

**THE SAN MATEO HEALTH COMMISSION
Regular Meeting
September 13, 2023 - 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st 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 Renaming Consumer Advisory Committee to Community Advisory Committee
 - 4.3 Approval of Agreement with Health Dialog for Nurse Triage Services
 - 4.4 Approval of Amendment to Agreement with SAS Institute, Inc.
 - 4.5 Approval of San Mateo Health Commission Meeting Minutes from August 9, 2023 and August 23, 2023.
- 5. Specific Discussion/Action Items**
 - 5.1 Approval of Primary Care Investment Strategy *
 - 5.2 Approval of Agreement with Stellar Health Agreement*
- 6. Report from Chairman/Executive Committee**
- 7. Report from Chief Executive Officer**
- 8. Other Business**
- 9. 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.



AGENDA ITEM: 4.1

DATE: September 13, 2023

MEMORANDUM

Date: August 18, 2023
To: San Mateo Health Commission
From: Trent Ehrgood, Chief Financial Officer

Subject: **Financial report for the six-month period ending June 30, 2023**

Preliminary 2023 Financial Results All Lines of Business

Q2 2023 preliminary financial result for all lines of business is a surplus of \$32.4M, with a YTD total surplus of \$66.7M compared to the YTD budget surplus of \$38.6M.

We continue to have lower than average utilization, which is keeping medical expenses lower than projected. The reinstatement of the Medi-Cal redetermination processes will result in disenrollment of certain Medi-Cal members starting in July 2023. The expectation is that the low utilizers and/or members who obtained other health covers in recent years will be the ones most impacted by the redetermination process. As this happens, the average cost per member will rise, thus closing the surplus gap we have experienced in the past few years.

Higher interest rates are also contributing to our surplus with higher-than-expected earnings on cash reserves.

Attached is presentation material which guided the discussion for our committee meeting on August 7th. Detailed Statements of Revenue and Expense on a consolidated basis, as well as for each line of business, are provided after the presentation slides.

Financial Update

Presentation to Finance/Executive Committee

August 7, 2023



2023 Budget by Quarter



	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Capitation revenue	261,147,663	262,315,895	258,630,867	262,606,215	1,044,700,640
Healthcare cost	229,730,036	231,739,217	231,991,085	230,759,457	924,219,795
Administrative expenses	14,539,248	15,119,497	15,638,239	15,936,131	61,233,114
MCO Tax	-	-	-	-	-
Income/(loss) from operations	16,878,379	15,457,182	11,001,543	15,910,627	59,247,731
Non-operating revenue	3,123,606	3,129,344	3,135,081	3,140,819	12,528,849
Net income/(loss)	20,001,985	18,586,525	14,136,624	19,051,445	71,776,580

Q2 2023 Financial Results



	Q1 (Jan-Mar)	Q2 (Apr-Jun)	YTD Total	YTD Budget	Budget Variance
Capitation revenue	347,808,745	267,913,752	615,722,497	523,463,558	92,258,939
Healthcare cost	306,446,093	230,581,070	537,027,163	461,469,253	(75,557,910)
Administrative expenses	13,925,006	14,024,061	27,949,067	29,658,744	1,709,677
MCO Tax	-	-	-	-	-
Income/(loss) from operations	27,437,646	23,308,621	50,746,267	32,335,561	18,410,706
Non-operating revenue	6,922,184	9,053,586	15,975,770	6,252,950	9,722,820
Net income/(loss)	34,359,830	32,362,207	66,722,037	38,588,511	28,133,526

YTD June 2023 – PY/CY

	YTD by PY/CY			Current Year YTD		
	Prior Year	Current Year	Total	Current Year	Budget	CY Variance
Capitation revenue	91,120,552	524,601,945	615,722,497	524,601,945	523,463,558	1,138,387
Healthcare cost	82,655,518	454,371,645	537,027,163	454,371,645	461,469,253	7,097,608
Administrative expenses	-	27,949,067	27,949,067	27,949,067	29,658,744	1,709,677
MCO Tax			-	-	-	-
Income/(loss) from operations	8,465,034	42,281,233	50,746,267	42,281,233	32,335,561	9,945,672
Non-operating revenue	(50)	15,975,820	15,975,770	15,975,820	6,252,950	9,722,870
Net income/(loss)	8,464,984	58,257,053	66,722,037	58,257,053	38,588,511	19,668,542



		YTD Mar'23	YTD Jun'23
M-Cal COA mix/directed pmt.	Rev	973,000	5,319,000
M-Cal supplemental rev.	Rev	862,000	947,000
PY IBNR adj.	HC Cost	5,000	257,000
Misc. other	HC Cost	(169,000)	544,000
Provider incentive adj	HC Cost		1,398,000
		1,671,000	8,465,000



Average Membership

Variance to Budget



LOB	Avg. Actual	Avg. Budget	Variance	% Var
Medi-Cal	78,126	76,705	1,421	1.9%
Medi-Cal Expansion	53,143	51,617	1,526	3.0%
Whole Child Model	1,392	1,418	(26)	-1.9%
Medi-Cal Full Duals	9,957	9,602	355	3.7%
Medicare D-SNP	8,620	8,908	(288)	-3.2%
HealthWorx	1,213	1,199	14	1.2%
Total at Risk	152,451	149,449	3,002	2.0%
+ ACE	22,764	23,462	(699)	-3.0%
Grand Total	175,214	172,911	2,303	1.3%

Budget Variance by Major Drivers

	<u>YTD Mar</u>	<u>YTD Jun</u>		<u>Revenue</u>	<u>Expense</u>
1 Prior year adjustments not in the budget	1,670,792	8,464,984			
<u>Current year variances:</u>					
2 Membership higher than budget	199,095	1,081,761	<<	2,964,706	(1,882,944)
3 Revenue: Yield PMPM variance to budget	2,708,608	5,199,464			
4 Revenue: Maternity supplemental payment	(3,987,235)	(6,080,162)			
5 Revenue: ECM Risk Corridor	(1,201,400)	(2,410,500)			
6 Healthcare cost PMPM variance to budget	10,555,168	10,445,431			
7 Administrative cost variance to budget	614,243	1,709,677			
8 Non-op revenue (CY portion) variance to budget	3,798,574	9,722,870			
Total current year	<u>12,687,054</u>	<u>19,668,541</u>			
Total consolidated budget variance	<u>14,357,845</u>	<u>28,133,526</u>			

Healthcare Cost

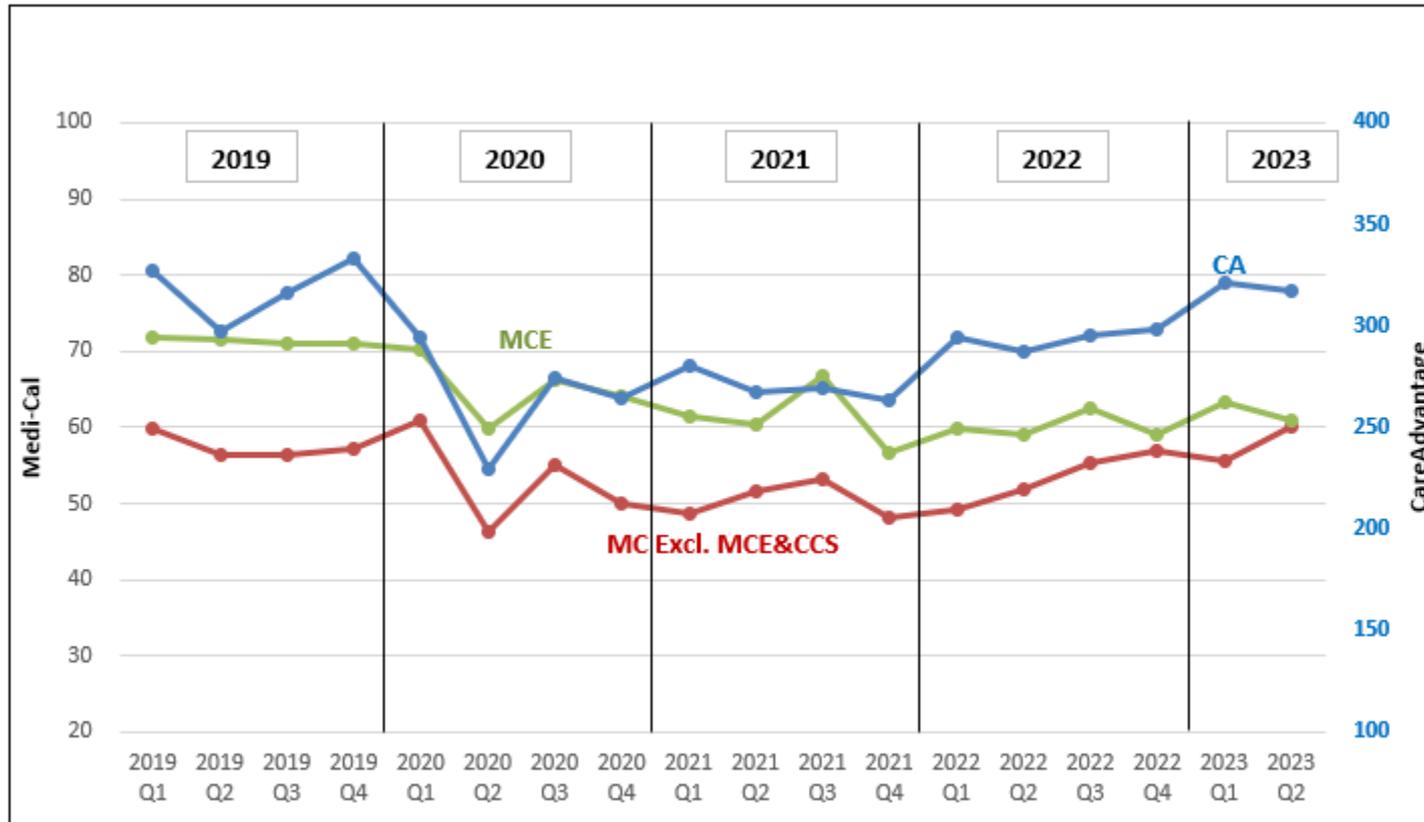
Detail by Category of Service



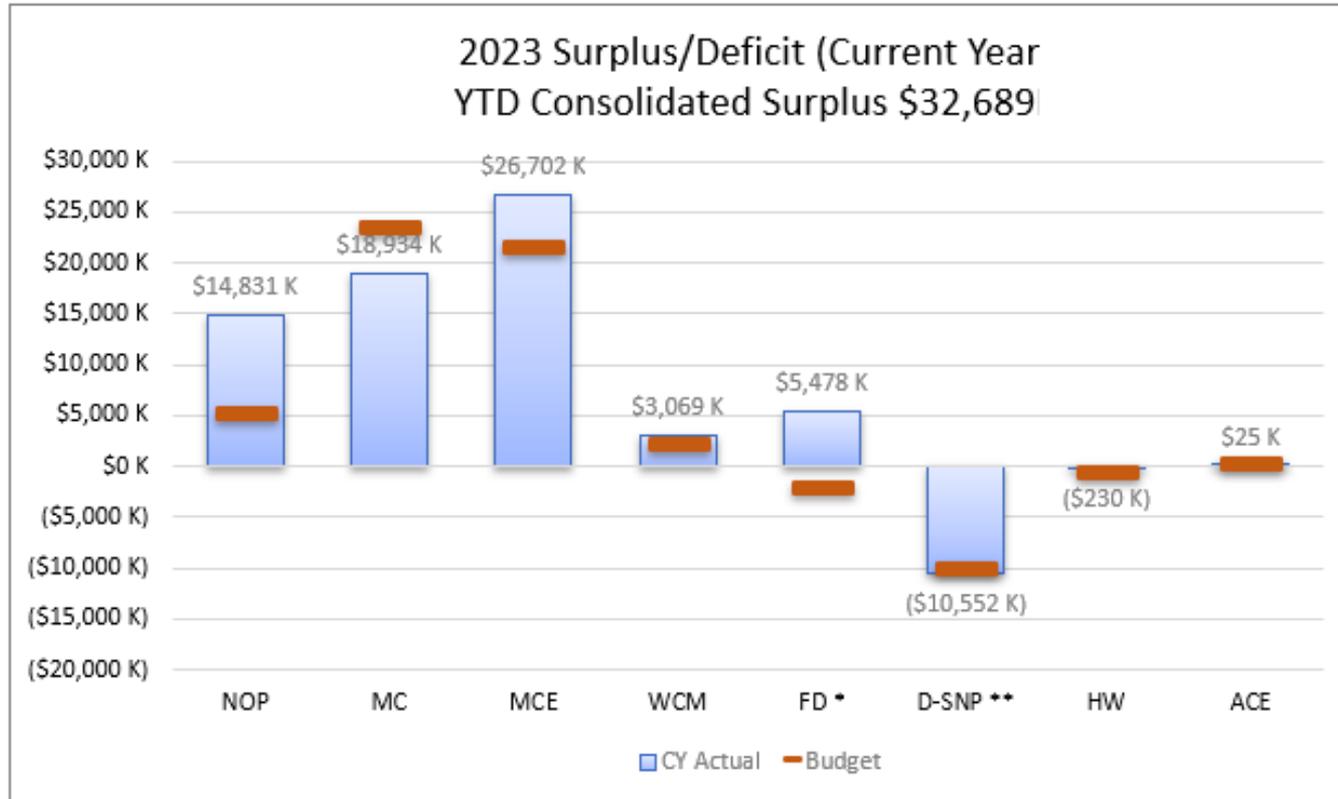
	YTD Actual			YTD Budget	Variance	% Var.	
	Total	Prior Year	Current Year				
Provider Capitation	36,938,253	172,041	36,766,212	36,374,385	(391,827)	-1.1%	↑
Hospital Inpatient	106,089,985	-	106,089,985	100,967,191	(5,122,794)	-5.1%	↑
LTC/SNF	75,161,373	-	75,161,373	82,404,031	7,242,658	8.8%	
Pharmacy	28,143,633	(258,076)	28,401,709	30,070,365	1,668,656	5.5%	
Physician FFS	39,164,782	-	39,164,782	39,826,134	661,352	1.7%	↑
Hospital Outpatient	46,546,934	-	46,546,934	48,264,354	1,717,420	3.6%	↑
Other Medical Claims	42,691,440	244	42,691,196	44,975,768	2,284,573	5.1%	
Other HC Services	3,219,999	(213,811)	3,433,810	3,368,834	(64,976)	-1.9%	
Directed Payments	118,187,705	84,854,767	33,332,938	31,868,059	(1,464,879)	-4.6%	
Long Term Support Services	844,075	105,087	738,988	1,177,973	438,985	37.3%	
CPO/In-lieu of Services	3,600,409	-	3,600,409	3,301,360	(299,049)	-9.1%	
Dental	10,354,540	-	10,354,540	10,489,134	134,594	1.3%	↑
ECM	1,443,310	108,472	1,334,838	4,011,912	2,677,074	66.7%	< Rev offset
Provider Incentives	5,122,995	(1,398,088)	6,521,083	5,522,657	(998,425)	-18.1%	
Supplemental Benefits (D-SNP)	1,028,729	-	1,028,729	2,082,962	1,054,234	50.6%	< New in 2023
Transportation	7,288,438	(518)	7,288,956	5,228,063	(2,060,893)	-39.4%	↑
Indirect Health Care Benefits	921,245	(718,040)	1,639,285	417,234	(1,222,051)	-292.9%	
UMQA	10,279,320	3,440	10,275,880	11,118,836	842,957	7.6%	
Total Healthcare Cost	537,027,163	82,655,518	454,371,645	461,469,253	7,097,608	1.5%	

