

October 29, 2025

Primary Care Capitation Rate Increases Effective 11/1/2025

Dear provider,

The Health Plan of San Mateo (HPSM) recognizes the importance of investing in the long-term sustainability of the provider network, especially during times of uncertainty regarding the future of Medi-Cal. As a result, HPSM is making investments to advance goals of our five-year strategic plan: <https://www.hpsm.org/about-us/mission/our-strategic-plan>

Starting November 1, 2025, HPSM will increase its standard network capitation rates for primary care providers contracted with HPSM through the Medi-Cal line of business. This is the first of several increases to primary care payments planned in the next two years.

Why now? In 2024, HPSM's Health Commission approved specific investments to address critical access gaps and support our providers through rate increases. And earlier this year, HPSM increased the standard network fee-for-service rates for primary care and specialty services. HPSM also committed to increasing capitation rates and conducted an analysis of prior network capitation rates in relation to the new fee-for-service equivalent (*learn more about our rate increases from earlier this year below*).

What are the detailed changes for primary care providers receiving partial capitation?

- 1. Increased total base capitation payments by over 20% annually.** Based on 2024 utilization figures, all contracted primary care providers can expect an increase to their average per-member-per-month (PMPM) capitation payments. The increase will vary by provider based on panel characteristics such as sex, age, and category of aid (COA) denoting reason for Medi-Cal eligibility.
- 2. 10 category of aid (COA) groups reduced to two (2).** HPSM has consolidated these 10 into two new groups of members with like characteristics at a higher aggregate payment rate. The new COA groups are Seniors and Persons with Disabilities ("SPD") and "Family". The new rates will continue to be determined at the COA group/sex/age combination level.
- 3. Other things to note:** At this time, there are no changes to the scope of capitated services or the Panel Engagement Capitation Bonuses incentive program, in which providers can earn up to 30% additional capitation each quarter. Learn more here: <https://www.hpsm.org/docs/default->

[source/provider-services/hpsm-medi-cal-panel-engagement-capitation-bonus-incentive-guidelines.pdf](https://www.hpsm.org/source/provider-services/hpsm-medi-cal-panel-engagement-capitation-bonus-incentive-guidelines.pdf)

New Base Network Rates – Primary Care Partial Capitation PMPM effective 11/01/2025

Sex	Age Band	Category of Aid (COA) Group	
		SPD	Family
Female	00-00	\$22.77	\$20.88
	01-04	\$22.77	\$15.66
	05-19	\$22.77	\$13.92
	20-44	\$22.77	\$13.92
	45-64	\$22.77	\$17.40
	65+	\$22.77	\$20.88
Male	00-00	\$17.98	\$15.86
	01-04	\$17.98	\$11.90
	05-19	\$17.98	\$10.58
	20-44	\$17.98	\$10.58
	45-64	\$17.98	\$13.22
	65+	\$17.98	\$15.86

What do I need to do to receive these new rates? Providers who already opt in to receiving primary care partial capitation will automatically receive capitation payments at these new rates effective November 1, 2025. HPSM Provider Services will reach out to you in the coming weeks to amend the exhibit of your primary care agreement that includes capitation rates.

Providers who currently receive fee-for-service payments for all primary care services may reach out to PSInquiries@hpsm.org to discuss opting in to primary care partial capitation.

Other resources:

- Learn more about our fee-for-service network rate increases here:
<https://www.hpsm.org/provider/resources/healthmatters-md/article/healthmattersmd/2025/04/18/rate-increases-for-hpsm-medi-cal-providers-starting-april-1-2025>
- Learn more about HPSM's Primary Care Investment strategy: <https://www.hpsm.org/about-us/community-impact/primary-care-investment-strategy>

Direct questions to HPSM's Provider Services Department at PSInquiries@hpsm.org.

Thank you,

The Health Plan of San Mateo