

**THE SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY  
Regular Meeting  
January 10, 2018 - 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 Approval of Amendment of Hospital Agreement with San Mateo Medical Center for Skilled Nursing Facility Services
  - 4.2 Approval of Compliance Policy CP.00 and HPSM Compliance Program for 2018
  - 4.3 Approval of Compliance Policy CP.26 – Code of Conduct; and, 2018 Code of Conduct Form
  - 4.4 Approval of Advisory Group Membership for 2018
  - 4.5 Approval of Amendment to Agreement with MPD Compliance Specialists
  - 4.6 Approval of Amendment to Medical Services Agreement with San Mateo Medical Center
  - 4.7 Request for Waiver of Request for Proposal Process and Approval of Amendment to Agreement with Verscend
  - 4.8 Request for Waiver of Request for Proposal Process and Approval of Amendment to Agreement with Certified Languages International
  - 4.9 San Mateo Health Commission Meeting Minutes, December 13, 2017
- 5. Specific Discussion/Action Items**
  - 5.1 Discussion/Action on Election of Officers
  - 5.2 Presentation on HomeAdvantage Program / Landmark Health
  - 5.3 Presentation on 2017 Compliance Activities
- 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.

**MEMORANDUM**

**DATE:** January 3, 2018

**TO:** San Mateo Health Commission

**FROM:** Maya Altman, Chief Executive Officer  
Patrick Curran, Deputy Chief Executive Officer

**RE:** Approval of Amendment to the Hospital Agreement with San Mateo Medical Center for Skilled Nursing Facility Services

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**Recommendation**

Authorize the Chief Executive Officer to execute an amendment to the Medicare (CareAdvantage Cal MediConnect) agreement with San Mateo Medical Center (SMMC) to revise payment terms for Skilled Nursing Facility services at SMMC and Burlingame Long Term Care.

**Background and Discussion**

HPSM has a Medicare CareAdvantage hospital agreement with SMMC which spans hospital inpatient and outpatient services, as well as skilled nursing facility (SNF) care. The services for skilled nursing care also include covered services provided at Burlingame Long Term Care (BLTC). The existing agreement pays both facilities a specific dollar amount per day, known as a “per diem” payment. HPSM is proposing to pay these facilities based on the Medicare Resource Utilization Group (RUG) methodology, which uses various case-mix and geographic adjusters to a daily payment rate to determine the payment to the facility.

SMMC’s and BLTC’s daily Medi-Cal SNF reimbursement rate has been significantly reduced by the State based on cost report audits. While the County is appealing these rate reductions, it may take substantial time to resolve these issues. In the meantime, HPSM has agreed to increase SMMC’s Medicare SNF rate to help offset some of these ongoing losses.

**Fiscal Impact**

This amendment, effective February 1, 2018, will likely increase the payment to SMMC by \$225,000-\$250,000 per year due primarily to the relatively low current per diem rate. The precise amount is unknown due to uncertainty regarding the number of members who will be served, as well as the case-mix adjusters used with the RUG methodology. HPSM is also implementing a program of onsite care coordination at SNFs through Landmark Health to enhance patient care, ensure appropriate utilization, and reduce unnecessary hospital admissions from SNFs.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF APPROVAL OF AN AMENDMENT TO  
THE HOSPITAL AGREEMENT WITH SAN MATEO MEDICAL CENTER  
FOR SKILLED NURSING FACILITY SERVICES**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. HPSM is committed to providing a broad network of providers to ensure access for its members; and
- B. San Mateo Medical Center and Burlingame Long Term Care are important community partners and committed to serving the HPSM membership, especially CareAdvantage Cal MediConnect members.
- C. SMMC's and BLTC's daily Medi-Cal SNF reimbursement rate has been significantly reduced by the State based on cost report audits. HPSM has agreed to increase SMMC's Medicare SNF rate to help offset some of these ongoing losses while the County appeals these rate reductions.

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

- 1. The San Mateo Health Commission approves the amendment to the Agreement with San Mateo Medical Center for Skilled Nursing Facility Services as outlined in the attached memorandum; and
- 2. Authorizes the Chief Executive Officer to execute said amendment, which is effective February 1, 2018.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10<sup>th</sup> day of January, 2018, by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**MEMORANDUM**

**AGENDA ITEM: 4.2**

**DATE: January 10, 2018**

**DATE:** December 22, 2017  
**TO:** San Mateo Health Commission  
**FROM:** Maya Altman, Chief Executive Officer  
Ian Johansson, Chief Compliance Officer  
**RE:** Approval of Compliance Policy CP.000 – HPSM Compliance Program for 2018

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**Recommendation**

Approve HPSM Compliance Policy CP.000 – Compliance Program.

**Background**

The Health Plan of San Mateo (HPSM) values the contribution of all employees, commissioners, committee members, and contracted business partners toward the goal of providing the highest possible quality of services to its members and providers.

This Compliance Program defines the practices and policies that demonstrate HPSM’s compliance with state and federal health care compliance requirements.

**Discussion**

The Compliance Program is reviewed annually, with recommendations for revision or renewal made by the Chief Compliance Officer and the Compliance Committee. This policy did not require changes for 2018.

The policy was approved by the Compliance Committee on December 15, 2017 by electronic vote and is hereby submitted to the Commission for its annual review and approval.

**Fiscal Impact**

The approval does not have a fiscal impact on HPSM.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF APPROVAL OF COMPLIANCE POLICY  
CP.000 – HPSM COMPLIANCE PROGRAM FOR 2018**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission and the Health Plan of San Mateo values the contribution of all employees, commissioners, committee members, and contracted business partners toward the goal of providing the highest possible quality of services to its members and providers; and
- B. The Compliance Program describes how HPSM ensures compliance with all applicable laws and regulations; and
- C. The Compliance Program has been reviewed by the Compliance Committee and is submitted for Commission review and approval for 2018.

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

- 1. The San Mateo Health Commission approves the attached 2018 Compliance Program for the Health Plan of San Mateo.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

## *INTRODUCTION*

The Health Plan of San Mateo (HPSM) is committed to conducting its business operations in compliance with ethical standards, contractual obligations, and all applicable state and federal statutes, regulations and rules, including those pertaining to Medicare, Medi-Cal, and operations of health plans. HPSM's compliance commitment extends to its own internal business operations as well as its oversight and monitoring responsibilities relating to its business partners and delegated entities that enable HPSM to fully implement all aspects of the Medicare benefits as well as HPSM's other lines of business.

The comprehensive Compliance Program described here incorporates the fundamental elements of an effective compliance program identified by the U. S. Department of Health and Human Services' Office of Inspector General (OIG), CMS regulations, and the Medicare Managed Care Manual and Prescription Drug Benefit Manual. Following these guidelines and good business practice, HPSM's Compliance Program:

- Assures compliance with and conformity to all applicable federal and state laws governing HPSM
- Assures compliance with contractual obligations
- Detects violations of ethical standards
- Combats fraud, waste and abuse
- Ensures effective education and training of staff; and
- Involves HPSM's Commission and CEO in the Compliance Program.

The Compliance Program is a continually evolving process that will be modified and enhanced based on compliance monitoring, identification of areas of business or legal risk, and as a result of evaluation of the program.

For purposes of this Compliance Program, unless otherwise stated, the term "All Employees" applies to all HPSM Employees, temporary employees, interns, volunteers, Commissioners, Contractors, and First Tier, Downstream, and Related Entities (FDRs). The Glossary, found in Appendix A, further defines these and other key terms used throughout this Compliance Program.

## *THE COMPLIANCE PROGRAM*

This document addresses the fundamental elements of a compliance program. The Compliance Program establishes HPSM principles, standards, and Policies and Procedures regarding compliance with applicable laws and regulations, including those governing relationships among HPSM and federal and state regulatory agencies, participating providers, and Contractors. The Compliance Program is designed to ensure operational accountability and that HPSM's operations and the practices of All Employees comply with applicable contractual requirements, ethical standards, and laws.

This Program was initially approved by HPSM's Chief Executive Officer (CEO) and HPSM's Governing Body, the San Mateo Health Commission/San Mateo Community Health Authority (Commission). It is reviewed annually by HPSM's Compliance Committee.

### **Key Elements of Compliance Program**

The following are elements critical to HPSM's Compliance Program. Detailed descriptions of each area can be found below.

- I. *Standards of Conduct, Policies and Procedures:* The Compliance Program outlines how contractual and legal standards are reviewed and implemented throughout the organization and communicated to All Employees. HPSM compliance staff reviews new and modified standards on a regular basis, develops Policies and Procedures, and implements plans to meet contractual and legal obligations.
- II. *Oversight:* The Compliance Program reflects a formal commitment of HPSM's Governing Body, the San Mateo Health Commission, which adopted this program. HPSM's Chief Compliance Officer, together with the Compliance Committee, oversees the Compliance Program's implementation, under the direction of the CEO. The Chief Compliance Officer and the Compliance Committee have the oversight and reporting roles and responsibilities set forth in this Compliance Program.
- III. *Effective Training and Education:* The Compliance Program incorporates training and education relating to standards and risk areas, as well as continuing specialized education focused on the operations of HPSM's departments and its programs. HPSM communicates its standards and procedures by requiring Employees to participate in trainings upon hire as well as annual trainings.
- IV. *Effective Lines of Communication:* HPSM has formal and routine mechanisms of communication available to All Employees, Providers, and Members. HPSM promotes communication through a variety of meetings and processes.
- V. *Well Publicized Disciplinary Standards:* The Compliance Program encourages a consistent approach related to the reporting of compliance issues and adherence to compliance policies. It requires that standards and Policies and Procedures are consistently enforced through appropriate disciplinary mechanisms including, education, correction of improper behavior, discipline of individuals (suspension, financial penalties, sanctions, and termination), and disclosure/repayment if the conduct resulted in improper reimbursement.
- VI. *Effective System for Routine Monitoring, Auditing, and Identification of Compliance Risks:* HPSM continues to implement monitoring and auditing reviews related to its operations and of those entities over which HPSM has oversight responsibilities. The Compliance Program and related Policies and Procedures address the monitoring and auditing processes in place to review the activities of HPSM, its providers, and Contractors. HPSM identifies risk areas through an operational risk assessment as well as by examining information collected from monitoring and auditing activities.
- VII. *Procedures and Systems for Prompt Response to Compliance Issues:* Once an offense has been detected, HPSM is committed to taking all appropriate steps to respond appropriately to the offense and to prevent similar offenses from occurring. HPSM makes referrals to external agencies or law enforcement as appropriate for further investigation and follow-up.

## APPLICABILITY

HPSM's Compliance Program applies to all HPSM products, including but not limited to: Medi-Cal, Medicare Parts C and D, Healthy Kids, HealthWorx and ACE.

## *CODE of CONDUCT*

HPSM's Code of Conduct details the fundamental principles, values, and ethical framework for All Employees. The objective of the Code of Conduct is to articulate broad principles that guide All Employees in conducting their business activities in a professional, ethical, and legal manner. It is reviewed by the Compliance Committee annually. The Code provides guidelines for business decision-making and behavior whereas Compliance Policies and Procedures are specific and address identified areas of risk and operations.

The Code of Conduct and HPSM Policies and Procedures are available to all HPSM Employees from their time of hire via HPSM'S intranet. As a condition of employment, HPSM Employees must certify within 90 days of hire and annually thereafter that they have received, read, and will comply with HPSM's Code of Conduct. Commissioners will also certify that they have received, read, and will comply with these standards of conduct. All FDRs, including the Medicare Part D pharmacy benefits manager, receive a copy of the Code as an attachment to their contracts with HPSM. All managers are required to discuss the content of the Code with Contractors under their immediate supervision during contract negotiations for the purpose of confirming the Contractors' understanding of the HPSM's Code of Conduct. Contractors are encouraged to disseminate copies of HPSM's Code to their employees, agents, and subcontractors that furnish items or services to HPSM and/or its members.

### **Review and Implementation of Standards**

HPSM regularly reviews its business operations against new standards imposed by applicable contractual, legal, and regulatory requirements to ensure that All Employees operate under and comply with changing standards. HPSM develops Policies and Procedures to respond to changing standards and potential risk areas identified by HPSM, the OIG, CMS, DHCS, and DMHC. HPSM identifies risk areas through an operational risk assessment as well as by examining information collected from monitoring and auditing activities. These activities include internal reviews, contract monitoring, and external reviews of HPSM's operations by regulatory agencies. The Code of Conduct is reviewed annually by HPSM's Compliance Committee as are HPSM's compliance policies and procedures. Staff is informed of significant revisions as appropriate, such as revisions that affect staff rights, responsibilities or job duties, such as revisions that affect staff rights, responsibilities or job duties.

### **Compliance with Policies and Procedures**

Policies and Procedures are written to help provide structure and guidance to the operations of the organization and ensure that HPSM stays current with contractual, legal, and regulatory requirements. HPSM Employees are responsible for ensuring that they comply with the Policies and Procedures relevant to their positions. At least annually, HPSM staff reviews and, as needed, updates Policies and Procedures. HPSM's Compliance Committee reviews and approves proposed changes and additions to HPSM's Compliance Policies and Procedures (a list of which can be found in Appendix B) and others as determined by senior management. Operational/Department Policies and Procedures are approved by HPSM Managers and Directors. These Policies and Procedures are set forth in HPSM's electronic Policies and Procedures Manual available to all employees through HPSM's intranet.

Compliance Policies and Procedures include the following:

- Commitment to comply with all federal and state standards
- Compliance expectations

- Guidance to employees and others on dealing with potential compliance issues
- Guidance on how to communicate compliance issues to appropriate staff
- Description of how potential compliance issues are investigated and resolved
- A commitment to non-intimidation and non-retaliation for good faith participation in the Compliance Program.

In addition, as part of HPSM's audit of FDRs, such as HPSM's pharmacy benefits manager, the FDRs must certify that as a condition of employment its employees must comply with written policies and procedures and standards of conduct.

## **Familiarity with Identified Standards**

As indicated in the Code of Conduct, employees must be familiar with the standards related to potential risk areas for managed care organizations that relate to their job responsibilities.

