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-Virtual Meeting-

**THE SAN MATEO HEALTH COMMISSION
Regular Meeting**

December 14, 2022 - 12:30 p.m.

Health Plan of San Mateo

801 Gateway Blvd., South San Francisco, CA 94080

Important notice regarding COVID-19:

In the interest of public health and safety due to the state of emergency caused by the spread of COVID-19, this meeting of the San Mateo Health Commission will be conducted via teleconference pursuant to AB 361, which was signed by the Governor on September 16, 2021.

Public Participation

The San Mateo Health Commission meeting may be accessed through Microsoft Teams:

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[\(833\) 827-5103,480262135#](tel:(833)827-5103,480262135#) United States (Toll-free)

Phone Conference ID: 480 262 135#

Members of the public wishing to provide public comment on items not listed on the agenda that are within jurisdiction of the Commission or to address an item that is listed on the agenda may do so by emailing comments before 10:00 am, December 14, 2022 to the Clerk of the Board at Corinne.Burgess@hpsm.org with "Public Comment" in the subject line. Comments received will be read during the meeting. Members of the public wishing to provide such public comment may also do so by joining the meeting on a computer, mobile app, or telephone using the link or number provided above and following the instructions for making public comment provided during the meeting.

AGENDA

1. Call to Order/Roll Call

2. Public Comment/Communication

3. Approval of Agenda

4. Consent Agenda*

- 4.1 Adopt a resolution finding that, as a result of the continuing COVID-19 pandemic state of emergency, meeting in person would present imminent risks to the health or safety of attendees
- 4.2 Report from Finance Committee
- 4.3 Waive Request for Proposal and Approval Agreement with Lussier Data Architects, LLC.
- 4.4 Waive Request for Proposal and Approval of Agreement with Switch
- 4.5 Approval of Agreement with Wider Circle for Connect for Life Program.
- 4.6 Approval of Commission Meeting Dates for 2023
- 4.7 Approval of San Mateo Health Commission Meeting Minutes from November 9, 2022.

~Continued~

5. Specific Discussion/Action Items

- 5.1 Approval of 2023 HPSM Budget*
- 5.2 Dental Capacity Proposal*
- 5.3 Resolution of Appreciation for Commissioner Don Horsley*

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

AGENDA ITEM: 4.1

DATE: December 14, 2022

DATE: December 7, 2022
TO: San Mateo Health Commission
FROM: Pat Curran, Chief Executive Officer
RE: Approval of Teleconference Meeting Procedures Pursuant to AB 361

Recommendation

In the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, the San Mateo County Board of Supervisors has determined that meeting in person would present imminent risk to the health or safety of attendees. The Board of Supervisors has invoked the provision of AB 361 to continue meeting remotely through teleconferencing. The Board of Supervisors also strongly encourages all legislative bodies of the County of San Mateo, such as the San Mateo Health Commission, and its committees which are subject to the Brown Act to make a similar finding and continue to meet remotely through teleconferencing until the risk of community transmission has further declined.

Background and Discussion

On June 11, 2021, Governor Newsom issued Executive Order N-08-21 which rescinded his prior Executive Order N-29-20 and set a date of October 1, 2021 for public agencies to transition back to public meetings held in full compliance with the Brown Act. The original Executive Order provided that all provisions of the Brown Act that required the physical presence of members or other personnel as a condition of participation or as a quorum for a public meeting were waived for public health reasons. If these waivers were to fully sunset on October 1, 2021, legislative bodies subject to the Brown Act had to contend with a sudden return to full compliance with in-person meeting requirements as they existed prior to March 2020, including the requirement for full physical public access to all teleconference locations from which board (commission) members were participating.

On September 16, 2021, the Governor signed AB 361, a bill that formalizes and modifies the teleconference procedures implemented by California public agencies in response to the Governor's Executive Orders addressing Brown Act compliance during shelter-in-place periods. AB 361 allows a local agency to continue to use teleconferencing under the same basic rules as provided in the Executive Orders when certain circumstances occur or when certain findings have been made or adopted by the agency.

AB 361 also requires that, if the state of emergency remains active for more than 30 days, the agency must make findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules. The findings are to the effect that the need for teleconferencing persists due to the nature of the ongoing public health emergency and the social distancing recommendations of local public health officials.

At its meeting on September 28, 2021, the San Mateo County Board of Supervisors found that in the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, meeting in person would present imminent risks to the health or safety of attendees. The Board of Supervisors accordingly resolved to continue conducting its meetings through teleconferencing, in accordance with AB 361, and encouraged other boards and commissions established by them to avail themselves of teleconferencing until the risk of community transmission has further declined. The San Mateo County Board of Supervisors has renewed its findings, adopting a substantially similar resolution at subsequent meetings since then.

At its meeting on October 13, 2021, and subsequently, the San Mateo Health Commission likewise found that in the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, meeting in person would present imminent risks to the health or safety of attendees. In light of that finding, the Commission has been conducting its meetings through teleconferencing. A renewed finding and resolution are needed in order for the Commission to continue to conduct its meetings through teleconferencing.

Fiscal Impact

There is no relative fiscal impact with the continuation of the San Mateo Health Commission meeting by means of teleconferencing in accordance with AB 361.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF TELECONFERENCE MEETING
PROCEDURES PURSUANT TO AB 361 (BROWN ACT PROVISIONS)**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. In the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, the San Mateo County Board of Supervisors recently found that meeting in person would present imminent risk to the health or safety of attendees of public meetings and accordingly directed staff to continue to agendize its public meetings only as online teleconference meetings; and
- B. The Board of Supervisors strongly encouraged other legislative bodies of the County of San Mateo that are subject to the Brown Act to make a similar finding and avail themselves of teleconferencing until the risk of community transmission has further declined; and
- C. The San Mateo Health Commission must make such a finding under AB 361 in order to continue to conduct its meetings as online teleconference meetings.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission hereby finds that in the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, meeting in person would present imminent risk to the health or safety of attendees of public meetings for the reasons set forth in Resolution No. 078447 of the San Mateo County Board of Supervisors and subsequent resolutions made pursuant to AB 361; and
- 2. The San Mateo Health Commission directs staff to continue to agendize its meetings only as online teleconference meetings; and
- 3. The San Mateo Health Commission further directs staff to present, within 30 days, an item for its consideration regarding whether to make renewed findings required by AB 361 in order to continue to meet remotely.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____

C. Burgess, Clerk

Kristina Paszek

DEPUTY COUNTY COUNSEL



AGENDA ITEM: 4.2

DATE: December 14, 2022

MEMORANDUM

Date: November 8, 2022
To: San Mateo Health Commission
From: Trent Ehrgood, Chief Financial Officer

Subject: **Financial report for the nine-month period ending September 30, 2022**

Preliminary 2022 Financial Results All Lines of Business

Q3 2022 preliminary financial result for all lines of business is a surplus of \$27.6M, with a year-to-date (YTD) surplus of \$66.7M, compared to the YTD budget deficit of \$2.0M.

We continue to have lower than average utilization, which is keeping medical expenses lower than projected. The continued extension of the public health emergency has postponed the Medi-Cal redetermination processes, which in turn retains lower acuity insured members and/or members who have obtained other health coverage in addition to their Medi-Cal coverage.

Full-dual members residing in a nursing home are also lower than assumed in Medi-Cal rate setting, resulting in higher funding and lower cost. Portions of this excess revenue will be refunded to DHCS, but this dynamic is still contributing to the favorable bottom line.

Medi-Cal rates for 2022 are expected to be updated one more time, but final rates for 2022 are not expected until around March of 2023. Medi-Cal revenue is currently based on the latest draft rates that were delivered at the beginning of the year. Updates to Medi-Cal revenue will be made as more information is made available.

Attached is presentation material which was reviewed on November 7th with the Finance/Executive Committee. Detailed Statements of Revenue and Expense on a consolidated basis, as well as for each line of business, are provided after the presentation slides.

Financial Update

Presentation to Finance/Executive Committee

November 7, 2022



2022 Budget by Quarter



	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Capitation revenue	218,766,277	224,472,838	227,978,299	232,448,093	903,665,508
Healthcare cost	208,887,076	212,854,235	212,907,179	210,843,150	845,491,640
Administrative expenses	13,447,987	14,306,963	14,132,881	14,393,740	56,281,572
MCO Tax	-	-	-	-	-
Income/(loss) from operations	(3,568,786)	(2,688,361)	938,239	7,211,203	1,892,295
Non-operating revenue	1,167,874	1,103,321	1,057,001	1,034,985	4,363,181
Net income/(loss)	(2,400,911)	(1,585,040)	1,995,240	8,246,188	6,255,477

Q3 2022 Financial Results



	Q1	Q2	Q3	Budget		
	(Jan-Mar)	(Apr-Jun)	(Jul-Sep)	YTD Total	YTD Budget	Variance
Capitation revenue	236,366,221	234,552,138	234,499,360	705,417,719	671,217,414	34,200,305
Healthcare cost	192,369,679	197,852,311	186,497,781	576,719,771	634,648,490	57,928,719
Administrative expenses	12,764,669	13,389,361	13,616,529	39,770,559	41,887,832	2,117,273
MCO Tax	9,160,100	9,160,100	10,076,110	28,396,310	-	(28,396,310)
Income/(loss) from operations	22,071,773	14,150,366	24,308,940	60,531,079	(5,318,908)	65,849,987
Non-operating revenue	1,197,234	1,640,611	3,289,395	6,127,240	3,328,196	2,799,044
Net income/(loss)	23,269,007	15,790,977	27,598,335	66,658,319	(1,990,712)	68,649,031

YTD September 2022 – PY/CY

	YTD by PY/CY			Current Year YTD		
	Prior Year	Current Year	Total	Current Year	Budget	CY Variance
Capitation revenue	4,227,483	701,190,236	705,417,719	701,190,236	671,217,414	29,972,822
Healthcare cost	(7,930,452)	584,650,223	576,719,771	584,650,223	634,648,490	49,998,267
Administrative expenses	-	39,770,559	39,770,559	39,770,559	41,887,832	2,117,273
MCO Tax	-	28,396,310	28,396,310	28,396,310	-	(28,396,310)
Income/(loss) from operations	12,157,935	48,373,144	60,531,079	48,373,144	(5,318,908)	53,692,052
Non-operating revenue	(3,390)	6,130,630	6,127,240	6,130,630	3,328,196	2,802,434
Net income/(loss)	12,154,545	54,503,774	66,658,319	54,503,774	(1,990,712)	56,494,486

		YTD 06/22	YTD 09/22
M-Care risk adj rev.	Rev	1,640,000	1,400,000
M-Cal COA adjustments	Rev	1,430,000	1,580,000
M-Cal supplemental rev.	Rev	1,230,000	1,250,000
PY IBNR adj.	HC Cost	4,400,000	9,230,000
PY reinsurance recoveries	HC Cost	2,420,000	850,000
Recovery paid to DHCS (APL)	HC Cost	(1,670,000)	(1,650,000)
Misc. other	HC Cost	(600,000)	(510,000)
		8,850,000	12,150,000

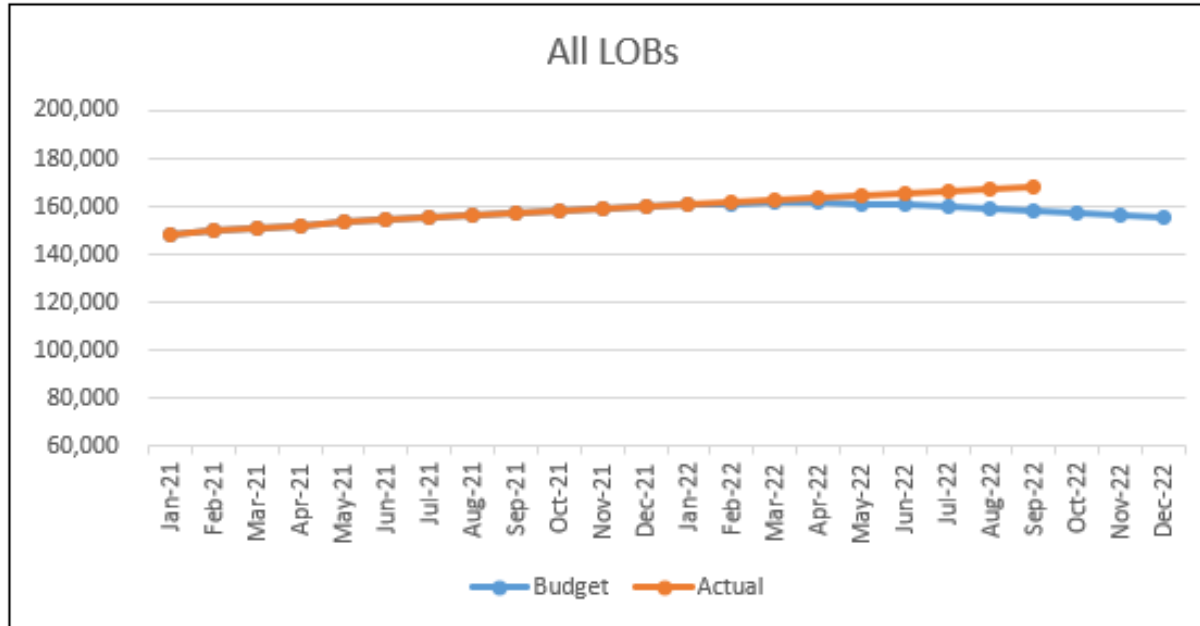
Average Membership

Variance to Budget

LOB	Avg. Actual	Avg. Budget	Variance	% Var
Medi-Cal	74,271	72,742	1,529	2.1%
Medi-Cal Full Duals	8,147	7,815	331	4.2%
Medi-Cal Expansion	46,555	45,392	1,163	2.6%
Whole Child Model	1,390	1,381	9	0.7%
Cal Medi Connect	8,782	8,861	(79)	-0.9%
HealthWorx	1,197	1,227	(31)	-2.5%
Total at Risk	140,341	137,418	2,922	2.1%
+ ACE	24,411	23,284	1,126	4.8%
Grand Total	164,751	160,703	4,049	2.5%

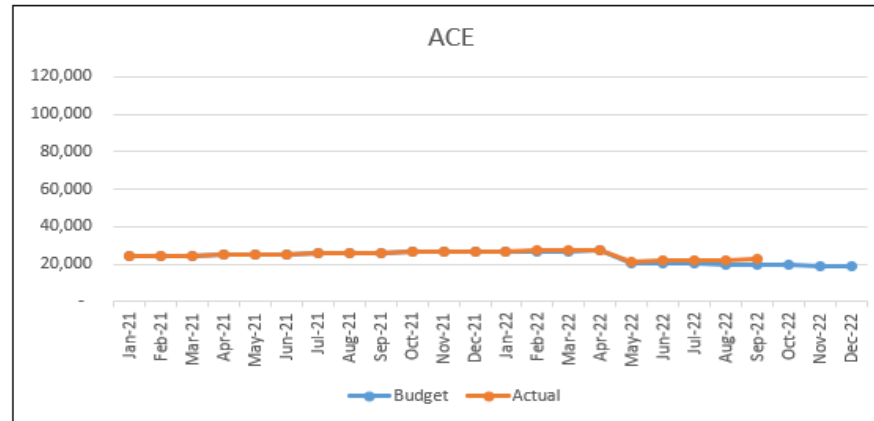
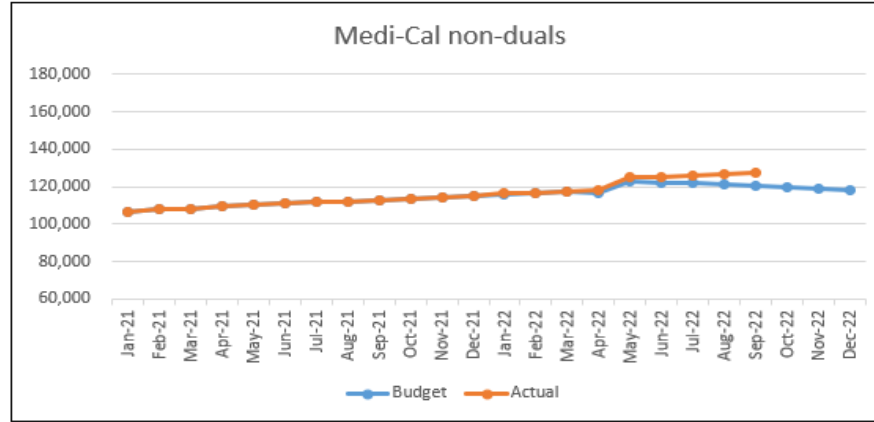
Membership trend

All Lines-of-Business



Membership trend – ACE dynamic

(excluding duals and HealthWorx)



Budget Variance by Major Drivers

	<u>YTD Jun</u>	<u>YTD Sep</u>		<u>Revenue</u>	<u>Expense</u>
1 Prior year adjustments not in the budget	8,854,866	12,154,545			
<u>Current year variances:</u>					
2 Membership higher than budget	331,900	1,117,805	<<	8,920,221	(7,802,479)
3 Revenue yield PMPM higher than budget	1,050,244	(11,458,488)	→		
4 Healthcare cost PMPM lower than budget	28,487,556	58,950,531	→		
5 Administrative cost under budget	1,600,920	2,117,273			
6 MCO Tax variance	2,150,409	2,964,930	<<	31,361,240	(28,396,310)
7 Non-op revenue (CY portion) under budget	570,039	2,802,434			
Total current year	34,191,069	56,494,485			
Total consolidated budget variance	43,045,935	68,649,030			

