

THE SAN MATEO HEALTH COMMISSION
Regular Meeting
February 12, 2025 - 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., Boardroom
South San Francisco, CA 94080

This meeting of the San Mateo Health Commission will be held in the Boardroom at 801 Gateway Blvd., South San Francisco. Members of the public wishing to view this meeting remotely may access the meeting via YouTube Live Stream using this link: <https://youtube.com/live/UCWFXFy1Z80?feature=share> Please note that while there will be an opportunity to provide public comment in person, there is no means for doing so via the Live Stream link.

AGENDA

- 1. Call to Order/Roll Call**
- 2. Public Comment/Communication**
- 3. Approval of Agenda***
- 4. Consent Agenda***
 - 4.1 Waive Request for Proposal Process and Approve Amendment to Agreement with Certified Language International
 - 4.2 Waive Request for Proposal Process and Approve Amendment to Agreement with Compliance Strategies
 - 4.3 Approval of San Mateo Health Commission Meeting Minutes from January 8, 2025
- 5. Specific Discussion/Action Items**
 - 5.1 Approval of Dental Clinic Capacity Investment for San Mateo Medical Center*
 - 5.2 Approval of Innovation Lab/Primary Care Capacity Investment for San Mateo Medical Center*
 - 5.3 Policy Outlook for 2025 and Annual Compliance Report
- 6. Report from Chief Executive Officer**
- 7. Other Business**
- 8. 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: February 12, 2024

DATE: January 15, 2025

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Amy Scribner, Chief Health Officer

RE: Waive Request for Proposal Process and Approve Amendment to Agreement with Certified Languages International (CLI)

Recommendation

Request to Waive RFP process and authorize the Chief Executive Officer to execute an amendment to the agreement with Certified Languages International (CLI), to extend the term and increase the contract maximum by \$255,000 for a total contract maximum amount of \$2,185,000 for services to fulfill regulatory requirements for telephonic and video remote interpreting services. The new term of the agreement will be from January 1, 2018, through August 31, 2025.

Background

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

In late 2013, HPSM experienced issues with the provider of telephonic interpreter services at that time, including dropped calls, misconnects, delays in connect times to an interpreter, and difficulties with interpreter availability. After several unsuccessful attempts to resolve these issues, staff began looking for other service providers. CLI was highly recommended by several health plans like HPSM and offered competitive pricing. In 2014, HPSM entered into a secondary agreement with CLI for telephonic interpreter services. In 2015, HPSM made CLI the exclusive vendor for telephonic interpreter services. The Commission approved an amendment in December 2015 to extend this agreement through 2016, and add the transcription of certain calls with

members related to Grievances and Appeals as a new service. Call transcripts are used for quality assurance and compliance monitoring. In December 2016, December 2018, and May 2021, the Commission waived the Request for Proposal process and approved amendments extending the current agreement. The current contract maximum is \$1,930,000. HPSM is required to provide no cost interpreter services to members and has promoted the availability of these services to members and providers to ensure they are aware that HPSM members can communicate with their healthcare provider in their preferred language at no cost to the member or provider. Utilization of these services has steadily increased. Since 2021, utilization of telephonic interpreter services has increased, adding 1,000 extra calls per month. This increase highlights the importance of interpreters for our member population.

In 2020, CLI added video interpretation services, enabling the members and providers to see as well as hear the interpreter. Such visual cues can assist members with limited or reduced hearing ability in understanding the interpreter. CLI's video interpretation service replaced several in-person interpretation services, such as those for American Sign Language, that were suspended to reduce the spread of COVID-19.

Discussion

Current spending for this service has increased to about \$390,000 per year. HPSM will continue to promote the availability of telephonic and video interpreter services to members and providers to ensure awareness of these services. With this promotion as well as the addition of the dental benefit in 2022, staff has seen higher utilization of interpretation services. Staff estimates that a \$255,000 increase to the contract maximum will sufficiently fund interpretation services with CLI through August 31, 2025.

Certified Languages International has provided excellent service and value. HPSM is currently conducting an RFP for interpreter services which will go into effect prior to the next renewal. The current RFP process will ensure there is time to conduct a thorough evaluation of vendors and, if necessary, transition telephonic and video interpretation services to a new vendor without interrupting availability to members.

