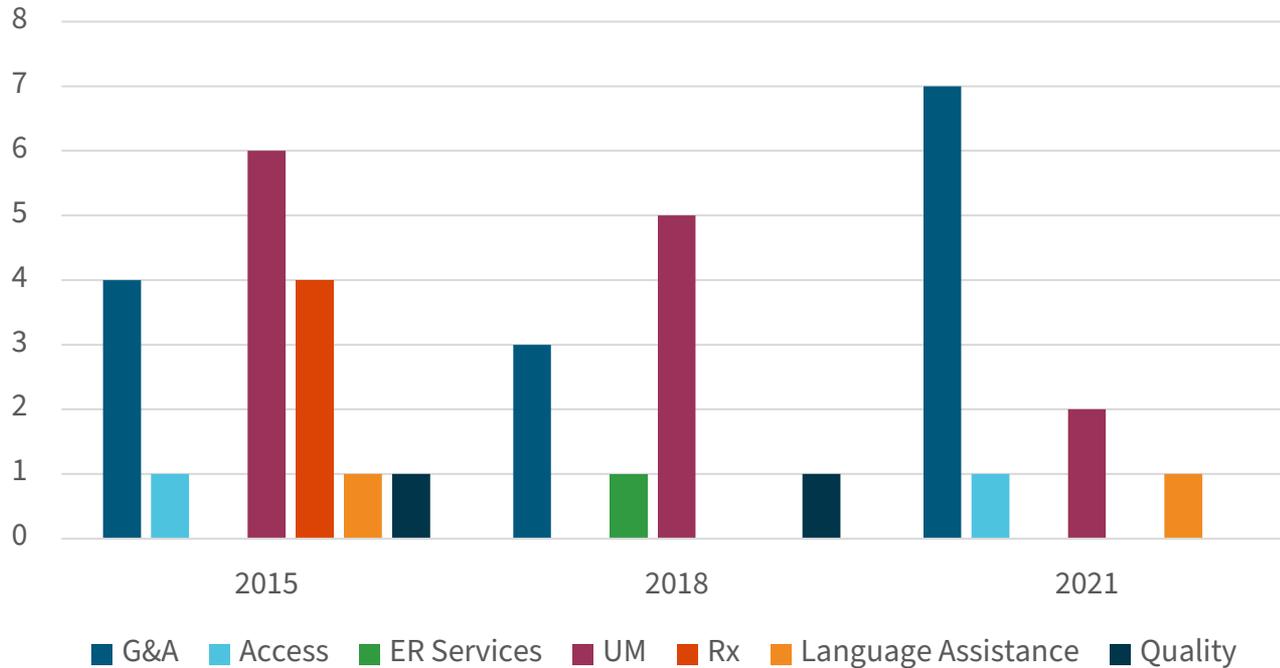
- 2021 DMHC Audit
  - Routine audit reviews eight (8) categories of operations
    - Quality Assurance
    - Grievances & Appeals
    - Access and Availability of Services
    - Utilization Management
    - Continuity of Care
    - Access to Emergency Services & Payment
    - Prescription Drug Coverage (Rx)
    - Language Assistance

# 2023 External Audit Activity

- 2021 DMHC Audit
  - Audit conducted November 15, 2021 to November 18, 2021
  - Findings cited in areas of:
    - Grievances and Appeals
    - Access and Availability of Services
    - Utilization Management
    - Language Assistance

# 2023 External Audit Activity

## DMHC Audit Results 2015-2021



# What's does this mean?

- DHCS audit intensity is increasing
- DMHC audit report release delay (approx. 1.5 yrs) complicates audit response
- Overall: Opportunity to adapt alternative approaches to 1) improving audit readiness and 2) building in oversight processes into regular business

# What's next?

- Provision of evidence to demonstrate closure of audit issues
- Issues that remain uncorrected will receive a corrective action plan (CAP)
- Evaluation of effort needed to resolve systemic issues
  - Collaboration with Leadership, business owners, and Compliance team
- Ideal state: better monitoring systems will yield better performance