Hospital Admission Trends

admits/1000/year



CY YTD Surplus/Deficit by LOB

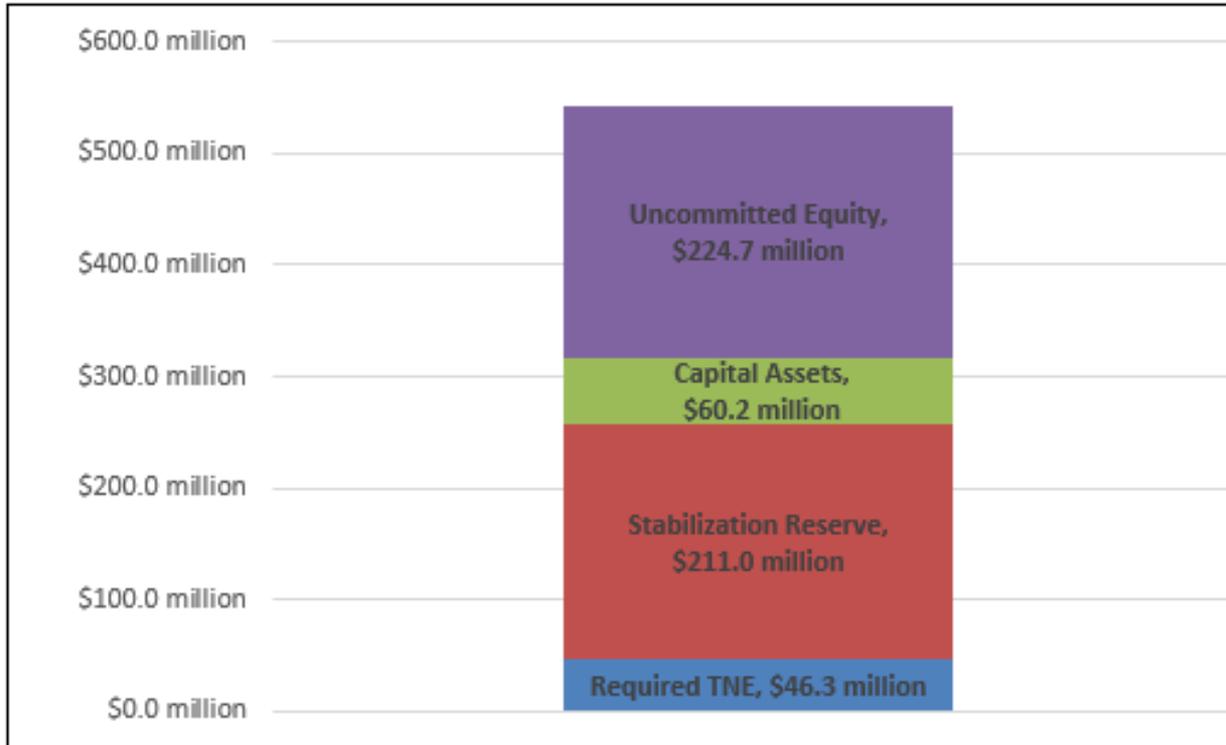


* FD includes M-Cal portion of D-SNP
** D-SNP includes Medicare portion only

Tangible Net Equity (TNE)

At 6/30/23 Pre-Audit TNE = \$542.2M

Uncommitted portion = \$224.7M



Q2 2023 Summary

continued . . .

- We are reporting another quarter with a significant surplus, with Q1 surplus at \$34.4M, and Q2 surplus at \$32.4M, totaling \$66.7M YTD.
- \$8.4M of this surplus is for prior year adjustments, mostly for revenue and directed payment related adjustments. \$6.8M of this was recorded in Q2.
- Healthcare cost is continuing to run lower than projected, although we are already seeing increases in hospital admission rates back toward pre-pandemic levels.
- We expect to see membership decline starting in July from the restart of the redetermination process, with an expectation that the lower utilizers and/or members with other health coverage will be disenrolled. This will lead to increases in average cost per member, which will start closing the surplus gap.

Q2 2023 Summary



- We continue to see an uptick in dental utilization, which is a good thing as members are getting improved access to oral health.
- Non-medical transportation is back on the climb, and this will be evaluated over the next few months for better oversight and controls.
- Higher interest rates is also contributing to higher-than-expected earnings on cash reserves.

Health Plan of San Mateo
 Consolidated Balance Sheet
 June 30, 2023 and May 31, 2023

	Current Month	Prior Month	PY 12/31
ASSETS			
Current Assets			
Cash and Equivalents	\$ 492,283,833	\$ 497,639,905	\$ 409,879,878
Investments	182,740,545	182,740,545	180,739,480
Capitation Receivable from the State	158,396,515	155,510,440	157,581,748
Medicare Receivable	44,681,202	44,605,693	44,229,778
Other Receivables	14,668,485	13,295,217	10,394,960
Prepays and Other Assets	10,655,328	10,546,292	9,462,156
Total Current Assets	903,425,909	904,338,093	812,288,000
Capital Assets, Net	60,166,952	60,299,286	60,977,606
Assets Restricted As To Use	300,000	300,000	300,000
Other Assets & Outflows	10,196,136	10,196,136	10,196,136
Total Assets & Deferred Outflows	\$ 974,088,997	\$ 975,133,515	\$ 883,761,742
LIABILITIES			
Current Liabilities			
Medical Claims Payable	73,179,467	69,747,159	69,446,973
Provider Incentives	6,540,837	17,337,014	12,737,495
Amounts Due to the State	178,390,752	177,938,852	174,363,272
Accounts Payable and Accrued Liabilities	162,836,141	168,679,470	140,794,240
Total Current Liabilities	420,947,197	433,702,495	397,341,979
Other Liabilities & Inflows	10,917,265	10,917,265	10,917,265
Total Liabilities & Deferred Inflows	\$ 431,864,462	\$ 444,619,760	\$ 408,259,244
NET POSITION			
Invested in Capital Assets	60,166,952	60,299,286	60,977,606
Restricted By Legislative Authority	300,000	300,000	300,000
Unrestricted			
Stabilization Reserve	188,325,400	211,014,800	154,531,300
Unrestricted Retained Earnings	293,432,183	258,899,668	259,693,592
Net Position	542,224,535	530,513,754	475,502,498
Total Liabilities & Net Position	\$ 974,088,997	\$ 975,133,515	883,761,742
Change in Net Position	\$ 66,722,037	\$ 55,011,257	0

Health Plan of San Mateo
Consolidated Statement of Revenue & Expense
for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	YTD Actual	YTD Budget	YTD Variance	% Var
OPERATING REVENUE							
Capitation and Premiums							
Medi-cal (includes Offsets)	\$ 214,303,866	\$ 207,810,117	\$ 6,493,749	\$ 508,082,917	\$ 415,567,170	\$ 92,515,747	22.3%
HealthWorx	1,735,115	1,721,569	13,546	3,483,327	3,439,790	43,538	1.3%
Medicare (includes CA-CMC)	51,874,772	52,784,209	(909,437)	104,156,253	104,456,599	(300,346)	-0.3%
Total Operating Revenue	<u>267,913,752</u>	<u>262,315,895</u>	<u>5,597,857</u>	<u>615,722,497</u>	<u>523,463,558</u>	<u>92,258,939</u>	<u>17.6%</u>
OPERATING EXPENSE							
Healthcare Expense							
Provider Capitation	20,034,385	18,349,971	(1,684,414)	36,938,253	36,374,385	(563,868)	-1.6%
Hospital Inpatient	55,363,969	50,641,531	(4,722,438)	106,089,985	100,967,191	(5,122,794)	-5.1%
LTC/SNF	35,937,276	41,479,180	5,541,904	75,161,373	82,404,031	7,242,658	8.8%
Pharmacy	13,850,589	15,192,069	1,341,480	28,143,633	30,070,365	1,926,732	6.4%
Medical	84,100,203	84,202,726	102,523	249,810,859	168,303,150	(81,507,710)	-48.4%
Long Term Support Services	472,962	592,366	119,404	844,075	1,177,973	333,898	28.3%
CPO/In-lieu of Services	1,846,598	1,660,831	(185,767)	3,600,409	3,301,360	(299,049)	-9.1%
Dental Expense	5,798,727	5,319,086	(479,640)	10,354,540	10,489,134	134,594	1.3%
Enhanced Care Management	704,362	2,007,363	1,303,001	1,443,310	4,011,912	2,568,602	64.0%
Provider Incentives	1,835,682	2,762,492	926,810	5,122,995	5,522,657	399,662	7.2%
Supplemental Benefits	600,005	1,052,567	1,028,729	2,082,962	2,082,962	-	-
Transportation	4,733,860	2,654,171	(2,079,689)	7,288,438	5,228,063	(2,060,375)	-39.4%
Indirect Health Care Expenses	91,775	207,155	115,380	921,245	417,234	(504,012)	-120.8%
UMQA, Delegated and Allocation	5,052,277	5,617,708	565,431	10,120,921	11,118,836	997,915	9.0%
Total Healthcare Expense	<u>230,422,670</u>	<u>231,739,217</u>	<u>1,316,547</u>	<u>536,868,764</u>	<u>461,469,253</u>	<u>(75,399,511)</u>	<u>-16.3%</u>
Administrative Expense							
Salaries and Benefits	12,078,292	12,398,602	320,310	23,818,704	24,213,625	394,921	1.6%
Staff Training and Travel	48,939	118,075	69,136	81,687	239,000	157,313	65.8%
Contract Services	3,455,034	4,528,100	1,073,067	7,353,580	8,952,700	1,599,120	17.9%
Office Supplies and Equipment	1,819,373	1,660,008	(159,364)	3,589,885	3,355,967	(233,919)	-7.0%
Occupancy and Depreciation	924,090	971,208	47,118	1,697,530	1,910,834	213,304	11.2%
Postage and Printing	583,767	677,725	93,958	971,611	1,350,450	378,839	28.1%
Other Administrative Expense	253,315	314,787	61,473	576,343	617,425	41,082	6.7%
UM/QA Allocation	(4,980,348)	(5,549,009)	(568,661)	(9,981,875)	(10,981,255)	(999,380)	-9.1%
Total Admin Expense	<u>14,182,461</u>	<u>15,119,497</u>	<u>937,036</u>	<u>28,107,467</u>	<u>29,658,745</u>	<u>1,551,278</u>	<u>5.2%</u>
Premium Taxes	0	-	0	0	-	0	-
Total Operating Expense	<u>244,605,131</u>	<u>246,858,713</u>	<u>2,253,583</u>	<u>564,976,230</u>	<u>491,127,998</u>	<u>(73,848,232)</u>	<u>-15.0%</u>
Net Income/Loss from Operations	<u>23,308,621</u>	<u>15,457,182</u>	<u>(7,851,440)</u>	<u>50,746,267</u>	<u>32,335,561</u>	<u>(18,410,706)</u>	<u>156.9%</u>
Interest Income, Net	8,163,435	2,250,000	5,913,435	14,212,285	4,500,000	9,712,285	215.8%
Rental Income, Net	314,793	296,834	17,959	618,321	593,669	24,653	4.2%
Third Party Administrator Revenue	575,263	582,509	(7,246)	1,145,069	1,159,281	(14,212)	-1.2%
Miscellaneous Income	94	-	(94)	94	-	94	-
Net Non-operating Revenue	<u>9,053,585</u>	<u>3,129,344</u>	<u>5,924,242</u>	<u>15,975,770</u>	<u>6,252,950</u>	<u>9,722,820</u>	<u>155.5%</u>
Net Income/(Loss)	<u>\$ 32,362,207</u>	<u>18,586,525</u>	<u>13,775,681</u>	<u>\$ 66,722,037</u>	<u>\$ 38,588,510</u>	<u>\$ 28,133,526</u>	<u>-72.9%</u>
Admin exp as % of Net Rev (adj for Tax)	5.29%	5.76%		4.56%	5.67%		
Medical Loss Ratio (adj for Tax)	80.32%	82.28%		68.00%	82.07%		