## *OVERSIGHT*

### **Governing Body**

In its capacity as the Governing Body, the San Mateo Health Commission has the duty to assure that HPSM implements and monitors a Compliance Program governing HPSM's operations. The Chief Compliance Officer reports to the Commission on a periodic basis, but no less than annually. Reports include review of activities of the Compliance Program, results of internal and external audits, and reporting of other compliance-related issues.

### **Chief Compliance Officer**

HPSM's Chief Compliance Officer is responsible for developing and implementing Policies and Procedures and practices designed to ensure compliance with Federal and State health care programs, including the Medicare Programs. The Chief Compliance Officer may only delegate tasks set forth in this Compliance Program to other HPSM Employees upon authorization from the CEO. The Chief Compliance Officer's job description is available upon request to the Human Resources Department.

The Chief Compliance Officer receives periodic training in compliance procedures and has the authority to oversee compliance and regularly reports on compliance activities to the Commission. Proper execution of compliance responsibilities and promotion of and adherence to the Compliance Program shall be factors in the annual performance evaluation of the Chief Compliance Officer.

#### *The Chief Compliance Officer:*

- Holds a full-time senior management level position at HPSM and reports directly to HPSM's CEO.
- Receives training in compliance issues and/or procedures at least annually.
- Has the necessary authority to oversee compliance.
- Oversees compliance standards and procedures.
- Submits reports to the CEO, the Compliance Committee, and the Commission regarding compliance issues.
- Reports compliance issues involving the CEO directly to the Commission.

*The Chief Compliance Officer shall ensure that:*

- The Code of Conduct and Policies and Procedures are developed, implemented, and distributed to All Employees.
- The Compliance Program is reviewed and updated if needed at least annually based on changes in HPSM's needs, regulatory requirements, and applicable law.
- HPSM Employee certifications confirming receipt, review, and understanding of the Code of Conduct are obtained at the time of hire (at new employee orientation) and annually thereafter.
- An appropriate education and training program that focuses on elements of the Compliance Program (including information on Medicare, Medi-Cal, and fraud, waste, and abuse) is implemented and provided to HPSM Employees and made available to Commissioners and Contractors, as appropriate. The Compliance Committee and the Commission are briefed on the status of compliance training.
- FDRs implement education and training for their staff involved in Medicare or Medi-Cal and that this training includes information about HPSM's Compliance Program.
- All data submitted to regulatory agencies are accurate and in compliance with reporting requirements.
- A work plan is developed to monitor the implementation and compliance with Medicare- and Medi-Cal-related Policies and Procedures.
- Marketing staff is aware of and follow the requirements for Medicare sales and marketing activities.
- Effective lines of communication are instituted, communication mechanisms such as telephone hotline calls are monitored, and complaints are investigated and treated confidentially (unless circumstances dictate the contrary) including any involving Medicare non-compliance or fraud.
- Inquiries and investigations with respect to any reported or suspected violation or questionable conduct including the coordination of internal investigations and investigations of FDRs are:
  - initiated timely and completed.
  - reported to the appropriate organization (DHCS, CMS or its designee, and/or law enforcement) as necessary
  - appropriate disciplinary actions and corrective action plans are implemented.
- Documentation is maintained for each report of potential non-compliance or fraud, waste, or abuse from any source including results and corrective action plans or disciplinary actions taken.
- Periodic reviews of the Participation Status Review process are completed with the Chief Human Resources Officer and other designated employees to ascertain that the process is conducted in accordance with HPSM Policies and Procedures.
- Compliance software and electronic files are maintained to support implementation of the Compliance Program.
- Each of the requirements of the Compliance Program has been substantially accomplished.

## **Compliance Committee**

The Compliance Committee is responsible for overseeing the Compliance Program, subject to the direction of the CEO and the ultimate authority of the Commission. The Compliance Committee is chaired by the Chief Compliance Officer and meets on a quarterly basis. The Compliance Committee Charter identifies the responsibilities and membership of the Committee. HPSM maintains written minutes (as appropriate) of Compliance Committee meetings reflecting the reports made to the Committee and the Committee's decisions on issues raised (subject to applicable legal provisions concerning confidentiality.) The Compliance Committee Charter can be found in CP.001.

## **Managers / Supervisors**

Managers/Supervisors must be available to discuss with each HPSM Employee under their direct supervision and every Contractor with whom they are the primary liaison:

- The content and procedures in this Compliance Program.
- The legal requirements applicable to Employees' and Contractors' job functions or contractual obligations, as applicable.
- That adherence to this Compliance Program is a condition of employment or contractual relationship.
- That HPSM shall take appropriate disciplinary action, including termination of employment or a Contractor's agreement with HPSM, for violation of the principles and requirements set forth in the Compliance Program and applicable law and regulations.

## *TRAINING*

HPSM provides general and specialized compliance training and education, as applicable, to Commissioners and HPSM Employees to assist them in understanding the Compliance Program, including the Code of Conduct and Policies and Procedures relevant to their job functions. As a part of this process, all Commissioners and HPSM Employees are apprised of applicable state and federal laws, regulations, standards of ethical conduct and the consequences which shall follow from any violation of those rules or the Compliance Program.

### **Compliance and Fraud, Waste, and Abuse (FWA) Trainings**

HPSM Employees and new Commissioners are expected to complete compliance training within 90 days of hire or appointment to the HPSM Governing Body and annually as a condition of employment. New HPSM Employees receive a copy of the Code of Conduct during New Employee Orientation and must attest that they have read and understood it. New Commissioners receive a copy of the Compliance Program and Code of Conduct during their orientation and annually thereafter.

Compliance trainings for HPSM Employees include information regarding:

- Health Insurance Portability and Accountability Act (HIPAA)
- Fraud, waste, abuse and neglect including the False Claims Act and the Fraud Enforcement and Recovery Act
- Compliance Program
- Code of Conduct
- Information on the confidentiality, anonymity, non-intimidation and non-retaliation for compliance-related questions or reports of potential non-compliance.
- Review of the disciplinary guidelines for non-compliant or fraudulent behavior.
- Review of potential conflicts of interest and HPSM's disclosure/attestation system.

HPSM Employees may receive additional compliance training as is reasonable and necessary based on changes in job descriptions/duties, promotions, and/or the scope of their job functions.

Compliance training for Commissioners will focus on compliance and fraud, waste, and abuse.

Members of the Compliance Committee and other senior managers are trained on how to respond appropriately to compliance inquiries and reports of potential non-compliance. This training also includes confidentiality, non-intimidation and non-retaliation against employees, and knowing when to refer the incident to the Chief Compliance Officer.

Federal guidance specifically requires that all FDRs receive general compliance training, and in light of this requirement, FDRs are informed of their obligation to provide compliance training to their employees. HPSM receives confirmation that its FDRs conduct their own compliance training for staff and downstream entities in accordance with CMS guidance as part of the annual FDR audit. FDRs that have met the FWA certification requirements through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) are deemed to have met the training and educational requirements for FWA.

## **Documentation**

Documentation requirements related to the training and education program are addressed in the following manner:

- Core annual training material topics are available through a web based tool. Core trainings include all-staff FWA, Compliance and HIPAA Privacy trainings. Confirmation of completion of assigned courses and post-test is documented through a web based tool and reviewed by the Chief Compliance Officer to ensure staff completes assigned trainings.
- Supplemental annual trainings, such as manager training, are conducted in-person, with sign-in sheets retained as evidence of training participation.
- Documentation of trainings for Commissioners is captured through roll-call at an ad hoc committee meeting.

All Compliance Program training documents are retained in accordance with HPSM's Document Retention Policy.

## *EFFECTIVE LINES OF COMMUNICATION*

Effective lines of communication are established ensuring confidentiality between the Chief Compliance Officer, members of the Compliance Committee, HPSM managers and supervisors, HPSM Employees, Commissioners, and staff of FDRs. All Employees are encouraged to discuss compliance issues directly with their managers/supervisors or the Chief Compliance Officer. All Employees are advised that they are required to report compliance concerns and suspected or actual misconduct and violations of law.

The Chief Compliance Officer posts information such as the policies and procedures catalog (which includes the Code of Conduct as well as the Compliance Program) on HPSM's intranet, available to all HPSM Employees. Additional information can be posted as needed to update staff on changes in laws or regulations. The Chief Compliance Officer also informs Commissioners of any relevant federal and state fraud alerts and policy letters, pending/new legislation reports, updates, and advisory bulletins as necessary.

### *Establishment and Publication of Reporting Hotlines*

All Employees have an affirmative duty under the Compliance Program to report all violations, suspected violations, questionable conduct or practices by a verbal or written report to HPSM to a supervisor or the Chief Compliance Officer. In the event any person wishes to remain anonymous, he/she may use HPSM's confidential reporting system described below to report compliance concerns. The purpose of this reporting system is to ensure that there is an effective line of communication for compliance issues between HPSM and its Commissioners, HPSM Employees, Contractors and/or members.

## **Compliance Hotline**

HPSM has established a confidential Compliance Telephone Hotline (Compliance Hotline) for HPSM Commissioners, HPSM Employees, Contractors, Providers and Members and other interested persons to report any violations or suspected violations of law and/or the Compliance Program and/or questionable or unethical conduct or practices including, without limitation, the following:

- Incidents of fraud and abuse
- Criminal activity (fraud, kickback, embezzlement, theft, etc.)
- Conflict of interest issues
- Code of Conduct violations

HPSM currently uses a national hotline organization to administer its Compliance Hotline. The Compliance Hotline is accessible 24 hours a day, 365 days a year, excluding designated holidays (when callers will be routed to a voice mail message alerting them to call back during established hours of operation). A caller to the Compliance Hotline is initially greeted by a pre-recorded message that provides information regarding Compliance Hotline procedures and the caller's right to anonymity. Calls to the Compliance Hotline are not tape-recorded and will not be traced. The national hotline organization operator will ask the caller several questions relating to the reported issue, incident, etc. All reports are referred to HPSM's Chief Compliance Officer and investigated. Follow-up calls may be scheduled; however, information regarding the investigation and status of any action taken relating to the report may not be available to the caller.

The compliance hotline information is as follows: TOLL FREE COMPLIANCE HOTLINE (800) 826-6762.

HPSM publicizes the Compliance Hotline by appropriate means of communication to Commissioners, HPSM Employees, and Contractors including, but not limited to: e-mail notice and/or posting in prominent common areas, as well as on HPSM's intranet.

## **Confidentiality, Non-Intimidation and Non-Retaliation**

HPSM takes all reports of violations, suspected violations, questionable conduct or practices seriously. Verbal communications via the Compliance Hotline and written or verbal reports to managers or supervisors or anyone designated to receive such reports shall be treated as privileged and confidential to the extent permitted by applicable law and circumstances. The caller/author need not provide his/her name.

HPSM's "Open Door" policy encourages HPSM Employees to discuss issues directly with their managers, supervisors, the Chief Compliance Officer, other senior managers, members of the Compliance Committee, or the CEO. These channels of discussion provide for confidentiality to the extent allowed by law.

HPSM maintains and supports a Non-Intimidation and Non-Retaliation policy which prohibits any retaliatory action against a Commission Member, HPSM Employee, or Contractor for making any verbal/written report in good faith. This includes qui tam relators who make a report under the federal or California False Claims Act.

Discipline shall not be increased because an Employee reported his or her own violation or misconduct. Prompt and complete disclosure may be considered a mitigating factor in determining an Employee's

discipline. The non-tolerance for retaliation and intimidation is described in policy and reviewed in the annual compliance training. HPSM takes violations of the policy on non-intimidation and non-retaliation seriously; the Chief Compliance Officer reviews disciplinary and/or other corrective actions for such violations with the Compliance Committee, as appropriate.

Although Commissioners and HPSM Employees are encouraged to report their own potential wrongdoing, they may not use any verbal or written report in an effort to insulate themselves from the consequences of their own violations or misconduct. Commissioners, HPSM Employees, and Contractors shall not prevent or attempt to prevent, a Commissioner, HPSM Employee, or Contractor from communicating via the Compliance Hotline or any other mechanism. If a Commissioner, HPSM Employee, or Contractor attempts such action, he or she is subject to disciplinary action.

## *DISCIPLINARY STANDARDS*

### **Conduct Subject to Discipline**

HPSM Employees may be subject to discipline up to and including termination for failing to participate in HPSM's Compliance efforts. All new and renewing contracts include a provision that clarifies that a contract can be terminated because of a violation. The following are examples of conduct subject to enforcement and discipline:

- Failure to perform any required obligation relating to the Compliance Program or applicable law, including conduct that results in violation of any Federal or state law relating to participation in Federal and/or State health care programs.
- Failure to report violations or suspected violations of the Compliance Program or applicable law to an appropriate person or through the Compliance Hotline.
- Conduct that leads to the filing of a false or improper claim or that is otherwise responsible for the filing of a claim in violation of federal or state law.

### **Enforcement and Discipline**

HPSM maintains a "zero tolerance" policy towards any illegal conduct that impacts the operation, mission or image of HPSM. Any employee or contractor engaging in a violation of laws or regulations (depending on the magnitude of the violation) may have their employment or contract terminated. HPSM shall accord no weight to a claim that any improper conduct was undertaken "for the benefit of HPSM". Illegal conduct is not for HPSM's benefit and is expressly prohibited.

The standards established in the Compliance Program must be fair and consistently enforced through disciplinary proceedings. These shall include the following:

- Prompt initiation of education to correct the identified problem.
- Disciplinary action, if any, as may be appropriate given the facts and circumstances of the investigation including oral or written reprimand, demotions, reductions in pay, and termination.

In determining the appropriate discipline or corrective action for any violation of the Compliance Program or applicable law, HPSM does not take into consideration a particular person's or entity's economic benefit to the organization.

All Employees should also be aware that violations of applicable laws and regulations could potentially subject them or HPSM to civil, criminal or administrative sanctions and penalties. Further, violations could lead to HPSM's suspension or exclusion from participation in Federal and/or State health care programs. Documentation of all actions taken will be done by the Chief Compliance Officer according to the guidelines set forth in the Compliance Program.