Revenue PMPM

Variance to Budget



LOB	Avg. Members	Base Capitation Revenue PMPM *				Total Revenue Variance	Risk Corridor	
		Actual	Budget	Variance	% Var		CCI	ECM
Medi-Cal	74,271	\$ 289.27	\$ 294.26	\$ (4.99)	-1.7%	(3,334,450)		-3.9M
Medi-Cal Full Duals	8,147	\$ 879.61	\$ 953.15	\$ (73.54)	-7.7%	(5,391,888)	-5.2M	-0.8M
Medi-Cal Expansion	46,555	\$ 368.50	\$ 368.31	\$ 0.19	0.1%	79,669		-5.4M
Whole Child Model	1,390	\$ 2,039.65	\$ 2,041.40	\$ (1.75)	-0.1%	(21,892)		
Cal Medi Connect	8,782	\$ 2,587.40	\$ 2,622.72	\$ (35.33)	-1.3%	(2,791,969)	-1.2M	
HealthWorx	1,197	\$ 439.04	\$ 438.85	\$ 0.19	0.0%	2,043		
Total at Risk	140,341					(11,458,488)	-6.4M	-10.1M

* Revenue PMPM excludes portion for Directed Pmts and MCO Tax

Healthcare Cost PMPM

Variance to Budget



LOB	Avg. Members	Healthcare Cost PMPM *				Total
		Actual	Budget	Variance	% Var	HC Cost Variance
Medi-Cal	74,271	\$ 230.76	\$ 264.35	\$ 33.59	12.7%	22,451,004
Medi-Cal Full Duals	8,147	\$ 762.90	\$ 864.38	\$ 101.48	11.7%	7,440,589
Medi-Cal Expansion	46,555	\$ 279.55	\$ 330.55	\$ 51.00	15.4%	21,369,609
Whole Child Model	1,390	\$ 1,173.46	\$ 1,276.38	\$ 102.93	8.1%	1,287,611
Cal Medi Connect	8,782	\$ 2,538.01	\$ 2,613.18	\$ 75.17	2.9%	5,940,893
HealthWorx	1,197	\$ 498.59	\$ 403.84	\$ (94.75)	-23.5%	(1,020,319)
Total at Risk	140,341			Sub-total HC Cost Variance		57,469,386
				UM/QA Variance		1,481,145
				Total Healthcare Cost Variance		58,950,531

* Healthcare Cost PMPM excludes Directed Pmts and UM/QA

Healthcare Cost

Detail by Category of Service



	YTD Actual			YTD Budget	Variance	% Var.
	Total	Prior Year	Current Year			
Provider Capitation	36,320,985	163,784	36,157,201	39,626,157	3,468,955	8.8%
Hospital Inpatient	117,103,483	(6,700,000)	123,803,483	145,477,817	21,674,334	14.9%
LTC/SNF	117,956,308	(950,000)	118,906,308	132,251,396	13,345,088	10.1%
Pharmacy	41,952,310	(1,133,777)	43,086,088	45,289,787	2,203,699	4.9%
Physician FFS	53,285,698	(197,328)	53,483,026	59,022,149	5,539,123	9.4%
Hospital Outpatient	66,060,157	(127,789)	66,187,946	65,537,384	(650,562)	-1.0%
Other Medical Claims	61,546,731	(121,059)	61,667,789	63,064,292	1,396,503	2.2%
Other HC Services	6,658,113	1,650,305	5,007,808	4,391,524	(616,284)	-14.0%
Directed Payments	22,874,295	41,770	22,832,524	21,682,676	(1,149,849)	-5.3%
Long Term Support Services	1,604,116	-	1,604,116	2,388,151	784,035	32.8%
New CPO/In-lieu of Services	4,509,089	36,865	4,472,224	3,209,523	(1,262,701)	-39.3%
New Dental	11,908,215	-	11,908,215	13,364,752	1,456,536	10.9%
New ECM	1,749,882	-	1,749,882	9,821,351	8,071,469	82.2%
Provider Incentives	11,397,987	181,987	11,216,000	6,917,419	(4,298,581)	-62.1%
Transportation	6,455,063	14,532	6,440,532	5,126,792	(1,313,739)	-25.6%
Indirect Health Care Benefits	1,477,358	(788,359)	2,265,717	2,134,812	(130,904)	-6.1%
UMQA	13,859,982	(1,383)	13,861,364	15,342,509	1,481,145	9.7%
Total Healthcare Cost	576,719,771	(7,930,452)	584,650,223	634,648,490	49,998,268	7.9%

ECM Risk Corridor

(minimal impact to bottom line)

Nine month estimate:

	Pre-Adj.	Post-Adj.
ECM Revenue	\$ 11,334,033	\$ 11,334,033
Accrued refund	\$ -	\$ (10,138,421)
Net ECM Revenue	\$ 11,334,033	\$ 1,195,612
ECM HC Cost	\$ 11,334,033	\$ 1,022,248
Margin b/f admin	\$ -	\$ 173,364

Apply revenue offset (refund)

Lower expense to actual

CCI Member Mix Risk Corridor

(contributes to favorable bottom line)

Nine month estimate:

	<u>Dual MLTSS</u>	<u>MC-CMC</u>	<u>Total</u>
YTD Revenue with assumed mix	\$ 67,514,659	\$ 55,903,811	\$ 123,418,470
Revised Revenue w/ current mix	\$ 55,474,754	\$ 52,017,034	\$ 107,491,788
Difference (excess revenue)	\$ 12,039,905	\$ 3,886,777	\$ 15,926,682
Portion to return (risk corridor)	\$ (5,176,019)	\$ (1,244,591)	\$ (6,420,610)
Portion to keep	\$ 6,863,886	\$ 2,642,186	\$ 9,506,072

Low Utilizers with OHC

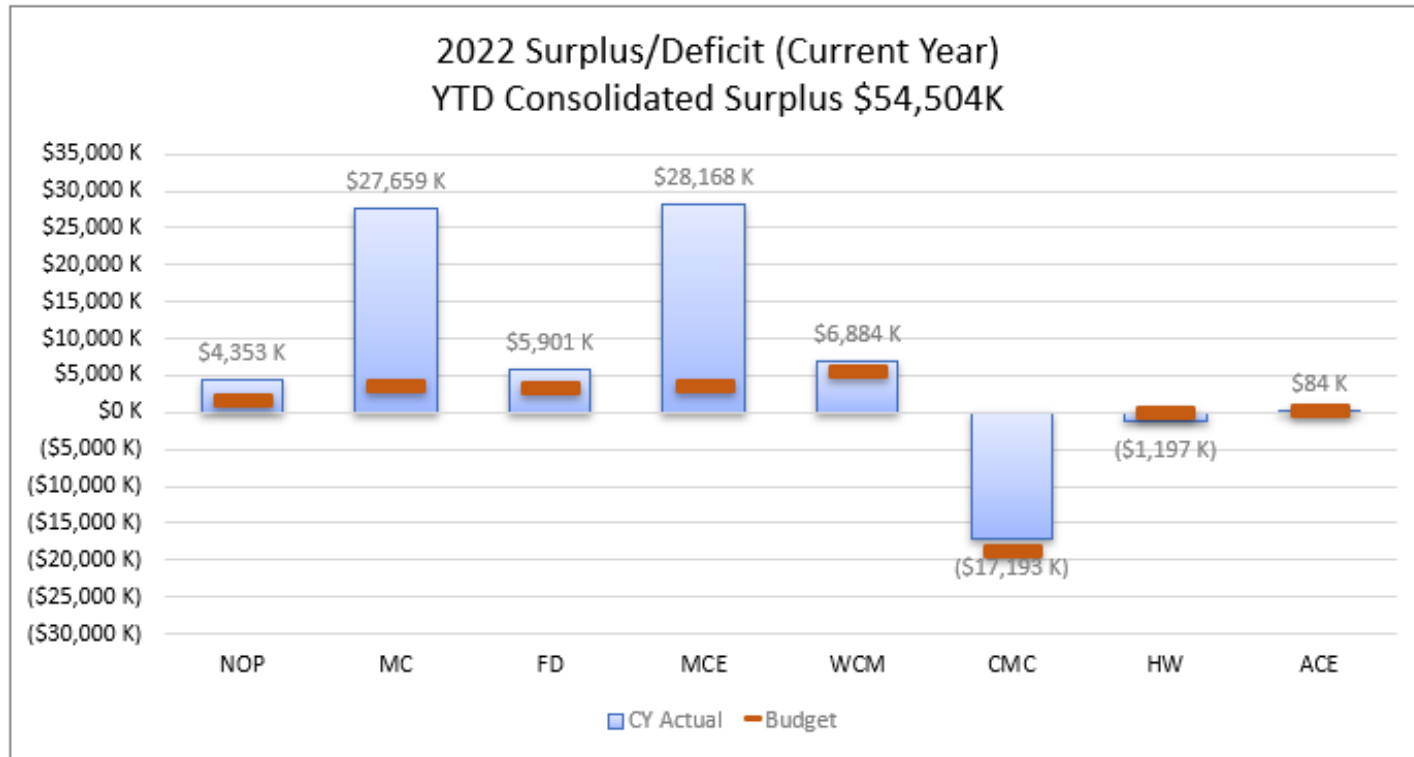
(contributes to favorable bottom line)

% of OHC - Direct Members Only				
COA	2019 Total	2020 Total	2021 Total	2022 Annualized
01.Child	4.4%	5.8%	7.7%	9.2%
02.Adult	8.8%	10.2%	12.7%	15.7%
03.MCE	8.7%	11.0%	13.9%	17.2%
05.Aged/Disabled	8.4%	11.6%	12.3%	12.8%
09.LTC	1.7%	2.4%	1.6%	1.8%
11.WCM	8.8%	12.7%	12.9%	13.3%
Weighted Average	6.7%	8.6%	11.0%	13.4%
Change >>		1.9%	2.4%	2.4%

Cost Impact of OHC - Comparing to % OHC Staying at 2019 Level				
COA	2019 Total	2020 Total	2021 Total	2022 Annualized
01.Child	\$ -	\$ 373,647	\$ 1,027,405	\$ 1,520,164
02.Adult	\$ -	\$ 483,732	\$ 1,752,358	\$ 2,835,345
03.MCE	\$ -	\$ 2,004,326	\$ 5,587,392	\$ 10,042,355
05.Aged/Disabled	\$ -	\$ 1,528,203	\$ 1,737,198	\$ 1,702,908
09.LTC	\$ -	\$ 91,848	\$ (19,103)	\$ 11,403
11.WCM	\$ -	\$ 228,074	\$ 109,205	\$ 355,729
Total	\$ -	\$ 4,709,831	\$ 10,194,454	\$ 16,467,904
Change >>		\$ 4,709,831	\$ 5,484,623	\$ 6,273,450

→ Nine month estimate = \$12.4M

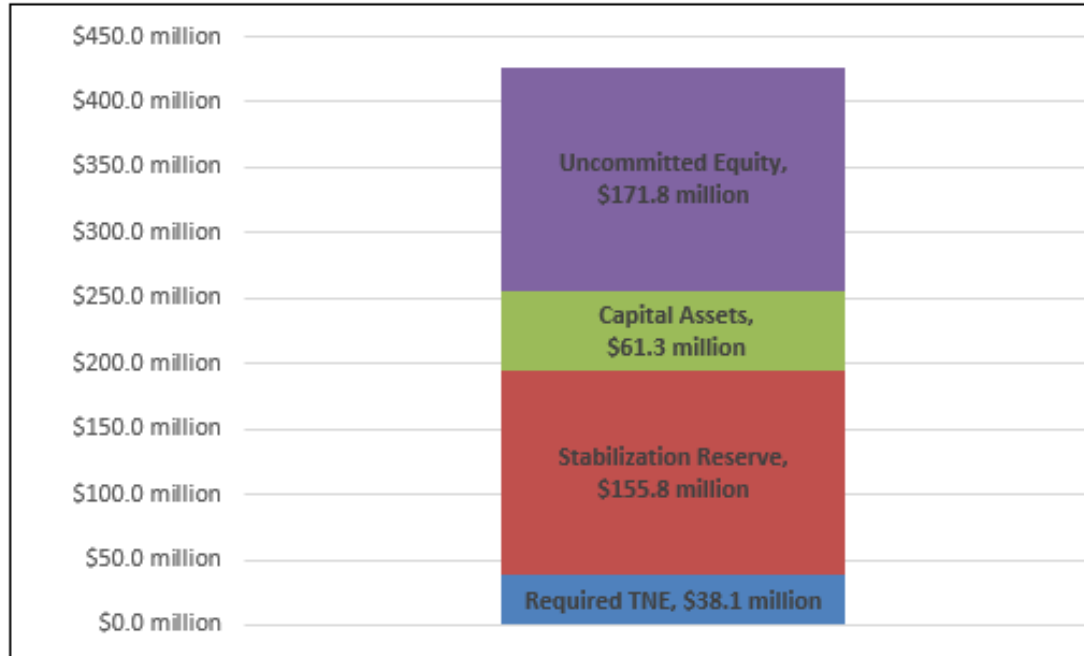
CY YTD Surplus/Deficit by LOB



Tangible Net Equity (TNE)

At 9/30/22 Pre-Audit TNE = \$427.0M

Uncommitted portion = \$171.8M



Q3 2022 Summary



- We are reporting another quarter with a significant surplus, yielding around 10% profit margin YTD through September.
- Lower than average utilization is the primary driver of this surplus. The postponed Medi-Cal redetermination process is causing this dynamic of lower cost and will continue for the remainder of the year by retaining low or zero utilizers.
- Medi-Cal members with Other Health Coverage (OHC) has doubled since 2019 (from 6.7% to 13.4% of members), which contributes to an increase of low/no utilizers. This increase in OHC has contributed approximately \$12.4M to the bottom line through September.
- The CCI (full duals) member mix risk corridor is in play again this year, where HPSM will have to return a portion of excess revenue not needed to cover cost for this population. CCI revenue is partly based on an assumption of members living in a nursing home. Estimates for the first nine months of 2022 show approximately \$15.9M in excess revenue, of which HPSM will have to return around \$6.4M, and will retain about \$9.5M, which is contributing to the favorable bottom line.

Q3 2022 Summary



continued . . .

- The newly implemented benefit Enhanced Care Management (ECM) is also over funded, due to lower utilization than was assume in our Medi-Cal rates. This benefit also has a risk corridor, where HPSM will be required to return excess funding. In this case, the risk corridor is structured with narrow tiers, and minimal amounts will be retained, forcing this benefit to operate at break-even.
- Lastly, DHCS is expected to update 2022 Medi-Cal rates retro back to 1/1/2022 but will not deliver the final rates until around March 2023. At this point, HPSM is recognizing Medi-Cal revenue based on the latest draft rates (delivered in Jan 2022) and will update 2022 revenue during the Moss Adams audit process in March, if updated rates are available at that time.

Health Plan of San Mateo
 Consolidated Balance Sheet
 September 30, 2022 and August 31, 2022

	Current Month	Prior Month	PY 12/31
ASSETS			
Current Assets			
Cash and Equivalents	\$ 403,761,424	\$ 360,700,383	\$ 257,910,849
Investments	180,134,890	180,134,890	179,148,167
Capitation Receivable from the State	123,339,006	150,443,037	162,771,179
Other Receivables	55,672,954	60,708,308	84,001,861
Prepays and Other Assets	7,415,815	7,422,605	6,930,906
Total Current Assets	<u>770,324,090</u>	<u>759,409,223</u>	<u>690,762,962</u>
Capital Assets, Net	61,256,798	61,440,119	62,881,892
Net Pension Asset	2,373,317	2,373,317	2,373,317
Assets Restricted As To Use	300,000	300,000	300,000
Total Assets	<u>834,254,205</u>	<u>823,522,659</u>	<u>756,318,171</u>
Deferred Outflows of Resources	2,351,463	2,351,463	2,351,463
Total Assets & Deferred Outflows	<u>\$ 836,605,668</u>	<u>\$ 825,874,122</u>	<u>\$ 758,669,634</u>
LIABILITIES			
Current Liabilities			
Medical Claims Payable	73,678,236	74,216,112	82,630,315
Provider Incentives	9,736,610	9,099,114	9,095,674
Amounts Due to the State	169,721,138	157,300,138	153,300,138
Accounts Payable and Accrued Liabilities	153,410,861	164,547,031	150,243,004
Total Current Liabilities	<u>406,546,845</u>	<u>405,162,396</u>	<u>395,269,131</u>
Net Pension Liability	-	-	-
Deferred Inflows of Resources	3,022,421	3,022,421	3,022,421
Total Liabilities & Deferred Inflows	<u>\$ 409,569,266</u>	<u>\$ 408,184,817</u>	<u>\$ 398,291,552</u>
NET POSITION			
Invested in Capital Assets	61,256,798	61,440,119	62,881,892
Restricted By Legislative Authority	300,000	300,000	300,000
Unrestricted			
Stabilization Reserve	155,842,200	149,695,300	178,301,800
Unrestricted Retained Earnings	209,637,404	206,253,886	118,894,390
Net Position	<u>427,036,401</u>	<u>417,689,305</u>	<u>360,378,082</u>
Total Liabilities & Net Position	<u>\$ 836,605,668</u>	<u>\$ 825,874,122</u>	<u>758,669,634</u>
 Change in Net Position	 \$ 66,658,319	 \$ 57,311,223	 0