Health Plan of San Mateo
 HPSM Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Total Operating Revenue	-	-	-	-	-	-	-	-
OPERATING EXPENSE								
Total Health Care Expense	-	-	-	-	-	-	-	-
Total Operating Expense	-	-	-	-	-	-	-	-
NON-OPERATING REVENUE								
Interest, Net	8,163,435	2,250,000	5,913,435	262.8%	14,212,285	4,500,000	9,712,285	215.8%
Rental Income, Net	314,793	296,834	17,959	6.1%	618,321	593,669	24,653	4.2%
Miscellaneous Income	94	-	94	-	94	-	94	-
Total Non-Operating	8,478,322	2,546,834	5,931,488	232.9%	14,830,701	5,093,669	9,737,032	191.2%
Net Income/(Loss)	\$ 8,478,322	\$ 2,546,834	5,931,488	-232.9%	\$ 14,830,701	\$ 5,093,669	\$ 9,737,032	-191.2%
Medical Loss Ratio (adj MCO)	-	-	-	-	-	-	-	-
Member Counts	-	-	-	-	-	-	-	-

**Health Plan of San Mateo
 Medi-Cal Statement of Revenue & Expense
 for the Period Ending June 30, 2023**

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 86,546,997	\$ 79,678,771	\$ 6,868,225	8.6%	\$ 219,016,812	\$ 159,310,897	\$ 59,705,915	37.5%
Supplemental Capitation	2,904,196	3,784,783	(880,586)	-23.3%	4,674,583	7,575,979	(2,901,397)	-38.3%
BHT Capitation	46,208	-	46,208	-	237,445	-	237,445	-
MC Cap Offset	(3,462,318)	-	(3,462,318)	-	(6,831,824)	-	(6,831,824)	-
Total Operating Revenue	<u>86,035,083</u>	<u>83,463,554</u>	<u>2,571,529</u>	<u>3.1%</u>	<u>217,097,015</u>	<u>166,886,876</u>	<u>50,210,139</u>	<u>30.1%</u>
OPERATING EXPENSE								
Provider Capitation	6,702,653	6,250,191	(452,462)	-7.2%	13,074,616	12,483,723	(590,893)	-4.7%
Hospital Inpatient	17,171,244	15,843,811	(1,327,432)	-8.4%	32,398,970	31,269,872	(1,129,099)	-3.6%
LTC/SNF	7,717,580	8,208,661	491,081	6.0%	16,091,832	16,307,330	215,497	1.3%
Pharmacy	(44,769)	-	44,769	-	(39,424)	-	39,424	-
Physician Fee for Service	7,054,485	6,831,200	(223,285)	-3.3%	13,321,212	13,627,646	306,434	2.2%
Hospital Outpatient	7,463,923	6,946,983	(516,940)	-7.4%	14,094,223	13,858,623	(235,600)	-1.7%
Other Medical Claims	7,170,249	6,715,417	(454,831)	-6.8%	13,538,372	13,396,669	(141,703)	-1.1%
Other HC Services	1,500,806	1,608,896	108,090	6.7%	3,099,469	3,221,612	122,143	3.8%
Directed Payments	7,982,553	8,422,526	439,973	5.2%	64,618,178	16,854,745	(47,763,433)	-283.4%
Long Term Support Services	213,219	133,309	(79,910)	-59.9%	308,087	266,934	(41,154)	-15.4%
CPO/In-lieu of Services	379,830	257,702	(122,129)	-47.4%	751,510	516,015	(235,494)	-45.6%
Dental Expense	3,560,684	3,160,162	(400,522)	-12.7%	6,154,807	6,235,566	80,758	1.3%
Enhanced Care Management	193,842	544,329	350,487	64.4%	357,478	1,087,635	730,157	67.1%
Provider Incentives	908,490	1,061,222	152,733	14.4%	2,300,371	2,124,965	(175,407)	-8.3%
Transportation	2,341,483	690,929	(1,650,554)	-238.9%	2,984,710	1,363,326	(1,621,384)	-118.9%
Indirect Health Care Expenses	205,946	89,931	(116,016)	-129.0%	641,911	180,075	(461,837)	-256.5%
UMQA (Allocation & Delegated)	1,279,228	1,374,417	95,189	6.9%	2,528,928	2,720,935	192,007	7.1%
Total Health Care Expense	<u>71,801,445</u>	<u>68,139,686</u>	<u>(3,661,759)</u>	<u>-5.4%</u>	<u>186,225,251</u>	<u>135,515,670</u>	<u>(50,709,581)</u>	<u>-37.4%</u>
G&A Allocation	3,939,024	4,121,755	182,731	4.4%	7,741,723	8,085,328	343,605	4.2%
Premium Tax	17,750	-	(17,750)	-	20,653	-	(20,653)	-
Total Operating Expense	<u>75,758,219</u>	<u>72,261,441</u>	<u>(3,496,778)</u>	<u>-4.8%</u>	<u>193,987,627</u>	<u>143,600,998</u>	<u>(50,386,629)</u>	<u>-35.1%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 10,276,864</u>	<u>\$ 11,202,113</u>	<u>(925,249)</u>	<u>-8.3%</u>	<u>\$ 23,109,388</u>	<u>\$ 23,285,878</u>	<u>\$ (176,490)</u>	<u>-0.8%</u>
Medical Loss Ratio (adj MCO)	92.01%	90.80%			122.15%	90.32%		
Member Counts	236,483	229,843	6,640	2.9%	468,756	460,231	8,525	1.9%

Health Plan of San Mateo
Full Duals Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 26,012,767	\$ 24,488,348	\$ 1,524,419	6.2%	\$ 51,441,506	\$ 48,921,503	\$ 2,520,003	5.2%
Supplemental Capitation	-	289,255	(289,255)	-100.0%	-	577,858	(577,858)	-100.0%
MC Cap Offset	(294,000)	-	(294,000)	-	(468,000)	-	(468,000)	-
Total Operating Revenue	<u>25,718,767</u>	<u>24,777,604</u>	<u>941,163</u>	<u>3.8%</u>	<u>50,973,506</u>	<u>49,499,361</u>	<u>1,474,145</u>	<u>3.0%</u>
OPERATING EXPENSE								
Provider Capitation	5,558,802	4,621,066	(937,736)	-20.3%	8,420,419	9,233,836	813,417	8.8%
Hospital Inpatient	662,983	322,466	(340,517)	-105.6%	991,450	643,988	(347,462)	-54.0%
LTC/SNF	12,950,684	14,765,595	1,814,912	12.3%	27,328,334	29,497,911	2,169,577	7.4%
Physician Fee for Service	524,866	293,693	(231,173)	-78.7%	807,877	609,960	(197,916)	-32.4%
Hospital Outpatient	393,700	217,558	(176,142)	-81.0%	640,230	451,839	(188,391)	-41.7%
Other Medical Claims	1,466,156	1,615,417	149,261	9.2%	3,310,866	3,355,003	44,137	1.3%
Other HC Services	(259)	(1,442)	(1,183)	82.0%	(568)	(2,881)	(2,312)	80.3%
Directed Payments	989,076	881,454	(107,621)	-12.2%	1,944,676	1,760,922	(183,754)	-10.4%
Long Term Support Services	74,262	141,715	67,452	47.6%	178,160	283,110	104,951	37.1%
CPO/In-lieu of Services	332,961	372,377	39,416	10.6%	671,814	743,914	72,100	9.7%
Dental Expense	275,653	302,343	26,690	8.8%	578,321	595,218	16,897	2.8%
Enhanced Care Management	104,554	509,745	405,191	79.5%	204,304	1,018,341	814,037	79.9%
Provider Incentives	409,709	424,296	14,587	3.4%	838,448	847,636	9,188	1.1%
Transportation	294,407	243,764	(50,643)	-20.8%	559,322	482,210	(77,112)	-16.0%
Indirect Health Care Expenses	(3,083)	276	3,360	1215.2%	(3,083)	552	3,636	658.2%
UMQA (Allocation & Delegated)	208,758	255,344	46,586	18.2%	454,600	505,314	50,714	10.0%
Total Health Care Expense	<u>24,243,228</u>	<u>24,965,666</u>	<u>722,438</u>	<u>2.9%</u>	<u>46,925,170</u>	<u>50,026,875</u>	<u>3,101,705</u>	<u>6.2%</u>
G&A Allocation	723,832	790,882	67,050	8.5%	1,418,925	1,551,413	132,488	8.5%
Premium Tax	(5,772)	-	5,772	-	(548)	-	548	-
Total Operating Expense	<u>24,961,288</u>	<u>25,756,549</u>	<u>795,261</u>	<u>3.1%</u>	<u>48,343,547</u>	<u>51,578,287</u>	<u>3,234,741</u>	<u>6.3%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 757,479</u>	<u>\$ (978,945)</u>	<u>1,736,424</u>	<u>177.4%</u>	<u>\$ 2,629,959</u>	<u>\$ (2,078,926)</u>	<u>\$ 4,708,886</u>	<u>226.5%</u>
Medical Loss Ratio (adj MCO)	98.01%	104.48%			95.71%	104.79%		
Member Counts	30,401	28,839	1,562	5.4%	59,742	57,613	2,129	3.7%

Health Plan of San Mateo
HealthWorx Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
HealthWorx Premium	1,735,115	1,721,569	13,546	0.8%	3,483,327	3,439,790	43,538	1.3%
Total Operating Revenue	<u>1,735,115</u>	<u>1,721,569</u>	<u>13,546</u>	<u>0.8%</u>	<u>3,483,327</u>	<u>3,439,790</u>	<u>43,538</u>	<u>1.3%</u>
OPERATING EXPENSE								
Provider Capitation	-	-	-	-	17	-	(17)	-
Hospital Inpatient	172,483	328,247	155,764	47.5%	371,335	695,394	324,059	46.6%
Pharmacy	496,386	673,876	177,489	26.3%	1,126,549	1,339,781	213,232	15.9%
Physician Fee for Service	326,437	328,984	2,546	0.8%	572,773	657,327	84,555	12.9%
Hospital Outpatient	443,576	416,089	(27,486)	-6.6%	778,306	831,369	53,064	6.4%
Other Medical Claims	115,419	112,460	(2,959)	-2.6%	202,516	224,702	22,186	9.9%
Other HC Services	0	-	0	-	0	-	0	-
Indirect Health Care Expenses	10,658	1,444	(9,214)	-638.0%	21,475	6,262	(15,213)	-242.9%
UMQA (Allocation & Delegated)	54,771	55,374	603	1.1%	106,509	109,589	3,080	2.8%
Total Health Care Expense	<u>1,619,731</u>	<u>1,916,473</u>	<u>296,743</u>	<u>15.5%</u>	<u>3,179,479</u>	<u>3,864,425</u>	<u>684,946</u>	<u>17.7%</u>
G&A Allocation	224,361	170,340	(54,021)	-31.7%	361,762	334,142	(27,620)	-8.3%
Total Operating Expense	<u>1,844,092</u>	<u>2,086,813</u>	<u>242,721</u>	<u>11.6%</u>	<u>3,541,241</u>	<u>4,198,567</u>	<u>657,326</u>	<u>15.7%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ (108,977)</u>	<u>\$ (365,244)</u>	<u>256,267</u>	<u>70.2%</u>	<u>\$ (57,914)</u>	<u>\$ (758,778)</u>	<u>\$ 700,864</u>	<u>92.4%</u>
Medical Loss Ratio (adj MCO)	93.35%	111.32%			91.28%	112.34%		
Member Counts	3,625	3,599	26	0.7%	7,275	7,191	84	1.2%

Health Plan of San Mateo
 Healthy Kids Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Total Operating Revenue	-	-	-	-	-	-	-	-
OPERATING EXPENSE								
Indirect Health Care Expenses	-	-	-	-	35	-	(35)	-
Total Health Care Expense	-	-	-	-	35	-	(35)	-
Total Operating Expense	-	-	-	-	35	-	(35)	-
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	-	-	-	-	\$ (35)	-	\$ (35)	-
Medical Loss Ratio (adj MCO)	-	-	-	-	-	-	-	-
Member Counts	-	-	-	-	-	-	-	-