## *MONITORING and AUDITING*

At the direction of the Chief Compliance Officer and/or Compliance Committee, HPSM's Compliance and Operational staff perform auditing and monitoring functions for the organization to ensure compliance with applicable law and the Compliance Program. They report, investigate and, if necessary and appropriate, correct, any inconsistencies, suspected violations or questionable conduct. The Chief Compliance Officer develops an auditing work plan that is approved by the Compliance Committee that addresses risks, including, but not be limited to, areas of risk identified in the OIG's Annual Work Plan for Medicare Managed Care, Medicare Administration, and Medi-Cal. Focused audits are conducted based on audit reports from HPSM regulators including DHCS, DMHC, and CMS. In addition, the Chief Compliance Officer develops auditing Policies and Procedures that are reviewed by the Compliance Committee.

Monitoring is an on-going process to ensure processes are working as intended. On-going checking and measuring can be performed daily, weekly, or monthly or on an ad hoc basis. Monitoring is completed by department staff. Auditing is completed by independent compliance staff and is a more formal and objective approach to evaluate and improve the effectiveness of HPSM processes and to ensure oversight of delegated activities.

A risk assessment tool is used to conduct a baseline assessment of HPSM's major compliance and FWA risk areas. This includes Medicare business operations, such as marketing, enrollment, appeals and grievances, benefit/formulary administration, transition policy, utilization management, accuracy of claims payments, and oversight of FDRs. The risk assessment is completed annually.

### *Oversight of Delegated Activities*

HPSM delegates certain functions and/or processes to FDRs. These include:

- Provider credentialing and re-credentialing at select facilities and for pharmacists
- PBM Pharmaceutical claims processing and aspects in the administration and delivery of the Medicare Part D benefit
- Mental health benefits, including claims processing and oversight of the grievance and appeals processes (for Medi-Cal, CareAdvantage, Healthy Kids, and HealthWorx lines of business)
- Dental benefits (for Healthy Kids)
- Transportation benefit for Medi-Cal and CareAdvantage CMC
- Grievances and appeals to Kaiser Permanente for those members assigned to Kaiser as a PCP
- Imaging of claims

Contractors are required to meet all contractual, legal, and regulatory requirements and comply with HPSM Policies and Procedures and other guidelines applicable to the delegated functions. HPSM maintains oversight of these delegated functions and will conduct annual audits of delegated entities.

## *Oversight of Non-Delegated Activities*

HPSM maintains oversight responsibility of the following activities that are not delegated to Contractors:

- Quality Improvement Program for Medicare and Medi-Cal lines of business
- Grievances and Appeals processes except as noted above
- Peer review process on specific, referred cases.
- Risk Management
- Pharmacy and drug utilization review as it relates to quality of care.
- Provider credentialing and re-credentialing, except as noted above
- Development of credentialing standards in specified circumstances
- Development of utilization standards
- Development of quality improvement standards
- Compliance

## *External Auditing for Pharmacy Benefits*

As part of its work plan, HPSM developed a strategy to monitor and audit its pharmacy benefits manager and other entities that are involved in the administration or delivery of the pharmacy benefits, including Medicare Part D. HPSM seeks written assurances from its PBM that it has an adequate audit work plan in place that includes auditing of network pharmacies and reporting with respect to HPSM Members. HPSM receives audit reports on a regular basis. HPSM also seeks written assurances that the PBM has implemented corrective actions when appropriate. Contracts are amended as needed to ensure PBM compliance.

In addition, HPSM routinely generates a number of reports to aid in monitoring and oversight efforts. These reports include:

- Payment reports
- Drug utilization reports
- Physician prescribing reports
- Unusual utilization pattern reports

Finally, HPSM uses system edits to monitor the delivery of the prescription drug benefit. Examples of such edits are: controls on early refills, edits to prevent payment for excluded drugs, limits on the number of times a prescription can be refilled, and step therapy edits.

## *Internal Auditing*

An annual auditing work plan is developed by the Compliance Department and includes:

- Internal audit schedule
- Audit report, including:
  - Audit objectives
  - Scope and methodology
  - Findings
  - Recommendations
- Audit staffing
- Approval, monitoring, and validation of corrective action plans

In developing the types of audits to include in the work plan, HPSM bases audits on the risk assessment to determine which risk areas will most likely affect HPSM. The Compliance Committee has input into the priority of the monitoring and audit strategy. In determining risk areas, HPSM reviews the annual OIG work plan, the CMS Prescription Drug Benefit Manual (Chapter 9), and resources developed by the industry that identify high risk areas in HPSM's programs and the health care industry.

The Compliance Office may ask the internal audit staff to conduct audits on specific topics not on the formal work plan should circumstances warranted such a review.

Finally, audits also may include follow up review of areas previously found non-compliant to determine if the corrective actions taken have fully addressed the underlying problem.

The work plan also includes a process for responding to all monitoring and audit results, including referral to appropriate agencies (e.g., CMS, the MEDIC, DHCS, law enforcement) when appropriate. All compliance actions taken will be tracked to evaluate the success of implementation efforts.

### *Compliance Program Effectiveness Audit*

HPSM conducts annual effectiveness audits of its Compliance Program, the results of which are shared with the Commission. HPSM avoids self-policing through utilization of staff who do not report to the Chief Compliance Officer or the Compliance Manager, or by outsourcing the audit to external auditors.

The HPSM Compliance Department maintains less formal measures of compliance program effectiveness, including internal and external audit results and a dashboard of reported compliance issues.

### *Audit Review*

The Chief Compliance Officer submits regular reports of all auditing and corrective action activities to the Compliance Committee. When appropriate, HPSM informs the appropriate agency (e.g., DHCS, CMS or its designee including the appropriate MEDIC, or law enforcement) of aberrant findings.

## *PROMPT RESPONSE TO COMPLIANCE ISSUES*

HPSM is committed to responding to compliance issues thoroughly and promptly and has developed policies to address the reporting of and responding to compliance issues. If an Employee becomes aware of a violation, suspected violation or questionable or unethical conduct in violation of the Compliance Program or applicable law, the Employee must notify HPSM staff immediately. A Commissioner or Contractor should notify HPSM of a suspected violation or questionable unethical conduct by reporting the concern to the Chief Compliance Officer or CEO. Any such reports of suspected violations may also be made to the Compliance Hotline.

The Chief Compliance Officer refers compliance issues involving the CEO directly to the Commission. The CEO refers any issue that involves a Commissioner to the San Mateo Board of Supervisors.

HPSM maintains a Fraud, Waste and Abuse plan that defines the plan's approach to detecting, preventing and deter fraud, waste and abuse. Significant Fraud, waste and abuse issues are summarized to the Compliance Committee and a FWA Subcommittee of the Compliance Committee reviews potential cases of FWA to determine potential actions by HPSM, need for external assistance or determination that FWA has not occurred.

Reports of suspected or actual compliance violations, unethical conduct, fraud, abuse, or questionable conduct, whether made by Commissioners, Employees, Contractors, or third parties external to HPSM (including regulatory and/or investigating government agencies), in writing or verbally, formally or informally are investigated. These are subject to review and investigation by HPSM's Chief Compliance Officer and/or the Compliance Committee, in consultation with legal counsel.

## **Self-Reporting**

HPSM makes appropriate referrals to the Centers for Medicare and Medicaid Services (CMS) or the MEDIC; the California Department of Health Care Services (DHCS) Medi-Cal Managed Care Division's (MMCD) Program Integrity Section; DHCS Audits and Investigations; DMHC; other agencies, as appropriate; or law enforcement for further investigation and follow-up of cases involving FWA, following the self-reporting section of the policy on Fraud, Waste, and Abuse.

## **Participation Status Review and Background Checks**

HPSM does not hire, contract with, or retain on its behalf, any person or entity that is currently suspended, excluded or otherwise ineligible to participate in Federal and/or State health care programs; and/or has ever been excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion. HPSM maintains policies on participation status for All Employees and providers.

### *Participation Status Review*

HPSM reviews Commissioners, HPSM Employees and Contractors against appropriate exclusion lists to ensure that they are not excluded, suspended or otherwise ineligible to participate in Federal and/or State health care programs. HPSM requires that potential Commissioners, Employees and Contractors disclose their Participation Status as part of the employment/contracting/appointment process and when Commissioners, Employees, and Contractors receive notice of any suspension, exclusion, debarment or felony conviction during the period of employment, contract or appointment. HPSM also requires those delegated to complete provider credentialing and re-credentialing that comply with Participation Status Review requirements with respect to their relationships with participating providers and suppliers. This review is conducted prior to employment or contractual engagement of a person or entity and monthly thereafter according to Participation Status Review Policies and Procedures.

### *Background Checks*

HPSM has implemented additional Policies and Procedures relating to background checks for specified potential or existing Employees or Contractors as may be required by law and/or deemed by HPSM to be otherwise prudent and appropriate.

### *Notice and Documentation*

HPSM and its Employees comply with applicable federal and state laws governing notice and disclosure obligations relating to Participation Status Reviews and background checks. Employees responsible for conducting the Participation Status Reviews and/or background checks shall record and maintain the results of the reviews and notices/disclosures and shall provide periodic reports to the Chief Compliance Officer.

## *DOCUMENTATION*

The Chief Compliance Officer has established and maintains an electronic filing system for all compliance-related documents. These tools are used to:

- Manage all Policies and Procedures.
- Organize and manage contracts.
- Organize and manage agendas, minutes, and meeting materials for Compliance Committee meetings and the FWA Committee.
- Document compliance with the Department of Health Care Services Medi-Cal contract.
- Organize audit materials for regulators and provide web access to materials to regulators.
- Document incidents of potential fraud.
- Document internal audits and those of delegated entities.
- Complete staff attestations.
- Maintain Compliance training records.

### **Document Retention**

All of the documents to be maintained in the filing system described above are retained for ten (10) years from end of the fiscal year in which the HPSM Medicare or Medi-Cal contracts expire or are terminated (other than privileged documents which shall be retained until the issue raised in the documentation has been resolved, or longer if necessary).

## APPENDIX A

### GLOSSARY

**Abuse** means practices that are inconsistent with sound fiscal, business or medical practices, and result in unnecessary cost to Federal and/or State health care programs, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care.

**All Employees** mean those HPSM Employees, interns, temporary employees, volunteers, Commissioners, contractors, or a First Tier, Downstream or Related Entity (FDR) who provide health or administrative services for an HPSM member.

**Audit** means a formal review of compliance with a particular set of internal (e.g., policies and procedures) or external (e.g., laws and regulations) standards used as base measures.

**Centers for Medicare & Medicaid Services (CMS)** means the Centers for Medicare & Medicaid Services, the operating component of the Department of Health and Human Services (DHHS) charged with administration of the Federal Medicare and Medicaid programs.

**Code of Conduct** means the statement setting forth the principles and standards governing HPSM's activities to which Commissioners, Employees, and Contractors are expected to adhere.

**Commissioners** mean the members of HPSM's Governing Body.

**Compliance Committee** means the committee designated by the CEO to implement and oversee the Compliance Program and to participate in carrying out the provisions of this Compliance Program.

**Compliance Program** means the program (including, without limitation, Code of Conduct and Policies and Procedures) developed and adopted by HPSM to promote, monitor and ensure that HPSM's operations and practices and the practices of its Commissioners, Employees, Contractors, and FDRs comply with applicable law and ethical standards.

**Contractor** means any contractor, subcontractor, agent, or other person including FDRs which or who, on behalf of HPSM, furnishes or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by HPSM.

**Contractor Agreement** means any agreement with a Contractor.

**Department of Health Services (DHCS)** means the California Department of Health Services, the State agency that oversees the Medi-Cal program.

**Department of Managed Health Care (DMHC)** means the California Department of Managed Health Care that oversees California's managed care system. DMHC regulates health maintenance organizations licensed under the Knox-Keene Act, Health & Safety Code, Sections 1340 et seq.

**Downstream Entity** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with an HPSM Medicare line of business below the level of the arrangement between HPSM and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

**HPSM Employee(s)** means any and all Employees of HPSM, including all senior managers, managers, supervisors, and other employed personnel include temporary staff. Interns and volunteers are also included in this reference.

**First Tier Entity** is any party that enters into a written arrangement, acceptable to the Centers for Medicare and Medicaid Services (CMS), with HPSM to provide administrative services or health care services to a Medicare beneficiary.

**FDR** is the term used to refer to a first tier, downstream or related entity.

**Federal and/or State Health Care Programs** means “any plan or program providing health care benefits, directly through insurance or otherwise, that is funded directly, in whole or in part, by the United States Government (other than the Federal Employees Health Benefits Program), including Medicare, or any State health care program” as defined in 42 U.S.C. § 1320a-7b (f) including the California Medicaid program, Medi-Cal.

**Fraud** means an intentional deception or misrepresentation made by a person or entity with the knowledge that the deception could result in some unauthorized benefit to itself, him/herself or some other person and includes any act that constitutes fraud under applicable Federal or State laws including, without limitation, knowingly making or causing to be made any false or fraudulent claim for payment of a health care benefit.

**Governing Body** means the San Mateo Health Commission/San Mateo Community Health Authority.

**HPSM** means the Health Plan of San Mateo, a County Organized Health System (COHS) created under California Welfare and Institutions Code Section 14087.5-14087.95 and San Mateo County Ordinance No.03067, as amended by Ordinance No. 04245.

**HPSM Member** means a beneficiary who is enrolled in one of HPSM’s lines of business.

**Manager / Supervisor** means an Employee in a position representing HPSM who has one or more employees reporting directly to him or her. With respect to Contractors, the term “Supervisor” shall mean the HPSM Employee that is the designated liaison for that Contractor.

**Mandatory Exclusion** means an exclusion or debarment from Federal and/or State health care programs for any of the mandatory bases for exclusion identified in 42 U.S.C. § 1396a-7(a) and the implementing regulations including a conviction of a criminal offense related to the delivery of an item or service under Federal and/or State health care programs; and/or a **felony conviction** related to the neglect or abuse of patients in connection with the delivery of a health care item or service; related to health care fraud and/or related to the unlawful manufacture, distribution, prescription or dispensing of a controlled substance.

**Medicare** means both Part C (Parts A and B) and Part D of Medicare.

**Medicare Drug Integrity Contractors (MEDICs)** means a private organization contracted with CMS to assist in the management of CMS’ audit, oversight, and anti-fraud and abuse efforts in the Medicare Part D benefit.

**National Committee for Quality Assurance Standards for Accreditation of MCOs (NCQA Standards)** means the written standards for accreditation of managed care organizations published by the National Committee for Quality Assurance.