Health Plan of San Mateo
Consolidated Statement of Revenue & Expense
for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	YTD Actual	YTD Budget	YTD Variance	% Var
OPERATING REVENUE							
Capitation and Premiums							
Medi-cal (includes Offsets)	\$ 184,508,739	\$ 175,477,066	\$ 9,031,673	\$ 550,314,129	\$ 518,121,654	\$ 32,192,475	6.2%
HealthWorx	1,568,968	1,616,723	(47,756)	4,722,313	4,847,537	(125,224)	-2.6%
Medicare (includes CA-CMC)	48,421,653	50,884,510	(2,462,856)	150,381,276	148,248,223	2,133,053	1.4%
Total Operating Revenue	234,499,360	227,978,299	6,521,061	705,417,719	671,217,414	34,200,304	5.1%
OPERATING EXPENSE							
Healthcare Expense							
Provider Capitation	11,418,351	13,385,143	1,966,792	36,320,985	39,626,157	3,305,172	8.3%
Hospital Inpatient	38,518,702	48,524,164	10,005,462	117,103,483	145,477,817	28,374,334	19.5%
LTC/SNF	39,267,961	44,071,245	4,803,285	117,956,308	132,251,396	14,295,088	10.8%
Pharmacy	13,856,769	15,159,616	1,302,847	41,952,310	45,289,787	3,337,477	7.4%
Medical	70,274,322	72,045,480	1,771,158	210,424,993	213,698,024	3,273,031	1.5%
Long Term Support Services	507,285	799,113	291,828	1,604,116	2,388,151	784,035	32.8%
CPO/In-lieu of Services	1,156,811	1,077,748	(79,063)	4,509,089	3,209,523	(1,299,566)	-40.5%
Dental Expense	4,023,930	4,500,703	476,773	11,908,215	13,364,752	1,456,536	10.9%
Enhanced Care Management (ECM)	(5,807,221)	3,373,637	9,180,858	1,749,882	9,821,351	8,071,469	82.2%
Provider Incentives	3,657,788	2,331,341	(1,326,447)	11,397,987	6,917,419	(4,480,568)	-64.8%
Transportation	2,398,499	1,788,666	(609,833)	6,455,063	5,126,792	(1,328,271)	-25.9%
Indirect Health Care Expenses	2,387,995	720,025	(1,667,970)	1,477,358	2,134,812	657,455	30.8%
UMQA, Delegated and Allocation	4,836,588	5,130,298	293,710	13,859,982	15,342,509	1,482,528	9.7%
Total Healthcare Expense	186,497,781	212,907,179	26,409,398	576,719,771	634,648,490	57,928,719	9.1%
Administrative Expense							
Salaries and Benefits	10,724,961	11,418,430	693,469	32,252,786	33,206,440	953,654	2.9%
Staff Training and Travel	50,100	85,717	35,616	138,089	282,817	144,728	51.2%
Contract Services	4,015,184	4,097,350	82,166	10,724,132	12,614,750	1,890,618	15.0%
Office Supplies and Equipment	1,431,299	1,537,583	106,284	4,486,429	5,048,467	562,038	11.1%
Occupancy and Depreciation	1,019,628	1,113,360	93,731	3,063,569	3,236,094	172,525	5.3%
Postage and Printing	418,281	456,000	37,719	1,536,915	1,333,000	(203,915)	-15.3%
Other Administrative Expense	715,050	496,262	(218,787)	1,219,394	1,333,537	114,144	8.6%
UM/QA Allocation	(4,757,976)	(5,071,822)	(313,846)	(13,650,754)	(15,167,276)	(1,516,522)	-10.0%
Total Admin Expense	13,616,528	14,132,880	516,352	39,770,558	41,887,829	2,117,270	5.1%
Premium Taxes	10,076,110	-	(10,076,110)	28,396,310	-	(28,396,310)	-
Total Operating Expense	210,190,419	227,040,059	16,849,640	644,886,640	676,536,319	31,649,680	4.7%
Net Income/Loss from Operations	24,308,941	938,240	(23,370,701)	60,531,079	(5,318,905)	(65,849,984)	-1138.0%
Interest Income, Net	2,429,098	250,000	2,179,098	3,455,820	750,000	2,705,820	360.8%
Rental Income, Net	295,098	293,970	1,128	893,607	881,911	11,697	1.3%
Third Party Administrator Revenue	565,199	513,031	52,168	1,777,813	1,696,286	81,528	4.8%
Net Non-operating Revenue	3,289,396	1,057,001	2,232,395	6,127,240	3,328,196	2,799,044	84.1%
Net Income/(Loss)	\$ 27,598,337	1,995,241	25,603,096	\$ 66,658,319	\$ (1,990,709)	\$ 68,649,028	3448.5%
<i>Admin exp as % of Net Rev (adj for Tax)</i>	<i>6.07%</i>	<i>6.20%</i>		<i>5.87%</i>	<i>6.24%</i>		
<i>Medical Loss Ratio (adj for Tax)</i>	<i>79.43%</i>	<i>90.17%</i>		<i>81.81%</i>	<i>91.32%</i>		

Health Plan of San Mateo
Medi-Cal Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 103,375,216	\$ 66,149,790	\$ 37,225,425	56.3%	\$ 259,778,101	\$ 193,966,302	\$ 65,811,799	33.9%
Supplemental Capitation	2,934,316	2,551,241	383,075	15.0%	6,920,804	7,653,724	(732,920)	-9.6%
BHT Capitation	2,148,643	1,745,025	403,619	23.1%	6,268,617	5,235,074	1,033,542	19.7%
HepC Capitation	-	-	-	-	69,892	-	69,892	-
MC Cap Offset	(30,143,524)	-	(30,143,524)	-	(43,877,119)	-	(43,877,119)	-
Total Operating Revenue	<u>78,314,651</u>	<u>70,446,057</u>	<u>7,868,595</u>	<u>11.2%</u>	<u>229,160,294</u>	<u>206,855,100</u>	<u>22,305,194</u>	<u>10.8%</u>
OPERATING EXPENSE								
Provider Capitation	6,053,780	6,441,327	387,548	6.0%	18,516,404	19,184,687	668,283	3.5%
Hospital Inpatient	11,028,306	16,588,976	5,560,670	33.5%	34,237,641	48,477,467	14,239,826	29.4%
LTC/SNF	6,852,269	7,532,885	680,615	9.0%	20,865,997	22,271,599	1,405,602	6.3%
Pharmacy	(398,329)	-	398,329	-	(525,425)	-	525,425	-
Physician Fee for Service	5,963,149	6,811,909	848,760	12.5%	18,025,553	20,071,957	2,046,404	10.2%
Hospital Outpatient	6,309,375	7,211,963	902,587	12.5%	19,094,405	21,318,313	2,223,908	10.4%
Other Medical Claims	6,062,665	5,893,982	(168,682)	-2.9%	18,353,260	17,823,848	(529,412)	-3.0%
Other HC Services	1,359,494	1,444,117	84,623	5.9%	6,734,823	4,301,122	(2,433,701)	-56.6%
Directed Payments	4,934,421	4,777,433	(156,988)	-3.3%	14,253,485	14,208,689	(44,796)	-0.3%
Long Term Support Services	104,115	145,075	40,959	28.2%	332,108	432,086	99,979	23.1%
CPO/In-lieu of Services	151,468	216,054	64,586	29.9%	615,822	617,164	(1,342)	-0.2%
Dental Expense	2,281,796	2,959,450	677,654	22.9%	7,465,296	8,814,352	(1,349,056)	-15.3%
Enhanced Care Management (ECM)	(2,330,875)	1,307,677	3,638,552	278.2%	417,726	3,766,517	(3,348,791)	-88.9%
Provider Incentives	1,627,272	1,170,666	(456,606)	-39.0%	5,025,689	3,486,681	(1,539,008)	-44.1%
Transportation	665,963	494,572	(171,390)	-34.7%	1,822,383	1,451,473	370,910	25.6%
Indirect Health Care Expenses	1,547,865	350,577	(1,197,288)	-341.5%	2,358,457	1,044,150	(1,314,307)	-125.9%
UMQA (Allocation & Delegated)	875,142	1,340,139	464,997	34.7%	2,832,848	4,004,959	1,172,111	29.3%
Total Health Care Expense	<u>53,087,877</u>	<u>64,686,800</u>	<u>11,598,924</u>	<u>17.9%</u>	<u>170,426,471</u>	<u>191,275,063</u>	<u>20,848,593</u>	<u>10.9%</u>
G&A Allocation	3,525,541	4,133,485	607,944	14.7%	10,301,979	12,245,170	1,943,191	15.9%
Premium Tax	5,596,069	-	(5,596,069)	-	16,109,025	-	(16,109,025)	-
Total Operating Expense	<u>62,209,487</u>	<u>68,820,285</u>	<u>6,610,798</u>	<u>9.6%</u>	<u>196,837,474</u>	<u>203,520,233</u>	<u>6,682,759</u>	<u>3.3%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 16,105,164</u>	<u>\$ 1,625,771</u>	<u>14,479,393</u>	<u>-890.6%</u>	<u>\$ 32,322,820</u>	<u>\$ 3,334,867</u>	<u>\$ 28,987,953</u>	<u>-869.2%</u>
Medical Loss Ratio (adj MCO)	78.32%	98.50%			85.73%	99.29%		
Member Counts	230,141	219,810	10,331	4.7%	668,633	654,676	13,957	2.1%

Health Plan of San Mateo
Full Duals Statement of Revenue & Expense
for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 25,059,490	\$ 22,245,819	\$ 2,813,671	12.6%	\$ 73,057,277	\$ 67,047,247	\$ 6,010,030	9.0%
MC Cap Offset	(2,727,000)	-	(2,727,000)	-	(5,927,000)	-	(5,927,000)	-
Total Operating Revenue	<u>22,332,490</u>	<u>22,245,819</u>	<u>86,671</u>	<u>0.4%</u>	<u>67,130,277</u>	<u>67,047,247</u>	<u>83,030</u>	<u>0.1%</u>
OPERATING EXPENSE								
Provider Capitation	32,889	-	(32,889)	-	93,307	-	(93,307)	-
Hospital Inpatient	415,335	373,408	(41,927)	-11.2%	1,041,894	1,125,424	83,530	7.4%
LTC/SNF	15,561,018	16,565,236	1,004,218	6.1%	44,157,791	49,926,393	5,768,602	11.6%
Pharmacy	(2,894)	-	2,894	-	(47,543)	-	47,543	-
Physician Fee for Service	228,894	305,120	76,225	25.0%	863,744	922,886	59,141	6.4%
Hospital Outpatient	202,035	136,527	(65,508)	-48.0%	662,015	412,660	(249,355)	-60.4%
Other Medical Claims	1,958,852	1,626,892	(331,960)	-20.4%	5,241,263	4,917,455	(323,809)	-6.6%
Other HC Services	(2,337)	(467)	1,871	-400.7%	(6,368)	(1,407)	4,962	-352.7%
Directed Payments	101,409	1,167	(100,242)	-8590.3%	294,742	3,517	(291,225)	-8280.6%
Long Term Support Services	139,200	185,537	46,338	25.0%	419,909	554,499	134,590	24.3%
CPO/In-lieu of Services	244,252	277,956	33,703	12.1%	1,026,247	837,737	188,509	22.5%
Dental Expense	198,355	208,429	10,073	4.8%	553,067	628,189	(75,122)	-12.0%
Enhanced Care Management (ECM)	(422,444)	318,844	741,287	232.5%	307,608	960,971	(653,363)	-68.0%
Provider Incentives	355,175	-	(355,175)	-	988,597	-	(988,597)	-
Transportation	230,533	133,027	(97,506)	-73.3%	665,933	400,936	264,996	66.1%
Indirect Health Care Expenses	42	37,872	37,830	99.9%	42	114,142	114,100	100.0%
UMQA (Allocation & Delegated)	318,143	252,841	(65,302)	-25.8%	859,726	755,678	(104,048)	-13.8%
Total Health Care Expense	<u>19,558,458</u>	<u>20,422,388</u>	<u>863,930</u>	<u>4.2%</u>	<u>57,121,974</u>	<u>61,559,081</u>	<u>4,437,107</u>	<u>7.2%</u>
G&A Allocation	683,433	802,222	118,789	14.8%	1,980,957	2,376,529	395,572	16.6%
Premium Tax	600,089	-	(600,089)	-	1,735,104	-	(1,735,104)	-
Total Operating Expense	<u>20,841,980</u>	<u>21,224,610</u>	<u>382,630</u>	<u>1.8%</u>	<u>60,838,035</u>	<u>63,935,610</u>	<u>3,097,575</u>	<u>4.8%</u>
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	<u>\$ 1,490,510</u>	<u>\$ 1,021,209</u>	<u>469,301</u>	<u>-46.0%</u>	<u>\$ 6,292,242</u>	<u>\$ 3,111,636</u>	<u>\$ 3,180,606</u>	<u>-102.2%</u>
Medical Loss Ratio (adj MCO)	90.42%	91.81%			87.74%	91.82%		
Member Counts	25,226	23,338	1,888	8.1%	73,319	70,339	2,980	4.2%

Health Plan of San Mateo
HealthWorx Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
HealthWorx Premium	1,568,968	1,616,723	(47,756)	-3.0%	4,722,313	4,847,537	(125,224)	-2.6%
Total Operating Revenue	<u>1,568,968</u>	<u>1,616,723</u>	<u>(47,756)</u>	<u>-3.0%</u>	<u>4,722,313</u>	<u>4,847,537</u>	<u>(125,224)</u>	<u>-2.6%</u>
OPERATING EXPENSE								
Provider Capitation	23	-	(23)	-	71	-	(71)	-
Hospital Inpatient	476,713	189,956	(286,757)	-151.0%	1,115,166	566,108	(549,058)	-97.0%
Pharmacy	615,403	626,029	10,626	1.7%	1,959,203	1,849,919	(109,284)	-5.9%
Physician Fee for Service	325,230	291,515	(33,715)	-11.6%	892,616	885,113	(7,503)	-0.8%
Hospital Outpatient	525,753	269,153	(256,600)	-95.3%	1,190,327	830,947	(359,380)	-43.2%
Other Medical Claims	131,723	100,389	(31,334)	-31.2%	320,864	300,451	(20,413)	-6.8%
Other HC Services	0	-	0	-	0	-	0	-
Indirect Health Care Expenses	10,584	9,440	(1,144)	-12.1%	31,842	28,306	(3,536)	-12.5%
UMQA (Allocation & Delegated)	43,107	38,937	(4,169)	-10.7%	112,043	116,378	4,335	3.7%
Total Health Care Expense	<u>2,128,536</u>	<u>1,525,420</u>	<u>(603,116)</u>	<u>-39.5%</u>	<u>5,622,132</u>	<u>4,577,223</u>	<u>(1,044,910)</u>	<u>-22.8%</u>
G&A Allocation	164,460	122,373	(42,087)	-34.4%	443,515	362,522	(80,993)	-22.3%
Total Operating Expense	<u>2,292,996</u>	<u>1,647,793</u>	<u>(645,203)</u>	<u>-39.2%</u>	<u>6,065,647</u>	<u>4,939,745</u>	<u>(1,125,903)</u>	<u>-22.8%</u>
NON-OPERATING REVENUE								
Total Non-Operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u>\$ (724,028)</u>	<u>\$ (31,069)</u>	<u>(692,959)</u>	<u>2230.4%</u>	<u>\$ (1,343,334)</u>	<u>\$ (92,208)</u>	<u>\$ (1,251,126)</u>	<u>1356.9%</u>
Medical Loss Ratio (adj MCO)	135.66%	94.35%			119.05%	94.42%		
Member Counts	3,561	3,684	(123)	-3.3%	10,756	11,046	(290)	-2.6%

Health Plan of San Mateo
ACE Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Total Operating Revenue	-	-	-	-	-	-	-	-
OPERATING EXPENSE								
Total Health Care Expense	-	-	-	-	-	-	-	-
G&A Allocation	590,289	535,890	(54,399)	-10.2%	1,693,847	1,607,670	(86,177)	-5.4%
Total Operating Expense	590,289	535,890	(54,399)	-10.2%	1,693,847	1,607,670	(86,177)	-5.4%
NON-OPERATING REVENUE								
Third Party Administrator Revenue	565,199	513,031	52,168	10.2%	1,777,813	1,696,286	81,528	4.8%
Total Non-Operating	565,199	513,031	52,168	10.2%	1,777,813	1,696,286	81,528	4.8%
Net Income/(Loss)	\$ (25,090)	\$ (22,859)	(2,231)	9.8%	\$ 83,966	\$ 88,616	\$ (4,649)	-5.2%
Medical Loss Ratio (adj MCO)	-	-	-	-	-	-	-	-
Member Counts	65,679	60,357	5,322	8.8%	219,695	209,560	10,136	4.8%