Health Plan of San Mateo
CA Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
CareAdvantage Premium	51,874,772	52,784,209	(909,437)	-1.7%	104,156,253	104,456,599	(300,346)	-0.3%
Total Operating Revenue	51,874,772	52,784,209	(909,437)	-1.7%	104,156,253	104,456,599	(300,346)	-0.3%
OPERATING EXPENSE								
Provider Capitation	1,123,939	1,457,625	333,686	22.9%	2,281,731	2,615,250	333,519	12.8%
Hospital Inpatient	20,520,283	17,675,202	(2,845,082)	-16.1%	39,040,238	35,357,195	(3,683,043)	-10.4%
Pharmacy	13,499,839	14,518,194	1,018,354	7.0%	27,102,600	28,730,584	1,627,984	5.7%
Physician Fee for Service	5,393,463	4,978,162	(415,300)	-8.3%	9,819,888	9,619,405	(200,483)	-2.1%
Hospital Outpatient	7,630,363	6,253,531	(1,376,832)	-22.0%	13,232,562	12,083,827	(1,148,735)	-9.5%
Other Medical Claims	5,223,648	5,770,865	547,216	9.5%	10,497,401	11,156,300	658,899	5.9%
Other HC Services	0	-	0	-	0	-	0	-
Enhanced Care Management	216,000	256,438	40,438	15.8%	360,000	507,475	147,475	29.1%
Provider Incentives	239,037	240,280	1,243	0.5%	474,246	475,499	1,253	0.3%
Supplemental Benefits	600,005	1,052,567	452,562	43.0%	1,028,729	2,082,962	1,054,234	50.6%
Transportation	(418,510)	-	418,510	-	-	-	-	-
Indirect Health Care Expenses	91,329	52,759	(38,570)	-73.1%	182,604	104,407	(78,198)	-74.9%
UMQA (Allocation & Delegated)	1,351,748	1,493,896	142,148	9.5%	2,652,307	2,956,358	304,051	10.3%
Total Health Care Expense	55,471,144	53,749,519	(1,721,625)	-3.2%	106,672,304	105,689,261	(983,043)	-0.9%
G&A Allocation	3,743,107	4,617,831	874,724	18.9%	7,812,417	9,058,441	1,246,024	13.8%
Total Operating Expense	59,214,251	58,367,350	(846,901)	-1.5%	114,484,721	114,747,702	262,982	0.2%
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (7,339,479)	\$ (5,583,141)	(1,756,338)	31.5%	\$ (10,328,468)	\$ (10,291,104)	\$ (37,364)	0.4%
Medical Loss Ratio (adj MCO)	106.93%	101.83%			102.42%	101.18%		
Member Counts	26,006	27,156	(1,150)	-4.2%	52,185	53,740	(1,555)	-2.9%

Health Plan of San Mateo
MC-CA Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Advantage Capitation	21,962,963	23,081,602		-	44,039,336	45,671,759	(1,632,423)	-3.6%
Total Operating Revenue	<u>21,962,963</u>	<u>23,081,602</u>	<u>(1,118,639)</u>	<u>-4.8%</u>	<u>44,039,336</u>	<u>45,671,759</u>	<u>(1,632,423)</u>	<u>-3.6%</u>
OPERATING EXPENSE								
Hospital Inpatient	709,606	725,355	15,749	2.2%	1,359,466	1,412,933	53,467	3.8%
LTC/SNF	10,665,422	13,137,251	2,471,828	18.8%	22,066,191	25,903,523	3,837,331	14.8%
Pharmacy	(65,274)	-	65,274	-	-	-	-	-
Physician Fee for Service	1,044,584	887,137	(157,447)	-17.7%	1,894,502	1,946,734	52,232	2.7%
Hospital Outpatient	1,135,882	899,487	(236,395)	-26.3%	2,142,330	1,973,835	(168,495)	-8.5%
Other Medical Claims	1,720,558	2,330,022	609,464	26.2%	4,295,677	5,113,000	817,323	16.0%
Other HC Services	0	-	0	-	0	-	0	-
Directed Payments	831,820	818,039	(13,781)	-1.7%	1,667,935	1,618,661	(49,274)	-3.0%
Long Term Support Services	179,690	317,343	137,652	43.4%	347,819	627,929	280,110	44.6%
CPO/In-lieu of Services	1,029,214	965,476	(63,738)	-6.6%	1,988,500	1,910,395	(78,105)	-4.1%
Dental Expense	419,390	497,116	77,726	15.6%	877,621	969,476	91,856	9.5%
Enhanced Care Management	-	-	-	-	72,000	-	(72,000)	-
Provider Incentives	222,923	224,517	1,594	0.7%	442,654	444,254	1,600	0.4%
Transportation	1,227,742	668,698	(559,044)	-83.6%	1,227,742	1,304,097	76,355	5.9%
Indirect Health Care Expenses	-	343	343	100.0%	-	678	678	100.0%
UMQA (Allocation & Delegated)	289,272	329,098	39,826	12.1%	581,043	651,270	70,227	10.8%
Total Health Care Expense	<u>19,410,829</u>	<u>21,799,881</u>	<u>2,389,052</u>	<u>11.0%</u>	<u>38,963,480</u>	<u>43,876,785</u>	<u>4,913,305</u>	<u>11.2%</u>
G&A Allocation	878,088	1,019,322	141,234	13.9%	1,717,478	1,999,526	282,048	14.1%
Total Operating Expense	<u>20,288,917</u>	<u>22,819,204</u>	<u>2,530,286</u>	<u>11.1%</u>	<u>40,680,958</u>	<u>45,876,311</u>	<u>5,195,353</u>	<u>11.3%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 1,674,045</u>	<u>\$ 262,398</u>	<u>1,411,647</u>	<u>-538.0%</u>	<u>\$ 3,358,378</u>	<u>\$ (204,552)</u>	<u>\$ 3,562,930</u>	<u>1741.8%</u>
Medical Loss Ratio (adj MCO)	91.86%	97.92%			91.96%	99.60%		
Member Counts	25,563	26,865	(1,302)	-4.8%	51,258	53,158	(1,900)	-3.6%

Health Plan of San Mateo
ACE Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Total Operating Revenue	-	-	-	-	-	-	-	-
OPERATING EXPENSE								
Total Health Care Expense	-	-	-	-	-	-	-	-
G&A Allocation	562,583	566,596	4,013	0.7%	1,120,020	1,111,447	(8,573)	-0.8%
Total Operating Expense	562,583	566,596	4,013	0.7%	1,120,020	1,111,447	(8,573)	-0.8%
NON-OPERATING REVENUE								
Third Party Administrator Revenue	575,263	582,509	(7,246)	-1.2%	1,145,069	1,159,281	(14,212)	-1.2%
Total Non-Operating	575,263	582,509	(7,246)	-1.2%	1,145,069	1,159,281	(14,212)	-1.2%
Net Income/(Loss)	\$ 12,680	\$ 15,913	(3,233)	-20.3%	\$ 25,049	\$ 47,834	\$ (22,785)	-47.6%
Medical Loss Ratio (adj MCO)	-	-	-	-	-	-	-	-
Member Counts	68,548	71,061	(2,513)	-3.5%	136,581	140,772	(4,191)	-3.0%

Health Plan of San Mateo
CCS Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
WCM Capitation	10,872,929	8,528,369	2,344,560	27.5%	24,339,693	17,088,942	7,250,751	42.4%
Supplemental Capitation	-	121,676	(121,676)	-100.0%	10,226	243,810	(233,584)	-95.8%
BHT Capitation	(35,626)	-	(35,626)	-	(9,317)	-	(9,317)	-
MC Cap Offset	(675,166)	-	(675,166)	-	(1,282,978)	-	(1,282,978)	-
Total Operating Revenue	<u>10,162,138</u>	<u>8,650,045</u>	<u>1,512,093</u>	<u>17.5%</u>	<u>23,057,623</u>	<u>17,332,752</u>	<u>5,724,871</u>	<u>33.0%</u>
OPERATING EXPENSE								
Provider Capitation	114,218	106,688	(7,529)	-7.1%	234,236	212,927	(21,309)	-10.0%
Hospital Inpatient	2,440,553	2,209,907	(230,646)	-10.4%	4,093,028	4,399,427	306,398	7.0%
LTC/SNF	4,377	434,183	429,806	99.0%	352,769	870,006	517,237	59.5%
Physician Fee for Service	423,300	491,458	68,158	13.9%	818,032	984,772	166,740	16.9%
Hospital Outpatient	1,526,461	1,118,072	(408,389)	-36.5%	2,359,319	2,240,366	(118,953)	-5.3%
Other Medical Claims	627,259	942,896	315,637	33.5%	1,475,102	1,889,352	414,250	21.9%
Other HC Services	87,164	122,797	35,633	29.0%	225,766	243,013	17,248	7.1%
Directed Payments	714,986	583,756	(131,230)	-22.5%	5,809,098	1,169,716	(4,639,382)	-396.6%
Dental Expense	67,959	63,745	(4,214)	-6.6%	129,990	125,868	(4,122)	-3.3%
Enhanced Care Management	-	109,508	109,508	100.0%	-	219,429	219,429	100.0%
Provider Incentives	13,355	15,793	2,438	15.4%	36,009	31,646	(4,363)	-13.8%
Transportation	26,307	20,159	(6,149)	-30.5%	45,674	39,804	(5,869)	-14.7%
Indirect Health Care Expenses	(163,974)	1,797	165,771	9224.7%	(156,504)	3,601	160,105	4446.3%
UMQA (Allocation & Delegated)	978,311	1,006,187	27,876	2.8%	1,867,223	1,991,318	124,095	6.2%
Total Health Care Expense	<u>6,860,276</u>	<u>7,226,946</u>	<u>366,670</u>	<u>5.1%</u>	<u>17,289,742</u>	<u>14,421,245</u>	<u>(2,868,497)</u>	<u>-19.9%</u>
G&A Allocation	453,489	467,764	14,275	3.1%	882,406	917,577	35,171	3.8%
Premium Tax	18,684	-	(18,684)	-	17,672	-	(17,672)	-
Total Operating Expense	<u>7,332,449</u>	<u>7,694,711</u>	<u>362,262</u>	<u>4.7%</u>	<u>18,189,820</u>	<u>15,338,822</u>	<u>(2,850,998)</u>	<u>-18.6%</u>
NON-OPERATING REVENUE								
Total Non-Operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u>\$ 2,829,689</u>	<u>\$ 955,334</u>	<u>1,874,355</u>	<u>-196.2%</u>	<u>\$ 4,867,803</u>	<u>\$ 1,993,931</u>	<u>\$ 2,873,873</u>	<u>-144.1%</u>
Medical Loss Ratio (adj MCO)	72.76%	89.59%			100.34%	89.22%		
Member Counts	4,170	4,247	(77)	-1.8%	8,352	8,510	(158)	-1.9%

Health Plan of San Mateo
MCE Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MCE Capitation	72,882,030	66,508,473	6373556	9.6%	177,975,729	133,508,912	44,466,817	33.3%
Supplemental Capitation	619,464	1,328,840	(709,376)	-53.4%	1,036,459	2,667,509	(1,631,051)	-61.1%
HepC Capitation	(17,473)	-	(17,473)	-	(17,473)	-	(17,473)	-
MC Cap Offset	(3,022,432)	-	(3,022,432)	-	(6,056,373)	-	(6,056,373)	-
Total Operating Revenue	<u>70,461,588</u>	<u>67,837,313</u>	<u>2,624,275</u>	<u>3.9%</u>	<u>172,938,342</u>	<u>136,176,421</u>	<u>36,761,920</u>	<u>27.0%</u>
OPERATING EXPENSE								
Provider Capitation	6,551,792	5,914,401	(637,392)	-10.8%	12,874,901	11,828,649	(1,046,252)	-8.8%
Hospital Inpatient	13,686,816	13,536,543	(150,273)	-1.1%	27,835,497	27,188,382	(647,115)	-2.4%
LTC/SNF	4,599,214	4,933,489	334,276	6.8%	9,322,246	9,825,262	503,016	5.1%
Pharmacy	(217)	-	217	-	(11,216)	-	11,216	-
Physician Fee for Service	6,494,303	6,167,334	(326,969)	-5.3%	11,930,498	12,380,289	449,791	3.6%
Hospital Outpatient	6,118,071	8,381,249	2,263,179	27.0%	13,299,964	16,824,495	3,524,531	20.9%
Other Medical Claims	5,025,255	4,902,240	(123,015)	-2.5%	9,371,506	9,840,743	469,237	4.8%
Other HC Services	(45,685)	(46,284)	(599)	1.3%	(104,667)	(92,910)	11,757	-12.7%
Directed Payments	4,717,764	5,212,728	494,964	9.5%	44,147,698	10,464,015	(33,683,683)	-321.9%
Long Term Support Services	5,790	-	(5,790)	-	10,009	-	(10,009)	-
CPO/In-lieu of Services	104,592	65,276	(39,316)	-60.2%	188,585	131,036	(57,549)	-43.9%
Dental Expense	1,475,041	1,295,720	(179,321)	-13.8%	2,613,801	2,563,006	(50,795)	-2.0%
Enhanced Care Management	190,486	587,343	396,857	67.6%	449,528	1,179,031	729,503	61.9%
Provider Incentives	291,734	796,383	504,650	63.4%	1,280,832	1,598,657	317,825	19.9%
Transportation	1,262,431	1,030,621	(231,810)	-22.5%	2,263,940	2,038,626	(225,314)	-11.1%
Indirect Health Care Expenses	32,374	60,605	28,232	46.6%	315,849	121,659	(194,190)	-159.6%
UMQA (Allocation & Delegated)	1,046,405	1,103,394	56,988	5.2%	2,079,619	2,184,052	104,433	4.8%
Total Health Care Expense	<u>51,556,166</u>	<u>53,941,045</u>	<u>2,384,878</u>	<u>4.4%</u>	<u>137,868,589</u>	<u>108,074,992</u>	<u>(29,793,598)</u>	<u>-27.6%</u>
G&A Allocation	3,346,225	3,365,005	18,780	0.6%	6,669,174	6,600,870	(68,304)	-1.0%
Premium Tax	(30,662)	-	30,662	-	(37,777)	-	37,777	-
Total Operating Expense	<u>54,871,730</u>	<u>57,306,050</u>	<u>2,434,320</u>	<u>4.2%</u>	<u>144,499,987</u>	<u>114,675,862</u>	<u>(29,824,125)</u>	<u>-26.0%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 15,589,858</u>	<u>\$ 10,531,263</u>	<u>5,058,595</u>	<u>-48.0%</u>	<u>\$ 28,438,355</u>	<u>\$ 21,500,559</u>	<u>\$ 6,937,796</u>	<u>-32.3%</u>
Medical Loss Ratio (adj MCO)	78.38%	86.13%			107.02%	85.97%		
Member Counts	161,486	154,280	7,206	4.7%	318,859	309,701	9,158	3.0%