**Office of the Inspector General (OIG)** means the Office of the Inspector General for the Department of Health and Human Services.

**Participating providers and suppliers** include all health care providers and suppliers (e.g. physicians, mid-level practitioners, hospitals, long term care facilities, pharmacies etc.) that receive reimbursement from HPSM for items or services furnished to members.

**Participation Status** means whether a person or entity is currently suspended, excluded, or otherwise ineligible to participate in Federal and/or State health care programs and/or was ever excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion.

**Participation Status Review** means the process by which HPSM reviews its Commissioners, Employees, Contractors, and HPSM direct providers to determine whether they are currently suspended, excluded, or otherwise ineligible to participate in Federal and/or State health care programs; and/or were ever excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion.

**Policies and Procedures** means the written policies and procedures regarding the operation of HPSM's Compliance Program and its compliance with applicable law, including those relating to Medicare and California's Medicaid program, Medi-Cal.

**Related Entity** means any entity related to HPSM by common ownership or control and (1) performs some of HPSM's management functions under contract or delegation, (2) furnishes services to Medicare beneficiaries under an oral or written agreement, or (3) leases property or sells materials to HPSM at a cost of more than \$2500 during a contract period.

**Waste** means an overutilization or misuse of resources that result in unnecessary costs to the healthcare system, either directly or indirectly.

## APPENDIX B

### Compliance Policies and Procedures

<b>Policy No.</b>	<b>Policy Title</b>
CP.001	Compliance Committee Charter
CP.003	Reporting Compliance Concerns
CP.004	Compliance Hotline
CP.005	Non Retaliation & Non-Intimidation
CP.006	False Claims Act Compliance
CP.007	Distribution of Compliance Program Materials
CP.008	Internal Audit
CP.010	Civil Rights Protection Policy & Procedure for Contractors
CP.011	Risk Assessment Development Process
CP.012	Medi-Cal Document and Data Certification
CP.016	Investigating & Reporting Fraud, Waste, Abuse, and Neglect
CP.017	Conflict of Interest for Committee Members
CP.019	Document Retention
CP.023	Oversight of Delegated Entities
CP.025	Compliance Trainings and Attestations
CP.026	Code of Conduct
HP.001	Privacy Program
HP.002	Minimum Necessary Use and Permitted Uses

HP.003	Verification Requirements
HP.004	Member Authorization
HP.005	Restriction Requests
HP.006	Confidential Communications
HP.007	Access Requests to PHI
HP.008	Amending PHI
HP.009	Accountings of Disclosures
HP.010	Privacy Incidents
HP.011	Breach Notification
HP.012	Safeguarding Sensitive Information
HP.013	Business Associates and Other Arrangements
HP.014	Notice of Privacy Practices
HP.100	HIPAA -HITECH Privacy and Security Glossary
HP.102	Security Management Process
HP.103	Workforce Security
HP.104	Security Awareness and Training
HP.105	Facility Security
HP.106	Workstation Server and Device Security
HP.107	Maintaining Confidentiality of ePHI
HP.108	Maintaining Integrity of ePHI

HP.109	Maintaining Availability of ePHI
HP.110	Data Backup & Disaster Recovery
HP.111	Physical Safeguards
HP.112	Disposal of Protected Health Information
HP.113	Security Incident & Data Compromise Procedure
HP.114	Acceptable Use Policy
HP.115	HPSM Wireless (WiFi) Access Policy
HP.116	HPSM Mobile Device Policy

**MEMORANDUM**

**AGENDA ITEM: 4.3**

**DATE: January 10, 2018**

**DATE:** December 22, 2017  
**TO:** San Mateo Health Commission  
**FROM:** Maya Altman, Chief Executive Officer  
Ian Johansson, Chief Compliance Officer  
**RE:** Approval of Compliance Policy CP.026 (Code of Conduct) and 2018 Code of Conduct Form

---

**Recommendation**

Approve HPSM Compliance Policy CP.026 – Code of Conduct and the 2018 Code of Conduct Form.

**Background**

The Health Plan of San Mateo (HPSM) values the contribution of all employees, commissioners, committee members, and contracted business partners toward the goal of providing the highest possible quality of services to its members and providers.

The Code of Conduct is created in accordance with state and federal requirements to provide guidance in following the ethical, legal, regulatory, and procedural principles that are necessary for maintaining high standards. This document serves as a guide for complying with HPSM’s internal policies and procedures as well as with all applicable laws and regulations.

**Discussion**

The Code of Conduct is reviewed annually, with recommendations for revision or renewal made by the Chief Compliance Officer and the Compliance Committee. There were no changes required in this policy for 2018.

The policy and attachments were approved by the Compliance Committee on December 15, 2017 by electronic vote and are hereby submitted for the Commission’s annual review and approval.

**Fiscal Impact**

The approval does not have a fiscal impact on HPSM.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF APPROVAL OF THE  
COMPLIANCE POLICY CP.026 - CODE OF CONDUCT  
AND 2018 CODE OF CONDUCT FORM**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission and the Health Plan of San Mateo values the contribution of all employees, commissioners, committee members, and contracted business partners toward the goal of providing the highest possible quality of services to its members and providers; and
- B. The Code of Conduct serves as a guide for complying with HPSM's internal policies and procedures as well as with all applicable laws and regulations; and
- C. The Compliance Policy CP.026 - Code of Conduct; and, 2018 Code of Conduct form have been revised for 2018 as part of the annual policy review process.

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

- 1. The San Mateo Health Commission approves the attached Compliance Policy CP.026 - Code of Conduct; and, 2018 Code of Conduct Form.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

## Health Plan of San Mateo Policy & Procedure Manual

Procedure: CP.026		Title: Code of Conduct	Original Effective Date:  01/15/2015
Revision:  3	Last Reviewed /Revised:  12/01/2017	Dept: Compliance	Page 1 of 5

Approval By: Compliance Committee		Date: 12/15/2017
Approval By: San Mateo Health Commission		Date:
Annual Review Date: 01/01/2019		
Authored by: Chief Compliance Officer		
<b>Pursuant To:</b> <input checked="" type="checkbox"/> DHCS Contract Provision Exhibit E, Attachment 2, Provision 26(B) [DRAFT Mega Rule Amendment] <input type="checkbox"/> Health and Safety (H&S) Code <input checked="" type="checkbox"/> CFR 42 CFR 438.608(a); 42 CFR 422.503(b)(4)(vi)(A); 42 CFR 422.504(b)(4)(vi)(A) <input type="checkbox"/> APL / DPL		<input type="checkbox"/> W & I Code <input type="checkbox"/> California Title # <input type="checkbox"/> Organization Need <input checked="" type="checkbox"/> Other Medicare Managed Care Guide Chapter 21, Sections 50.1.3; Medicare Prescription Drug Benefit Manual Chapter 9, Section 50.1.3
Departments Impacted: All		

### Policy:

To document Health Plan of San Mateo's (HPSM) procedure for communicating the organization's Code of Conduct.

### Scope

This procedure applies to (check all that apply):

<input checked="" type="checkbox"/> All LOBs/Entire Organization	<input type="checkbox"/> CCS	<input type="checkbox"/> Medi-Cal Expansion
	<input type="checkbox"/> Healthy Kids	<input type="checkbox"/> Medi-Cal Adults
<input type="checkbox"/> ACE	<input type="checkbox"/> HealthWorx	<input type="checkbox"/> Medi-Cal Children
<input type="checkbox"/> CA-CMC / MMP	<input type="checkbox"/> Medi-Cal	<input type="checkbox"/> Other (specify)

### Responsibility and Authority

- The Chief Compliance Officer is responsible for implementing a Compliance Program to ensure that HPSM services are provided in accordance with all applicable federal, state, and county laws and regulations.

### Definitions

**Code of Conduct** means the statement setting forth the principles and standards governing HPSM's activities to which Commissioners, Employees, and Contractors are expected to adhere.

**Commissioners** mean the members of HPSM's Governing Body, the San Mateo Health Commission.

**Committee Members** means those individuals who are members of the Commission-appointed Committees of HPSM.

**Contractor** means any contractor, subcontractor, agent, or other person which or who, on behalf of HPSM,

## Health Plan of San Mateo Policy & Procedure Manual

Procedure: CP.026		Title: Code of Conduct	Original Effective Date:  01/15/2015
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furnishes or otherwise authorizes the furnishing of health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by HPSM.

**Downstream Entity** means any party that enters into a written arrangement, acceptable to the Centers for Medicare and Medicaid Services (CMS), with persons or entities involved with an HPSM Medicare line of business below the level of the arrangement between HPSM and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

**First Tier Entity** means any party that enters into a written arrangement, acceptable to the Centers for Medicare and Medicaid Services, with HPSM to provide administrative services or health care services to a Medicare beneficiary.

**Related Entity** means any entity related to HPSM by common ownership or control and (1) performs some of HPSM's management functions under contract or delegation, (2) furnishes services to Medicare beneficiaries under an oral or written agreement, or (3) leases property or sells materials to HPSM at a cost of more than \$2500 during a contract period.

### Procedure

- 1.0 Development of Code of Conduct
  - 1.1 The Code of Conduct is a document which provides a statement of the principles and values by which HPSM operates.
  - 1.2 The Code of Conduct is developed by the Chief Compliance Officer with review and input from HPSM Senior Management and the Compliance Committee.
  - 1.3 Approval of the initial development of the Code of Conduct is obtained from the San Mateo Health Commission (SMHC), HPSM's governing body.
  
- 2.0 Review of the Code of Conduct
  - 2.1 The Code of Conduct is reviewed on an annual basis by HPSM Senior Management and the Compliance Committee.
  - 2.2 The full Code of Conduct is taken to the San Mateo Health Commission for review and approval on an annual basis.
  
- 3.0 Distribution of the Code of Conduct
  - 3.1 HPSM Employees
    - 3.1.1 New Hire:
      - 3.1.1.1 The Code of Conduct is distributed to new employees of HPSM according to Policy CP.25 (New Hire Trainings and Attestations).

## Health Plan of San Mateo Policy & Procedure Manual

Procedure: CP.026		Title: Code of Conduct	Original Effective Date:  01/15/2015
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3.1.1.2 New employees receive a hard copy of the Code of Conduct during New Employee Orientation.

3.1.1.3 They complete an Acknowledgement Form attesting that they have received the Code of Conduct, understand it, and commit to comply with it.

3.1.1.4 The Acknowledgement Form is entered into a tracking system for compliance reporting.

3.1.1.5 The original of the Acknowledgement Form is kept in Human Resources.

3.1.2 Annual review:

3.1.2.1 All HPSM Employees undergo an annual review of the Code of Conduct.

3.1.2.2 The annual review is an on-line review.

3.1.2.3 The on-line system tracks completion of the review for compliance reporting.

3.2 San Mateo Health Commissioners

3.2.1 Newly appointed

3.2.1.1 The Code of Conduct is distributed to new Commissioners of the SMHC within 90 days of appointment.

3.2.1.2 New Commissioners receive a hard copy of the Code of Conduct during New Commissioner Orientation.

3.2.1.3 They complete a Code of Conduct Acknowledgement Form attesting that they have received the Code of Conduct, understand it, and commit to comply with it.

3.2.1.4 The Code of Conduct Acknowledgement Form is entered into a tracking system for ease of compliance reporting.

3.2.1.5 The original of the Acknowledgement Form is kept by the Clerk of the Commission.

3.2.2 Annual Review

3.2.2.1 The Code of Conduct is distributed to all Commissioners of the SMHC on an annual basis.

3.2.2.2 They complete a Code of Conduct Acknowledgement Form attesting that they have received the Code of Conduct, understand it, and commit to comply with it.

3.2.2.3 The Code of Conduct Acknowledgement Form is entered into a tracking system for ease of compliance reporting.

3.2.2.4 The original of the Acknowledgement Form is kept by the Clerk of the Commission.

## Health Plan of San Mateo Policy & Procedure Manual

Procedure: CP.026		Title: Code of Conduct	Original Effective Date:  01/15/2015
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- 3.3 Members of Committees of the San Mateo Health Commission
  - 3.3.1 Newly appointed
    - 3.3.1.1 The Code of Conduct is distributed to new Committee Members within 90 days of appointment.
    - 3.3.1.2 New Committee Members receive a hard copy of the Code of Conduct.
    - 3.3.1.3 They complete a Code of Conduct Acknowledgement Form attesting that they have received the Code of Conduct, understand it, and commit to comply with it.
    - 3.3.1.4 The Code of Conduct Acknowledgement Form is entered into a tracking system for ease of compliance reporting.
    - 3.3.1.5 The original of the Acknowledgement Form is kept by the Clerk of the Commission.
  - 3.3.2 Annual Review
    - 3.3.2.1 The Code of Conduct is distributed to all Committee Members of the SMHC on an annual basis.
    - 3.3.2.2 They complete a Code of Conduct Acknowledgement Form attesting that they have received the Code of Conduct, understand it, and commit to comply with it.
    - 3.3.2.3 The Code of Conduct Acknowledgement Form is entered into a tracking system for ease of compliance reporting.
    - 3.3.2.4 The original of the Acknowledgement Form is kept by the Clerk of the Commission.
- 3.4 FDRs, Vendors, and Contractors
  - 3.4.1 FDRs, Vendors, and Contractors receive a copy of HPSM's Code of Conduct attached to their contracts with HPSM.
  - 3.4.2 FDRs receive a copy of the Code of Conduct on an annual basis, and must attest that they have:
    - 3.4.2.1 received the Code of Conduct, understand it, and commit to comply with it, and
    - 3.4.2.2 shared it with their employees and any downstream entities.