Health Plan of San Mateo
CCS Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
WCM Capitation	11,138,400	8,480,058	2,658,342	31.3%	30,364,109	25,431,989	4,932,121	19.4%
Supplemental Capitation	-	-	-	-	(19,361)	-	(19,361)	-
BHT Capitation	184,869	143,309	41,560	29.0%	468,780	429,927	38,853	9.0%
MC Cap Offset	(3,561,966)	-	(3,561,966)	-	(5,598,302)	-	(5,598,302)	-
Total Operating Revenue	<u>7,761,303</u>	<u>8,623,367</u>	<u>(862,064)</u>	<u>-10.0%</u>	<u>25,215,226</u>	<u>25,861,916</u>	<u>(646,690)</u>	<u>-2.5%</u>
OPERATING EXPENSE								
Provider Capitation	95,095	142,330	47,234	33.2%	559,134	426,852	(132,282)	-31.0%
Hospital Inpatient	1,701,214	2,480,210	778,996	31.4%	5,352,184	7,217,809	1,865,624	25.8%
LTC/SNF	403,132	364,079	(39,053)	-10.7%	1,196,132	1,087,902	(108,230)	-9.9%
Pharmacy	(38,566)	-	38,566	-	(39,416)	-	39,416	-
Physician Fee for Service	466,537	503,455	36,917	7.3%	1,338,388	1,530,578	192,190	12.6%
Hospital Outpatient	907,057	837,337	(69,721)	-8.3%	3,014,884	2,386,942	(627,942)	-26.3%
Other Medical Claims	747,900	892,037	144,138	16.2%	2,576,183	2,654,551	78,368	3.0%
Other HC Services	133,444	71,479	(61,965)	-86.7%	102,046	214,367	112,321	52.4%
Directed Payments	161,164	163,854	2,689	1.6%	481,180	491,403	10,223	2.1%
CPO/In-lieu of Services	-	524	524	100.0%	-	1,573	(1,573)	-100.0%
Dental Expense	57,019	54,300	(2,719)	-5.0%	146,856	162,847	(15,990)	-9.8%
Enhanced Care Management (ECM)	(28,548)	12,793	41,340	323.2%	-	38,365	(38,365)	-100.0%
Provider Incentives	27,976	21,209	(6,767)	-31.9%	83,854	63,606	(20,248)	-31.8%
Transportation	19,534	19,270	(264)	-1.4%	50,220	55,720	(5,500)	-9.9%
Indirect Health Care Expenses	109,384	7,259	(102,125)	-1406.9%	(405,954)	21,769	427,723	1964.8%
UMQA (Allocation & Delegated)	1,212,686	927,668	(285,018)	-30.7%	2,895,479	2,783,323	(112,156)	-4.0%
Total Health Care Expense	<u>5,975,028</u>	<u>6,497,802</u>	<u>522,774</u>	<u>8.0%</u>	<u>17,351,171</u>	<u>19,137,605</u>	<u>1,786,434</u>	<u>9.3%</u>
G&A Allocation	337,249	435,104	97,855	22.5%	1,087,838	1,288,964	201,126	15.6%
Premium Tax	99,663	-	(99,663)	-	299,729	-	(299,729)	-
Total Operating Expense	<u>6,411,940</u>	<u>6,932,906</u>	<u>520,966</u>	<u>7.5%</u>	<u>18,738,738</u>	<u>20,426,569</u>	<u>1,687,831</u>	<u>8.3%</u>
NON-OPERATING REVENUE								
Total Non-Operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u>\$ 1,349,363</u>	<u>\$ 1,690,462</u>	<u>(341,099)</u>	<u>-20.2%</u>	<u>\$ 6,476,488</u>	<u>\$ 5,435,347</u>	<u>\$ 1,041,142</u>	<u>-19.2%</u>
Medical Loss Ratio (adj MCO)	79.66%	76.81%			71.01%	75.43%		
Member Counts	4,187	4,144	43	1.0%	12,510	12,428	82	0.7%

Health Plan of San Mateo
MCE Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MCE Capitation	81,669,645	53,587,310	28082335	52.4%	207,962,537	156,431,745	51,530,792	32.9%
Supplemental Capitation	797,082	337,354	459,728	136.3%	1,542,770	1,012,063	530,707	52.4%
HepC Capitation	-	-	-	-	(69,892)	-	(69,892)	-
MC Cap Offset	(24,969,989)	-	(24,969,989)	-	(36,533,291)	-	(36,533,291)	-
Total Operating Revenue	57,496,738	53,924,664	3,572,074	6.6%	172,902,124	157,443,807	15,458,316	9.8%
OPERATING EXPENSE								
Provider Capitation	5,177,901	5,716,836	538,935	9.4%	14,927,894	16,664,383	1,736,489	10.4%
Hospital Inpatient	9,339,877	12,530,495	3,190,617	25.5%	30,696,002	38,465,636	7,769,634	20.2%
LTC/SNF	3,594,231	4,534,803	940,572	20.7%	11,024,833	13,156,964	2,132,130	16.2%
Pharmacy	(807,284)	-	807,284	-	(859,208)	-	859,208	-
Physician Fee for Service	5,329,200	6,515,454	1,186,255	18.2%	15,741,413	18,719,620	2,978,208	15.9%
Hospital Outpatient	7,633,230	7,401,186	(232,044)	-3.1%	21,775,133	21,576,369	(198,764)	-0.9%
Other Medical Claims	4,092,734	4,880,775	788,041	16.1%	12,304,325	14,227,292	1,922,967	13.5%
Other HC Services	(51,200)	(42,044)	9,156	-21.8%	(172,378)	(122,558)	49,820	-40.7%
Directed Payments	2,619,521	2,393,232	(226,289)	-9.5%	7,433,133	6,979,067	(454,066)	-6.5%
Long Term Support Services	810	4,204	3,394	80.7%	1,215	12,256	11,041	90.1%
CPO/In-lieu of Services	23,988	25,448	1,461	5.7%	120,601	74,180	46,421	62.6%
Dental Expense	1,031,032	936,401	(94,631)	-10.1%	2,640,162	2,729,578	(89,417)	-3.3%
Enhanced Care Management (ECM)	(3,450,468)	1,734,325	5,184,793	299.0%	324,722	5,055,497	(4,730,775)	-93.6%
Provider Incentives	939,737	659,280	(280,457)	-42.5%	2,869,224	1,921,780	(947,445)	-49.3%
Transportation	884,462	686,722	(197,740)	-28.8%	2,285,467	1,902,213	383,254	20.1%
Indirect Health Care Expenses	363,399	224,473	(138,926)	-61.9%	535,445	654,331	118,886	18.2%
UMQA (Allocation & Delegated)	684,246	986,808	302,562	30.7%	2,197,312	2,948,292	750,980	25.5%
Total Health Care Expense	37,405,416	49,188,399	11,782,983	24.0%	123,845,295	144,964,900	21,119,605	14.6%
G&A Allocation	2,653,680	3,086,517	432,837	14.0%	7,973,127	9,143,597	1,170,470	12.8%
Premium Tax	3,780,288	-	(3,780,288)	-	10,252,453	-	(10,252,453)	-
Total Operating Expense	43,839,384	52,274,916	8,435,532	16.1%	142,070,875	154,108,497	12,037,622	7.8%
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ 13,657,354	\$ 1,649,748	12,007,606	-727.8%	\$ 30,831,249	\$ 3,335,310	\$ 27,495,938	-824.4%
Medical Loss Ratio (adj MCO)	73.20%	95.45%			79.79%	96.34%		
Member Counts	147,877	140,147	7,730	5.5%	418,798	408,525	10,273	2.5%

Health Plan of San Mateo
CA CMC Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
CA Cal MediConnect Premium	48,421,653	50,884,510	(2,462,856)	-4.8%	150,381,276	148,248,223	2,133,053	1.4%
Total Operating Revenue	48,421,653	50,884,510	(2,462,856)	-4.8%	150,381,276	148,248,223	2,133,053	1.4%
OPERATING EXPENSE								
Provider Capitation	58,662	1,084,650	1,025,988	94.6%	2,224,047	3,350,236	1,126,189	33.6%
Hospital Inpatient	14,822,982	15,790,617	967,635	6.1%	42,526,819	47,905,500	5,378,680	11.2%
LTC/SNF	2,332,568	2,570,566	237,998	9.3%	6,645,466	7,798,570	1,153,104	14.8%
Pharmacy	14,308,590	14,326,841	18,251	0.1%	40,951,585	42,821,341	1,869,756	4.4%
Physician Fee for Service	4,778,333	4,906,064	127,730	2.6%	13,882,356	14,483,092	600,736	4.1%
Hospital Outpatient	6,014,494	5,613,022	(401,472)	-7.2%	17,540,350	16,620,790	(919,560)	-5.5%
Other Medical Claims	5,047,833	5,414,226	366,393	6.8%	15,479,725	16,004,552	524,826	3.3%
Other HC Services	0	-	0	-	6	-	(6)	-
Enhanced Care Management (ECM)	424,702	-	(424,702)	-	699,826	-	699,826	-
Provider Incentives	497,631	480,186	(17,446)	-3.6%	1,684,486	1,445,353	(239,134)	-16.5%
Indirect Health Care Expenses	356,721	88,758	(267,963)	-301.9%	(1,042,520)	267,161	1,309,681	490.2%
UMQA (Allocation & Delegated)	1,515,799	1,301,066	(214,734)	-16.5%	4,361,759	3,888,544	(473,215)	-12.2%
Total Health Care Expense	50,158,317	51,575,996	1,417,679	2.7%	144,953,907	154,585,139	9,631,232	6.2%
G&A Allocation	4,870,637	4,119,888	(750,749)	-18.2%	14,043,218	12,204,889	(1,838,329)	-15.1%
Total Operating Expense	55,028,954	55,695,884	666,930	1.2%	158,997,125	166,790,027	7,792,903	4.7%
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (6,607,301)	\$ (4,811,374)	(1,795,927)	37.3%	\$ (8,615,848)	\$ (18,541,804)	\$ 9,925,955	53.5%
Medical Loss Ratio (adj MCO)	103.59%	101.36%			96.39%	104.27%		
Member Counts	26,392	26,535	(143)	-0.5%	79,193	79,870	(677)	-0.8%

Health Plan of San Mateo
Medi-Cal CMC Statement of Revenue & Expense
 for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Cal MediConnect Capitation	19,033,557	20,237,160	(1,203,602)	-5.9%	57,136,209	60,913,584	(3,777,375)	-6.2%
MC Cap Offset	(430,000)	-	(430,000)	-	(1,230,000)	-	(1,230,000)	-
Total Operating Revenue	18,603,557	20,237,160	(1,633,602)	-8.1%	55,906,209	60,913,584	(5,007,375)	-8.2%
OPERATING EXPENSE								
Provider Capitation	-	-	-	-	129	-	(129)	-
Hospital Inpatient	734,275	570,503	(163,772)	-28.7%	2,133,776	1,719,872	(413,903)	-24.1%
LTC/SNF	10,524,742	12,503,676	1,978,934	15.8%	34,066,090	38,009,969	3,943,879	10.4%
Pharmacy	179,849	206,747	26,898	13.0%	513,180	618,526	105,346	17.0%
Physician Fee for Service	594,248	740,077	145,829	19.7%	2,541,627	2,408,902	(132,725)	-5.5%
Hospital Outpatient	899,245	724,127	(175,118)	-24.2%	2,783,043	2,391,363	(391,680)	-16.4%
Other Medical Claims	2,388,166	2,161,501	(226,665)	-10.5%	7,271,110	7,136,144	(134,967)	-1.9%
Other HC Services	0	-	0	-	(16)	-	16	-
Directed Payments	411,754	-	(411,754)	-	411,754	-	(411,754)	-
Long Term Support Services	263,161	464,297	201,136	43.3%	850,885	1,389,310	538,426	38.8%
CPO/In-lieu of Services	737,103	557,766	(179,337)	-32.2%	2,746,419	1,678,867	1,067,551	63.6%
Dental Expense	455,727	342,123	(113,604)	-33.2%	1,102,834	1,029,786	73,048	7.1%
Enhanced Care Management (ECM)	412	-	(412)	-	-	-	-	-
Provider Incentives	209,997	-	(209,997)	-	746,136	-	(746,136)	-
Transportation	598,008	455,075	(142,933)	-31.4%	1,631,060	1,316,450	314,610	23.9%
Indirect Health Care Expenses	-	1,646	1,646	100.0%	-	4,953	4,953	100.0%
UMQA (Allocation & Delegated)	187,465	282,839	95,374	33.7%	600,815	845,335	244,520	28.9%
Total Health Care Expense	18,184,151	19,010,375	826,225	4.3%	57,398,841	58,549,479	1,150,638	2.0%
G&A Allocation	635,029	897,402	262,373	29.2%	2,089,867	2,658,491	568,624	21.4%
Total Operating Expense	18,819,180	19,907,777	1,088,598	5.5%	59,488,708	61,207,970	1,719,262	2.8%
NON-OPERATING REVENUE								
Total Non-Operating	-	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (215,622)	\$ 329,382	(545,005)	-165.5%	\$ (3,582,500)	\$ (294,387)	\$ (3,288,113)	1116.9%
Medical Loss Ratio (adj MCO)	99.96%	93.94%			103.43%	96.12%		
Member Counts	26,268	26,424	(156)	-0.6%	78,880	79,630	(750)	-0.9%

Health Plan of San Mateo
ALL LOB UNITS Statement of Revenue & Expense
for the Period Ending September 30, 2022

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
MC Capitation	\$ 128,434,705	\$ 88,395,609	\$ 40,039,096	45.3%	\$ 332,835,378	\$ 261,013,549	\$ 71,821,829	27.5%
MCE Capitation	81,669,645	53,587,310	28,082,335	52.4%	207,962,537	156,431,745	51,530,792	32.9%
WCM Capitation	11,138,400	8,480,058	2,658,342	31.3%	30,364,109	25,431,989	4,932,121	19.4%
Supplemental Capitation	3,731,399	2,888,596	842,803	29.2%	8,444,213	8,665,787	(221,574)	-2.6%
BHT Capitation	2,333,512	1,888,334	445,178	23.6%	6,737,397	5,665,001	1,072,395	18.9%
HealthWorx Premium	1,568,968	1,616,723	(47,756)	-3.0%	4,722,313	4,847,537	(125,224)	-2.6%
CA Cal MediConnect Premium	48,421,653	50,884,510	(2,462,856)	-4.8%	150,381,276	148,248,223	2,133,053	1.4%
MC Cal MediConnect Capitation	19,033,557	20,237,160	(1,203,602)	-5.9%	57,136,209	60,913,584	(3,777,375)	-6.2%
MC Cap Offset	(61,832,479)	-	(61,832,479)	-	(93,165,713)	-	(93,165,713)	-
Total Operating Revenue	234,499,360	227,978,299	6,521,061	2.9%	705,417,719	671,217,414	34,200,304	5.1%
OPERATING EXPENSE								
Provider Capitation	11,418,351	13,385,143	1,966,792	14.7%	36,320,985	39,626,157	3,305,172	8.3%
Hospital Inpatient	38,518,702	48,524,164	10,005,462	20.6%	117,103,483	145,477,817	28,374,334	19.5%
LTC/SNF	39,267,961	44,071,245	4,803,285	10.9%	117,956,308	132,251,396	14,295,088	10.8%
Pharmacy	13,856,769	15,159,616	1,302,847	8.6%	41,952,310	45,289,787	3,337,477	7.4%
Physician Fee for Service	17,685,591	20,073,592	2,388,001	11.9%	53,285,698	59,022,149	5,736,451	9.7%
Hospital Outpatient	22,491,190	22,193,315	(297,875)	-1.3%	66,060,157	65,537,384	(522,773)	-0.8%
Other Medical Claims	20,429,872	20,969,802	539,930	2.6%	61,546,731	63,064,292	1,517,561	2.4%
Other HC Services	1,439,400	1,473,085	33,684	2.3%	6,658,113	4,391,524	(2,266,589)	-51.6%
Directed Payments	8,228,268	7,335,686	(892,583)	-12.2%	22,874,295	21,682,676	(1,191,619)	-5.5%
Long Term Support Services	507,285	799,113	291,828	36.5%	1,604,116	2,388,151	784,035	32.8%
CPO/In-lieu of Services	1,156,811	1,077,748	(79,063)	-7.3%	4,509,089	3,209,523	1,299,566	40.5%
Dental Expense	4,023,930	4,500,703	476,773	10.6%	11,908,215	13,364,752	(1,456,536)	-10.9%
Enhanced Care Management (ECM)	(5,807,221)	3,373,637	9,180,858	272.1%	1,749,882	9,821,351	(8,071,469)	-82.2%
Provider Incentives	3,657,788	2,331,341	(1,326,447)	-56.9%	11,397,987	6,917,419	(4,480,568)	-64.8%
Transportation	2,398,499	1,788,666	(609,833)	-34.1%	6,455,063	5,126,792	1,328,271	25.9%
Indirect Health Care Expenses	2,387,995	720,025	(1,667,970)	-231.7%	1,477,358	2,134,812	657,455	30.8%
UMQA (Allocation & Delegated)	4,836,588	5,130,298	293,710	5.7%	13,859,982	15,342,509	1,482,528	9.7%
Total Health Care Expense	186,497,781	212,907,179	26,409,398	12.4%	576,719,771	634,648,490	57,928,719	9.1%
G&A Allocation	13,616,529	14,132,881	516,352	3.7%	39,770,559	41,887,832	2,117,273	5.1%
Premium Tax	10,076,110	-	(10,076,110)	-	28,396,310	-	(28,396,310)	-
Total Operating Expense	210,190,420	227,040,060	16,849,640	7.4%	644,886,640	676,536,322	31,649,682	4.7%
NON-OPERATING REVENUE								
Interest, Net	2,429,098	250,000	2,179,098	871.6%	3,455,820	750,000	2,705,820	360.8%
Rental Income, Net	295,098	293,970	1,128	0.4%	893,607	881,911	11,697	1.3%
Third Party Administrator Revenue	565,199	513,031	52,168	10.2%	1,777,813	1,696,286	81,528	4.8%
Total Non-Operating	3,289,396	1,057,001	2,232,395	211.2%	6,127,240	3,328,196	2,799,044	84.1%
Net Income/(Loss)	\$ 27,598,336	\$ 1,995,240	25,603,096	-1283.2%	\$ 66,658,319	\$ (1,990,712)	\$ 68,649,030	3448.5%
Medical Loss Ratio (adj MCO)	86.26%	96.49%			88.16%	97.71%		
Member Counts	529,331	504,439	24,892	4.9%	1,561,784	1,526,073	35,711	2.3%