Fiscal Impact

The amendment increases the contract maximum amount by \$255,000 for a total maximum of \$2,185,000. The term of the agreement is extended through August 31, 2025.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

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

RESOLUTION 2025 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has previously entered an agreement with Certified Languages International to provide telephonic interpretation services;
- B. The contract is due to expire, and Staff recommends continuing this agreement through August 31, 2025, and adding \$255,000 to the contract maximum, to allow time to conduct a thorough evaluation of vendors through an RFP.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission waives the RFP process and approves an amendment to the agreement with Certified Languages International to extend the term of the agreement through August 31, 2025, and increase the total contract maximum to \$2,185,000; and
- 2. Authorizes the Chief Executive Officer to execute said amendment to the agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 12th day of February 2025 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

MEMORANDUM

AGENDA ITEM: 4.2

DATE: February 12, 2025

DATE: January 29, 2025

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Ian Johansson, Chief Government Affairs and Compliance Officer

RE: Waive the Request for Proposal Process and Approval of Amendment to Agreement with Compliance Strategies

Recommendation

Approve a waiver of the Request for Proposal (RFP) process and authorize the Chief Executive Officer to execute an amendment to the agreement with Compliance Strategies for January 1, 2025, through December 31, 2025, for a total amount not to exceed \$1,000,000 for Medicare audit support and other consulting services.

Background

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

HPSM has not been audited by CMS since 2016 and is at risk for a program audit selection in Calendar Year (CY) 2025. HPSM engaged Compliance Strategies in 2023 to perform a Medicare gap analysis and mock audit of HPSM's program audit readiness. Those activities continued throughout CY2024 and are proposed to continue in CY2025. Program Audits are high-intensity events, lasting approximately 10 weeks beginning to end. Compliance Strategies efforts are designed to make HPSM "Program Audit-Ready", enabling HPSM to perform to the best of its ability when selected for a Program Audit.

Compliance Strategies will perform additional consultative services for HPSM in the areas of Medicare model of care and grievances and appeals. Staff are recommending the Waiving of the RFP process due to Compliance Strategies expertise in Medicare model of care development and supporting grievances and appeals which make them uniquely qualified to perform these services. This enables HPSM to perform well in the audit process and minimizes the burden on HPSM staff. Compliance Strategies services help ensure compliance with CMS requirements and timely completion of required activities.

Fiscal Impact

HPSM's approved services with Compliance Strategies in CY2024 totaled \$956,100. The amendment to the agreement for combined statements of work for Medicare Program Audit Readiness, Model of Care, and Grievances and Appeals support is not to exceed \$1,000,000 in CY2025.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF WAIVE THE REQUEST FOR PROPOSAL
PROCESS AND APPROVAL OF AMENDMENT TO AGREEMENT
WITH COMPLIANCE STRATEGIES**

RESOLUTION 2025 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has entered into an agreement with Compliance Strategies for consulting services in preparation and readiness for CMS Medicare Audits.
- B. HPSM has not been audited by CMS since 2016,
- C. HPSM engaged Compliance Strategies in 2023 to perform a Medicare gap analysis and mock audit of HPSM’s program audit readiness. Those activities continued throughout CY2024 and are proposed to continue in CY2025; and
- D. HPSM has operational support needs for Medicare in the areas of compliance, vendor oversight, grievances and appeals, and model of care; and
- E. An amendment to the agreement is needed to cover the additional services and costs.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to execute an amendment to the agreement with Compliance Strategies for services through December 31, 2025; and
- 2. Approves the Compliance Strategies agreement for a total amount not to exceed \$1,000,000.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 12th day of February 2025 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chair

ATTEST:

APPROVED AS TO FORM:

BY: _____
M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
January 8, 2025 – 12:30 a.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.3

DATE: February 12, 2025

Commissioners Present: Jeanette Aviles, M.D. Raymond Mueller
Michael Callagy Manuel Santamaria
Si France, M.D. Kenneth Tai, M.D.
Bill Graham, Vice-Chair Ligia Andrade Zuniga

Commissioners Absent: David J. Canepa.

Counsel: Kristina Paszek

Staff Presenting: Pat Curran, Gale Carino, Trent Ehrgood, Colleen Murphey, Luarnie Bermudo,
Miriam Sheinbein, M.D.

1. Call to order/roll call

The meeting was called to order at 12:36 p.m. by Commissioner Graham, Vice-Chair. A quorum was present.

2. Public Comment

There were no public comments at this time.