### Related Documentation

- CP.023 Oversight of FDRs
- CP.025 Compliance Trainings and Attestations

**Health Plan of San Mateo  
Policy & Procedure Manual**

Procedure: CP.026		Title: Code of Conduct	Original Effective Date:  01/15/2015
Revision:  3	Last Reviewed /Revised:  12/01/2017	Dept: Compliance	Page 5 of 5

**Attachments**

- HPSM Code of Conduct
- Code of Conduct Acknowledgement Form

Log of Revisions	
Revision Number	Revision Date
0	01/15/2015
1	02/11/2016
2	12/07/2016
3	12/01/2017

**HEALTH PLAN of SAN MATEO**

**CODE OF CONDUCT**

**2018**

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## A Message from the Chief Executive Officer

The Health Plan of San Mateo (HPSM) values the contribution of all employees, Commissioners, Committee Members, and Contracted Business Partners toward the goal of providing the highest possible quality of services to its members and providers. This *Code of Conduct* is created in accordance with state and federal requirements to provide guidance in following the ethical, legal, regulatory, and procedural principles that are necessary for maintaining high standards. This document serves as a guide for complying with HPSM's internal policies and procedures as well as all applicable laws and regulations.

This *Code of Conduct*, approved by the San Mateo Health Commission, applies to all HPSM staff, including employees, temporary staff and interns, as well as Commissioners, Committee Members, and Contracted Business Partners. In this document, the word *employee* encompasses all four groups unless otherwise stated.

The consequences for HPSM organizationally of failing to comply with this *Code of Conduct* can be serious, including member, financial, and reputational harm. Failure to comply may result in disciplinary actions up to and including termination.

Although this document was designed to provide overall guidance, it does not address every situation. Please refer to HPSM Policies and Procedures on HPSM's Intranet or in HPSM's Human Resources (HR) Policy Manual if additional direction is needed.

If there is no specific HPSM policy, this *Code of Conduct* becomes the policy. If a policy conflicts with this *Code of Conduct*, the *Code of Conduct* takes precedence. Questions or issues regarding this document or a policy should be discussed first with the immediate supervisor. If additional guidance is needed, one should go through the chain of authority up to and including HPSM's Chief Compliance Officer, other senior managers, or the Chief Executive Officer. Any issues may also be reported confidentially and anonymously by using HPSM's compliance hotline at **1-800-826-6762**.

Thank you for your commitment to HPSM and your dedication to serve our members, providers, and our community partners in an ethical, professional manner using the high standards which are embodied in this *Code of Conduct*.

Sincerely,

Maya Altman  
Chief Executive Officer

## Introduction

The Health Plan of San Mateo (HPSM) is a local non-profit health care plan that offers health coverage and a provider network to San Mateo County's underserved population. We currently serve more than 140,000 County residents.

The County Board of Supervisors established the San Mateo Health Commission in 1986 to address and resolve the issues of poor access to physicians, an uncoordinated health care system endured by the county's growing population of Medi-Cal patients. In 1987, the Commission founded the Health Plan of San Mateo to provide access to a stable and comprehensive network of providers, and a benefits program that promotes preventive care with staff devoted to ensuring Medi-Cal patients receive high quality, coordinated health care.

### Our Mission

The Health Plan of San Mateo improves the health of our members through high quality and preventive care.

### Our Vision

*Healthy is for everyone, and we FIGHT to make that possible.*

### Our Values

- Advocate for the health and well-being of our members and other underserved residents of San Mateo County.
- Partner with providers and community organizations to overcome local challenges faced by members and providers.
- Give individual and personal attention to our members by being culturally and linguistically responsive to their unique needs.
- Support our providers by ensuring they receive timely payment for their services and by reducing administrative obstacles.
- Strive to be good stewards of public resources by focusing on the efficient use of services and funds.
- Act with the highest standards of ethics integrity and transparency.
- Embrace a work atmosphere that encourages employee growth and commitment to HPSM's mission.

## **Commitments**

This *Code of Conduct* is intended to help both the Health Plan of San Mateo as a whole and individual employees stay true to the following commitments.

### **To HPSM Members**

HPSM is committed to delivering quality, affordable health care by providing its members access to a network of credentialed health care providers, customer service staff, and a grievance and appeal process for timely problem resolution.

### **To HPSM Providers**

HPSM is dedicated to providing efficient network management resources for its contracted providers, honoring contractual obligations, delivering quality health services, and bringing efficiency and cost-effectiveness to health care.

### **To HPSM Community Partners**

HPSM is dedicated to advocating for healthcare needs of San Mateo County with a commitment to addressing challenges of access for the underserved.

### **To HPSM Contracted Business Partners**

HPSM is committed to managing contractor and supplier relationships in a fair and reasonable manner. The selection of Contracted Business Partners, e.g. vendors, contractors, suppliers, and First-tier, Downstream, and Related entities (FDRs), is based on objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of staff and supply. HPSM will not communicate confidential information given to us by its suppliers unless directed to do so by the supplier or by law.

## **Code of Conduct**

All HPSM employees, Commissioners, Committee Members, and Contracted Business Partners are responsible for following these standards.

### **1. Privacy and Confidentiality**

- 1.1. Respect the privacy of members, providers, and co-workers by safeguarding their information from physical damage, maintaining member health information and business documents in a safe and protected manner, and following HPSM's record retention policies.
- 1.2. Protect the privacy of HPSM members' protected health information (PHI) according to federal and state requirements.
- 1.3. When using, disclosing, or requesting PHI, limit the information to the minimum amount needed to accomplish the work. Do not share or request more PHI than is necessary.
- 1.4. Only share medical, business, or other confidential information when such release is supported by a legitimate clinical or business purpose and is in compliance with HPSM policies and procedures, and applicable laws and regulations. Whenever it becomes necessary to share confidential information outside HPSM for legitimate business purposes, release PHI only after obtaining a signed business associates agreement or a completed Authorization to Release Information Form.
- 1.5. Exercise care to ensure that confidential information, such as salary, benefits, payroll, personnel files, and information on disciplinary matters is carefully maintained and managed.
- 1.6. Do not discuss confidential member, provider, contractor, or employee information in any public area, such as elevators, hallways, stairwells, restrooms, lobbies, or eating areas.
- 1.7. Do not divulge, copy, release, sell, loan, alter, or destroy any confidential information except as authorized for HPSM business purposes or as required by law.

### **2. Security of Electronic Information**

- 2.1. Practice good workstation security, which includes locking up offices and file cabinets; disposing of all paperwork in appropriate shredding receptacles; and covering all PHI or locking the computer if stepping away from the desk.
- 2.2. Take appropriate and reasonable measures to protect against the loss or theft of electronic media (e.g., laptops, flash drives, CDs/DVDs, photocopier hard drives, etc.) and against unauthorized access to electronic media that may contain member protected health information. Maintain and monitor security, data back-up, and storage systems.

- 2.3. Maintain computer passwords and access codes in a confidential and responsible manner. Only allow authorized persons to have access to computer systems and software on a “need-to-know” basis.
- 2.4. Do not share passwords or allow access to information to Contracted Business Partners, unless authorized to do so.
- 2.5. Transmit electronic confidential information securely in encrypted form.

### **3. Workplace Conduct**

- 3.1. Respect the dignity of every employee, provider, member, and visitor while providing high-quality services and treating one another with respect and courtesy.
- 3.2. Communicate openly and honestly and respond to one another in a timely manner. Share information and ask questions freely.
- 3.3. Be civil and comply with existing policies about the treatment of colleagues, non-harassment, and respect in the workplace.
- 3.4. Conduct HPSM business with high standards of ethics, integrity, honesty, and responsibility, and act in a manner that enhances our standing in the community.
- 3.5. Support and observe a workplace free of alcohol, drugs, smoking, harassment, and violence.
- 3.6. Do not act in any way that will harm HPSM.

### **4. Use of Social Media**

- 4.1. Do not engage in activity on social media sites that violates HPSM's mission, vision and values.
- 4.2. As an employee, when one’s connection to HPSM is apparent, the employee must make it clear that the posting is on behalf of the individual and not HPSM.
- 4.3. Protect members’ confidentiality and protected health information at all times. Do not write or say anything that violates HPSM’s privacy, security, or confidentiality policies. Never post any information that can be used to identify an HPSM member’s identity or health condition.
- 4.4. Maintain the confidentiality of HPSM business information and do not discuss this information on social media sites.
- 4.5. Always seek official approval from senior management before posting an official statement about HPSM. Only designated staff may speak on behalf of HPSM.
- 4.6. Employees may not use HPSM email addresses or phone numbers for personal use of social media.

### **5. Adhering to Laws and Regulations**

- 5.1. Follow all state and federal laws and regulations, including reporting requirements.
- 5.2. Do not knowingly make any false or misleading statements, verbal or written, to government agencies, government officials or auditors.
- 5.3. Do not conceal, destroy, or alter any documents.
- 5.4. Do not give or receive any form of payment, kickback, or bribe or other inducements to members, providers, or others in an attempt to encourage the referral of members to use a particular facility, product, or service.
- 5.5. Avoid inappropriate discussions regarding business issues.

## **6. Safety**

- 6.1. Comply with established safety policies, standards, and training programs to prevent job-related hazards and ensure a safe environment for members, providers, employees, and visitors.
- 6.2. Wear an HPSM badge at all times while in HPSM offices and when representing HPSM offsite.
- 6.3. Not share or lend an HPSM employee badge to any other individual, including visitors, other HPSM staff or co-located San Mateo County staff to access secured areas in HPSM offices. Badges are issued on a per-individual basis and may only be used by the individual who was issued that badge.

## **7. Conflict of Interest**

- 7.1. Avoid actual, apparent, or potential conflicts between one's own interests and the interests of HPSM. Comply with all legal requirements concerning conflicts of interest and incompatible activities. Complete all disclosure documentation as required.
- 7.2. Act in the best interest of HPSM whenever functioning as an agent of HPSM in dealings with contractors, providers, members, or government agencies. This includes those acts formalized in written contracts as well as everyday business relationships with business partners, members, and government officials.
- 7.3. As an HPSM employee, do not directly or indirectly participate in, or have a significant interest in, any business that competes with or is a supplier to HPSM. Only engage with a competitor or supplier if participation is disclosed to HPSM in advance and agreed to in writing by the Chief Executive Officer (CEO). This standard also applies to members of one's immediate family.
- 7.4. As an HPSM employee, do not engage in outside employment or self-employment that may conflict with the work of HPSM. Adhere to HPSM's Outside Employment/Self-Employment Policy, which can be found in the Human Resources Policy Manual.

- 7.5. As an HPSM employee, do not accept gifts and other benefits with a total value of more than \$50.00 from any individuals, businesses, or organizations doing business with HPSM.
- 7.6. As an HPSM employee, do not accept cash or cash equivalents (gift certificates, gift cards, checks or money orders) in any amount from any individuals, businesses, or organizations doing business with HPSM.

## **8. Protecting Assets**

- 8.1. Protect HPSM's assets and the assets of others entrusted to HPSM, including information and physical and intellectual property, against loss, theft, and misuse. Assets include money, equipment, office supplies, business contacts, provider and claims data, business strategies, financial reports, member utilization data, and data systems.
- 8.2. Take measures to prevent any unexpected loss or damage of equipment, supplies, materials, or services. Adhere to established policies regarding the disposal of HPSM properties.
- 8.3. Ensure the accuracy of all records and reports, including financial statements and reported hours worked.
- 8.4. Report expenses consistent with and justified by job responsibilities. Adhere to established policies and procedures governing record management and comply with HPSM's destruction policies and procedures.
- 8.5. Do not modify, destroy, or remove electronic communications resources (e.g., computers, phones, fax machines, etc.) that are owned by HPSM without proper authorization.
- 8.6. Do not install or attach any mobile or remote devices or equipment to an HPSM electronic communications resource without approval.
- 8.7. Use HPSM property and resources appropriately for the best interests of our members and HPSM and in accordance with HPSM's Acceptable Use Policy.
- 8.8. Follow all laws regarding intellectual property, which includes patents, trademarks, marketing, and copyrights. Do not copy software unless it is specifically allowed in the license agreement and authorized by the Chief Information Officer.

## **9. Participating in the Compliance Program**

- 9.1. Report any potential instances of fraud, waste or abuse or any suspected violations of the *Code of Conduct* or law to the Chief Compliance Officer, any member of HPSM management or Human Resources staff. HPSM management and Human Resources staff are required to report suspected FWA and violations of the *Code of Conduct* to the Chief Compliance Officer. Concerns can also be reported anonymously through the Compliance Hotline.
- 9.2. Cooperate fully with investigational efforts.

- 9.3. Act in accordance with HPSM's commitment to high standards of ethics and compliance.

## **10. Employment Practices**

- 10.1. Conduct business with high standards of ethics, integrity, honesty, and responsibility. Act in a manner that enhances our standing in the community.
- 10.2. Employ and contract with employees and business partners who have not been sanctioned by any regulatory agency and who are able to perform their designated responsibilities.
- 10.3. Provide equal employment opportunities to prospective and current employees, based solely on merit, qualifications, and abilities.
- 10.4. Do not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, ancestry, age, physical or mental disability, sexual orientation, veteran status, or any other status protected by law.
- 10.5. Conduct a thorough background check of employees and evaluate the results to assure that there is no indication that an employee may present a risk for HPSM.
- 10.6. Acts of retaliation or reprisal against any employee who in good faith reports suspected violations of law, regulations, HPSM's *Code of Conduct*, or policies will not be tolerated.
- 10.7. Provide an open-door communications policy and foster a work environment in which ethical and compliance concerns are welcomed and addressed to ensure that the highest quality of care and service is provided.
- 10.8. Provide appropriate training and orientation so that employees can perform their duties and meet the needs of our members, providers, and the communities we serve.

## **11. Resolving Issues and Concerns**

- 11.1. Protect the identity of people who call the Compliance Hotline, if they identify themselves, to the fullest extent possible or as permitted by law.
- 11.2. Evaluate and respond to allegations of wrongdoing, concerns and/or inquiries made to the Compliance Hotline in an impartial manner. All allegations will be thoroughly investigated and verified before any action is taken.
- 11.3. Take appropriate measures to identify operational vulnerabilities and to detect, prevent, and control fraud, waste, and abuse throughout the organization.
- 11.4. Report, as appropriate, actual or suspected violations of law and policy to the state or federal oversight agency or to law enforcement.

## **12. Committee Member Responsibilities**

- 12.1 Committee members will not discriminate in decision-making/recommendations in their respective committees on the basis of race, color, religion, sex national origin, ancestry, age, physical or mental disability, sexual orientation, veteran status, or any other status protected by law.