Health Plan of San Mateo
 CA CMC Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Total Operating Revenue	-	-	-	-	-	-	-	-
OPERATING EXPENSE								
Provider Capitation	(17,019)	-	17,019	-	52,333	-	(52,333)	-
Pharmacy	(35,376)	-	35,376	-	(34,755)	-	34,755	-
Provider Incentives	(249,565)	-	249,565	-	(249,565)	-	249,565	-
Indirect Health Care Expenses	(81,474)	-	81,474	-	(81,041)	-	81,041	-
UMQA (Allocation & Delegated)	2,183	-	(2,183)	-	9,091	-	(9,091)	-
Total Health Care Expense	(381,252)	-	381,252	-	(303,938)	-	303,938	-
G&A Allocation	143,447	-	(143,447)	-	214,746	-	(214,746)	-
Total Operating Expense	(237,805)	-	237,805	-	(89,192)	-	89,192	-
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ 237,805	-	237,805	-	\$ 89,192	-	\$ 89,192	-
Medical Loss Ratio (adj MCO)	-	-	-	-	-	-	-	-
Member Counts	-	-	-	-	-	-	-	-

Health Plan of San Mateo
 Medi-Cal CMC Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Cal MediConnect Capitation	(36,673)	-	(36,673)	-	(22,905)	-	(22,905)	-
Total Operating Revenue	(36,673)	-	(36,673)	-	(22,905)	-	(22,905)	-
OPERATING EXPENSE								
Pharmacy	-	-	-	-	(121)	-	121	-
Other HC Services	0	-	0	-	0	-	0	-
Directed Payments	21	-	(21)	-	120	-	(120)	-
Enhanced Care Management	(520)	-	520	-	-	-	-	-
Transportation	-	-	-	-	207,051	-	(207,051)	-
Total Health Care Expense	(499)	-	499	-	207,050	-	(207,050)	-
G&A Allocation	9,906	-	(9,906)	-	10,416	-	(10,416)	-
Total Operating Expense	9,407	-	(9,407)	-	217,466	-	(217,466)	-
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (46,079)	-	(46,079)	-	\$ (240,371)	-	\$ (240,371)	-
Medical Loss Ratio (adj MCO)	1.36%	-	-	-	-899.25%	-	-	-
Member Counts	-	-	-	-	-	-	-	-

Health Plan of San Mateo
ALL LOB UNITS Statement of Revenue & Expense
 for the Period Ending June 30, 2023

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 112,559,764	\$ 104,167,120	\$ 8,392,644	8.1%	\$ 270,458,318	\$ 208,232,400	\$ 62,225,918	29.9%
MCE Capitation	72,882,030	66,508,473	6,373,556	9.6%	177,975,729	133,508,912	44,466,817	33.3%
WCM Capitation	10,872,929	8,528,369	2,344,560	27.5%	24,339,693	17,088,942	7,250,751	42.4%
Supplemental Capitation	3,523,660	5,524,553	(2,000,893)	-36.2%	5,721,267	11,065,157	(5,343,890)	-48.3%
BHT Capitation	10,582	-	10,582	-	228,128	-	228,128	-
HepC Capitation	(17,473)	-	(17,473)	-	(17,473)	-	(17,473)	-
CareAdvantage Premium	51,874,772	52,784,209	(909,437)	-1.7%	104,156,253	104,456,599	(300,346)	-0.3%
Medi-Cal Advantage Capitation	21,962,963	23,081,602	(1,118,639)	-4.8%	44,039,336	45,671,759	(1,632,423)	-3.6%
HealthWorx Premium	1,735,115	1,721,569	13,546	0.8%	3,483,327	3,439,790	43,538	1.3%
MC Cal MediConnect Capitation	(36,673)	-	(36,673)	-	(22,905)	-	(22,905)	-
MC Cap Offset	(7,453,916)	-	(7,453,916)	-	(14,639,175)	-	(14,639,175)	-
Total Operating Revenue	<u>267,913,752</u>	<u>262,315,895</u>	<u>5,597,857</u>	<u>2.1%</u>	<u>615,722,497</u>	<u>523,463,558</u>	<u>92,258,939</u>	<u>17.6%</u>
OPERATING EXPENSE								
Provider Capitation	20,034,385	18,349,971	(1,684,414)	-9.2%	36,938,253	36,374,385	(563,868)	-1.6%
Hospital Inpatient	55,363,969	50,641,531	(4,722,438)	-9.3%	106,089,985	100,967,191	(5,122,794)	-5.1%
LTC/SNF	35,937,276	41,479,180	(5,541,904)	-13.4%	75,161,373	82,404,031	(7,242,658)	-8.8%
Pharmacy	13,850,589	15,192,069	(1,341,480)	-8.8%	28,143,633	30,070,365	(1,926,732)	-6.4%
Physician Fee for Service	21,261,439	19,977,969	(1,283,470)	-6.4%	39,164,782	39,826,134	(661,352)	-1.7%
Hospital Outpatient	24,711,976	24,232,971	(479,005)	-2.0%	46,546,934	48,264,354	(1,717,420)	-3.6%
Other Medical Claims	21,348,544	22,389,317	(1,040,773)	-4.6%	42,691,440	44,975,768	(2,284,329)	-5.1%
Other HC Services	1,542,026	1,683,967	(141,941)	-8.4%	3,219,999	3,368,834	(148,836)	-4.4%
Directed Payments	15,236,219	15,918,503	(682,284)	-4.3%	118,187,705	31,868,059	(86,319,646)	-270.9%
Long Term Support Services	472,962	592,366	(119,404)	-20.2%	844,075	1,177,973	(333,898)	-28.3%
CPO/In-lieu of Services	1,846,598	1,660,831	(185,767)	-11.2%	3,600,409	3,301,360	(299,049)	-9.1%
Dental Expense	5,798,727	5,319,086	(479,640)	-9.0%	10,354,540	10,489,134	(134,594)	-1.3%
Enhanced Care Management	704,362	2,007,363	(1,303,001)	-64.9%	1,443,310	4,011,912	(2,568,602)	-64.0%
Provider Incentives	1,835,682	2,762,492	(926,810)	-33.5%	5,122,995	5,522,657	(399,662)	-7.2%
Supplemental Benefits	600,005	1,052,567	(452,562)	-43.0%	1,028,729	2,082,962	(1,054,234)	-50.6%
Transportation	4,733,860	2,654,171	(2,079,689)	-78.4%	7,288,438	5,228,063	(2,060,375)	-39.4%
Indirect Health Care Expenses	91,775	207,155	(115,380)	-55.7%	921,245	417,234	(504,012)	-120.8%
UMQA (Allocation & Delegated)	5,210,676	5,617,708	(407,032)	-7.2%	10,279,320	11,118,836	(839,516)	-7.6%
Total Health Care Expense	<u>230,581,069</u>	<u>231,739,217</u>	<u>1,158,148</u>	<u>0.5%</u>	<u>537,027,163</u>	<u>461,469,253</u>	<u>(75,557,910)</u>	<u>-16.4%</u>
G&A Allocation	14,024,062	15,119,497	(1,095,435)	-7.2%	27,949,067	29,658,744	(1,709,677)	-5.8%
Premium Tax	0	-	0	-	0	-	0	-
Total Operating Expense	<u>244,605,131</u>	<u>246,858,713</u>	<u>(2,253,582)</u>	<u>0.9%</u>	<u>564,976,229</u>	<u>491,127,997</u>	<u>(73,848,232)</u>	<u>-15.0%</u>
NON-OPERATING REVENUE								
Interest, Net	8,163,435	2,250,000	5,913,435	262.8%	14,212,285	4,500,000	9,712,285	215.8%
Rental Income, Net	314,793	296,834	17,959	6.1%	618,321	593,669	24,653	4.2%
Third Party Administrator Revenue	575,263	582,509	(7,246)	-1.2%	1,145,069	1,159,281	(14,212)	-1.2%
Miscellaneous Income	94	-	94	-	94	-	94	-
Total Non-Operating	<u>9,053,585</u>	<u>3,129,344</u>	<u>5,924,242</u>	<u>189.3%</u>	<u>15,975,770</u>	<u>6,252,950</u>	<u>9,722,820</u>	<u>155.5%</u>
Net Income/(Loss)	<u>\$ 32,362,207</u>	<u>\$ 18,586,525</u>	<u>13,775,681</u>	<u>-74.1%</u>	<u>\$ 66,722,037</u>	<u>\$ 38,588,511</u>	<u>\$ 28,133,527</u>	<u>-72.9%</u>

Health Plan of San Mateo
ALL LOB UNITS Statement of Revenue & Expense
for the Period Ending June 30, 2023

Medical Loss Ratio (adj MCO)	91.26%	94.05%			107.94%	93.87%		
Member Counts	556,282	545,890	10,392	1.9%	1,103,008	1,090,916	12,092	1.1%

**HEALTH PLAN OF SAN MATEO
STATEMENT OF CASH FLOWS - DIRECT & INDIRECT METHOD**

FOR THE CURRENT PERIOD June 30, 2023

	CURRENT MONTH 6/30/2023	CURRENT YEAR YEAR-TO-DATE 2023
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
Group/Individual Premiums/Capitation	-	-
Title XVIII - Medicare Premiums	17,043,732	104,156,253
Title XIX - Medicaid Premiums	47,909,556	524,864,874
Investment and Other Revenues	(347,062)	144,766
Medical and Hospital Expenses	(82,518,836)	(543,417,471)
Administration Expenses	10,008,474	(15,912,203)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(7,904,137)	69,836,219
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
Proceeds from Restricted Cash and Other Assets	-	-
Proceeds from Investments	-	-
Proceeds for Sales of Property, Plant and Equipment	-	-
Payments for Restricted Cash and Other Assets	-	-
Payments for Investments	-	-
Payments for Property, Plant and Equipment	-	-
Interest and Other Income Received	2,548,065	12,567,737
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,548,065	12,567,737
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
Principal payments under capital lease obligations	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	(5,356,072)	82,403,955
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH/PRIOR YEAR	497,639,905	409,879,878
CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	492,283,833	492,283,833
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating Income	8,832,902	50,746,267
Depreciation and Amortization	-	-
Decrease (Increase) in Receivables	132,335	810,654
Decrease (Increase) in Prepaid Expenses	(4,005,039)	(4,132,749)
Decrease (Increase) in Net Pension/Inflows and Outflows	(109,036)	(1,193,172)
Decrease (Increase) in Affiliate Receivables	-	-
Increase (Decrease) in Amts due to State of CA	-	-
Increase (Decrease) in Accounts Payable	(451,900)	4,027,480
Increase (Decrease) in Accounts Payable	(4,939,529)	22,041,901
Increase (Decrease) in Medical Claims Payable	(7,103,396)	(2,771,926)
Increase (Decrease) in Incurred But Not Reported	10,535,704	6,504,420
Increase (Decrease) in Provider Risk Sharing	(10,796,177)	(6,196,658)
Increase (Decrease) in Unearned Premium	-	-
Aggregate Write-Ins for Adjustments to Net Income	-	-
TOTAL ADJUSTMENTS	(16,737,039)	19,089,952
NET CASH PROVIDED BY OPERATING ACTIVITIES	(7,904,137)	69,836,219
DETAILS OF WRITE-INS AGGREGATED FOR ADJUSTMENTS TO NET INCOME		
Unrealized (Gain)/Loss on Equity Securities	-	-
(Gain)/Loss on Sale of Assets	-	-
Prior Period Rent Expense	-	-
Realized (Gain)/Loss on Investment	-	-
TOTALS	-	-

MEMORANDUM

AGENDA ITEM: 4.2

DATE: September 13, 2023

DATE: August 17, 2023
TO: San Mateo Health Commission
FROM: Patrick Curran, Chief Executive Officer
RE: Renaming Consumer Advisory Committee

Recommendation:

Renaming the Consumer Advisory Committee to Community Advisory Committee.

Background:

The San Mateo Health Commission recently restructured its standing committees to streamline committee oversight, ensure all policies have an oversight body and establish clear flows of accountability and communication into the Commission.

At its meeting on August 16, 2023, the Consumer Advisory Committee discussed the structure of the committee and other ways of obtaining member input. To be in alignment with the new contract language with the DHCS, the committee is recommending the name of Consumer Advisory Committee to be changed to Community Advisory Committee.

Fiscal Impact

There is no fiscal impact in the renaming of this committee.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF RENAMING
CONSUMER ADVISORY COMMITTEE TO
“COMMUNITY ADVISORY COMMITTEE”**

RESOLUTION 2023 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has established committees and advisory groups to carry out its business;
- B. The Consumer Advisory Committee serves as one of our bylaw functions of Public Policy Participation which oversees member and community input; and
- C. To align with the DHCS contract language, the Consumer Advisory Committee recommends a change to the committee’s name.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission approves the renaming of the Consumer Advisory Committee to “Community Advisory Committee”.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 13th day of September 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 ATTORNEY

MEMORANDUM

AGENDA ITEM: _____

DATE: _____

DATE: September 13, 2023

TO: San Mateo Health Commission

FROM: Amy Scribner, Chief Health Officer
Megan Noe, Population Health Director

RE: Approval of Agreement Health Dialog Services Corporation

Recommendation:

Authorize the Chief Executive Officer to execute the agreement with Health Dialog Services Corporation to fulfill regulatory requirements for telephonic Nurse triage services. The contract maximum is One Million Four Hundred Thousand Dollars and no cents, \$1,400,000 and the term is three years, September 25, 2023, through September 30, 2026.