# 2023 External Audit Activity

- Centers for Medicare and Medicaid Services (CMS)
  - Seven (7) years since last CMS audit
  - Outlier based on several factors:
    - CMS intends to audit all plans covering all enrolled members every four (4) years
    - Recent issues disclosed to CMS heighten risk of selection
  - Audit is a highly intensive effort, with a 6-week lead time and 3-week audit schedule

# 2023 External Audit Activity

- Centers for Medicare and Medicaid Services (CMS)
  - Currently undergoing gap analysis & remediation effort with a consulting firm
  - Ideal state: Adopt a standing readiness posture with testing of Medicare operations annually; ongoing consulting subject matter expertise support
    - How we support NCQA efforts, today
  - Reduce burden on Compliance and operations by embedding continuous testing and support

# 2023 External Audit Activity

- National Committee on Quality Assurance (NCQA)
  - HPSM is accredited by NCQA for its Medi-Cal line of business
  - Surveys are conducted every three (3) years
  - HPSM was provisionally accredited after it's last survey in 2021/22
  - HPSM completed a resurvey in Q1 2023 in Utilization Management and Population Health Management
  - HPSM was awarded full accreditation after successful resurvey effort
  - Next survey is in 2024/25

# Take away

- HPSM has strong, capable operational leaders
- All Medi-Cal plans are under tremendous pressure with CalAIM and 2024 Contract work
  - New processes, services, and requirements
- Audit findings are an opportunity to improve
- Volume of new requirements create natural pressures to maintain performance in core services and in new services

# 2022 Compliance Survey Results



	2022	2021	AVG
1 Participation Rate	83%	74%	71%
2 Familiar with Compliance Program	99%	99%	98%
3 I know where to view a copy of HPSM's Code of Conduct	99%	99%	97%
4 I know where to locate HPSM's P&Ps	97%	99%	97%
5 I am aware of the P&P that relate to my job	100%	99%	98%
6 The name of HPSM's Compliance Officer is	99%	99%	99%
7 I know how to contact the Compliance Officer	98%	100%	96%
8 I would feel comfortable reporting to the Compliance Officer	92%	98%	97%
9 Observed workplace behavior that felt violated Code of Conduct or policy, law	6%	4%	10%
10 If YES to previous, but didn't report	1.86%	0.47%	2.62%
11 Do you know about HPSM's policy on non-retaliation and non-intimidation	98%	98%	97%
12 Fear of retaliation would prevent me from reporting	21%	15%	24%
13 Confident Compliance will ensure concern is addressed timely	97%	98%	97%
14 Confident Compliance will ensure concern is addressed confidentially	98%	99%	97%

# 2023-24 Schedule

- December
  - 2024 Contract
  - 2024 Outlook
- Q1 2024
  - Annual Report
  - Finance/Compliance Reporting

# Questions?



- Contact me @
  - [ian.johansson@hpsm.org](mailto:ian.johansson@hpsm.org)
- Hotline available 24/7
  - 844-965-1241

Thank You



**MEMORANDUM**

**AGENDA ITEM: 5.3**

**DATE: November 8, 2023**

**DATE:** October 31, 2023  
**TO:** San Mateo Health Commission  
**FROM:** Luarnie Bermudo, Director of Provider Services  
**RE:** Approval of Capacity Grant Agreement for 3Prong Health

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**Recommendation:**

Authorize the Chief Executive Officer to execute a capacity grant agreement with 3Prong Health, a Non-Specialty Behavioral Health Provider, to increase access to in-person Non-Specialty Mental Health Therapy and Psychiatric services for HPSM members in a total amount not to exceed \$350,000.