**2018 HEALTH PLAN OF SAN MATEO  
CODE OF CONDUCT  
ACKNOWLEDGEMENT FORM**

I have received this Code of Conduct in my role as:

- Health Plan of San Mateo (HPSM) Employee
- San Mateo Health Commission (SMHC) Commissioner
- HPSM / SMHC Committee Member:
  - \_\_\_ CCS Demonstration Project Advisory Committee
  - \_\_\_ CCS Family Sub-Committee
  - \_\_\_ Children's Health Initiative Oversight Committee
  - \_\_\_ CMC Advisory Committee
  - \_\_\_ Consumer Advisory Committee
  - \_\_\_ Finance/Executive Committee
  - \_\_\_ Peer Review/Physician Advisory Group
  - \_\_\_ Pharmacy & Therapeutics Committee
  - \_\_\_ Quality Improvement Committee
  - \_\_\_ Other \_\_\_\_\_
- Contractor (Individual)

I hereby certify by signing below that I have received this Code of Conduct, understand it, and hereby commit to comply with this Code of Conduct.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**MEMORANDUM**

**AGENDA ITEM:** 4.4

**DATE:** January 10, 2018

**DATE:** December 22, 2017

**TO:** San Mateo Health Commission

**FROM:** Maya Altman, Chief Executive Officer

**RE:** 2018 Membership - Commission Committees and Advisory Groups

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The Commission approves the membership of its standing committees and advisory groups every year at this time. During the year, committee chairs fill vacancies with qualified individuals, and these appointments are confirmed annually by the Commission.

Attached for the Commission's approval is a list of the Commission's current standing committees and advisory groups, including current membership and respective membership representation. Proposed changes have been indicated with strikethrough for deletions and underlining for additions.

Note that we have commissioner vacancies on Finance/Executive, the CCS Advisory Committee, Consumer Advisory, and Quality Improvement Committee. Please let Corinne or me know if you have an interest in serving on any of these committees.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF APPROVAL OF  
COMMITTEE AND ADVISORY GROUP MEMBERSHIP  
AND MEMBERSHIP REPRESENTATION FOR 2018**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission has previously established various committees and advisory groups to carry out its business, and appointed members to these committees and groups; and
- B. Membership and representation for these committees is approved annually by the Commission.

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

- 1. The San Mateo Health Commission approves the attached list of committees, committee members, and their respective membership representation for its standing committees for 2018.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**SAN MATEO HEALTH COMMISSION AND  
SAN MATEO COMMUNITY HEALTH AUTHORITY**

**COMMITTEES/ADVISORY GROUPS  
Member and Committee Representation List 2018**

**COMMITTEE OR GROUP**

**MEMBERSHIP REPRESENTATION**

**Finance/Executive Committee (5)**

**Staff: CFO/CEO**

*Meets Monthly*

~~John Ferrelli~~ ~~Si France, M.D.~~

~~Barbara Erbacher~~ ~~[vacant]~~

Don Horsley, Chair

Peggy Jensen

~~Vincent Mason, M.D.~~

- Commissioner
- Commissioner
- Commissioner
- Commissioner
- Commissioner

**CCS Demonstration Project  
Advisory Committee 12**

**Staff: Pediatric Health Manager**

*Meets Quarterly*

[Vacant]

Kate Stanford

Michelle Blakely

Benjamin Mandac, M.D.

[Vacant]

Sherri Sager

~~Janet Chaikind, M.D.~~ ~~Grace Chen, M.D.~~

Lianna Chen

Marilyn Wendt

~~Michael Stevens~~ ~~Vacant~~

~~Lee Sanders MD/David Bergman MD~~

Tracey Fecher

~~Patty Walsh~~

- HPSM Commissioner
- Legal Aid Society of SM County, Supervising Attorney
- First 5 San Mateo County, Executive Director
- Pediatric Rehabilitation
- CCS Consumer Advocate
- Lucile Packard Children's Hospital, CGO
- SMMC, Medical Director/Pediatrics & Adolescent Med.
- Youth Representative
- Parent Representative
- Parent Representative
- Lucile Packard Children's Hospital Physicians
- Community Gatepath
- CCS MTU Chief Therapist

**Family Subcommittee**

**Staff: Pediatric Health Manager**

**Membership (11)**

Maria Naso-Kerr

Stephanie Gradek

Lianna Chen

Cherisse Lunt

~~Maria Rivas~~

Marilyn Wendt

~~Michael Stevens~~

Guadalupe Lara

~~Alma Rodele~~

Gladis Leticia Gomez

Laura Rico / Jose Eslava

Damaris Britton / Lourdes Best

Norberto Rios / Laura Contreras

Karen Young / Dave Young

## COMMITTEE OR GROUP

## MEMBERSHIP REPRESENTATION

### **Cal MediConnect (CMC)**

#### **Advisory Committee (16)**

*Meets Bimonthly*

Teresa Guingona Ferrer

Ligia Andrade Zuinga

Pete Williams

Vacant

Susy Castoria

Vacant

Vacant

~~Maureen Dunn~~ [Nancy Keegan](#)

Sharolyn Kriger

~~[vacant]~~ [Danilyn Nguyen](#)

Lisa Mancini

Janet Hogan

~~Stephen Kaplan~~ [\[vacant\]](#)

Ruth Gay/[Angie Pratt](#)

Gay Kaplan, M.D.

Christina Kahn

#### **Staff: Adult Demonstration Programs Director**

- HPSM Commissioner
- Members or Family Member
- Members or Family Member
- Members or Family Members
- Commission on Disabilities
- Commission on Aging
- IHSS Provider
- CBAS Provider (*Senior Focus*)
- Long Term Care Provider
- Legal Aid Society of SM County
- HCBS Services Provider (*SM County AAS*)
- HCBS Services Provider (*SMC Public Authority*)
- Behavioral Health Provider (*SMC BHRS*)
- Alzheimer's Association
- Community Member
- Health Insurance Counseling and Advocacy Program (HICAP)

### **Children's Health Initiative (CHI)**

#### **Oversight Committee (9)**

*Meets Semiannually*

Teresa Guingona Ferrer

~~Cheryl Fama~~ [Ashley McDevitt](#)

Srija Srinivasan

~~Peter Lee~~ [Emily Roberts/Kitty Lopez](#)

Iliana Rodriguez/ Nicole Pollack

Manny Santamaria

Rayna Lehman

Francine Serafin-Dickson

~~Lee Michelson~~ [Pamela Kurtzman](#)

#### **Staff: ~~Chief of Finance~~ [Deputy Chief Executive Officer](#)**

- HPSM Commissioner
- Peninsula Health Care District
- County of San Mateo Health System
- County of San Mateo First 5
- County of San Mateo Human Services Agency
- Silicon Valley Community Foundation
- San Mateo County Central Labor Council
- Hospital Consortium of San Mateo County
- Sequoia Health Care District

### **Consumer Advisory Committee (13)**

*Meets Quarterly*

~~Barbara Erbacher~~ [\[vacant\]](#)

Judy Garcia (*Member*)

~~Vincent Merola (CID)~~ [\[vacant\]](#)

Mary Pappas (*Commission on Aging*)

[Vacant]

[Vacant]

Hazel Carrillo (*Member*)

Susy Castoria (*Commission on Disabilities*)

Cynthia Pascual (*Member*)

Nicole Pollack

~~Tricia Berke-Vinson~~ [Danilyn Nguyen](#), Chair

Ricky Kot

[vacant]

#### **Staff: Director of Customer Support**

- HPSM Commissioner
- HPSM Member or Consumer Advocate
- Human Services Agency, County of San Mateo
- Legal Aid Society Representative
- Aging & Adult Services, County of San Mateo
- Health System, County of San Mateo

## **COMMITTEE OR GROUP**

### **Quality Improvement Committee (11)**

*Meets Quarterly*

[Barbara Erbacher](#), [\[vacant\]](#) Chair  
[vacant]  
Jeanette Aviles, M.D.  
[Vacant]  
Nancy Morioka-Douglas, M.D.  
Pearl Wu, MD  
Maria Osmena, M.D.  
Eric S. Perez, M.D.  
Kenneth Tai, M.D.  
Hung-mung Chu, M.D.  
[Vacant]

### **Peer Review/**

#### **Physician Advisory Group (12)**

*Meets Bimonthly*

[Vincent Mason, M.D](#) [\[vacant\]](#)  
Janet Chaikind, M.D., Chair  
[Manuel Luna, M.D.](#) [Leland Luna, M.D.](#)  
Kamal Shamash, M.D.  
Tali Bashour, M.D.  
James Hutchinson, M.D.  
[Hung-Ming Chu](#)  
~~[\[Vacant\]](#)~~ [Vincent Mason, M.D.](#)  
Kenneth Tai, M.D.  
Tom Stodgel, M.D.  
Randolph Wong, M.D.  
Roberto Diaz, M.D.

#### **Pharmacy & Therapeutics Committee (13)**

George Pon, R.Ph.  
Bill Becker, R.Ph.  
Harish Odedra, R.Ph.  
Gary Horne, R.Ph./[Nilofar Nzabihi](#)  
[Raymond Jajeh, Pharm.D.](#)  
[Bruce Uyeda, Pharm.D.](#) [Jonathan Han, Pharm.D.](#)  
Jaime Chavarria, M.D.  
Lena Osher, M.D.  
[Vacant]  
[Vacant]  
[Vacant]  
[Vacant]  
Jack Tayan, Chair

## **MEMBERSHIP REPRESENTATION**

### **Staff: Chief Medical Officer**

- Public Member-Commissioner
- Physician Member
- SMMC Physician (*Internal Medicine*)
- Pharmacist
- PCP/adult (*Academic Center*)
- PCP/adult
- PCP/pediatric
- PCP/pediatric
- PCP/Chief Medical Officer, NEMS
- Specialist, Deputy Medical Director, BHRS
- Specialist

### **Staff: Chief Medical Officer**

- [maximum of 11 HPSM Contracting physicians]
- Physician Member-Commissioner
- SMMC Physician
- Contracting Physician PCP (*Family Practitioner*)
- Contracting Physician PCP (*Family Practitioner*)
- Contracting Physician PCP (*Internal Medicine, Retired*)
- Contracting Physician PCP (*Family Practitioner*)
- Contracting Physician Specialist (*Psychiatrist*)
- Contracting Physician PCP (*Pediatrics*)
- Contracting Physician PCP (*Pediatrics*)
- Contracting Physician Specialist (*OB/GYN*)
- Contracting Physician Specialist (*Surgeon*)
- Contracting Physician Specialist (*OB/GYN*)

### **Staff: Chief Medical Officer/Pharmacy Director**

- Commissioner-Pharmacist Member
- Contracting Pharmacist
- Contracting Pharmacist
- Contracting Pharmacist, SMMC
- Contracting Pharmacist
- Contracting Pharmacist
- Contracting Physician
- Contracting Physician, Psychiatrist
- Contracting Physician, SMMC
- Contracting Pharmacist/Consultant
- Contracting Physician
- Contracting Physician
- Consultant

*(Italics indicates additional information on committee member)*

MEMORANDUM

AGENDA ITEM: 4.5

DATE: January 10, 2018

**DATE:** December 22, 2017  
**TO:** San Mateo Health Commission  
**FROM:** Maya Altman, Chief Executive Officer  
Margaret Beed, MD, Chief Medical Officer  
**RE:** Amendment to the Agreement with MPD Compliance Specialists

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**Recommendation:**

Approve an amendment to the agreement with MPD Compliance Specialists for pharmacy consulting services, increasing the maximum amount by \$40,000, from \$160,000 to \$200,000; and authorize the Chief Executive Officer to sign said amendment. The term of the agreement remains the same, March 1, 2017 through December 31, 2017.

**Background:**

In early 2017, HPSM requested bids from consultants to conduct a comprehensive assessment of HPSM's pharmacy department. Two firms responded, and HPSM selected MPD Compliance Specialists, based on experience, references, and overall cost.

MPD completed its assessment in May 2017. Opportunities for improvement were identified in the areas of human resource allocation, training, compliance, cost savings initiatives, and vendor management, particularly management of HPSM's pharmacy benefit manager. Pharmacy is a major cost driver, accounting for over 20% of HPSM's healthcare dollars. In addition, Part D compliance as outlined in regulations set forth by the Centers for Medicare and Medicaid Services requires a unique skillset that was identified by MPD as needing improvement.

In August 2017, the Commission approved an amendment to this agreement for a Phase 2 MPD scope of work to address some of the issues identified in the assessment. Deliverables included an audit report of the pharmacy benefits management company, Argus, and a structured drug utilization review program. In October 2017, HPSM's Pharmacy Manager stepped down from his position. MPD Compliance Specialists provided oversight of pharmacy services in October and November while HPSM recruited and hired a new Pharmacy Director. As such, expenses were higher than anticipated.

Lynne Civin of MPD is a clinical pharmacist and MBA who has served as a Medicare Clinical Consultant for the Regence Group, part of the Blue Shield family, and as Senior Consultant at the Gorman Health Group. For the past two years, she has worked as a Medicare Prescription Drug Program Consultant for MPD Compliance. She is an expert in Part D compliance and has helped clients formulate processes and procedures, capture critical healthcare savings, and manage vendors efficiently to increase returns on strategic investments.

**Fiscal Impact:**

This amendment to the agreement increases the contract maximum by \$40,000 for a not to exceed amount of \$200,000. The term remains the same, March 1, 2017 through December 31, 2017.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF AN AMENDMENT TO AN AGREEMENT WITH MPD  
COMPLIANCE SPECIALISTS FOR PHARMACY CONSULTING SERVICES**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The Health Plan of San Mateo is responsible for ensuring successful implementation of pharmacy Initiatives;
- B. MPD has conducted a comprehensive review of HPSM’s pharmacy department and address priority pharmacy issues such as a PBM audit and drug utilization review; and
- C. HPSM’s Pharmacy Manager resigned and MPD provided oversight of pharmacy services while HPSM recruited and hired a new Pharmacy Director, leading to higher than anticipated expenses for Phase 2 of the MPD work plan.