3. Approval of Agenda

Commissioner Zuniga moved approval of the agenda as presented (Second: Tai). **M/S/P.**

4. Consent Agenda

Commissioner Graham noted that a change on Item 4.2 – Waive Request for Proposal Process and Approval of Amendment to Agreement with American Logistics Company requires discussion. Kristina Paszek clarified the reason for removing this item from the Consent Agenda was due to an error in the memorandum related to the contract dollar amount. This item was pulled from the Consent Agenda for discussion. All other items were approved as presented. Motion: Callagy (Second: Tai) **M/S/P.**

5. Specific Discussion/Action Items:

[Item removed from Consent Agenda and taken out of order]

4.2 Waive Request for Proposal Process and Approval of Amendment to Agreement with American Logistics Company

County Attorney, Kristina Paszek explained that the memorandum which was on the Consent Agenda contained an error listing the amount of the contract increase as \$200,000 but in fact is over \$700,000. Gale Carino, Director of Integrated Care, explained the correction to the estimated dollar amount of the increase should have been \$720,000. This is due to the increase in rider usage of this benefit. Motion: Tai (Second: France). **M/S/P**

5.1 Election of Officers

Mr. Patrick Curran introduced the election of the officers of the commission. The Chair and Vice-Chair positions which are filled by commissioners, and the Clerk and Assistant Clerk of the Commission which are filled by staff.

Commissioner Zuniga motioned to nominate Commissioner Bill Graham to fill the Chair position, and Commissioner Manuel Santamaria as the Vice-Chair. Second: Tai. **M/S/P**

Commissioner Zuniga motioned to nominate Michelle Heryford to fill the Clerk position and Corinne Burgess to fill the Assistant Clerk of the Commission. Second: Tai. **M/S/P**.

5.2 Adoption of Final 2025 HPSM Budget

Mr. Curran introduced Mr. Trent Ehrgood, Chief Financial Officer, who presented the revised HPSM Operating Budget for 2025. A copy of his presentation is attached to these minutes.

Mr. Ehrgood reviewed the revisions and the key drivers for the revisions which were outlined in his memorandum in the commission packet:

1. Medi-Cal Base Rates – updated rates from the state project a 2.4% increase in the Medi-Cal base rates in comparison to the 2024 rates. This change resulted in a \$46M increase from the draft budget presented in December.
 2. Medi-Cal Dental Rates – rates were increased for the dental pilot program by \$10M, which helps close the funding gap due to growing costs in dental care.
 3. Medi-Cal Pass-Through Items – adjustments to revenue included funding of certain directed payments and the MCO tax totaling \$123M; corresponding expenses were added as offsets. The net impact on the budget for pass-through items was \$1.6M.
 4. Medicare revenue – the final D-SNP bid data refined the revenue projections resulting in an increase of \$4M to Part-C revenue.
- Mr. Ehrgood reviewed the changes by line item in his presentation noting the changes in revenue, directed payments, and MCO tax.
 - Notably, he reported that the target rate increase (TRI) was omitted from the final rates because we do not have the funding estimates, nor do we know what providers/ service types will be included in the 2nd phase revisions for 2025. We should get updated rates sometime in 2025 that will go retro back to January to fund for updated TRI services and there will be a corresponding expense as we pay the increases to providers.
 - There was a small adjustment to the Medicare rates of \$4M.
 - All these changes make the \$62M improvement to the bottom line.
 - He compared the SIS funding (Satisfactory Immigration Status) and UIS (Unsatisfactory Immigration Status) which is now showing a third of our membership is UIS. The chart in his presentation shows what the revenue would have been (column A) in 2025 using 2024 rates.

- The forecast of \$80M net income does not include the cost associated with the investments in Primary Care and other Provider Rate Increases which will be phased in during 2025.
- The budget forecast assumes the UIS population will continue to be low utilizers in 2025. Higher utilization would reduce the overall projected surplus.

Commissioner Tai asked if the new administration would affect the federal funding to the UIS population. Mr. Ehrgood noted that the UIS membership is primarily state funded. The SIS funding is about 50% federally funded and may be an issue if the federal government makes changes to how Medicaid is funded. Mr. Curran stated we will be talking more next month about the federal and state policy landscape. In thinking about federal policy changes to Medicaid funding, the earliest funding changes would take effect for HPSM would be 2026.