Background and Discussion:

The Department of Managed Health Care requires the Health Plan of San Mateo to provide, or arrange for, the provision of telephonic triage services for its 173,000 members, 24 hours/7 days per week/365 days per year. In HPSM's three-way contract with the Centers for Medicare and Medicaid Services and the Department of Health Care Services, HPSM is also required to ensure that members have access to telephonic medical advice from a licensed professional after business hours and as needed by members. HPSM is currently contracted with AccessNurse to perform these telephone triage services. The contract with AccessNurse will expire on September 30, 2023. In anticipation of the contract expiration with AccessNurse, and per purchasing requirements, HPSM conducted an RFP process that included three bidding vendor respondents. Health Dialog was selected as the final vendor due to increased functionality and capability. Pending approval, the contract with Health Dialog Services Corporation will begin on September 25, 2023, with a go live for implementation of services planned for September 28, 2023, and continue for a contract term of 3 years through September 30, 2026.

Fiscal Impact:

The total budget for Health Dialog for the three-year contract is \$1,400,000. The budget reflects the fees for implementation, monthly services fees, and ongoing reporting costs.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF AN APPROVAL OF AGREEMENT WITH
HEALTH DIALOG SERVICES CORPORATION**

RESOLUTION 2023 -

RECITAL: WHEREAS,

- A. The Department of Managed Health Care, the Centers for Medicare and Medicaid Services, and the Department of Health Care Services require HPSM to provide or arrange for the provision of telephone triage services for its 173,000 members, 24 hours/7 days per week/365 days a year;
- B. In November 2017, The San Mateo Health Commission approved the initial agreement with AccessNurse f/k/a TeamHealth Medical Call Center for contract term that is set to expire September 30, 2023;
- C. The San Mateo Health Commission approved amendments that brought the total contract maximum with AccessNurse f/k/a TeamHealth Medical Call Center to \$1,415,076.
- D. A request for proposal (RFP) process was initiated in 2022 as an environmental scan for these services that resulted in the selection of Health Dialog Services Corporation

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Office to execute an agreement with Health Dialog Services Corporation for a term of September 25, 2023, through September 30, 2026; and
- 2. Approves the Health Dialog Services Corporation agreement for an amount not to exceed \$1,400,000.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 13th day of September 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 ATTORNEY

MEMORANDUM

AGENDA ITEM: 4.4

DATE: September 13, 2023

DATE: September 6, 2023

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Eben Yong, Chief Information Officer
Chris Baughman, Chief Performance Officer

RE: Approval of Amendment to Agreement with SAS, Inc.

Recommendation:

Authorize the Chief Executive Officer to execute an amendment to extend the agreement with SAS, Inc. to provide data management software and services for an additional three years, through October of 2026 with a total amount not to exceed \$500,000.

Background:

SAS has offered software and reporting services to support the internal reporting and data services of HPSM since 1998. HPSM has utilized SAS products and services as the organization's core data management platform, allowing us to integrate varying data sources as well as format and extract data to meet extensive reporting and analytical needs. The SAS platform is supported by HPSM's Health Information Management Department, consisting of health data analysts trained and proficient in the SAS programming language.

Discussion:

The software supports the responsibilities of the HPSM data and reporting units, including the generation and maintenance of more than 800 HPSM internal reports; gathering, aggregating, and reporting of HEDIS data; utilization reporting; evaluations of specific clinical programs and interventions; support for CMS, DHCS, DMHC and other agency audits; support of compliance related activities; ad hoc reports; and decision support data for critical financial decision making.

The licensing fees for each of HPSM's SAS software modules are adjusted on an annual basis, with an approximate increase of 5% each year.

Fiscal Impact:

The fiscal impact of extending the agreement for this 36 month term from October 15, 2023 through October 14, 2026 shall not exceed \$500,000.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AMENDMENT TO
AGREEMENT SAS INSTITUTE, INC.**

RESOLUTION 2023 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has entered into an agreement with SAS Inc. (SAS) as the organization's core data management platform to integrate varying data sources and to format and extract data to meet reporting and analytical needs;
- B. SAS has been the data management platform for HPSM for over 20 years;
- C. Annual licensing fees require the approval of the Commission.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission approves extending the amendment with SAS, Inc. from October 15, 2023 through October 14, 2026 for a total amount not to exceed \$500,000 for this term.
- 2. Authorizes the Chief Executive Officer to execute said agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 13th day of September 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 ATTORNEY

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
August 9, 2023 – 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.5

DATE: August 9, 2023

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

Commissioners Absent: Si France, M.D., Ligia Andrade Zuniga

Counsel: Kristina Paszek

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

1. Call to order/roll call

The meeting was called to order at 12:33 p.m. by Commissioner Graham, Vice-Chair. A quorum was present.

2. Public Comment

No public comments were made at this time.

3. Approval of Agenda

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

4. Approval of Consent Agenda

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

5. Specific Discussion/Action Items

5.1 Proposal for Investment in AHMC Seton Medical Center

Pat Curran introduced the recommendation to provide one-time funding of \$10 million to AHMC Healthcare to enhance access to care for HPSM members at Seton Medical Center in Daly City.

He explained that in 2020 the San Mateo County Board of Supervisors committed to supporting Seton Medical Center and Seton Coastside in the amount of \$20 million over a period of time and with specific conditions, with a request that Health Plan of San Mateo contribute \$10 million of this amount. Mr. Curran explained the investment would help address improving the access to care for HPSM members. He noted that the staff is

working on the metrics for how this investment would be measured to accomplish improved access in several challenging areas. AMHC has communicated to HPSM that they are working on additional physician resources in several specific areas and considering transitioning acute care beds at Seton Medical Center to Long-Term Care and Skilled Nursing beds which would improve access for HPSM members.

Commissioner Graham expressed concern about the implication of a commitment being made on behalf of HPSM by the County Board of Supervisors without first obtaining input from this commission. Commissioner Miao stated that the commission needs to know the metrics around the number of potential beds for Long-Term Care. Mr. Curran answered that there have been talks about two floors of the hospital but no numbers relative to the number of beds or timeline due to requirements and licensing changes that would have to be addressed. HPSM would support AHMC with these requirements for this change as it would be a benefit to the community.

Commissioner Graham further explained his concern of a precedent being set by the County using HPSM as a bucket to pull from in difficult situations. Mr. Callagy clarified that the decision by the County was made to support Seton but acknowledged the \$10 million from HPSM was being made as a request to this board recognizing the San Mateo Health Commission as a separate board that makes its own decision. He added that given the Health Plan's current financial situation and considering the critical operations of Seton for our members and the community, that it would be important to consider.

Commissioner Tai added that many of the patients seen at Seton are Medi-Cal or Medicare beneficiaries and it is crucial for these patients to have access to health care in the northern part of the county. Commissioner Aviles concurred as a primary care physician with San Mateo Medical Center and is aware of the difficulties members in the middle of San Mateo County and north county have in accessing specialty care. She wants to know how these funds will create access for HPSM members.

Commissioner Mueller asked about Seton's financial viability to be able to provide access to services this funding would support. Mr. Curran did not have information beyond what was publicly available, and that information indicates far fewer losses than in the past and the demonstration of investment in the hospital seismic updates and infrastructure. Dr. Tai spoke about the improvements that have been made within the hospital and other indications that staff and patients are enthusiastic about these improvements.

Commissioner Graham stated that Seton is doing good work there. The hospitals that see the Medi-Cal and Medicare beneficiaries do have a challenge that requires some support. He added that the Health Plan needs to consider how best to provide a revenue stream for providers that is sustainable going forward.

Dr. Tom Hazelhurst, Medical Director for Long-Term Care at Seton Medical Center and Coastside Medical Center reported there are 116 SNF beds at Coastside and, with the support of HPSM, 39 newly remodeled SNF beds on the 9th floor of Seton Medical Center. They also have a 44 bed sub-acute which is 100% Medi-Cal patients. Dr. Hazelhurst shared

his list of roles as Primary Care and Medical Director for these units for several years and gave confirmation of the improved financial situation and the work being done at Seton.

Mr. Sarkis Vartanian, CEO for AHMC Seton Medical Center and Seton Coastside, gave an update on the status of Seton with seismic retrofitting, financial advancement towards stability, and regaining trust in the community. Seton has hired 250 new employees over the last three years and is focused on creating an atmosphere where patients have confidence that they are receiving high-quality care. AHMC is committed to this community and creating access to the specialty care, i.e., Psychiatry, Dermatology, and Pulmonary Medicine, as discussed here today.

Mr. Tim Schulze, Associate Chief Operating Officer for Seton Medical Center, addressed the Commission noting his background and experience with Seton Medical Center. He reinforced the commitment of Seton in the community and the efforts to bring more physicians to this area.

Commissioner Canepa moved approval of the investment as proposed to AHMC in the amount of \$10 million dollars. (Second: Callagy). **M/S/P**

5.2 Formation of 501(c)(3)

Mr. Curran introduced this recommendation to the Commission to explore a regional D-SNP in alignment with the state's requirement for all community health plans to have a D-SNP in place by January 2026. Mr. Curran explained the first step in exploring this venture is to start the lengthy process of formation of the 501(c)(3) by beginning the regulatory process with DMHC by applying for the Knox-Keene license and work through the non-profit application processes with the IRS. Another step will be to form an ad hoc committee to explore the future possible partnerships with other health plans over the next six months.

The recommendation is to authorize HPSM management to initiate the process of establishing a non-profit 501(c)(3) organization for the purpose of forming a jointly governed entity with other local Medi-Cal health plans that would provide Medicare and Medi-Cal benefits to dually eligible individuals. The initial start-up costs for organization formation in the next six months is estimated at \$250,000.

Commissioner Graham supports this action and commented that something to keep in mind is that this needs to be an equitable model that protects the interests of the community and HPSM members, as governed by the San Mateo Health Commission. Mr. Curran noted that staff will engage an expert consulting firm to ensure the Plan and community's best interests are addressed. Dr. Esguerra explained that the ad hoc committee will help map out the guardrails as we think about governance and structures around it.

Commissioner Aviles asked how this helps HPSM. Mr. Curran explained this is a partnership with other plans and in the exploration, our top consideration will be making sure it benefits our members. The fact that HPSM has expertise in this space of operating a D-SNP puts HPSM in a position to lead this effort and be at the forefront. The proposal is that collaboration and potential partnerships will ultimately lead to improved outcomes for our members and those of the participating plans.

Commissioner Mueller expressed interest in how this project might link to creating new health plan options for our community. Mr. Curran stated that forming this 501(c)(3) could open the doors for other programs that we are not currently involved with and there may be a link with other opportunities.

Commissioner Tai asked about the timelines and next steps for the Commission's approval. Mr. Curran stated that by April 2024, there will be more information presented to the Commission on the potential partnerships, if any. This information would include what these partnership(s) would look like, the funding requirements, potential financial impacts and governance ramifications.

Commissioner Canepa asked about the risk in this step. Mr. Curran answered that this step is only to begin the process and confirmed that the initial investment is up to \$250,000. Dr. Esguerra explained the risk in the future will be better defined and explained as we venture into proposals of potential partnerships in April 2024.

Commissioner Graham moved approval to fund the process to form the 501(c)(3) non-profit in the amount not to exceed \$250,000. The formation of the ad hoc committee and its members was deferred to a future meeting of the Commission. Motion: Graham; (Second: Mueller). **M/S/P**

5.3 Update on HealthWorx Agreement with San Mateo County

Mr. Trent Ehrgood described the background of the HealthWorx program, and the members it serves. Membership has remained mostly constant throughout the life of the program.

DMHC had historically regulated these plans separately from commercial plans (IHSS Plans). With the passage of certain legislation and interpretation of regulatory policies by DMHC, regulatory requirements are increasing creating a significant increase in workload. Due to low membership and fluctuating financial performance, HPSM has incurred losses in 2019, 2021 and 2022. One high-cost case can affect the overall financial performance of the program.

Mr. Ehrgood explained the funding mechanism with the County and the premium limits, which are based upon IHSS hours worked. Based on the calculations, it is not expected that proposed premium increases will exceed this maximum premium limit. He further reviewed the Health Care Cost and Administrative Costs and projected totals for 2023 and 2024.

Mr. Ehrgood explained that at this point the program is facing three options: 1) Expand the program to solve problems in the County; 2) Continue the program and price the premium as needed to cover the costs; 3) or dissolve the program. If we were to dissolve the program, the County would have to purchase a commercial product for their workforce which would likely be more expensive. It would be easier administratively for HPSM because of the current regulatory workload the program requires. The next step for HPSM management is to engage a consultant to evaluate the HealthWorx program regarding its future sustainability, as well as explore options for how this program might be used to address other coverage gaps in the community.

There was some conversation about the legislative impacts driving the regulations for this program. Mr. Ehrgood noted that DMHC talked about adding this issue to a legislative calendar to revisit bringing it back to being categorized as a government funded program and eliminating some of the administrative burdens.

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 had nothing to report in addition to his written report.

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

DRAFT

**SAN MATEO HEALTH COMMISSION
Special Meeting Minutes
August 23, 2023 – 10:00 a.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080**

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

Commissioners Absent: Si France, M.D.

Counsel: Kristina Paszek

Guests Presenting: Wendy Todd, Stacy Guffanti, Michelle Baass, Jaycey Cooper

Staff Presenting: Pat Curran, Colleen Murphey

1. Call to order/roll call

The meeting was called to order at 10:00 a.m. by Commissioner Pon, Chair. A quorum was present.