**Background:**

In 2020, HPSM De-Delegated the Non-Specialty Mental Health (aka Mild to Moderate) benefit from Behavioral Health and Recovery Services (BHRS). The benefit was brought “in-house”, and HPSM now has managed all the benefit functions, such as Network Contracting and Credentialing, Utilization Management, Claims, etc. HPSM contracted with over 116 network providers by the time of de-delegation go live. 3Prong Health joined the HPSM Non-Specialty Mental Health Network and were instrumental in supporting access to therapy and psychiatric services for our members. In the same year, we also noticed an increase in Telehealth services, primarily due to policy changes because of the public health emergency. While HPSM members are not currently experiencing network access issues and telehealth services have increased flexibility for our providers to offer virtual services to our members, there was a noticeable increasing gap in in-person services, specifically for children. To mitigate this challenge, HPSM is seeking to partner with one of its high-volume mental health providers, 3Prong Health, to increase in-person mental health services. 3Prong Health was a critical provider ensuring access to our members for Non Specialty Mental Health Services during the pandemic and they have stepped up again to support an area of need by offering to expand in-person services.

**Discussion:**

HPSM is seeking to grant 3Prong Health with a \$350,000 capacity investment to fund the capacity expansion of In Person HPSM mental health services at 1375 Burlingame Avenue, Burlingame, CA. This expansion will encompass an additional 3,000 square feet, that will create 8-10 net new clinical exam rooms dedicated to in-person services. The primary goal of this expansion is to meet the

escalating demand for mental health services among HPSM members, particularly within the Adolescent and Child population.

Objectives of the grant will include:

- **Enhanced Capacity:** The expansion will significantly increase the ability to provide in-person services, accommodating 400-600 HPSM members. This will address the pressing need for accessible mental health care.
- **Focusing on Adolescents and Children:** With a specific focus on Adolescents and Children, the aim is to bridge the gap in mental health services for HPSM's vulnerable population, contributing to improved overall community well-being.
- **Equity in Treatment Options:** By providing expanded in-person services, the aim is to offer HPSM members a more comprehensive range of treatment options, promoting equitable access to mental health care.
- **Recruitment and Workforce Development:** Recognizing the challenges in recruiting highly skilled therapists, especially given the evolving labor market and remote work trends; a portion of the grant will be allocated to workforce development, ensuring the 3 Prong Health team is well-prepared to deliver quality care.

#### **Fiscal Impact:**

A one-time \$350,000 capacity investment to increase in-person therapy and psychiatric services over the next year. The budget breakdown for the investment is as follows:

- **Construction:** \$200,000 The construction component of the budget encompasses essential structural changes and modifications required for the expansion. This includes the creation of additional clinical exam rooms, the installation of necessary utilities, and the optimization of the new space for an optimal patient experience.
- **Furniture, Fixtures, and Equipment (FFE):** \$50,000 The FFE budget covers the procurement of furniture and equipment vital for the effective functioning of the expanded space. This includes ergonomic furniture for clinical rooms, reception and waiting areas, as well as specialized equipment required for mental health assessments and therapy sessions.
- **Workforce Development: \$100,000** Investment in recruitment efforts to attract skilled therapists and psychiatrists. Training and professional development programs for new and existing staff
  - **Recruitment Incentives:**
  - Therapists: \$7,000 x 7 = \$49,000 (Including \$5,000 sign-on bonus and \$5,000 retention bonus per therapist)
  - Psychiatrist: \$30,000 (Including \$20,000 sign-on bonus and \$10,000 retention bonus)

**DRAFT**

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF CAPACITY GRANT  
AGREEMENT FOR 3PRONG HEALTH**

**RESOLUTION 2023 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission is responsible for administering Non-Specialty Mental Health services (aka Mild to Moderate) for its members;
- B. 3Prong Health is a contracted Non-Specialty Mental Health provider which was instrumental in supporting access to therapy and psychiatric services for our members during the public health emergency
- C. To address the increased need for in-person services, HPSM is seeking to partner with 3Prong Health, to increase in-person mental health services for its members, especially children and youth.