Commissioner Zuniga asked what the commission can do to help people who are undocumented feel safe in enrolling in Medi-Cal. Mr. Curran and Mr. Ehrgood explained what is currently being done with outreach to help people know they can apply for Medi-Cal and stated that when the 2025 budget impacts are better understood we will also have a better understanding of the protections in place for HPSM members.

Commissioner Graham asked about the use of the MCO tax and if it is reflected in the increases. Mr. Ehrgood stated that the TRI is currently unknown and the state will give us more information later this year on the providers affected and services included.

Commissioner Zuniga motioned to approve the revised 2025 budget as presented. Second: Tai. **M/S/P.**

5.3 Provider Network and Investment Update

Ms. Colleen Murphey, Chief Operating Officer, Luarnie Bermudo, Director of Provider Services and Dr. Miriam Sheinbein, Medical Director, presented an update on the Provider Network and Investment for Primary Care. Their presentation is attached to these minutes.

Ms. Murphey touched on the following points:

- Provided a recap of the activities over the last two years leading to the investment strategy and report out on the progress on the investments and decisions made to date.
- Ms. Murphey noted that this is all part of the 2024-28 Strategic Plan approved by the commission and today will focus more on goal #6 – Investing for the Future.
- The shaping of the strategic plan was made with the input of the commission, over 200 stakeholders in our community, including employees. Our strategic plan was developed, and our investments are made in the context of the current health care environment, the impacts of statewide care transformation in California such as CalAIM, and considering health outcomes and equity, growing competitive pressure, financial risk, and impacts on provider communities.
- Goal 6 focus is to think about the future sustainability in our community to advance our mission by evaluating and pursuing opportunities to expand or invest differently.

- This discussion began in 2023 leading to specific commitments to this 5 year strategic plan with \$10M invested in AHMC; \$250K to the idea of forming a regional D-SNP; \$30M committed to Primary Care Investment; and \$350K committed to in-person behavioral health services.
- Reflecting on 2024, the Commission approved \$430K to Ravenswood Dental; \$100M to a Provider Investment Fund; \$7M invested in Baby Bonus Program; and approval of three provider investments in critical access areas in the amount of \$590K.
- An oversight process was developed to determine the investment criteria for the provider investment and primary care investments and to report on progress every six to twelve months including progress in implementing network changes.
- Ms. Murphey reviewed the investment criteria, which will guide all of our investments: impact on member access; the best possible health outcomes; leveraging HPSM's unique strengths; strong stewardship of our financial resources; impact on HPSM's long-term organizational health; and measurable progress.
- Ms. Murphey reported specifically on the Provider Investment Fund of \$137M committed equity: \$100M Provider; \$30M Primary Care; \$7M Baby Bonus
- Ms. Luarnie Bermudo, Director of Provider Services, reported on the way Member Access as a priority is determined.
 - She reviewed the methodology of how member access is measured. Data is gathered by: geographic access; provider ratios; availability; access grievances; trends; out of network utilization; appointment availability and the number of single case agreements. We also incorporate population needs assessments, and we listen to the voices of the community through member input, providers, community partners and staff.
 - She displayed the network dashboard and the 15 top priority needs. Work is being done in each to build access. She zeroed in on five of the top priorities in her presentation and areas of need: Primary Care; Dental; Behavioral Health; Community Health Worker; Speech Therapy/Occupational Therapy and their prioritization variables including contract sufficiency, real world availability, needs assessment and VOC (voices of the Community).
- Ms. Murphey moved on to Provider Priority prioritization activities and how we quantify this area. Recently, staff have repriced a year's worth of claims data to take a real look at utilization for HPSM members and what it would be if reimbursed using Medicare methodology and where we see dramatic variances. This helps to identify areas that providers might have financial challenges. They identified areas to focus on to bring rates closer to the Medicare benchmark.
- For 2025-27 Provider Investments, this data led to the provider prioritized investment areas: Specialty physician fees; critical access gaps; primary care; hospital outpatient; and wrap-around payments for CareAdvantage.
- Ms. Murphey broke down the cost allocations within the \$100M for each of these categories, which include some one-time costs, and the cost of network rate increases over the three year period. This is in addition to the previously committed \$30M for Primary Care. She then reviewed the timelines for these investments being implemented.
- Ms. Murphey reviewed the next steps in implementing the provider investments, which will be phases of communications to all providers impacted, contracted

hospitals, and then following up with continued updates to the Commission on progress. Additionally, ongoing one-time capacity funding opportunities will be presented to the Commission for approval periodically.