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

- 1. The San Mateo Health Commission approves an amendment to the agreement with MPD Compliance Specialists to support HPSM’s pharmacy department, increasing the amount by \$40,000 to a contract maximum of \$200,000; the term remains March 1, 2017 through December 31, 2017; and
- 2. Authorizes the Chief Executive Officer to execute said amendment to the agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**MEMORANDUM**

**DATE:** January 3, 2018

**TO:** San Mateo Health Commission

**FROM:** Maya Altman, Chief Executive Officer  
Patrick Curran, Deputy Chief Executive Officer

**RE:** Approval of Amendment to Medical Services Agreement with San Mateo Medical Center for a Shared Savings Program

---

**Recommendation**

Authorize the Chief Executive Officer to execute an amendment to the agreement with San Mateo Medical Center (SMMC) for a Shared Savings Program.

**Background and Discussion**

HPSM has several initiatives to introduce new and updated value based payment models. These are also known as “alternative payment models” (APMs). The intent of these approaches is to link payment with improved health outcomes, better member experience, and appropriate utilization of services. A shared savings program is a method used to make an additional payment to a provider, in this case SMMC, if overall medical costs are below a targeted amount for members assigned to SMMC clinics.

In addition, SMMC is required to participate in an APM as a condition of participation in the State of California’s 1115 Medicaid Waiver. All California public hospitals receive substantial additional federal funding through this waiver if they meet certain requirements, one of which is to increase participation in APMs.

All HPSM Medicare and Medi-Cal members assigned to SMMC clinics will be included in the calculation for this program, approximately 35,000-40,000 individuals. HPSM staff will work with SMMC during the year to evaluate costs and quality measures to determine appropriate interventions to both improve quality and manage cost. This is a model that could be applied to other organizations based on the implementation of this one-year program.

**Fiscal Impact**

This amendment, effective January 1, 2018, through December 31, 2018, will only result in additional payment to SMMC if overall medical costs are less than an agreed upon medical cost target, which is set so that HPSM achieves an overall financial gain as well. If medical costs are above that amount, or if it is below that medical cost target and quality metrics are not achieved, no payment is made. In addition, there is a limit to the potential amounts paid to SMMC to ensure the program is not rewarding under-utilization of services.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF APPROVAL OF AN AMENDMENT TO  
THE MEDICAL SERVICES AGREEMENT WITH  
SAN MATEO MEDICAL CENTER FOR A SHARED SAVINGS PROGRAM**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. HPSM is committed to providing a broad network of providers to ensure access for its members;
- B. San Mateo Medical Center (SMMC) is an important community partner and committed to serving the HPSM membership;
- C. SMMC is required to participate in an Alternate Payment Model as a condition of participation in the State of California’s 1115 Medicaid Waiver; and
- D. A shared savings program will meet this requirement and provide additional payment to SMMC if overall medical costs are below a targeted amount for members assigned to its clinics.

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

- 1. The San Mateo Health Commission approves the Amendment to the Medical Services Agreement with San Mateo Medical Center Amendment for a Shared Savings Program; and
- 2. Authorizes the Chief Executive Officer to execute this amendment for the time period January 1, 2018, through December 31, 2018.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10<sup>th</sup> day of January, 2018, by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

## MEMORANDUM

AGENDA ITEM: 4.7

DATE: January 10, 2018

**DATE:** December 21, 2017  
**TO:** San Mateo Health Commission  
**FROM:** Maya Altman, Chief Executive Officer  
**RE:** Request for Waiver of Request for Proposal Process and Approve Amendment to Agreement with Verscend

---

### **Recommendation**

Waive Request for Proposal Process and approve an amendment to the agreement with Verscend to extend the term through December 31, 2019 and increase the contract maximum by \$200,000 for a total contract maximum of \$2.3 million; and authorize the Chief Executive Officer to execute said amendment. The prior agreement term was March 1, 2014 through January 3, 2018.

### **Background and Discussion**

HPSM processes more than 1.5 million medical claims annually. Effectively applying the appropriate edits to these claims and reliably monitoring fraud, waste and abuse is critical to avoiding expensive and avoidable problems including higher claims error rates that result in overpayments, penalties for regulatory noncompliance and unnecessary overhead. For these reasons, HPSM utilizes an outside vendor to monitor and support internal efforts to ensure claims are reimbursed accurately.

In February 2014, the Commission approved a three year agreement with Verscend to replace PCG Software (PCG) for claims editing software and to add post payment oversight and monitoring of potential fraud waste and abuse (FWA). Verscend was selected through an RFP process that included proposals from six vendors. In March 2015, the Commission approved an amendment to the agreement, extending the term through January 3, 2018 and converting the agreement to a nearly full contingency based arrangement and increasing the agreement amount to reflect higher than projected HPSM membership and claims volume.

Since going live in January 2015, Verscend's customer service has been excellent, findings are accurate and well supported with very little provider abrasion, and the company's FWA tool has been effective. Furthermore, Verscend's edits have prevented nearly \$6 million dollars in overpaid claims since implementation.

### **Fiscal Impact**

The average annual cost of this agreement is approximately \$419,000. These costs should remain relatively stable over the next two years although it is important to note that approximately 80 percent of the agreement is contingency based and may fluctuate depending on provider behavior. Moreover, HPSM is expecting to see a slight increase in savings as a result of introducing new edits.

The amendment will extend the term of the agreement two years through December 31, 2019, and increase the contract maximum by \$200,000 bringing the total five year contract maximum to \$2.3 million.

**DRAFT**

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF WAIVER OF REQUEST FOR PROPOSAL AND  
APPROVAL OF AMENDMENT TO AGREEMENT WITH VERSCEND**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. HPSM requires claims editing validation and ongoing oversight of potential FWA;
- B. The San Mateo Health Commission has previously approved an agreement with Verscend that is set to expire January 4, 2018;
- C. A request for proposal was performed in 2013 for these services that resulted in the selection of Verscend; and
- D. In order to continue the service, an amendment is recommended to extend the term of the agreement two years and add \$200,000 to the contract maximum.

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

- 1. The San Mateo Health Commission waives the request for proposal process and approves the amendment to the agreement with Verscend to extend the agreement through December 31, 2019 and add \$200,000 for a total contract maximum of \$2.3 million; and
- 2. Authorizes the Chief Executive Officer to execute said amendment.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

## MEMORANDUM

AGENDA ITEM: 4.8

DATE: January 10, 2018

**DATE:** December 21, 2017

**TO:** San Mateo Health Commission

**FROM:** Maya Altman, Chief Executive Officer  
Margaret Beed, MD, Chief Medical Officer

**RE:** Waiver of the Request for Proposal Process and Amendment to the Agreement with Certified Languages International

---

### **Recommendation**

Waive the Request for Proposal (RFP) process and authorize the Chief Executive Officer to execute an amendment to the agreement with Certified Languages International (CLI) to provide telephonic interpreter and transcript translation services for HPSM. The amendment extends the term of the agreement one year, through December 31, 2018, and adds \$225,000 for a total contract maximum of \$735,000.

### **Background and Discussion**

Telephonic interpreter services are a key component for any health plan, especially one as culturally and linguistically diverse as HPSM. While health plans and health care providers hire bilingual staff, it is difficult to hire staff bilingual in all the languages that plan members speak. In order to have adequate coverage for languages spoken in the service area, HPSM contracts for interpreter services.

In late 2013, HPSM began experiencing issues with the provider of telephonic interpreter services at that time, including dropped calls, misconnects, delays in connect times to an interpreter, and difficulties with interpreter availability. After several unsuccessful attempts to resolve these issues, staff began looking for other service providers. CLI was highly recommended by several health plans similar to HPSM and offered competitive pricing. In 2014, HPSM entered into a secondary agreement with CLI for telephonic interpreter services. In 2015, HPSM made CLI the exclusive vendor for telephonic interpreter services. The Commission approved an amendment in December 2015 to extend this agreement through 2016, and add a new service, transcription of certain calls with members related to Grievances and Appeals. Call transcripts are used for quality assurance and compliance monitoring. In December of 2016, The Commission waived the Request for Proposal process and approved an amendment to extend the current agreement an additional year, through the end of 2017.

HPSM is required to provide no cost interpreter services to members and has promoted the availability of these services to members and providers to ensure they are aware that HPSM members can communicate with their healthcare provider in their preferred language at no cost to the member or provider. Referrals from the provider network have increased utilization of these services, resulting in a fifteen percent increase in overall costs in 2017.

HPSM will continue to promote the availability of telephonic interpreter services to members and providers to ensure awareness of these services. As such, staff anticipates slightly higher utilization of these services in 2018.

Certified Languages International has provided excellent service and value. CLI has also agreed to reduce telephonic interpreter costs from \$0.88/minute to \$0.79/minute this coming year. Staff recommends a waiver of the RFP process and an extension of the agreement for one year.

### **Fiscal Impact**

The term of the agreement will be extended one year, through December 31, 2018. This amendment also increases the contract maximum amount by \$225,000 for a total maximum of \$735,000.

**DRAFT**

**RESOLUTION OF THE  
SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF WAIVE REQUEST FOR PROPOSAL  
PROCESS AND APPROVE AN AMENDMENT TO THE  
AGREEMENT WITH CERTIFIED LANGUAGES INTERNATIONAL**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission has an agreement with Certified Languages International to provide telephonic interpretation and call transcript translation services; and
- B. Staff recommends continued use of these services.

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

- 1. The San Mateo Health Commission waives the RFP process and approves an amendment to the agreement with Certified Languages International extending the term one year, through December 31, 2018 and increasing the contract maximum by \$225,00; and
- 2. Authorizes the Chief Executive Officer to execute said amendment to the agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**DRAFT**

**SAN MATEO HEALTH COMMISSION and  
SAN MATEO COMMUNITY HEALTH AUTHORITY  
Meeting Minutes  
December 13, 2017 – 12:30 p.m.  
Health Plan of San Mateo - Boardroom  
801 Gateway Blvd., Suite 100  
South San Francisco, CA 94080**

**AGENDA ITEM: 4.9**

**DATE: January 10, 2018**

Commissioners Present: Jeanette Aviles, M.D. Don Horsley  
Barbara Erbacher, Chair Peggy Jensen  
Teresa Guingona Ferrer George Pon, R.Ph.  
Si France Ligia Andrade Zuniga

Commissioners Absent: David J. Canepa.

Counsel: Kristina Paszek

Staff Present: Maya Altman, Gabrielle Ault-Riche, Chris Baughman, Margaret Beed, M.D.,  
Corinne Burgess, Cynthia Cooper, M.D., Pat Curran, Karen Fitzgerald, Nicole  
Ford, John Gordon, Michelle Heryford, Matt Javaheri, Francine Lester, Ian  
Johansson, Khoa Nguyen, Jose Santiago, Melora Simon, Michael Smigielski,  
Katie-Elyse Turner, Lia Vedovini, and Eben Yong

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

The meeting was called to order at 12:32 p.m. by Commissioner Erbacher. A quorum was present.

**2. Public Comment**

There was no public comment.

**3. Approval of the Agenda**

Commissioner Horsley moved approval of the Agenda as presented. **M/S/P.**

**4. Approval of Consent Agenda**

Commissioner Horsley moved approval of the Consent Agenda as presented. **M/S/P.**

**5. Specific Discussion/Action Items**

**5.1 Discussion/Action on 2018 HPSM Budget**

Ms. Altman introduced Mr. Michael Smigielski, Chief Financial Officer, who reviewed a presentation on the 2018 HPSM budget included in the packet sent to the Commissioners. Mr. Smigielski reviewed 2017 events that impacted the budget; the outlook for 2018; the health care program budget methodology; and general and administrative expenses. The consolidated budget includes an \$80 million revenue and expense reduction due to the shift of In Home Supportive Services (IHSS) program responsibility to the County from the Plan under the State changes to the CCI. It projects a \$25.9 million loss compared to a projected \$28 million loss in the 2017 budget. However, after accounting for Commission approved strategic investments the expected 2018 loss is \$3.6 million, compared to a

comparable \$6.9 million loss projected for 2017 after inclusion of strategic investments. Mr. Smigielski reviewed membership assumptions; projected health care revenues and expenses; and Commission approved 2018 strategic investments. He then summarized financial highlights for each line of business, including Medi-Cal, Medi-Cal Expansion, Cal MediConnect, the CCS Pilot, HealthWorx, Healthy Kids, and ACE. Finally, he discussed three initiatives/improvement scenarios that could mitigate the size of the projected 2018 deficit, and explained in detail the increase in the General and Administrative expense ratio.

Commissioner Aviles asked about the reimbursement change to DRGs and the expected impact on the provider network. Ms. Altman commented that that the State has been paying on the basis of DRG's for a few years in the fee for service system, and hospitals are accustomed to this payment method in Medi-Cal now. HPSM has also been messaging hospitals for some time that we are moving in this direction. There was also discussion about how DRGs are set, outlier payments, and what happens when the initial diagnosis changes during a hospital stay.

Commissioner Jensen asked for a status update on the strategic investments and for a report on reserve level trends over time. Ms. Altman said the January Commission meeting would include an update on HomeAdvantage and the Landmark Program. A reserves report will also be provided.

Commissioner France asked if the Clinical Partnership program is separate from the proposed physician risk sharing arrangements. Mr. Curran explained that it is. The clinical partnership is a collaborative of all the FQHC clinics as well as some other practices; this collaborative is designing new payment and care models. The risk sharing arrangements are only being proposed for a few providers – a clinic system, the County Medical Center, and a physician practice group -- at this point.

Commissioner Ferrer asked about the Member Access Program. Ms. Altman explained that HPSM funded Planned Parenthood Mar Monte and Gardner Clinics to build capacity to serve more adult Medi-Cal members. The initial payments have been sent to the clinics; however, the second and final payment will only go out once the clinics reach the required targeted number of additional adult patients.

Commissioner Jensen asked if the deficit is being covered by reserves and how program performance is being tracked. Ms. Altman responded that we are tracking performance carefully and that Mr. Smigielski will soon present information on trends over time. Ms. Altman noted that a deficit was also projected for 2017; at this point, we do not expect a deficit for 2017. Mr. Smigielski added that he will prepare a five year forecast focusing on Cal MediConnect and the expected impact on Plan reserves.

Commissioner Pon asked if we expect coding to be an issue with the implementation of a DRG payment methodology. Mr. Smigielski and Dr. Beed responded that HPSM has staff and uses vendors who review coding accuracy related to inpatient stays.