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

FOR THE CURRENT PERIOD September 30, 2022

	CURRENT MONTH 9/30/2022	CURRENT YEAR YEAR-TO-DATE 2022
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
Group/Individual Premiums/Capitation	-	-
Title XVIII - Medicare Premiums	14,334,108	150,381,276
Title XIX - Medicaid Premiums	61,059,454	602,386,606
Investment and Other Revenues	387,959	1,782,708
Medical and Hospital Expenses	(51,760,306)	(588,934,359)
Administration Expenses	18,151,797	(23,929,965)
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,173,011	141,686,268
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
Proceeds from Restricted Cash and Other Assets	-	-
Proceeds from Investments	-	-
Proceeds for Sales of Property, Plant and Equipment	-	-
Payments for Restricted Cash and Other Assets	-	-
Payments for Investments	-	-
Payments for Property, Plant and Equipment	0	0
Interest and Other Income Received	888,030	4,164,308
NET CASH PROVIDED BY INVESTING ACTIVITIES	888,030	4,164,308
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
Principal payments under capital lease obligations	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	43,061,041	145,850,575
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH/PRIOR YEAR	360,700,383	257,910,849
CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	403,761,425	403,761,424
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating Income	8,102,087	60,531,079
	-	-
Depreciation and Amortization	183,321	1,625,094
Decrease (Increase) in Receivables	32,496,364	68,737,290
Decrease (Increase) in Prepaid Expenses	6,789	(484,910)
Decrease (Increase) in Net Pension/Inflows and Outflows	-	-
Decrease (Increase) in Affiliate Receivables	-	-
Increase (Decrease) in Amts due to State of CA	(12,421,000)	16,421,000
Increase (Decrease) in Accounts Payable	13,705,829	3,167,857
Increase (Decrease) in Medical Claims Payable	(5,149,456)	(5,811,557)
Increase (Decrease) in Incurred But Not Reported	4,611,580	(3,140,522)
Increase (Decrease) in Provider Risk Sharing	637,496	640,936
Increase (Decrease) in Unearned Premium	-	-
Aggregate Write-Ins for Adjustments to Net Income	-	-
TOTAL ADJUSTMENTS	34,070,924	81,155,188
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,173,011	141,686,268
DETAILS OF WRITE-INS AGGREGATED FOR ADJUSTMENTS TO NET INCOME		
Unrealized (Gain)/Loss on Equity Securities	-	-
(Gain)/Loss on Sale of Assets	-	-
Prior Period Rent Expense	-	-
Realized (Gain)/Loss on Investment	-	-
TOTALS	-	-

FINANCE/EXECUTIVE COMMITTEE MEETING
Meeting Summary – November 7, 2022
Teleconference Meeting

Important notice regarding COVID-19: Based on guidance from the California Department of Public Health and the California Governor’s Office, in order to minimize the spread of the COVID-19 virus, the meeting was conducted via online meeting/teleconference. Members of the public were invited to submit public comment via email to the Assistant Clerk to the Commission in advance of the meeting and were also able to access the meeting using the web and teleconference information provided on the meeting notice.

Member’s present: Si France, M.D, Ligia Andrade-Zuniga, Bill Graham, Mike Callagy

Members absent: Don Horsley

Staff present: Trent Ehrgood, Pat Curran, Chris Esguerra, M.D., Ian Johannson, Chris Baughman, Carl Smith, Jr., Christine Lopez, Amy Scribner, Eben Yong, Lia Vedovini, Michelle Heryford

- 1.0 Call to Order** – The meeting was called to order by Commissioner Bill Graham at 12:31 pm.
- 2.0 Public Comment** – There was no public comment either virtually or via email.
- 3.0 Approval of Meeting Summary for August 8, 2022** – The meeting summary for the August 8, 2022, meeting was approved as presented. **Callagy/Graham second. A roll call vote was unanimous.**
- 4.0 Adopt a resolution finding that, as a result of the continuing COVID-19 pandemic state of emergency, meeting in person would present imminent risks to the health or safety of attendees** – The Committee moved to adopt a resolution finding that, as a result of the continuing COVID-19 pandemic state of emergency, meeting in person would present imminent risks to the health or safety of attendees. **Callagy/France second. A roll call vote was unanimous.**
- 5.0 Preliminary Financial Summary for the period ending September 30, 2022** – Chief Financial Officer Trent Ehrgood, reviewed the 3rd quarter financial report. He reminded the committee how the public health emergency (PHE) has affected membership and will continue to do so until the redetermination process starts up again. The third quarter has a significant surplus, yielding an approximate 10% profit margin YTD through September. Lower than average utilization is the primary driver of the

surplus. Medi-Cal members with Other Health Coverage (OHC) has doubled since 2019 going from 6.7% to 13.4%. This has increased the number of low utilizers. This dynamic alone has contributed approximately \$12.4M to the bottom line through September.

He went over the membership variance and what HPSM assumed in the budget versus actual. There was a .2% variance in March, it grew to .8% in June and is now at 2.1%, which is really just a function of growth instead of decline. He noted the ACE line of business (LOB) is not considered at risk because HPSM is just the third-party administrator. However, some of the ACE members (ages 50 and over) became eligible for Medi-Cal in May and moved to the Medi-Cal LOB.

He also reports that HPSM will have to return a portion of excess revenue from the Coordinated Care Initiative (CCI), which is the full duals program. The CCI revenue is partly based on an assumption of members living in a nursing home. HPSM is essentially overfunded for CCI because fewer members are in a nursing home. Estimates for the first nine months of 2022 show approximately \$15.9M in excess revenue, of which HPSM will have to return \$6.4M. This means HPSM will retain \$9.5M, which also contributes to the surplus.

Administrative costs are running about 5% below budget. He also noted that the revenue that's funding the MCO tax is higher than the actual cost of the tax itself, because the tax is fixed at the beginning of the year versus the funding to cover it is variable based on membership. Because HPSM has more members than originally planned there are excess dollars to cover the MCO tax, which also feeds into the budget variance. The budget variance for non-operating revenue has grown to \$2.8M from higher interest income on cash reserves.

Mr. Ehrgood informed the group that the recently implemented Enhanced Care Management (ECM) benefit is over funded due to lower utilization than was assumed in the Medi-Cal rates. This benefit will apply a risk corridor with narrow tiers. Minimal amounts will be retained forcing this benefit to operate at break-even. At present \$11M was funded to HPSM but the real expense for the first nine months is around

\$1M. They applied a revenue offset to keep the bottom line at fairly break even. They believe the difference is so great because the state didn't take into consideration how long it would take to build the Provider network. Because it's a new benefit, it took longer than anticipated to engage with Providers and have them consider participating. Identifying qualifying members and outreach was also very time consuming. They expect DHCS to consider the lower utilization in rate setting for 2023.

The Department of Health Care Services (DHCS) is expected to update the 2022 Medi-Cal rates retro back to January 1, 2022, with COVID related factors. At present, HPSM is recognizing Medi-Cal revenue based on the latest draft rates which were delivered in January of 2022. DHCS was originally targeting delivery of final 2022 rates in March 2023, but the target date is now closer to June 2023. This means HPSM will close out 2022 financial reporting with draft rates, and any true-up will be recorded in 2023.

The committee briefly discussed the balance of HPSM's reserves, which are quite high at the moment. Mr. Curran mentioned that CMO, Dr. Chris Esguerra will be presenting at the San Mateo Health Commission meeting on Wednesday about how they could use the money in a thoughtful way to invest in the HPSM community. Dr. Esguerra will discuss three priorities at the Commission meeting on Wednesday. **Callagy/France second. A roll call vote was unanimous.**

6.0 Compliance Case Discussion – Chief Compliance Officer, Ian Johannsson provided a report. In June, HPSM received a warning that they would receive a corrective action plan (CAP) from DHCS. HPSM was already under a CAP for the newly formed dental benefit. They resolved the issue in time and do not anticipate sanctions in this case.

He also reported on three breach cases, all were committed by downstream subcontractors. In April there was a breach by subcontractor One Touch Point (OTP), a vendor used by Matrix Medical Network. It affected 30 healthcare providers and insurance plans. Over 12,000 HPSM members were affected. Matrix performed media disclosure and member notification.

In June there was a privacy breach by Exela Technologies, a downstream sub-contractor of HPSM via HMS. One of the functions HMS performs for HPSM is verification of OHC. Exela Technologies does data automation services for HMS. The number of members affected was unknown at the time. Exela is performing an investigation and it has been reported to DHCS. HPSM members' data may have been affected by this breach.

In July there was a privacy breach by Independent Living Systems (ILS), a direct subcontractor of the Plan. ILS performs case management services, health risk assessments and individualized care plans. HPSM members were not affected by this breach, which was unknown prior to this meeting.

Mr. Johansson noted that healthcare has been a target of malware and extortion attempts for some time now. He has spoken to County Counsel, Kristina Paszek regarding the legal exposure to HPSM in cases like these. Typically, the liability lies with the contractor. However, there is always concern about legal action coming back to HPSM, so they continue to be vigilant. Commissioner Graham thanked Mr. Johansson for that information, as this echoed a concern he had. HPSM has additional questions for HMS and Matrix now that they have experienced these breaches. What more do they have planned? Will they go out to bid for a new vendor or find other subcontractors? They hope there is due diligence and efforts to investigate even further.

7.0 Other Business – There was no other business.

8.0 Adjournment – The meeting was adjourned at 1:21 pm by Commissioner Bill Graham.

Respectfully submitted:

M. Heryford

M. Heryford

Assistant Clerk to the Commission

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION
FINANCE/EXECUTIVE COMMITTEE**

**IN THE MATTER OF APPROVAL OF TELECONFERENCE MEETING
PROCEDURES PURSUANT TO AB 361 (BROWN ACT PROVISIONS)**

RECITAL: WHEREAS,

- A. In the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, the San Mateo County Board of Supervisors recently found that meeting in person would present imminent risk to the health or safety of attendees of public meetings and accordingly directed staff to continue to agendize its public meetings only as online teleconference meetings; and
- B. The Board of Supervisors strongly encouraged other legislative bodies of the County of San Mateo that are subject to the Brown Act to make a similar finding and avail themselves of teleconferencing until the risk of community transmission has further declined; and
- C. The San Mateo Health Commission and its Committees must make such a finding under AB 361 in order to continue to conduct its meetings as online teleconference meetings.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The Finance/Executive Committee of the San Mateo Health Commission hereby finds that in the interest of public health and safety, as affected by the state of emergency caused by the spread of COVID-19, meeting in person would present imminent risk to the health or safety of attendees of public meetings for the reasons set forth in Resolution No. 078447 of the San Mateo County Board of Supervisors and subsequent resolutions made pursuant to AB 361; and
2. The San Mateo Health Commission directs staff to continue to agendize its meetings only as online teleconference meetings; and
3. The San Mateo Health Commission further directs staff to present, within 30 days, an item for its consideration regarding whether to make renewed findings required by AB 361 in order to continue to meet remotely.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 7th day of November 2022 by the following votes:

AYES: France, Andrade-Zuniga, Graham, Callagy

NOES: 0

ABSTAINED: 0

ABSENT: 1

ATTEST: 0

BY: *Michelle Heryford*

Michelle Heryford

Assistant Clerk to the Commission

MEMORANDUM

DATE: November 16, 2022

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Eben Yong, Chief Information Officer

RE: Request to Waive the Request for Proposal process and approve a two year Agreement with Lussier Data Architects, Inc. (LDA)

Recommendation:

Waive the Request for Proposal process and approve a two year agreement with Lussier Data Architects, Inc. (LDA); and, authorize the Chief Executive Officer to execute said Agreement. They will continue to provide ongoing full service software development and reporting services in an amount not to exceed \$648,000.

Background:

LDA has provided software development and reporting services to Health Plan of San Mateo (HPSM) since March 2006 and is the developer of HPSM's claims data warehouse (Claims Statistics Database), the main reporting, workflow and auditing tool for the claims management system (HEALTHsuite) and the legacy claims management system (Amisys). The Claims Statistics Database is an important tool for the organization in managing claims related data and reporting to external agencies. Claim Statistics Database integrates additional critical data sources including the document imaging system, the off-site claims processing service, legacy Customer Service system (Everest) and New System MedHOK, and the Medicare carrier file for other healthcare coverage. Claims Statistics Database has been custom designed to address HPSM's specific needs and allows staff to create ad-hoc workflows and reports that contribute to increased productivity.

In addition to the Claims Statistics Database referenced above, LDA has also created and continues to manage other operations systems utilized by HPSM on a daily basis, such as Authorizations Statistics Database, Letter Generator, Data Mart, and HPSM's Intranet. LDA has become embedded with every HPSM department as a trustworthy resource and is relied upon to upgrade current systems, or develop new ones, based on requests from respective Business Owners/Department Leads.

As of December 2022, LDA has been tasked by HPSM to provide additional software development and maintenance to address a myriad of regulatory issues to support HPSM in meeting its statutory obligations as well as the creation of several tools to help increase productivity in HPSM's day to day activities. These projects include:

Admin / Facilities

Vendor Contract Management Database

Business Systems Integration

Geo-Mapping Database Application

DP Datamart

CareAdvantage

Automated Enrollment/Disenrollment and OEV Letter Process

Project Emerald RubySuite Modernization

Claims Department:

Pharmacy Pricing Database and User-Interface

Suspended Claims Database and User-Interface

Reinsurance Database and User-Interface

Automated PNF (Provider Not Found) Letter Process

Automated Misdirected Claim Letter Process

Continued Daily Management of Claims Statistics Database

Finance

Finance Database Server Upgrade

Reinsurance Database and User-Interface

Health Services

Authorizations Statistics Database – Inpatient Webform Revision of Functionality

PCP Admit and Discharge Automated Letter Process

Continued Daily Management of Letter Generator

Continued Daily Management of Authorizations Statistics Database

DocuStream and HealthTrio Electronic Authorization Intake

Member Services

Kaiser and HealthWorx Automated Letter Process

MIS

eFax Database reporting and integration with other systems

MedHOK integration with other existing HPSM systems

Microsoft Access conversion to MS SQL Server

HPSM Intranet Releases: v2.0, v2.1

Evaluation and Consolidation of Resources (Utilized Servers, Databases)

Provider Services

Provider Contracts Database and User-Interface

Provider Services Department Correspondence Tracking (Call Log Database)

Continued Daily Management of Provider Portal

LDA has been a consistent and valued partner of HPSM and is viewed as more than a consulting firm. Its staff has been responsive in developing new solutions to HPSM's rapidly changing needs. Based on LDA's unique knowledge of HPSM, LDA continues to provide high quality services and products as part of HPSM's strong internal operations.

Fiscal Impact

This two year agreement with Lussier Data Architects, Inc. (LDA); will cover the ongoing full service software development and reporting services in an amount not to exceed \$648,000.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF WAIVE REQUEST FOR PROPOSAL AND
APPROVAL OF AGREEMENT WITH LUSSIER DATA
ARCHITECHTS INC., LLC**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. Lussier Data Architects, Inc. (LDA) has provided software development and reporting services to Health Plan of San Mateo (HPSM) since March 2006;
- B. LDA has delivered excellent application and support services to HPSM;
- C. The current contract is due to expire on December 31, 2022; and
- D. Ongoing development and professional services are needed.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission waives the Request for Proposal process;
- 2. Approves a two-year agreement with Lussier Data Architects, Inc. for January 1, 2023 through December 31, 2025 in an amount not to exceed \$648,000 for the term; and
- 3. Authorizes the Chief Executive Officer to execute said agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

MEMORANDUM

DATE: December 5, 2022

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Eben Yong, Chief Information Officer

RE: Request to Waive the Request for Proposal process and approve a five year Agreement with Switch for data center colocation services

Recommendation:

Waive the Request for Proposal process and approve a five year agreement with Switch to serve as HPSM's secondary / disaster recovery data center with fees not to exceed \$625,195.09 and authorize the Chief Executive Officer to execute said Agreement.

Background:

The Commission previously authorized Switch to provide colocation services and to serve as HPSM's secondary / disaster recovery data center. Switch began providing colocation services to HPSM in 2017 and the site continues to be maintained by HPSM IT to provide disaster recovery functionality in the case of an emergency event where primary IT systems are unavailable for an extended period of time. Switch is a valued partner of HPSM whose services facilitate good business practice in addition to helping HPSM meet compliance requirements for state and federal rules for IT systems resiliency and business continuity.

The new agreement builds upon the current partnership according to these details:

- Base monthly recurring cost (MRC) of \$8,660 which includes \$600 partnership discount.
- Four percent annual increases (to the portion of the fees that cover the cabinet configuration and power provisioning). WAIVED for 2023.
- Month-to-month connectivity add-on, \$306

- Estimate 4 hours per month of “helping hands” work (to render physical assistance as extensions of HPSM staff, for example to remove bad hard drives and insert replacement hard drives), \$600
- Estimate 1 hour per month of administrative help (for example, staff onboarding fee to verify and provision access to the secure location), \$150

Year	MRC	Annual
2023	\$9,716.00	\$116,592.00
2024	\$10,054.16	\$120,649.92
2025	\$10,405.85	\$124,870.16
2026	\$10,771.60	\$129,259.20
2027	\$11,151.98	\$133,823.81
Total		\$625,195.09

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF WAIVE REQUEST FOR PROPOSAL AND
APPROVAL OF AGREEMENT WITH SWITCH**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has previously approved an agreement with Switch to provide colocation services and to serve as HPSM's secondary / disaster recovery data center);
- B. This site continues to be maintained by HPSM IT to provide disaster recovery functionality in the case of an emergency event where primary IT systems are unavailable; and
- C. The new agreement builds upon the current partnership.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission waives the Request for Proposal process;
- 2. Approves the new five year agreement for a total amount not to exceed \$625,195.09 for a term beginning January 1, 2023 through December 31, 2027; and
- 3. Authorizes the Chief Executive Officer to execute said agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

MEMORANDUM

AGENDA ITEM: 4.5

DATE: December 14, 2022

DATE: December 6, 2022
TO: San Mateo Health Commission
FROM: Pat Curran, Chief Executive Officer
Karla Rosado-Torres, Director of Medicare

RE: Approval of Agreement with Wider Circle for the Connect for Life Program

Recommendation:

Approve a one-year agreement with Wider Circle to provide their “Connect For Life” Program to Health Plan of San Mateo’s (HPSM) CareAdvantage members in an amount not to exceed \$485,000. And, to authorize the Chief Executive Officer to execute this agreement with Wider Circle.