2. Public Comment

No public comments were made at this time.

3. Welcome and Introductions

Patrick Curran welcomed attendees and Colleen Murphey introduced the agenda for the day and also introduced Wendy Todd, who welcomed all in attendance and facilitated the discussion throughout the day.

4. Strategic Planning Process

Colleen Murphey described gave an overview of the process to gather data and input to inform the strategic plan.

5. Trends In Health Care

Stacy Guffanti of Cain Brothers in New York presented virtually to the group and spoke on healthcare industry themes and trends.

Michelle Baass, Director of the California Department of Healthcare Services (DHCS) and Jacey Cooper, Deputy Director of DHCS and State Medicaid Director, joined the group virtually and outlined the future direction and main activities of the Medi-Cal program over the next few years to give the group insights regarding future priorities.

6. Strategic Plan Overview

Colleen Murphey gave a presentation on the eight potential goals for consideration for the health plan over the next five years, as well as an overview of the strategic planning process.

7. Group Discussions

In break-out groups, discussion ensued around goal ideas and potential modifications for consideration. Following these sessions, a brief description of the discussions was presented.

8. Next Steps

HPSM Leadership Team members will revise the goals based on Health Commissioner input and present a final version of the strategic plan at the November Health Commission meeting.

9. Adjournment

The meeting was adjourned at 4:00 pm

Submitted by:

C. Burgess

C. Burgess, Clerk of the Commission

MEMORANDUM

AGENDA ITEM: 5.1

DATE: September 13, 2023

DATE: September 6, 2023

TO: San Mateo Health Commission

FROM: Miriam Sheinbein, MD IBCLC, Medical Director

RE: Approval for Strategic Investment of HPSM Reserves in Primary Care

Recommendation:

Allocate up to \$30,000,000 of HPSM reserves to support and promote Advanced Primary Care in San Mateo County over the next 5 years.

Background:

Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes according to National Academies of Sciences, Engineering, and Medicine (NASEM). Health care systems with strong levels of primary care investment not only have better outcomes, but they also see lower care costs and better care quality.

For the last 6 to 7 years, Health Plan of San Mateo has invested more resources into transforming primary care, facilitating a Primary Care Learning Collaborative and updating our value-based payment models.

However, the Public Health Emergency highlighted that primary care is in crisis and more is needed to change the status quo. Four key problems facing primary care are:

- 1) financial neglect;
- 2) workforce shortages, bandwidth, and burnout;
- 3) underdeveloped population health; and
- 4) inadequate access for patients, leading to a suboptimal care experience and inequitable health outcomes.

Discussion:

HPSM is committed and prepared to address the primary care crisis and to promote Advanced Primary Care, in order to achieve better and more equitable health outcomes for our members. We have conducted an extensive discovery process with our local primary care stakeholders, as well as engaged national thought leaders in primary care funding and support. We believe that long-term sustainable investment in primary care is absolutely essential to our mission and vision.

We have developed a robust Primary Care Investment Strategy that will cover the following four areas:

1. Better allocate resources to advance primary care,
2. Fortify a diverse primary care workforce,
3. Support our network to be more population focused, and
4. Improve the care experience for our members and families.

Fiscal Impact:

This recommendation of investing \$30,000,000 will occur throughout the next 3-5 years. The specific interventions, dollars distributed, staff and other resource needs, will be developed and reported to the Health Commission. HPSM has sufficient reserves in place to make this investment according to the existing HPSM Reserve Policy.

DRAFT

**RESOLUTION OF
THE SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF
STRATEGIC INVESTMENTS IN PRIMARY CARE**

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; and
- 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 seeks to invest in primary care over the next five years with the goal to address the primary care crisis and to promote Advanced Primary Care, in order to achieve better and more equitable health outcomes for our members.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves the allocation of \$30,000,000 over the next five (5) years to support Advanced Primary Care as a strategic investment
2. Authorize the Chief Executive Officer to enter in necessary agreements for this allocation

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 13th day of September 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 ATTORNEY

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

Proposal

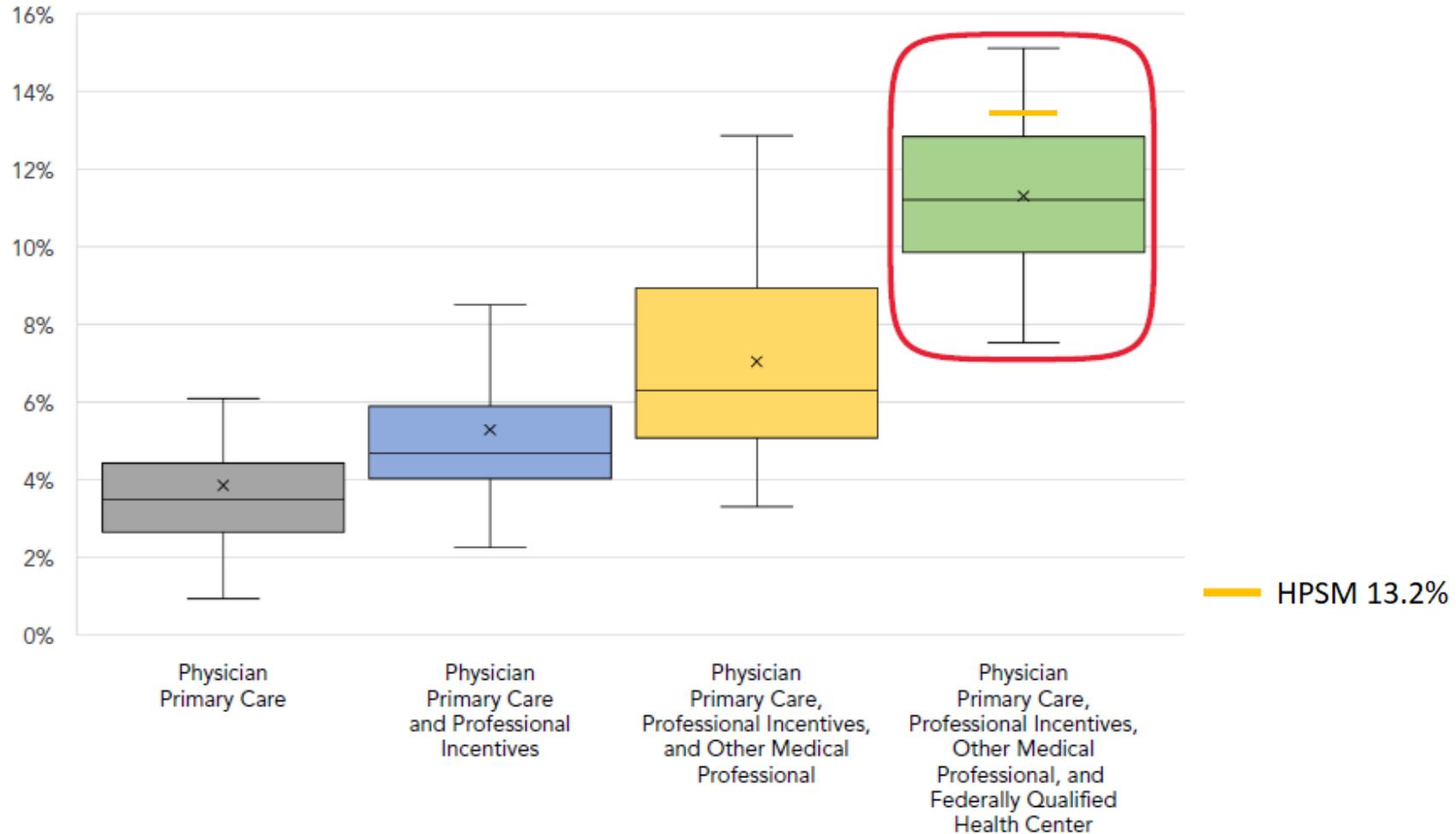
To allocate up to \$30,000,000 of HPSM reserves over the next five years for strategic investment to address the primary care crisis and to promote Advanced Primary Care in San Mateo County, in order to achieve better and more equitable health outcomes for our members.

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

National Academies of Sciences, Engineering, and Medicine

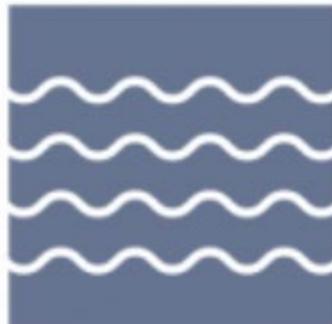
Investing in Primary Care

PRIMARY CARE SPENDING PERCENTAGE





**PERSON & FAMILY
CENTERED**



CONTINUOUS



**COMPREHENSIVE
& EQUITABLE**



**TEAM BASED &
COLLABORATIVE**

Shared Principles of Primary Care



**COORDINATED
& INTEGRATED**



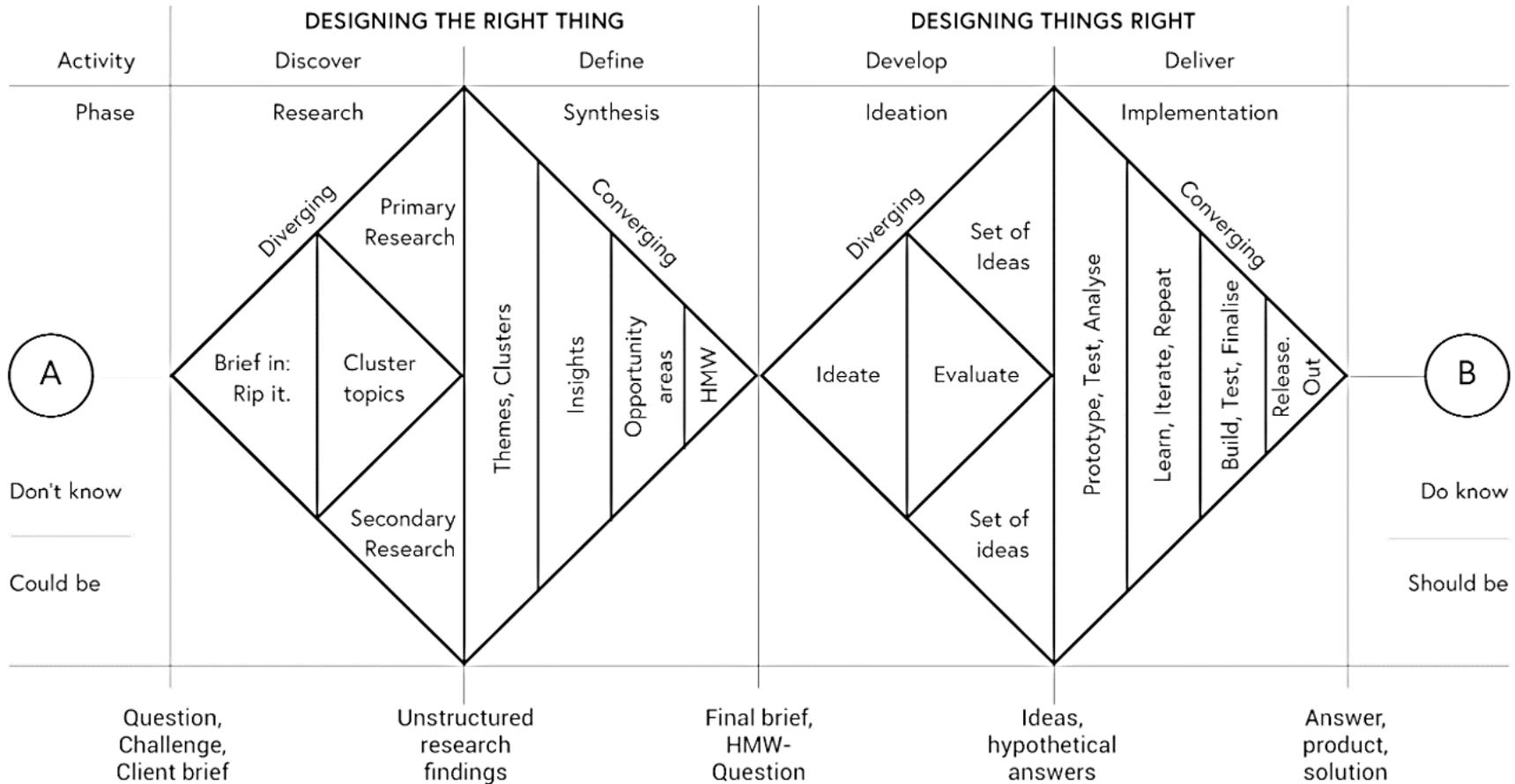
ACCESSIBLE



HIGH VALUE

The Process

The Process



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

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?

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?

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?

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?

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?