Commissioner Jensen asked if the General and Administrative budget assumes positions are funded for the full year. Ms. Francine Lester, HPSM Controller, responded that not all positions are budgeted for a full year, and that the budget includes a vacancy factor.

Commissioner Horsley moved approval of the 2018 HPSM budget as presented. Commissioner Pon seconded the motion. **M/S/P.**

## **5.2 Presentation on Technology Priorities**

Ms. Altman noted that one of the top three objectives of HPSM's strategic plan is to improve internal business processes. Technology plays a big role in driving such improvements. As such, she asked Chris Baughman, Chief of System Improvement, to present on HPSM's technology priorities in recent years. Her presentation was included in the packet mailed to the Commissioners. Ms. Baughman first reviewed completed projects such as HEALTHsuite and MedHOK. She then reviewed several projects currently being implemented, including DocuStream, HealthTrio, Cactus, and a new contract management system. She also touched on other technology enhancements currently in process – a website redesign, intranet redesign, and a phone system upgrade. Other upcoming projects include a new Compliance Program Management System and a Human Resources Management System. Finally, she reviewed staff's approach to setting priorities and how the Business Systems Integration Team, which she leads, implements projects with the help of the affected departments. She introduced the members of the BSI team who were in attendance.

Commissioner Aviles commented that, while technologies are important and helpful, we still need to talk to people and ensure clients do not get stuck in technology work paths that may not function as intended. She also noted that ensuring the integrity of member information across all settings (health plan, provider records, etc.) is a challenge. Ms. Baughman agreed and noted that at least HEALTHsuite allows the Plan to correct State data such that corrections are not overridden by monthly State downloads. Ms. Altman also commented that HPSM has been working closely with Eric Raffin, the County Health System's CIO, to improve and maintain the integrity of the data in the Health Plan and County systems.

Commissioner Zuniga noted that, while it will be helpful for patients to be able to access their own records through a web portal, she is concerned that the system software may not be compatible with software that people with disabilities might use. Ms. Baughman agreed and committed to working with the vendor to ensure these specific software needs are met.

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

Commissioner Erbacher expressed her appreciation for the opportunity to serve 12 years on the Commission. She complimented HPSM staff and her fellow commissioners, and said she is very proud of the health plan's commitment and accomplishments.

## 7. Report from Chief Executive Officer

Ms. Altman thanked all who attended HPSM's 30<sup>th</sup> Anniversary celebration on December 4th. The event was well attended – speakers included Senator Jerry Hill, Assembly Member Phil Ting, Jennifer Kent, the Director of the California Department of Health Services, and Louise Rogers, Director of the San Mateo County Health System. Also present were a number of former and current commissioners and staff, and many community partners. A few days later there was a nice article in the San Mateo Daily Journal, which was sent to the Commissioners.

Ms. Altman reported that Dr. Beed has resigned and will leave HPSM in February. Dr. Beed has done an amazing amount of work at HPSM and has helped the Plan immensely; most notably, she fixed our compliance issues in Health Services and launched the Landmark HomeAdvantage program. She will be missed.

## 8. Other Business – Appreciation of Barbara Erbacher, Commissioner

Ms. Altman noted that Commissioner Erbacher joined the Commission the same year she joined HPSM and that they “grew up together” at HPSM, so to speak. That was a difficult time for HPSM and Commissioner Erbacher enthusiastically engaged with the many challenges facing HPSM. Ms. Altman recounted Commissioner Erbacher's history with Peninsula Interfaith Action and her involvement with HPSM prior to joining the Commission. She remarked that Commissioner Erbacher truly cares about HPSM's members and her community. She served on several HPSM committees including Finance and Executive, Quality Improvement (bringing to that assignment her experience as a nurse), Consumer Advisory, and Vice Chair and Chair of the Commission. She has been delightful to work with will be greatly missed, Ms. Altman concluded. Ms. Altman then presented her with a plaque and resolution honoring her twelve years of service.

Commissioner Pon moved approval of the resolution of appreciation. **M/S/P.**

## 9. Adjournment

The meeting was adjourned at 1:40 p.m.

Respectfully submitted:

*C. Burgess*

C. Burgess  
Clerk of the Commission

**MEMORANDUM**

**AGENDA ITEM:** 5.1

**DATE:** January 10, 2018

**DATE:** December 22, 2017

**TO:** San Mateo Health Commission

**FROM:** Maya Altman, Chief Executive Officer

**RE:** Election of Commission Officers

---

The Commission's bylaws call for the election of the Commission's officers at the first meeting of each calendar year. The offices to be filled are: Chair, Vice Chair, Clerk, and Assistant Clerk.

The Commission's custom has been that the Chair and Vice Chair serve two one-year terms. Barbara Erbacher was the most recent chair; she completed two years as Chair and has left the Commission. John Ferrelli was serving in his first year as Vice Chair. He recently left Seton Medical Center and has resigned from the Commission. Therefore, both a new Chair and Vice Chair will need to be selected.

I recommend that the position of Clerk continue to be filled by Corinne Burgess, my Executive Assistant, and the Assistant Clerk position be filled by Michelle Heryford, who also serves as an Executive Assistant in the Executive Office.

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF  
ELECTION OF COMMISSION OFFICERS**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission’s Bylaws provide for election of its officers for one (1) year terms at the commission’s first meeting each year; and
- B. The Chair and Vice-Chair offices are to be filled by Commissioners.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission elects Commissioner \_\_\_\_\_ to serve as the Chair and Commissioner \_\_\_\_\_ to serve as the Vice-Chair for 2018.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10<sup>th</sup> day of January 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**DRAFT**

**RESOLUTION OF THE**

**SAN MATEO HEALTH COMMISSION and  
THE SAN MATEO COMMUNITY HEALTH AUTHORITY**

**IN THE MATTER OF ELECTION OF  
CLERK AND ASSISTANT CLERK  
OF THE COMMISSION**

**RESOLUTION 2018 -**

**RECITAL: WHEREAS,**

- A. The San Mateo Health Commission’s Bylaws provide for election of its officers for one (1) year terms at the commission’s first meeting each year; and
- B. The Clerk and Assistant Clerk offices are to be filled by non-commissioners.

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

- 1. The San Mateo Health Commission elects Corinne Burgess as Clerk of the Commission and Michelle Heryford as Assistant Clerk of the Commission.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 10th day of January, 2018 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

ATTEST:

APPROVED AS TO FORM:

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

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

**AGENDA ITEM: 5.2**

**DATE: January 10, 2017**

**Meeting materials are not included  
for Item 5.2 - Presentation on  
HomeAdvantage Program/Landmark Health**

**AGENDA ITEM: 5.3**

**DATE: January 10, 2018**



## **2017 Annual Compliance Program Report**

Presented by:

Ian Johansson, Chief Compliance Officer

# Our mission and vision



- **Mission Statement**

- To ensure access to high-quality care services and supports that help San Mateo County’s vulnerable and underserved residents live the healthiest lives possible.

- **Vision Statement**

- Healthy is for everyone—and we fight to make that possible.

# Goal of Compliance



- Establishing a culture of compliance at HPSM that helps the organization and its employees “do the right thing”
- Achieved through:
  - Maintaining and implementing a Compliance Program
  - Educating our employees
  - Identifying and resolving compliance risks
  - Providing opportunities to engage our staff and stakeholders

# Engagement



- You, as Commissioners play a vital role
- Contact us through:
  - Compliance Hotline: 800-826-6762
  - Email us: [compliance@hpsm.org](mailto:compliance@hpsm.org)
  - Visit us: 3<sup>rd</sup> floor

# Agenda



- **Year in Review**
  - 2017 Risk Ranking
  - External Audit Activity
  - Monitoring & Internal Auditing
  - Delegation Oversight
  - Issue Investigation & Resolution
- **2018 Outlook**

# 2017 Outlook



1. Passing CMS Validation Audit
2. Correcting 2015/16 Audit Deficiencies
3. Launching Compliance Dashboards
4. 2017 Mega Rule Implementation
5. Protecting ePHI/PHI and IT Assets
6. Obtaining Recoveries with Program Integrity Efforts
7. Risk Adjustment Program (added mid-2017)

# External Audit Activity



- **CMS Compliance Program Effectiveness Audit**
  - Independent Validation Audit (follow-up)
  - 3 issues identified
    - 2 dismissed; 1 resolved
  - Audit closed by CMS

# External Audit Activity



- **DHCS Annual Medical Audit**
  - Final report received March 2017
  
- **Audit performance 2015 to 2016**
  - Overall performance improvement
  - Findings ↓ by 58%
    - 40 findings in 2015
    - 17 findings in 2016

# External Audit Activity



- **Planned 2018 Compliance Activity**
  - Better support of business owners
    - Resolve known issues
    - Continue to monitor historical issues
    - Prevent new issues
- **Pending 2017 DHCS & DMHC Audit Results**

# Monitoring and Internal Auditing



- Conducted pursuant to approved audit plan
  - Periodic reviews of work product
  - Ensures compliance outside of external audits
  - Deficiencies require corrective action
- One element of an effective compliance program

# Monitoring and Internal Auditing



- **39 audits conducted in 2017**
  - 34 audits of operational areas;
  - 5 delegated entities
  
- **Two dashboards launched**
  - Medicare Part C (Utilization Management, Grievances & Appeals, Claims, Call Center)
  - Medicare Part D (Pharmacy UM, G&A)

# Internal Audits



- **Planned 2018 activity**
  - Program dashboard implementation
    - Monthly monitoring
    - More frequent feedback
  - Audit performance analysis
    - Identify pain points
    - Improve performance

# Privacy



- **Conducted HIPAA/FISCAM Audit**
  - Review of practices against requirements
  - Opportunity to identify gaps and improvements
  
- **Work to continue throughout 2018**
  - Compliance & IT working on a joint plan

# Delegation Oversight



- **Contract templates updated**
  - Per Medicaid Mega Rule
- **Enhancing broader oversight of subcontractors**
  - Organizational need & regulatory expectation
- **Further improvements through application of NCQA standards**

# Issue Investigation & Resolution



- Maintaining a system for prompt response to compliance issues, including:
  - Fraud, Waste and Abuse;
  - Privacy incidents; and
  - Other issues of non-compliance
- Issues can be reported via email, in-person, phone or hotline
  - Hotline available 24/7: 800-826-6762

# Issue Investigation & Resolution



- Commission disclosure required by policy, when:
  - Privacy Breach;
  - Confirmed FWA; or
  - Significant Compliance Issue
- 12 issues disclosed in 2017

# Issue Investigation & Resolution



- Performance (as of 12/27/17)
  - 102 issues received
  
- Historical
  - 64% ↑ over 2016
    - Primarily FWA referrals

# Issue Investigation & Resolution



- High Level Trending
  - From 2016
    - Privacy cases ↓
    - Other non-compliance cases ↑
  - Increased DMHC Enforcement activity
  - Decreased CMS enforcement activity

# 2017 Outlook – Year in Review



1. Passing CMS Validation Audit
2. Correcting 2015/16 Audit Deficiencies
3. Launching Compliance Dashboards
4. 2017 Mega Rule Implementation
5. Protecting ePHI/PHI and IT Assets
6. Obtaining Recoveries with Program Integrity Efforts
7. Risk Adjustment Program (added mid-2017)

# 2018 Outlook



1. Correcting Audit Deficiencies
2. NCQA Accreditation
3. Delegation Oversight
4. Implementing Enhanced Compliance Monitoring
5. Protecting ePHI/PHI and IT Assets
6. 2018 Mega Rule Implementation
7. Part D Compliance
8. RADV Readiness
9. Obtaining Recoveries with Program Integrity Efforts



Thank You



## MEMORANDUM

AGENDA ITEM: 7.0

DATE: January 10, 2018

**DATE:** January 2, 2018  
**TO:** San Mateo Health Commission  
**FROM:** Maya Altman, Chief Executive Officer  
**RE:** CEO Update

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It is a brief update this month since not much happened during the holidays, except for some major changes instituted by Congress in late December.

### **Federal Updates**

**Congress Extends CHIP Funding Through March.** The Children's Health Insurance Program (CHIP; formerly known as the Healthy Families Program in California) provides insurance coverage for children whose family incomes are too high to qualify them for Medicaid but who are still considered low-income. California transitioned the CHIP program to Medi-Cal in 2013, so CHIP children now receive their benefits through Medi-Cal. HPSM covers approximately 18,000 kids through this funding.

Federal funding for CHIP expired at the end of September 2017. On December 22, 2017, Congress passed and the President signed a short-term appropriations bill to keep the government funded and avoid a government shutdown. This bill also extends CHIP funding on a temporary basis for the next three months – through the end of March 2018. HPSM staff continues to work with our national association to advocate for a long-term funding solution for the CHIP program.

**Federal Tax Reform Impact on HPSM.** On December 22, 2017, Congress passed and President Trump signed tax reform legislation that included a provision eliminating the "individual mandate" from the 2010 Affordable Care Act (ACA) requiring everyone to have health insurance or pay a tax penalty. The repeal of the individual mandate was added to the tax reform bill after Republicans tried but failed several times in 2017 to enact more sweeping changes to the ACA. The Congressional Budget Office (CBO) projects that the repeal of the individual mandate will result in as many as 13 million fewer Americans with health insurance.

Because HPSM does not participate in Covered California, we are not directly impacted by the tax bill. Most importantly for HPSM, the federal tax bill does not make any changes to the ACA Medicaid expansion option – which was a target in previous House and Senate bills throughout 2017. Approximately 35,000 HPSM members rely on Medi-Cal expansion for their health insurance (3.8 million in California).

However, the tax bill may ignite more healthcare legislation activity in 2018, as it is projected to increase the federal deficit by \$1.45 trillion over the next 10 years – even after accounting for positive economic growth. Adding this much to the federal deficit may prompt Republicans to refocus their efforts to cut entitlement programs such as Medicaid and Medicare for deficit reduction and to offset revenue reductions stemming from the tax bill.

Elimination of the individual mandate is expected to prompt more people to opt out of health insurance coverage, which may result in fewer people signing up for Medi-Cal in California. This could in turn affect HPSM's Medi-Cal membership, which has grown substantially in recent years and was expected to remain flat in 2018. Discussions have begun at the State level about whether California should introduce its own individual mandate for health insurance coverage.