Background:

HPSM has been working with Wider Circle since 2017 offering services to its members to decrease social isolation and loneliness among older adults through community integration. The “Connect for Life” program was provided through small group facilitated meetings focused on health promotion, movement and socialization. Participants graduated from the six-week program and then participated in larger monthly groups to maintain their new social connections. All groups are supported by a trained Wider Circle facilitator and a network of peers known as Wider Circle Ambassadors.

This program began in 2017 with a pilot of fifty (50) HPSM members in three sites focused on building connections among Medicare eligible older adults living in the community. Based on the success of the pilot program, the Commission approved expansion of the program to 500 members in 2018. In June 2020, the Commission further approved expansion of the program to cover emergency response and screenings due to COVID. Wider Circle completed, 4,271 welfare check calls and supported 16,634 peer buddy calls. In September 2022, the Commission approved an amendment to the agreement with Wider Circle to include services related to increasing vaccination rates among HPSM members. The current agreement with Wider Circle is due to expire on December 31, 2022.

Discussion:

As the end of the Cal MediConnect (CMC) demonstration approaches, and HPSM transitions into a Dual Eligible Special Needs Plan (D-SNP), staff evaluated its current benefit package, and the new requirements related to the D-SNP product. As a result, HPSM developed a new agreement with Wider Circle for the CareAdvantage population for 2023.

In this new agreement, Wider Circle will provide member engagement services to assist with closing care gaps and improve the member experience. As a technology-enabled, peer-based community health organization, Wider Circle is equipped to help restore the community support network critical for addressing social challenges in members' lives. Working with our internal team to reach members, Wider Circle will assist with closing gaps related to several State and Federal required measures (i.e., CMS Star Ratings measures) as well as helping members create social connections within their community.

Fiscal Impact:

This agreement includes a performance bonus provision for the following measures:

- Annual Wellness Visit (AWV) Performance
- Retention Performance
- Member Experience Performance

In order to begin implementation of this program, staff is requesting approval of a one year agreement in an amount not to exceed \$485,000 for administrative costs. The agreement term for this program is January 1, 2023 through December 31, 2024.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AGREEMENT
WITH WIDER CIRCLE FOR CONNECT FOR LIFE PROGRAM**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has previous entered into an agreement with Wider Circle for the “Connect for Life” program focused on decreasing social isolation;
- B. The transition from the Cal MediConnect Demonstration Program into a Duals Special Needs Program will begin on January 1, 2023 with new requirements and measures which will affect our STAR ratings related to our rates;
- C. The current agreement with Wider Circle is due to expire on December 31, 2022; and
- D. Staff recommends entering a new agreement for the CareAdvantage population for the new D-SNP program for the “Connect for Life” program.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission approves the agreement with Wider Circle in an amount not to exceed \$485,000 for a term of January 1, 2023 through December 31, 2023 for the “Connect for Life” Program; and
- 2. Authorizes the Chief Executive Officer to executed said agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

AGENDA ITEM: 4.6

DATE: December 14, 2022

MEMORANDUM

DATE: November 23, 2022
TO: San Mateo Health Commission
FROM: Pat Curran, Chief Executive Officer
RE: Commission Meeting Schedule for 2022

The San Mateo Health Commission meetings are held on the 2nd Wednesday of the month at 12:30 p.m. During the public emergency, the meetings of the Commission have been held virtually. When we are able to meet again in person, the meetings will again be held at the Health Plan of San Mateo, 801 Gateway Blvd., 1st Floor Boardroom, South San Francisco. The Commission meets nine times a year. Below are the meeting dates planned for 2023, unless notified otherwise.

Please note there will be no meeting scheduled for the months of March, July, and October in 2023:

January 11, 2023
February 8, 2023
April 12, 2023
May 10, 2023
June 14, 2023
August 9, 2023
September 13, 2023
November 8, 2023
December 13, 2023

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF SAN MATEO HEALTH COMMISSION
MEETING DATES FOR 2023**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission meets on the 2nd Wednesday of the month nine times a year at 12:30 p.m.; and
- B. The Commission wishes to adopt a schedule for 2022 for its scheduled meetings.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission adopts the schedule to meet on the 2nd Wednesday of each month at 12:30 pm with the exception of March, July and October 2023.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December, 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
November 9, 2022 – 12:30 p.m.

AGENDA ITEM: 4.7
DATE: December 14, 2022

****BY VIDEOCONFERENCE ONLY****

Important notice regarding COVID-19: Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, Health Plan of San Mateo offices were closed for this meeting, and the meeting was conducted via online meeting/teleconference. Members of the public were invited to submit public comment via email to the Clerk in advance of the meeting or express public comment throughout the meeting and were able to access the meeting using the web and teleconference information provided on the meeting notice.

Commissioners Present: Jeanette Aviles
Michael Callagy
Si France, M.D.
Bill Graham
Don Horsley, Chair
Barbara Miao
George Pon, R. Ph., Vice-Chair
Manny Santamaria
Kenneth Tai, M.D.
Ligia Andrade Zuniga

Commissioners Absent: David J. Canepa.

Counsel: Kristina Paszek

Staff Present: Brandy Armenta, Chris Baughman, Corinne Burgess, Pat Curran, Trent Ehrgood, Chris Esguerra, M.D., Robert Fleming, Ian Johansson, Francine Lester, Robert Lindley, Richard Moore, M.D., Karla Rosado-Torres, Amy Scribner, Courtney Sage, Miriam Sheinbein, M.D., Ming Shen, Carl Smith, Jr., and Eben Yong.

1. Call to order/roll call

The meeting was called to order at 12:31 p.m. by Commission Horsley, Chair. A quorum was present.

2. Public Comment

No public comments were received via email in advance of the meeting nor were any verbal public comments made at this time. The clerk of the commission instructed those with public comment on using the raise hand feature in Teams to indicate their desire to make public comment.

3. Approval of Agenda

Motion to approve the agenda as presented: **Graham/ Second: Pon**

Verbal roll call vote was taken:

Yes: 10 – Aviles, Callagy, France, Graham, Horsley, Miao, Pon, Santamaria, Tai, Zuniga.

No: 0

4. Approval of Consent Agenda

Motion to approve the Consent Agenda as presented: **Graham/ Second: Pon**

Verbal roll call vote was taken:

Yes: 10 – Aviles, Callagy, France, Graham, Horsley, Miao, Pon, Santamaria, Tai, Zuniga.

No: 0

5. Specific Discussion/Action Items

5.1 Update on Changes to the Brown Act Impacting rules on Virtual Meetings

Mr. Curran explained how the State of California’s Public Health Emergency (PHE) will officially end February 2023. However, the federal government has not yet made an announcement. The end of the federal government PHE will trigger the start of redeterminations for Medi-Cal members. The main effect of the ending of the state PHE is related to some of the flexibilities the state instituted, as well as those related to the Brown Act and processes for public meetings. He stated that we may be holding our first in person meeting in April 2023 depending on how the end of the year proceeds as we enter into the Flu season and what happens with COVID during the winter months.

Ms. Paszek gave an update on AB 2449, which is legislation that allows limited remote participation of a legislative body. She explained the restrictions and challenges that make this option difficult to administer. The problem is that the limit of allowance to join remotely for a commission member can only be accessed two times in a year and is for specific emergency situations. It also presents quorum challenges because only in-person attendees are considered to reach a quorum. There was a hope that there may be more provision for the continuation for virtual meetings, however, this legislation is not providing the flexibility as would have been hoped for.

5.2 Presentation on 2023 Investment Priorities and Strategic Planning Process, Including exploration of a regional DSNP.

Mr. Curran spoke about the current landscape of the health plan and some of the shifts in the states approach taking place. He touched on CalAIM and our ability to do the work

needed to implement all the new programs, in addition to the existing work and the heightened oversight from the state. Financial reporting has increased, reporting on access has increased, and with the new programs comes new requirements. All of this will also have an effect on our budget, which will be presented at our December meeting.

Mr. Curran stated that Kaiser will have a direct contract with the state starting in 2024 and the D-SNP transition will bring us new competitors for Medicare. He reported on the procurement process by the state whereby three commercial health plans were awarded 21 counties. This, along with the Kaiser consolidation, is a shift in the state approach to contracting, as well as the state's decision to work with a single statewide vendor to administer the pharmacy benefit. He stated the state is hoping to improve outcomes and to standardize services across the state. Another change is the way the state sets our rates. Our rates will be determined as a region, so it will not be based solely on our experience in San Mateo County as it has historically. At this point, we don't know the financial impact to HPSM, but it is another indication that the state is moving to standardize services and work with partners which can administer programs regionally and statewide. However, there are opportunities for HPSM to emphasize our local impact, especially our work with housing agencies, community providers, schools, behavioral health providers, and dental providers. We are going to focus on enhancing these local relationships to further our mission and our reputation locally and statewide.

Dr. Esguerra began his presentation (attached) by describing how we build on our current strengths and use this to our advantage. Beginning with our vision of "Healthy is for Everyone", Dr. Esguerra highlighted our areas for investment and focus in 2023: Primary Care; PACE, and Oral Health.

Dr. Esguerra pointed out that we want to invest in Primary Care to improve health outcomes, member experiences, and health equity. Additionally, we want to continue to improve our health outcomes, continue integration of services, and engage our providers. We will be looking at capacity building strategies with primary care that are financial in nature, as well as operational support for smaller practices, and better sharing of data. The goal is to identify what exactly is needed in our clinic system and how do we help build that out. Commissioner France stated that as a physician, he commended the idea of the approach in order to be an exceptional partner to our primary care providers.

Moving on to Oral Health, Dr. Esguerra stated the data indicates that the dental program, which began in January 2022, is increasing access. Our short-term goal is to improve access and experience by helping members get appointments. Additionally, staff is thinking beyond this short-term goal about ways to integrate oral health as part of our overall

population health strategy. So that when we think of “Healthy is for Everyone”, we are including behavioral health, physical health and oral health together.

Commissioner Pon asked if there have been difficulties getting practitioners to participate. Dr. Esguerra explained certain specialties have been a challenge in expanding our network. However, we are looking for creative ways to increase access. He talked about provider payment rates streamlining authorization processes, and other creative ways to improve the provider experience. He stated that the dental advisory group is working through these ideas.

Mr. Curran touched on the part of dental that relates to members seen at FQHCs. He noted that one in three members are seen at FQHCs and have a high satisfaction rate, as we receive very few grievances about dental care at FQHCs.

Dr. Esguerra moved on to report on the PACE program (Program for All Inclusive Care for the Elderly). At this time, San Mateo County does not have a PACE program and is one of the few urban counties in California that does not. The goal is making sure it adds value to San Mateo County residents and that HPSM is a strategic partner. Dr. Richard Moore, HPSM Sr. Medical Director, is leading a sub-group to identify what this program would look like in terms of coordination with other existing programs and services in the county.

Commissioner France noted that his public benefit organization is one of the largest PACE operators in the state. Finding a good partner is really important and he is supportive of that effort. These three programs, primary care investment, dental capacity investment, and PACE exploration, are important initiatives for 2023.

Commissioner Miao stated this is such a need for seniors and is looking forward to hearing more about PACE. She asked about Behavioral Health. Dr. Esguerra stated that behavioral health is very active and being led by Courtney Sage, HPSM Behavior Health Director. There is a lot of work going on in partnership with our county Behavioral Health and Recovery Services (BHRS) division and other partners as part of CalAIM. In addition, there is a lot of activity around our school-based behavioral health incentive plan.

Mr. Curran talked about the strategic planning process. He shared a timeline for activities through November 2023:

- Refresh of Core Values: Process with employee input soon to be completed and presented to the commissioners;
- Stakeholder Input: planning process for stakeholder input including the commissioners, providers, members and staff over the next six months and to get community input;

- Possible commission retreat to develop a final plan by November 2023 from dialogue with the community.

The idea is to develop a new framework for 2024 and beyond that will guide us moving into the future with adaptability as needed to adjust the ever-changing health care landscape.

Finally, Mr. Curran talked about an opportunity the health plan has with the new state requirement that all health plans which serve Medi-Cal enrollees also must have an associated Medicare Special Needs Plan (SNP). HPSM has had a SNP since 2006 and is one of the only local health plans in California that do (only 6 of 16 currently have Medicare plans). All Medicare plans will have to be up and running by 2026. HPSM already has this infrastructure and expertise in place and are starting conversations now with other plans to explore working with them to expand our Medicare plan into other communities.

Commissioner Graham commented that this is a good opportunity to collaborate and provide services with other community health plans and to look at the model we have in San Mateo County, to work more cohesively with one another and to compete with some of the very large national companies. This is really important as we look to achieve more in a more competitive environment.

Commissioner France felt it was a good thing to look into to determine what the pros and cons are in this strategy. Mr. Curran added that we want to be sure we can do something without detracting from what we do locally and do something that benefits our members.

6. Report from Chairman/Executive Committee

Commissioner Horsley had nothing to report.

7. Report from Chief Executive Officer

Mr. Curran reported he will be in Washington D.C. the following week for meetings with other dual eligible plans.

8. Other Business

No other business was discussed at this time.

9. Adjournment: The meeting was adjourned at 1:30 p.m.

Respectfully submitted:

C. Burgess

C. Burgess, Clerk of the Commission

ATTACHMENT TO MINUTES
FROM 11/9/2022

Overall Landscape & Strategic Investments 2023

November 9, 2022



Current Landscape

Challenges

Competition

Kaiser

D-SNP

Local alone
is not as
salient

Relationship with DHCS

Results of Medi-Cal
Procurement

Regional rates

Opportunities

Double
down on our
unfair
advantage

Leveraging our “local”