Commissioner Callagy asked about the evaluation piece of these investments. Ms. Murphey referred back to the dashboard displaying the 15 priority needs noting that work is underway within each of these categories. We will be reviewing data for changes based on the groupings and metrics. We receive annual information and will be looking for increases in the number of providers contracted since offering higher rates; whether contracted providers have been able to hire more people and build up their workforce; and we will continue tracking grievances and population needs assessments to see if we are actually closing some of the existing access gaps.

Commissioner Graham asked if Speech and Occupational Therapy will benefit older adults since there is a great need and lack of access for services. Ms. Bermudo replied that it will. Early on it was identified that the Medi-Cal rates were insufficient, and staff was able to increase rates, increasing access for all our members.

Commissioner France applauded these efforts and the level of investment. He stated that this is the exact type of investment that is going to move the needle on cost, quality and our mission. He concurred with Commissioner Callagy on the measurement needed to see the key performance indicators on quality, access and cost.

Commissioner Aviles added that these investments are important in keeping the needle from falling in Primary Care, knowing that in the future we could be under water if we do not proactively deal with the struggles with workforce and access.

Commissioner Mueller expressed excitement about these investments and added how this works together with the issues of how increased cost of living is taking a toll on the community and the impacts of food as medicine.

Commissioner Tai stated this strategy is very important and much needed. The foresight to understand the struggle with workforce retention and recruitment, and with adequate access to a broad network for our members. This strategy of investment and infrastructure is much needed.

Commissioner Santamaria touched on the workforce issue, and a workforce development program being developed. He is looking forward to updates on each of the priority categories identified, especially Doulas. Ms. Murphey appreciated the input and questions.

- Dr. Sheinbein gave an update on Primary Care investment. She noted that the first year focus of the PC investment was to establish the foundational pieces of the strategy and then to build the investments for the next five years.
- She highlighted the four key achievements for 2024:

- Investment Metrics that define our success
- A primary care provider grants program in partnership with our providers, and learning from other health plans will be launched this spring.
- An RFP for practice transformation services for our entire primary care network, and
- A methodology for calculating primary care spend which is aligned with both national and state priorities, including DHCS, Office of Healthcare Affordability and other entities.
- Dr. Sheinbein elaborated on the investment metrics, which include targets on primary care spend to evaluate the effectiveness of our effort. Some of the secondary metrics include our rates compared to Medicare being used to evaluate our investment decisions.
 - The first goal was to address chronic underinvestment, support the implementation of advanced primary care and shift from a focus on volume to value. The aim by 2028 is to increase primary care spend by 30% per capita on top of the \$30 million in capacity funding that was already allocated.
 - The second goal was to fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth and right size primary care panels to 1,200 members per primary care team.
 - The third goal was to support our network to be more population focused to achieve better and more equitable health outcomes and show tiered improvement on prioritized metric such as well child visits, breast cancer screening, hemoglobin A1C improvement and depression and close disparity gaps.
 - The final goal is to enhance the care experience for members and families, and increase the percentage of members with established primary care relationships with a primary care provider in our network.
- Primary Care Grants Program:
 - Recruitment and retention are the number one priority. Primary care faces many challenges including balancing workloads and increasing demands. To tackle this problem, HPSM is unveiling four grants to promote a robust and thriving workforce and bolster the primary care capacity to deliver high quality team based primary care. These grants are structured to stabilize, expand and enhance the primary care team. Each grant has its own terms and agreements, including eligibility requirements, allowable expenses, maximum awards stipulations and decision periods.
 - These grants will be launched in the first half of 2025 and available for four years or until the funding runs out.
 - A communication plan has been developed for Provider notifications, website updates, webinars and office hours to ensure that our entire primary care network is aware of this.
 - Three of these grants offer prescribed funding for recruitment and retention and the 4th grant gives providers an opportunity to tell HPSM how they would use additional funding to bolster recruitment, retention and resilience for the primary care team.