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

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

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

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

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

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

Better Population Health

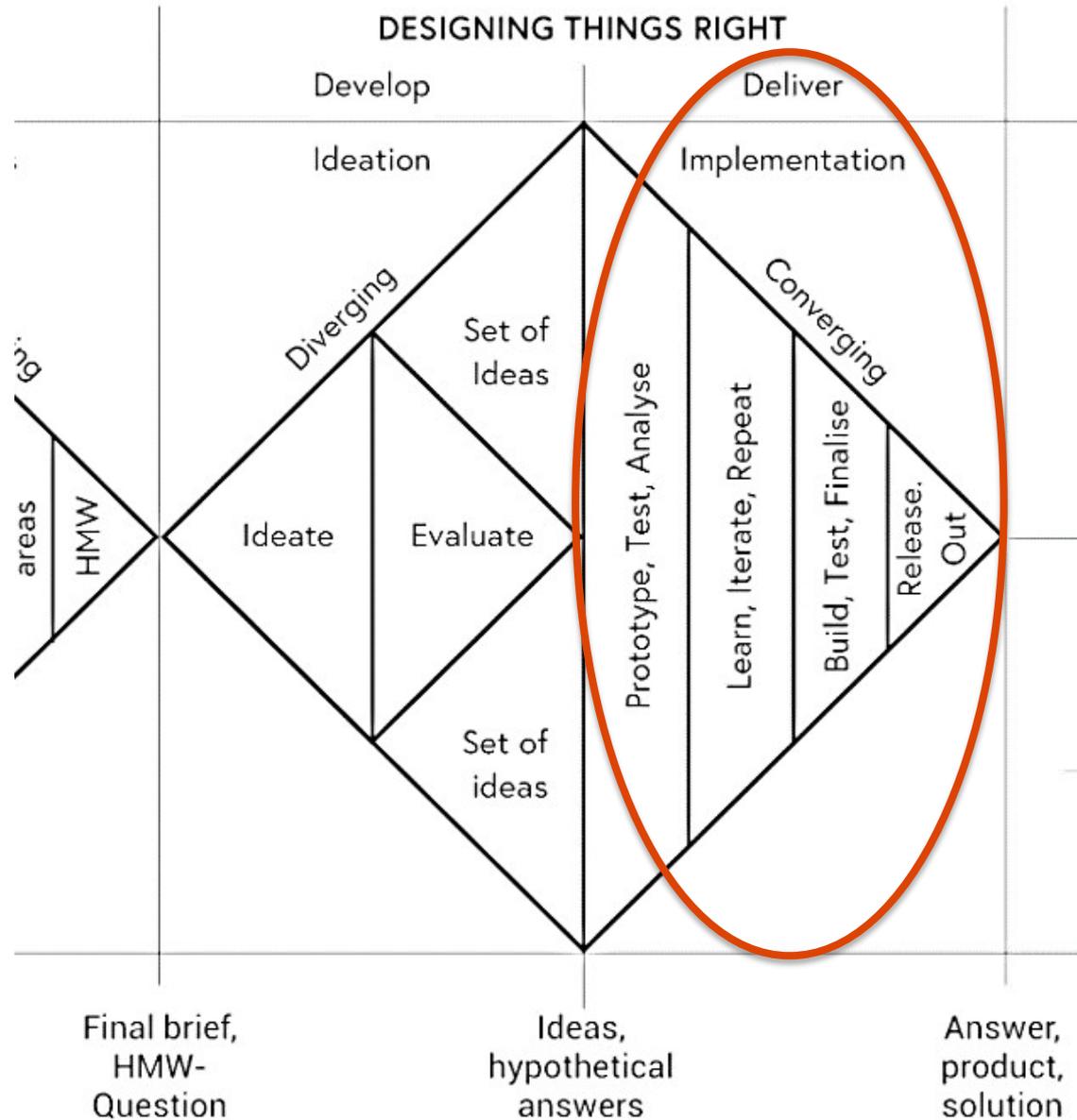
1. Increase Network Population Health Management Capabilities
2. Improve Data Transparency
3. Support Data Integration and Interoperability
4. Improve Performance and Reduce Disparities

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



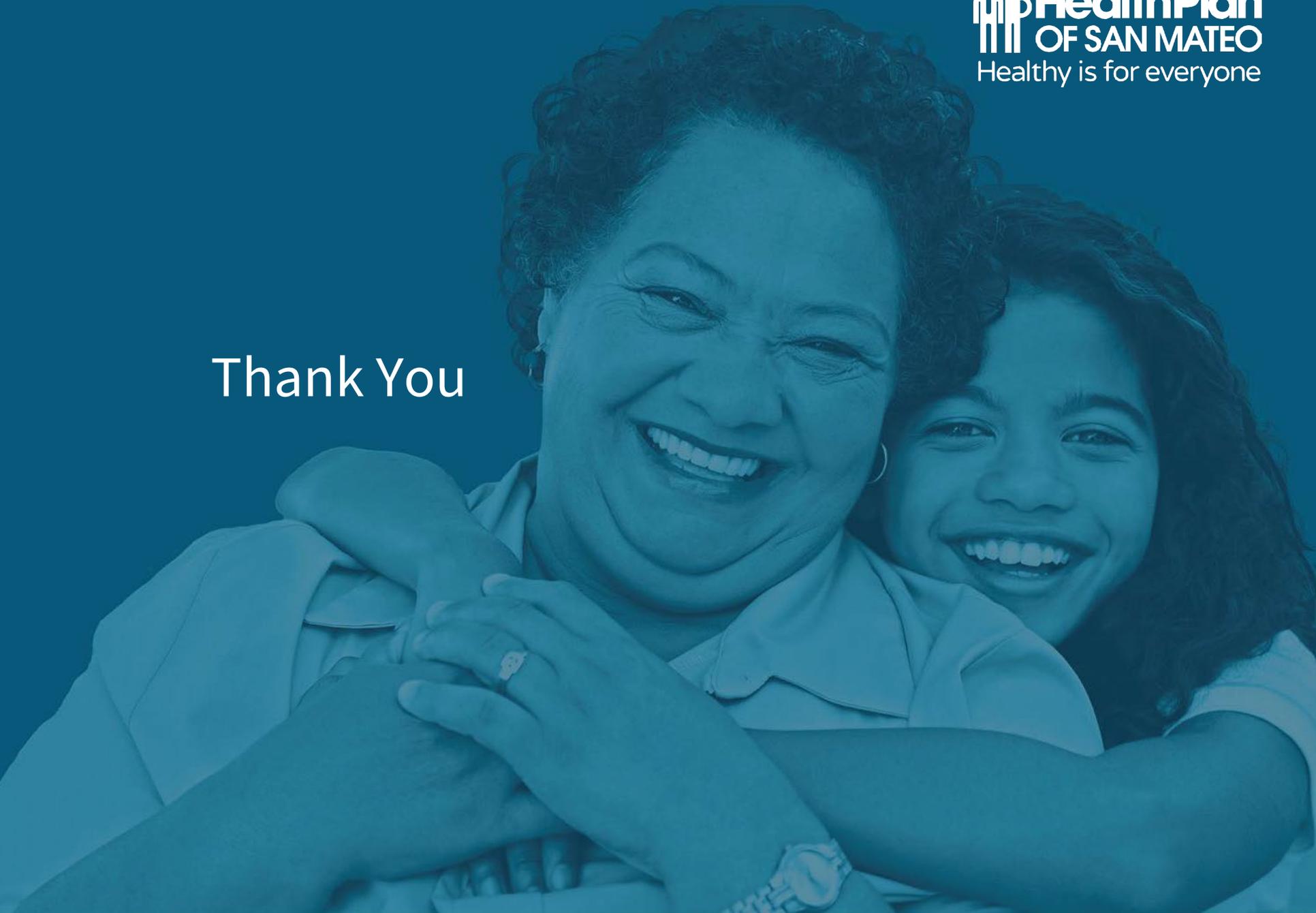
Resolution

- 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.

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

Thank You



Definitions and Acronyms

- APM: alternative payment models
- APC: advanced primary care
- VBC: Value Based Care

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 Alcala**
 - 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

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

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

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.

MEMORANDUM

AGENDA ITEM: 5.2

DATE: September 13, 2023

DATE: September 6, 2023

TO: San Mateo Health Commission

FROM: Patrick Curran, Chief Executive Officer
Colleen Murphey, Chief Operating Officer

RE: Approval of Agreement with The Stellar Health Group, Inc.

Recommendation

Authorize the Chief Executive Officer to execute an agreement with The Stellar Health Group, Inc., to provide software and services that assist primary care providers (PCPs) in HPSM's network to close gaps in care beginning October 1, 2023 through December 31, 2026 in a total amount not to exceed \$8,047,500.

Background

In May of 2022, HPSM initiated a Request for Proposal (RFP) process to find one or more vendors who could meet multiple, related business needs including:

1. *An internal analytics platform* to support targeted, responsive improvements to HPSM's HEDIS performance and Medicare Star Ratings
2. *An external, provider-facing tool* to make it easier for PCPs to identify and close prioritized care gaps – for example, making it easier for PCPs to identify assigned HPSM members who were due for specific screenings or preventative care visits.

In particular, HPSM identified the need for an external provider-facing tool (#2 above), as part of ongoing review and evaluation of HPSM's primary care Pay for Performance program. Currently, HPSM provides PCPs with data about their assigned members' care gaps by securely exchanging spreadsheet data reports (in Microsoft Excel). These spreadsheets require significant review and interpretation by primary care clinic staff.

By initiating this RFP, HPSM was seeking to find a user-friendly tool that could improve the experience of primary care clinic staff, reduce the administrative burden of care gap management on primary care physicians, and ultimately improve outcomes for HPSM members by making it easy for PCPs to identify and address preventative care needs.

Discussion

HPSM developed the RFP requirements with engagement from across HPSM departments, and worked with an external consultant to help identify potential respondents. Twenty-three (23) vendors responded to the RFP, and a panel of six different HPSM departmental leaders scored the responses. Nine (9) vendors were selected as semi-finalists to conduct first-round demos, which

were attended by twenty (20) HPSM staff. Subsequently, five (5) finalists were brought in for second-round demos and of these, three (3) were selected to hold additional demos with a panel of HPSM primary care providers, who provided feedback and completed assessment scorecards.

Vendors were evaluated based upon selection criteria including:

- Ability to meet all minimum business requirements related to provider care-gap closure;
- Provider feedback;
- Solution security, including demonstrating that the solution is HIPAA compliant, protects all PHI and sensitive information contained therein through appropriate encryption methods, has available and modifiable user-access controls, and user-specified minimum password requirements;
- Competitive cost to implement the proposed work;

The Stellar Health Group, Inc., was selected as the final vendor of choice for the provider-facing care gaps tool upon conclusion of the RFP. Key considerations for the selection of this vendor included a unique design that “gamifies” the work to close care gaps and directly incentivizes administrative staff within provider practices to conduct activities such as member outreach. Additionally, the platform is “payer agnostic”, meaning that HPSM will be purchasing this tool for providers to use for their HPSM members, however providers may also choose to use the same tool to manage care caps for non-HPSM patients assigned to them. This was a key consideration for our network primary care providers.

The RFP process is still underway for the selection of a vendor to meet the first area of business need (an internal analytics platform) mentioned in the Background section above.

Fiscal Impact:

The estimated cumulative cost of this three-year arrangement, based upon best estimates of provider adoption, is \$1,325,000 – \$2,500,000 over three years. However, with rapid and full adoption of the tool across 150,000 HPSM members per year, the total three year cost would be a maximum of:

1. Guaranteed vendor fees, charged on a per-member-per-month basis, of up to \$2,610,00 (\$870,000/year)
2. At-risk, performance based vendor fees of up to \$5,437,500 (an earn potential of \$1,812,500/year)

For a total not-to-exceed amount of \$8,047,500 over three years. Of note: two thirds of the potential vendor fees in this contract are contingent upon the vendor’s ability to achieve outcomes by supporting HPSM’s provider network in several areas. These vendor fees will be paid out annually to the vendor based upon the below priority metrics for HPSM:

- A. HPSM’s plan Star Rating performance
- B. Overall quality outcomes across all practices who have adopted the tool, on a set of priority quality measures that HPSM chooses each year
- C. Member access to preventative care wellness visits among practices who have adopted the tool
- D. Successful implementation of the tool with providers (which includes vendor staff meeting regularly to provide technical assistance to primary care providers)

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AGREEMENT WITH
THE STELLAR HEALTH GROUP, INC.
FOR A PROVIDER CARE GAPS SOLUTION**

RESOLUTION 2023 -

RECITAL: WHEREAS,

- A. Health Plan of San Mateo operates as a Medi-Cal managed care health plan.
- B. HPSM staff released a Request for Proposal to a wide range of health IT vendors with the capability to provide a provider care gaps solution; and
- C. HPSM received 23 responses to this RFP and has selected The Stellar Health Group, Inc. to provide such software and services.

NOW THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to execute an Agreement with The Stellar Health Group, Inc. for the provision of provider care gap software and services beginning October 1, 2023 through December 31, 2026 for a total amount not to exceed \$8,047,500.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 13th day of September, 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 ATTORNEY

MEMORANDUM

AGENDA ITEM: 7.0

DATE: September 13, 2023

DATE: September 6, 2023
TO: San Mateo Health Commission
FROM: Patrick Curran
RE: CEO Report – September 2023

Managed Care Organization (MCO) Tax

As reported last month, 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. The state discontinued this tax in 2022 but is now re-establishing the tax. Many of the provisions will apply to our 2024 rates, though there may be some retroactive funding based upon CMS approval.

There are specific targets for funding primary care, behavioral health, and maternity care that take effect in 2024, and we will learn the specifics of those parameters over the next weeks and months. Based on the best information we have, HPSM already pays higher than the targeted amounts for those three categories.

In addition, there is a statewide plan/provider coalition which is proposing 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 two 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 month, approximately 1,300 HPSM members lost Medi-Cal coverage. We hope to have numbers about the second month of redeterminations by the time of the Commission meeting.

This process will continue through next summer, as members each have a specific redetermination date (i.e., it is not all done at once). Based on this early activity, we are still tentatively projecting

losing 10-15% of our Medi-Cal membership over the next year, but those projections may change as we learn more.

Health Commission Strategic Planning Retreat

Thanks to all of you for taking time out of your busy days to join our strategic planning retreat on August 9th. We will continue to work on our strategic plan, incorporating the insights gained at the retreat, as well as additional input we receive. We will bring an updated strategic plan to the November Health Commission meeting for discussion and possible approval.