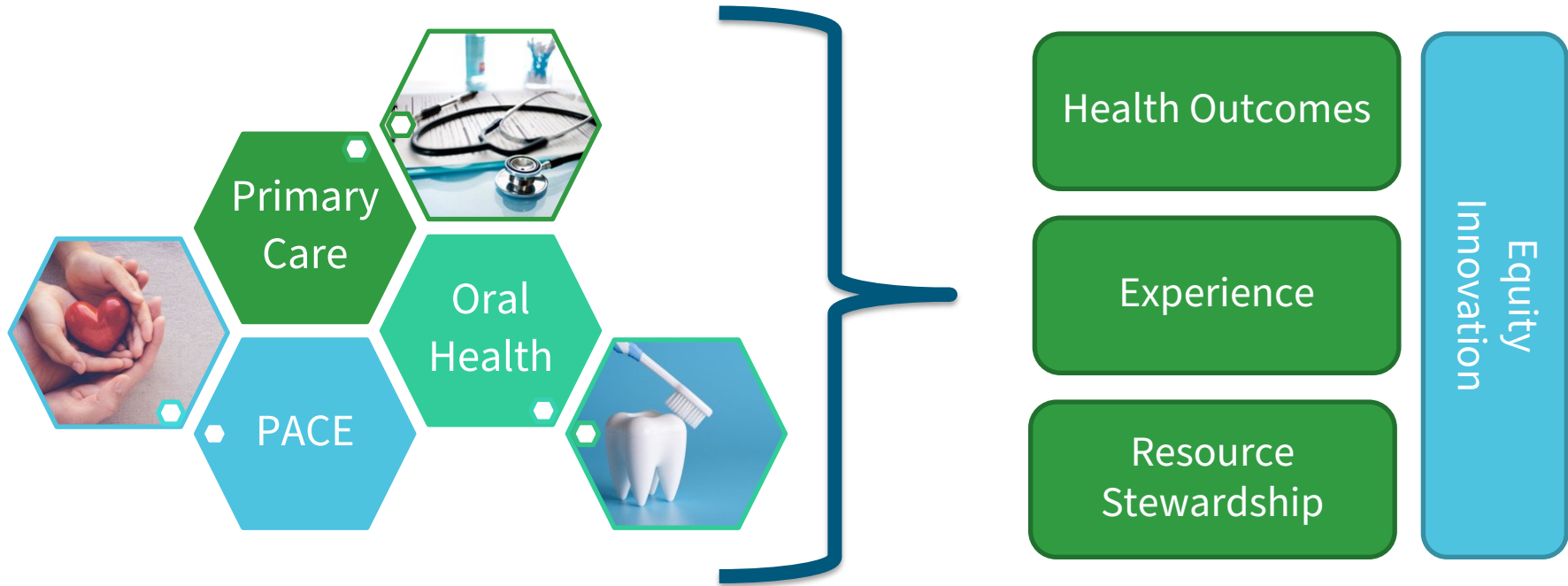
Executing on our
mission

Relationships
and
reputation
matter

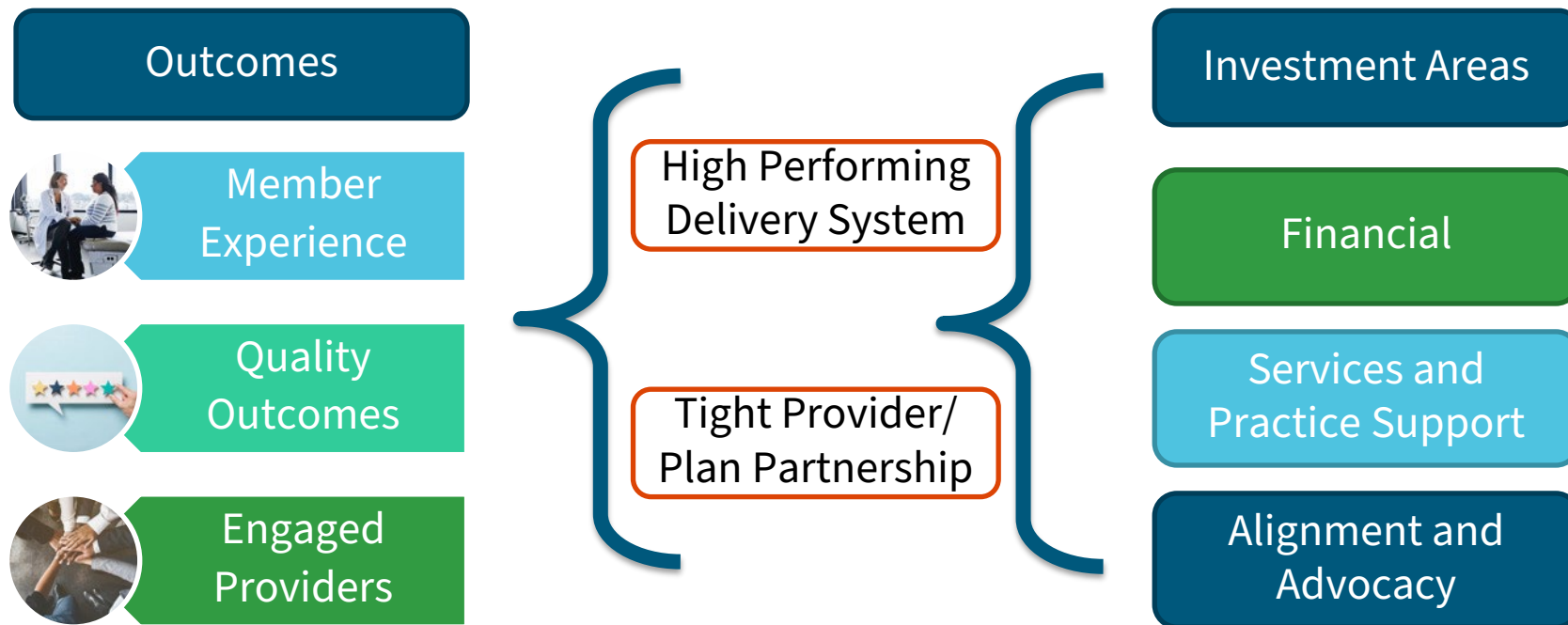
Enhancing our Trusted
Partner status

Communicating our
efforts and results

Investing in our Vision: Healthy is For Everyone



Partnering with Primary Care



Integrating Oral Health

Outcomes



Member Access
and Experience



Quality
Outcomes



Integrated
Delivery System



Investment Areas

Payment Models

Integrated Care

Health Promotion

Workforce Support

Introducing PACE to San Mateo



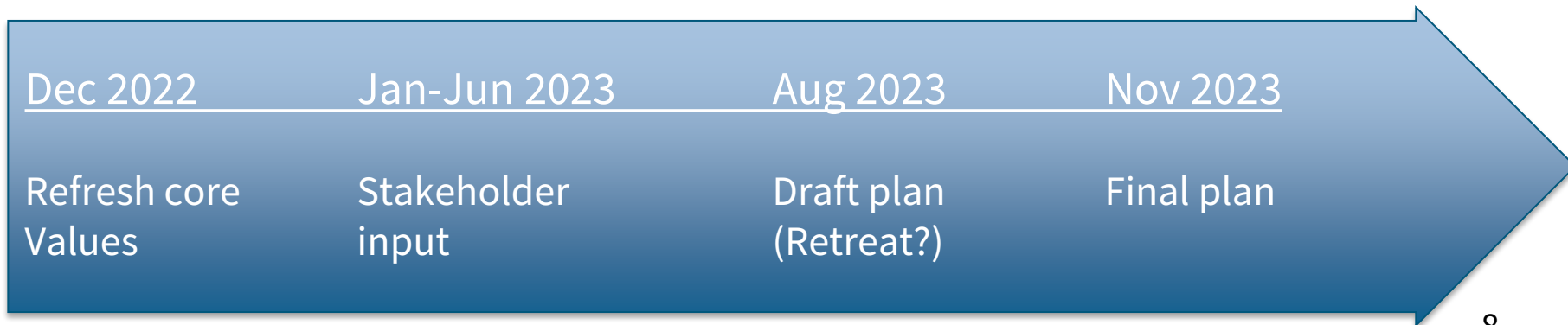
Strategic Planning Process



Rationale

- Existing strategic framework was implemented in 2019
- State landscape is changing
- This process is in synch with new 2024 contract and CalAIM

Timeline



One Opportunity to Explore

CaAIM requires all Medical plans to offer a corresponding Medicare Dual-Eligible Special Needs Plan (DSNP) by 2026

HPSM has the infrastructure and expertise to expand our existing plan (CareAdvantage) into other service areas in collaboration with other local plans to create a regional DSNP.

Next Steps

Nov-Jan

1. Explore idea with other local health plans
2. Discuss potential barriers with regulatory agencies (CMS, DHCS, DMHC)

Jan 2023

Update to Health Commission with potential next steps, if any

Questions and Discussion

MEMORANDUM

AGENDA ITEM: 5.1

DATE: December 14, 2022

DATE: December 6, 2022

TO: San Mateo Health Commission

FROM: Pat Curran, CEO
Trent Ehrgood, CFO

RE: HPSM 2023 Budget

Attached is a slide deck with the 2023 budget overview. HPSM is forecasting a surplus of \$40.1M with anticipated total revenues (operating and non-operating revenue) of \$982.5M and total expenses of \$942.4M.

2022 Recap and Outlook for 2023

HPSM has experienced larger than usual surpluses in 2022 due to lower utilization. The extension of the public health emergency (PHE) included a hold on the Medi-Cal redetermination process, which retained low utilizers and members with other health coverage. Early COVID outbreaks in nursing homes reduced overall utilization of long-term-care as well.

The Medi-Cal rate setting process uses HPSM's cost experience and will push us back toward break-even over time. The 2023 projected surplus of \$40.1M represents a 4.1% margin, which is much less than projections for 2022, but still higher than normal.

Revenue and Health Care Budget Methodology

Medi-Cal revenue assumptions are based on draft rate components (not full rates) received in September. Assumptions were made to fill in missing rate components. Final Medi-Cal rates are expected to be delivered by the end of December.

Medicare revenue is based on the D-SNP bid process, which is new for 2023, and is adjusted for the expected risk profile of the population.

Healthcare cost assumptions are based on anticipated utilization and unit cost changes. Utilization projections assume continued movement back to pre-pandemic levels. Unit cost changes are based on estimated DHCS and CMS fee schedule changes, and other known provider contracting changes.

General and Administrative Expenses

General and administrative cost is calculated by department and expense type. Salaries and benefits are derived from a detailed list of positions and includes an overall reduction for anticipated vacancies due to normal turnover. Administrative expenditures for 2023 are projected to be \$61.2M resulting in an administrative ratio of 6.3% of revenue. Additional staffing and incremental

operating expenses related to CalAIM programs are included in the budget. There is additional funding built into the Medi-Cal rates for these new administrative costs.

Finance Committee Review

The Commission's Finance/Executive Committee reviewed the proposed budget in more detail at their meeting on Monday, December 5, 2022, and recommended approval. The Committee acknowledged that an updated version of the budget will be brought to the Commission in February after incorporating final Medi-Cal rates and other PHE related assumptions used by DHCS in adjusting 2023 rates.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF ADOPTION OF OPERATING BUDGET
FOR 01/01/2023 - 12/31/2023**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The Finance Committee has reviewed details and assumptions for the budget for CFY 2023; and
- B. The Committee recommends approval of the budget, which is based on current available financial information;

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission approves the operating budget for CFY 2023 as presented and attached.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

Agenda Item: 5.1
Date: December 14, 2022

2023 Operating Budget

HPSM Commission

December 14, 2022



Financial Summary and Outlook for 2023



- The pandemic continues to cause financial variation, mostly savings in healthcare cost. Reduced physician visits and cancelled procedures in 2020 created savings in that year across all lines-of-business (LOB). Reduced volume in hospital inpatient and long-term-care facilities created savings in 2021 and 2022 within the Medi-Cal LOB.
- In addition, Medi-Cal members with other health coverage (OHC) has grown over the past three years due to a hold on the redetermination process. This is another contributing factor to overall lower healthcare cost in 2021 and 2022.
- Budget revenue is based on draft Medi-Cal rates, which are expected to be updated before year-end with updates to acuity and COVID related assumptions, and newer benefits (ECM, CS, Dental). An updated budget using final Medi-Cal rates will be brought to the February 2023 Commission meeting.

Financial Summary and Outlook for 2023

Continued . . .

- The Medicare line-of-business is migrating from the Cal MediConnect (CMC) demonstration program to a D-SNP product in 2023. Medicare revenue is still risk adjusted but is now based on the D-SNP bid process. New supplemental benefits for over-the-counter drugs and groceries are part of the 2023 benefit plan, which were not available under the demonstration program.
- 2023 will be the last year with CMC quality withhold revenue, which has always been recorded one year in arrears. The CMC quality withhold revenue included in the 2023 budget is for the final demonstration year 2022. Going forward, quality adjustments are baked into the D-SNP premium upfront (so no revenue lag).
- Starting in January 2023, the arrangement with Kaiser will include carve-in of long-term-care services, and assignment of dual eligible members who have Kaiser as their Medicare plan. This will cause a shift from fee-for-service paid by HPSM to higher capitation paid to Kaiser to cover these services directly.

Financial Summary and Outlook for 2023

Continued . . .

- Recent increases to interest rates have improved earnings on our cash, contributing to the improved bottom line.
- Management has kept administrative cost down by continuing to scrutinize hiring vacant positions, but new programs and benefits related to CalAIM resulted in new positions added in 2022 and 2023. Medi-Cal rates include added dollars to fund these new programs.

Proposed 2023 Budget (draft)



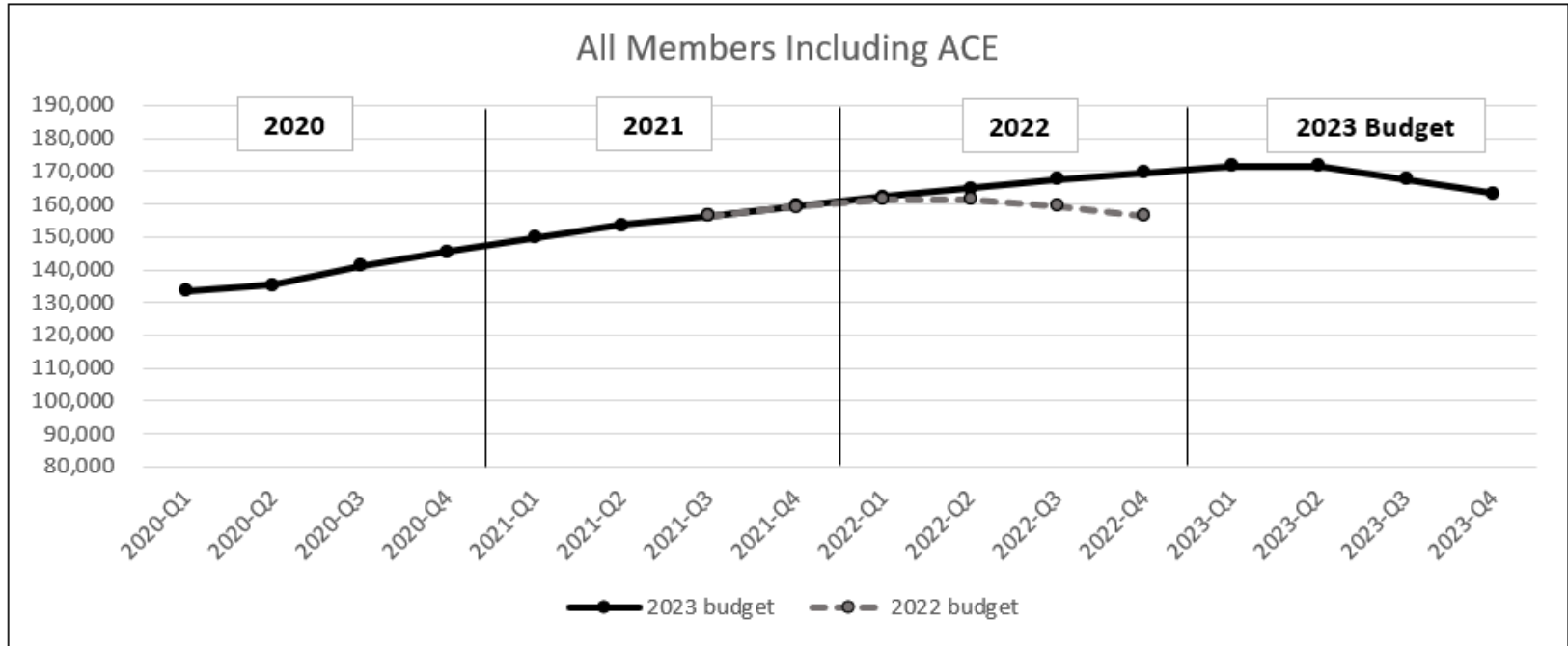
OPERATING REVENUES:	
Capitation & Premium Revenue	\$ 970,028,246
HEALTH CARE EXPENSE:	
Professional & OP Svs FFS	\$ 312,668,764
Inpatient Services	200,537,367
SNF & Long Term Care	153,177,668
Provider Capitation (Incl. Kaiser)	74,609,645
Pharmacy	62,332,503
MLTSS (CBAS, ECM, CS)	23,556,389
UM / QA Costs	22,020,606
Dental	20,837,251
Provicer Incentive Pool	10,814,970
Reinsurance/Other	643,207
Total Health Care Expenses	\$ 881,198,370
ADMINISTRATIVE EXPENSES	\$ 61,233,114
MCO Tax	\$ -
Net Gain from Operations	\$ 27,596,761
NON-OPERATING REVENUES:	
Interest	\$ 9,000,000
Rental Income	\$ 1,187,337
ACE TPA Fees	\$ 2,341,512
Total Non-Operating Revenue	\$ 12,528,849
PROJECTED SURPLUS	\$ 40,125,610

Note: 2023 budget revenue includes about \$7M CMC w/h revenue related to 2022.

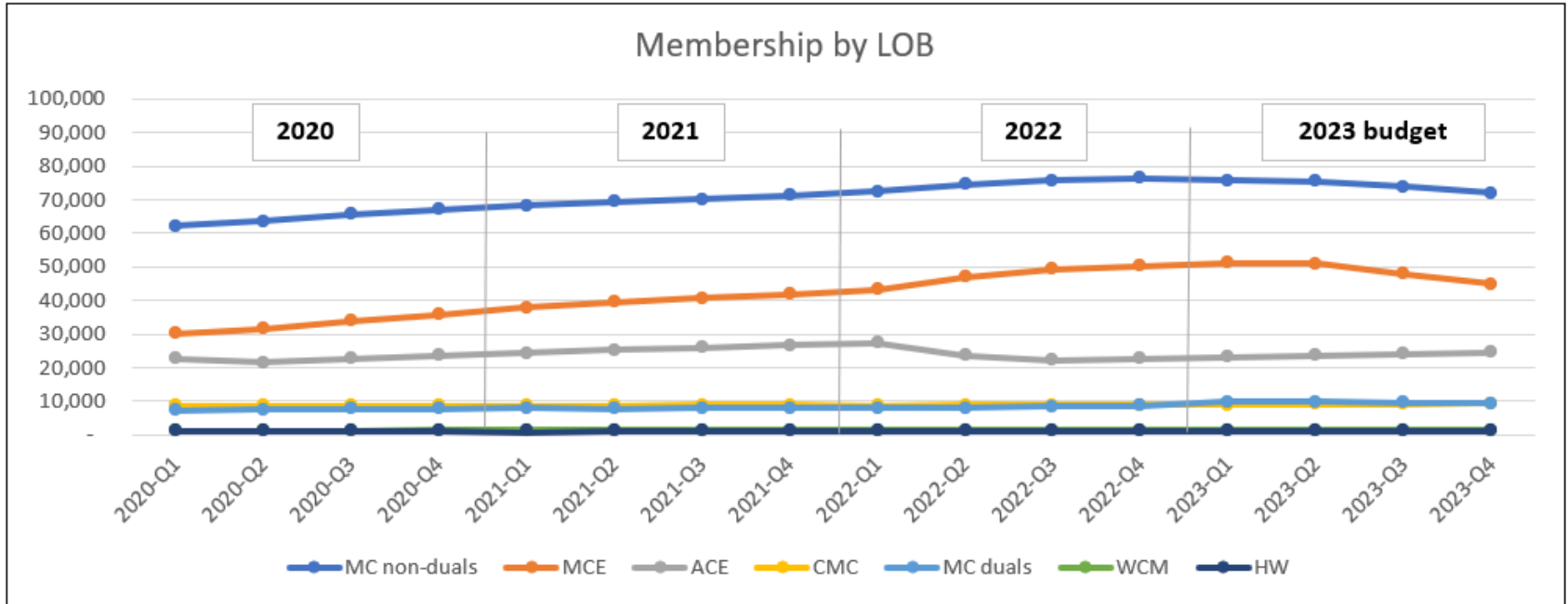
2023 Membership Assumptions

- HPSM has experienced a 34% increase in Medi-Cal membership since the beginning of 2020 due to a hold on the redetermination process during the public health emergency (PHE).
- This version of the budget assumes the PHE would end in January 2023, and Medi-Cal enrollment will start to decline in May 2023 after the disenrollment process starts up again.
- The budget assumes 2/3 of the membership gained during the PHE will lose their Medi-Cal coverage and assumes this disenrollment process will take 12 months to complete (May 2023 thru April 2024).
- Medicare enrollment is expected to grow slightly in 2023 from marketing efforts promoting the new D-SNP plan.