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

- 1. The San Mateo Health Commission approves the one-time Capacity Grant Agreement with 3Prong Health as outlined in the attached memo as an investment for the provision of increasing in-person mental health services for HPSM members; and
- 2. Authorizes the Chief Executive Officer to execute said Agreement with 3Prong Health for a total amount not to exceed \$350,000.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 8th day of November, 2023 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
George Pon, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
C. Burgess, Clerk

\_\_\_\_\_  
Kristina Paszek  
DEPUTY COUNTY COUNSEL

## MEMORANDUM

**AGENDA ITEM:** 7.0

**DATE:** November 8, 2023

**DATE:** November 1, 2023  
**TO:** San Mateo Health Commission  
**FROM:** Patrick Curran  
**RE:** CEO Report – November 2023

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### **HPSM Wins Quality Awards!**

At the recent DHCS Quality Conference, HPSM was presented with two awards:

- (1) HPSM won the Highest Bold Goals Aggregate Quality Factor Score (AQFS) for the San Francisco/Sacramento area.
- (2) HPSM won a statewide award for High Performance with Greatest Improvement for Measurement Year 2022 Medi-Cal Managed Care Accountability Measures.

These awards are the result of the ongoing collaboration between our staff and provider and community partners to improve the health outcomes of our members.

### **Managed Care Organization (MCO) Tax**

As reported previously, the state budget includes a five-year \$19 billion managed care tax. This mechanism of taxing all health plans helps fund the Medi-Cal program through a complex financing formula.

For 2024, we are now implementing specific targets for funding primary care, behavioral health, and maternity care as part of the MCO tax legislation. Based on the best information we have, HPSM already pays higher than the targeted amounts for those three categories, so most of our effort will focus on how to administer any changes needed due to the state's interpretation of these payments.

We are using this opportunity to evaluate all our provider payment rates in anticipation of future MCO Tax implementation in 2025 and beyond, as well as how to best address the ongoing effort to improve access for our members and acknowledge the workforce challenges faced by providers.

Finally, it is now official that there will be a November 2024 ballot initiative to make the MCO Tax permanent and dedicated to the intended use (provider rates and increasing access for Medi-Cal beneficiaries). HPSM is following the ballot initiative through our statewide organization Local Health Plans of California (LHPC), and we will give updates periodically to the Commission.

## **Medi-Cal Redeterminations**

We now have three months of HPSM member redeterminations. As a reminder, this process includes verification by the member to the local Human Services Agency that the member continues to meet Medi-Cal eligibility criteria. The state and county are attempting to automatically qualify as many members as possible so that coverage is not discontinued due to paperwork issues. In the first two months we experienced lower member disenrollments than we expected (both less than 1,000 members). However, in September, we had more than 2,000 members disenrolled. Some of that increased activity may be due to retroactive changes, as the state is trying to give beneficiaries every opportunity to return paperwork and not be disenrolled for administrative reasons.

## **Regional DSNP Exploration**

As discussed at our August Health Commission meeting, HPSM has been exploring the opportunity to develop a jointly financed and governed non-profit entity with other local health plans. Our Medicare Dual Eligible Special Needs Plan (DSNP), CareAdvantage, would become part of this new entity and include new members from local Medi-Cal plans which need to implement a DSNP by January 2026 due to the requirements of CalAIM.

As of now, we have identified no other local Medi-Cal plans who are interested in further discussions at the board and executive level to create this entity. We appreciate the forward-thinking nature of the Health Commission to approve our exploration of this idea, and we will continue to work with other health plans to identify how we might collaborate with them in ways that could benefit our members and our community.

## **Baby Bonus Project**

The Jackie Speier Foundation has embarked on a bold initiative to end child poverty in San Mateo County. One of its first initiatives is called the Baby Bonus Project. It envisions providing basic monetary assistance to families of newborns and evaluate the impact on child development and health outcomes. Similar programs that have provided funding in communities across the country are often called Guaranteed Basic Income or Universal Basic Income.

This is an opportunity for HPSM to partner with local organizations for the benefit of our members. With more than 1,100 births each year, HPSM is in a unique position to expand the programming we already do to support newborns and families. We are in discussion with several entities, including First Five San Mateo County, the Jackie Speier Foundation, San Mateo County Health, and Lucille Packard Children's Hospital, to evaluate what role HPSM might best play in this proposed program.