Membership Trends 2020-2023



Membership Trends 2020-2023



2023 Budget Summary by LOB



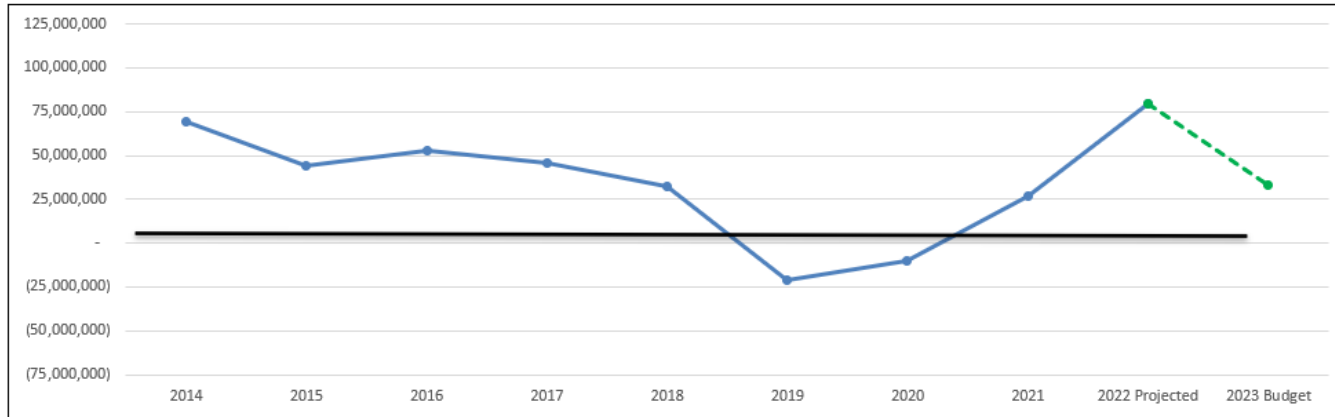
	Medi-Cal (non-duals)	Medi-Cal (duals)	MCE	WCM	D-SNP	HealthWorx	ACE	HPSM *	Total
Operating Revenue	\$304,096 K	\$85,565 K	\$237,091 K	\$31,419 K	\$304,974 K	\$6,884 K			\$970,028 K
Health Care Expense	\$252,062 K	\$93,549 K	\$200,609 K	\$26,392 K	\$300,756 K	\$7,831 K			\$881,198 K
Admin	\$17,326 K	\$1,197 K	\$14,367 K	\$1,727 K	\$23,546 K	\$776 K	\$2,295 K		\$61,233 K
MCO Tax	\$0 K	\$0 K	\$0 K	\$0 K	\$0 K	\$0 K			\$0 K
Other Income							\$2,342 K	\$10,187 K	\$12,529 K
Net Profit/(Loss)	\$34,708 K	(\$9,180 K)	\$22,115 K	\$3,300 K	(\$19,328 K)	(\$1,723 K)	\$47 K	\$10,187 K	\$40,126 K

MLR	83%	109%	85%	84%	99%	114%			91%
Average Membership	74,331	9,695	48,816	1,399	9,148	1,199	23,912		168,501
Revenue PMPM	\$ 340.93	\$ 735.44	\$ 404.74	\$ 1,871.49	\$ 2,778.05	\$ 478.35	\$ 8.16		

* Interest Income & Rent Income

Historical Net Income/(Loss)

Nine-year trend – **Restated** w/ 2023 budget



	2014	2015	2016	2017	2018	2019	2020	2021	2022 Projected	2023 Budget*
Revenue:										
Capitation	\$753,161 K	\$852,378 K	\$877,035 K	\$864,840 K	\$812,636 K	\$766,740 K	\$796,627 K	\$908,345 K	\$934,920 K	\$970,028 K
+/- CMC w/h revenue								\$7,000 K	\$7,000 K	(\$7,000 K)
Total Revenue	\$753,161 K	\$852,378 K	\$877,035 K	\$864,840 K	\$812,636 K	\$766,740 K	\$796,627 K	\$915,345 K	\$941,920 K	\$963,028 K
Healthcare Cost	\$627,748 K	\$739,952 K	\$743,533 K	\$722,195 K	\$682,804 K	\$718,711 K	\$734,006 K	\$807,164 K	\$779,534 K	\$881,198 K
Administrative Exp.	\$33,072 K	\$36,365 K	\$44,589 K	\$46,764 K	\$48,399 K	\$50,566 K	\$48,544 K	\$51,475 K	\$53,027 K	\$61,233 K
Premium Tax	\$26,648 K	\$35,332 K	\$39,770 K	\$57,351 K	\$60,747 K	\$31,242 K	\$31,144 K	\$34,808 K	\$37,862 K	\$0 K
Operating Income/(Loss)	\$65,694 K	\$40,729 K	\$49,143 K	\$38,529 K	\$20,686 K	(\$33,779 K)	(\$17,068 K)	\$21,898 K	\$71,498 K	\$20,597 K
Non-Operating Revenue	\$3,376 K	\$3,263 K	\$3,801 K	\$7,390 K	\$11,288 K	\$12,688 K	\$6,903 K	\$4,580 K	\$8,174 K	\$12,529 K
Net Income/(Loss)	\$69,070 K	\$43,992 K	\$52,943 K	\$45,919 K	\$31,973 K	(\$21,091 K)	(\$10,165 K)	\$26,477 K	\$79,672 K	\$33,126 K

* 2023 restated = \$40.1M 2023 budget less \$7.0M 2022 CMC w/h revenue budgeted in 2023 = \$33.1M restated.

Administrative Budget

2022 to 2023 Budget Change

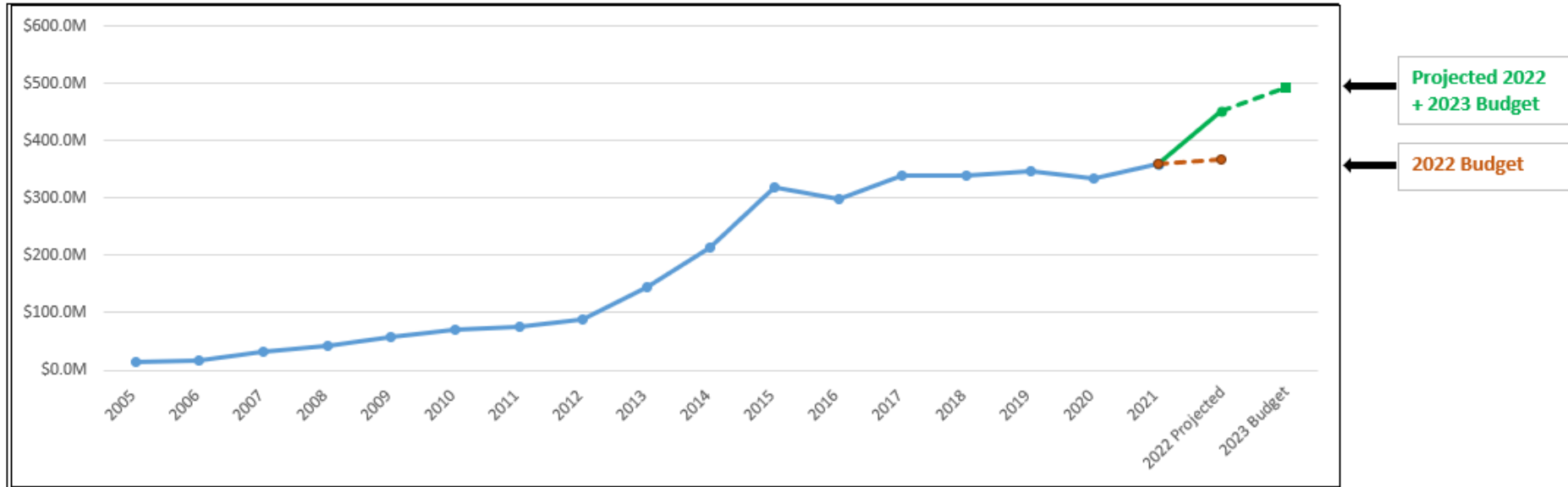


Expense Category	2022 Budget	2023 Budget	Change	% Chng.	2023 % of Total
Salaries, Benefits, Training, Travel	45,451,750	50,264,420	4,812,670	10.6%	60%
Consulting & Outside Services	16,794,300	17,537,400	743,100	4.4%	21%
Computer Maintenance & Support	5,264,600	5,434,000	169,400	3.2%	7%
Occupancy, Deprec. & Amort.	4,379,800	3,930,000	(449,800)	-10.3%	5%
Postage, Delivery & Printing	1,799,000	2,745,900	946,900	52.6%	3%
Office Expenses	1,519,000	1,477,300	(41,700)	-2.7%	2%
Other Admin Expenses	1,553,400	1,864,700	311,300	20.0%	2%
Sub-Total	76,761,850	83,253,720	6,491,870	8.5%	100%
UM/QA Allocation (to HC Cost)	(21,010,635)	(22,020,606)	(1,009,971)	4.8%	
Total Admin Expense	55,751,215	61,233,114	5,481,899	9.8%	

FTE's	334	354	20	6.0%
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Note: FTE count include out of State employees paid thru agency

Projected Tangible Net Equity (TNE)



Thank you



MEMORANDUM

AGENDA ITEM: 5.2

DATE: December 14, 2022

DATE: December 5, 2022

TO: San Mateo Health Commission

FROM: Patrick Curran, Chief Executive Officer
Chris Esguerra, MD, Chief Medical Officer

RE: Dental Capacity Investment for Oral Surgery

Recommendation:

Approval for \$350,000 per year for two years in funding to NEMS to support hiring an oral surgeon to enhance access to specialty dental care for HPSM members for a term beginning January 1, 2023 through December 31 2024.

Background:

HPSM implemented the dental integration program in January 2022. We now fully administer the Medi-Cal Dental benefit for our members. Our short-term focus has been to expand the network of providers and increase access to care, especially for children. In the first nine months of the program, we have successfully referred members to dental providers, but we have experienced difficulty in finding referrals for members needing specialty care, especially oral surgery.

This specialty performs complex surgeries for trauma and maxillofacial conditions, treatment of oral cancer, and the most frequent service - complex tooth extractions. Prior to HPSM administering the benefit, most oral surgery cases were performed at the two dental schools in San Francisco. Though we continue to use the dental schools and have expanded the network to include a few oral surgeons, access is difficult and the payment rates to community dentists are high. Our dental team makes more than 50 referrals to oral surgery providers per week, sometimes with significant wait time, so it is an access challenge for our members.

We approached our FQHC partners with the idea of hiring an oral surgeon and having preferred access for HPSM members. NEMS provides dental care to many HPSM members at their multiple dental clinic locations in San Francisco, as well as serving more than 7,000 HPSM members as a primary care provider. NEMS is proposing to hire an oral surgeon who will initially treat HPSM members in their San Francisco location, and add services in San Mateo County once NEMS opens their Daly City dental clinic.

Discussion:

Our long-term goals for increasing access include increasing the number of community dentists who participate in HPSM and accept our members, as well as increasing capacity at existing clinics. Our FQHC partners are a critical access point for members, as well as offering a unique opportunity to integrate medical and dental services. This proposal is the first of what we hope are several proposals to increase dental capacity for our community in an innovative and sustainable manner.

Fiscal Impact:

This proposal is a key component of our broader strategy to increase access to dental care and to better integrate services. We believe this proposal will be sustainable after two years of start-up capacity funding, increasing more timely access to care for up to 1,500 HPSM members. The assumption is that 30 cases per week would be referred for 50 weeks each year, which is a subsidy of \$233 per case (in addition to the standard HPSM payment). In comparison, the rates we need to pay community oral surgeons to gain access are on average \$1,400 higher per case than our standard payment rates. Though we may need to continue to pay higher rates in limited situations and will continue to try to recruit local community oral surgeons, this solution through NEMS is more cost-effective for HPSM.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF FUNDING TO
NEMS FOR HIRING AN ORAL SURGEON AS A
DENTAL CAPACITY INVESTMENT**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission implemented the dental integration program in January 2022 and HPSM now fully administers the Medi-Cal Dental benefit for its members;
- B. HPSM has experienced difficulty in finding referrals for members needing specialty care, especially oral surgery;
- C. After approaching FQHC partners with the idea of hiring an oral surgeon and having preferred access for HPSM members, NEMS has proposed hiring an oral surgeon who will initially treat HPSM members in their San Francisco location and add services in San Mateo County once NEMS opens their Daly City dental clinic.
- D. This proposal is a key component of our broader strategy to increase access to dental care and to better integrate services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission approves the investment of \$350,000 funding per year for two years beginning January 1, 2023 through December 31, 2024 to NEMS to support hiring an oral surgeon to enhance access to specialty dental care for HPSM members; and
- 2. Authorizes the Chief Executive Officer to execute agreements necessary to implement this funding.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Don Horsley, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____

C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF ADOPTING A RESOLUTION OF APPRECIATION
OF THE HONORABLE DON HORSLEY**

RESOLUTION 2022 -

RECITAL: WHEREAS,

- A. The Honorable Don Horsley has been an active member and supporter of the San Mateo Health Commission since January 2011 as a representative Member of the Board of Supervisors and having served twice as chair of the Commission, and chair of its Finance Committee;
- B. The Honorable Don Horsley has demonstrated a strong and deep commitment to the work of the San Mateo Health Commission and its staff, and to its members and providers;
- C. The Honorable Don Horsley has provided bold and thoughtful leadership to the activities of the San Mateo Health Commission, and
- D. The Honorable Don Horsley’s insights, counsel and leadership will be missed by the San Mateo Health Commission and staff.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission and staff wish to express sincere appreciation and gratitude to The Honorable Don Horsley for his devotion and commitment to HPSM’s mission, the services it provides and its members; and
- 2. The San Mateo Health Commission wishes to recognize The Honorable Don Horsley for his leadership, service and uncompromising commitment to the Health Plan of San Mateo members, providers and staff.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of December 2022 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

George Pon, Vice-Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
C. Burgess, Clerk

Kristina Paszek
DEPUTY COUNTY COUNSEL

MEMORANDUM

AGENDA ITEM: 7.0

DATE: December 14, 2022

DATE: December 5, 2022
TO: San Mateo Health Commission
FROM: Patrick Curran
RE: CEO Report – December 2022

End of Year in Review

As the year draws to a close, we look back upon many accomplishments this year. Here is a partial list of the accomplishments:

- CalAIM - Successfully implemented several components of CalAIM, including Enhanced Care Management (ECM), Community Supports, the Student Behavioral Health Incentive Plan (SBHIP), and the Housing and Homelessness Incentive Plan (HHIP). Of particular note was the successful transition of members from the prior Whole Person Care pilot to ECM, which is the result of tremendous collaboration among many organizations, especially with San Mateo County Health.
- Dental – HPSM implemented the first-ever integrated dental program in the State of California. Members now have local assistance to help navigate the system and facilitate access to care.
- Pharmacy Carve-out – Though HPSM did not support the state’s decision to carve out pharmacy services, our team ensured that the transition was smooth for members. This was particularly important in the early months of the year, in which HPSM staff worked tirelessly to ensure that members received the medication they needed.
- NCQA – HPSM received provisional accreditation status and also achieved a four-star NCQA quality rating. No Medi-Cal health plan in California has more than four stars, so HPSM is one of the highest rated plans.
- DSNP Transition – We are on track to implement a seamless transition from the Cal MediConnect program to a Dual Eligible Special Needs Plan (DSNP) on January 1, 2023 (see below).

Public Health Emergency (PHE)

The federal government did not announce the end of the PHE last month. Therefore, the earliest date that the federal PHE would end is April 15, 2023. At that point, the redetermination process would begin for all HPSM members beginning in May. This redetermination process, when implemented, will occur over a 14-month timeframe, and beneficiaries will renew coverage on their prior redetermination date. HPSM staff are working with the Health Coverage Unit of San Mateo County Health and the Human Services Agency of San Mateo County to ensure an efficient process once the redetermination process does begin.

DSNP Transition

On January 1, 2023, HPSM will officially become a Dual Eligible Special Needs Plan (DSNP), transitioning from the current Cal MediConnect pilot program which began in 2014. The state ended this pilot and is requiring all Medi-Cal plans to operate an integrated DSNP by January 2026. Since HPSM already has a Medicare plan, that transition will be seamless for our members and providers, though staff have done a tremendous job to complete many important technical and operational changes to ensure that seamless member transition.

HPSM 35th Anniversary!

On December 1, 1987, HPSM was formed as a local health plan to serve this community and its residents. We will be celebrating all year, and acknowledge the many dedicated staff, Health Commissioners, providers, and community partners who have helped shape this organization through the years.