- The first grant on primary care team expansion would increase the capacity of high performing primary care teams by providing upfront dollars to operationalize and sustain new interprofessional team member roles including pharmacy, behavioral health, Community Health Workers, scribes and other members of the team.
 - The second grant is the team stabilization grant. This grant aims to stabilize primary care teams by offering significant and competitive sign-on bonuses that augment compensation packages so that our primary care organizations can recruit and retain primary care providers and medical assistants.
 - The third grant would help primary care practices retain long-term providers by rewarding them for their service and commitment to HPSM patients using sabbaticals or other programs.
 - The final grant would be open for providers to design their own grant that include deliverables that would increase primary care team capacity, bandwidth and joy.
- Dr. Sheinbein shared a chart outlining the financial impact of the achievements since last May when the Commission approved an investment in technology subsidies for PCPs to help them achieve higher performance on HPSM's Pay for performance program. They are projecting almost half of the \$30M is now committed to real expenditures.
- Next steps, staff will be reviewing applications for the practice transformation RFP and will narrow down the selection of finalists in the next couple of weeks who will be invited to perform demonstrations to our team and to our primary Care advisory group. We expect to return to the Commission in the spring for service approval.
- As we launch our primary care provider grants program and our practice transformation efforts, we have developed an ongoing campaign to catalyze our network to utilize these investments.
- We will continue to update the Commission and return for approval for one time capacity funding to support the goals of the primary care investment strategy.

6. Report from Chief Executive Officer

Mr. Curran thanked Dr. Sheinbein and Luarnie Bermudo for their work to shape these programs and engage the provider network on these opportunities including Stanford and SMMC

Mr. Curran stated that staff are continuing to pay attention to what is going on in California and nationally for the external health care environment. We will hear more about this in February as we think about the state and federal policy landscape and potential implications for HPSM and San Mateo County, which will also be informed by the state budget.

In March and April there are going to be some more dedicated sessions on additional work around Goal 6 to shape what we do with uncommitted reserves.

Mr. Curran took this time to recognize Chris Baughman, Chief Performance Officer, who will retire after serving HPSM for 17 years. In her role as Chief Performance Officer, Chris has been central to every major initiative and innovation we have had over that time, which is a significant contribution to how HPSM operates today. Chris will be sorely missed, and we wish her well in her retirement.

7. Other Business

There was no other business discussed at this time.

8. Adjournment

The meeting adjourned at 2:00 pm.

Submitted by:

C. Burgess

C. Burgess, Clerk of the Commission

2025 Revised Operating Budget

HPSM Commission

January 8, 2025



2025 Revised Budget



	Draft 2025 Budget	Revised 2025 Budget	Change
OPERATING REVENUES:			
Medi-Cal Capitation Revenue	768,179,639	949,115,665	180,936,025
Medicare Capitation Revenue	231,856,142	235,966,003	4,109,862
HealthWorx Capitation Revenue	9,253,182	9,253,182	0
Medi-Cal ECM Risk Corridor	(5,391,946)	(6,562,591)	(1,170,645)
Total Revenue	1,003,897,017	1,187,772,259	183,875,242
HEALTH CARE EXPENSE:			
Inpatient Services	195,259,257	195,259,257	0
Outpatient/Professional	361,142,650	361,142,650	0
SNF/LTC	168,779,553	168,779,553	0
Pharmacy	71,304,611	71,304,611	0
Directed Payments	7,624,785	49,018,896	41,394,111
Dental	51,735,199	51,735,199	0
ECM, CS, CBAS	18,785,025	18,785,025	0
UMQA/Transportation/Other	50,745,084	50,745,084	0
Provider Incentives	15,897,500	15,897,500	0
Total Health Care Expenses	941,273,664	982,667,775	41,394,111
ADMINISTRATIVE EXPENSES	83,122,618	83,122,618	0
MCO Tax	-	80,032,159	80,032,159
Net Gain from Operations	(20,499,265)	41,949,706	62,448,972
NON-OPERATING REVENUES:			
Interest	36,600,000	36,600,000	0
Rental Income	1,263,194	1,263,194	0
TPA Fees	255,000	255,000	0
Total Non-Operating Revenue	38,118,194	38,118,194	-
PROJECTED SURPLUS	\$ 17,618,928	\$ 80,067,900	62,448,972

Adjustments to Budget (impact to bottom line)

Item	Estimated Impact	Actual Impact
1 Medi-Cal base rates	(+/-)	\$56.7M
2 MCO Tax	(zero)	\$0.0M
3 Directed Pmts.	(zero)	\$1.6M
4 TRI	(zero)	n/a
5 Medicare rates	n/a	\$4.1M
		<u>\$62.4M</u>

Note:

Investments in primary care and provider rate increases from strategic use of reserves are excluded from the budget forecast.

These items will be added expenses as they occur and will be separately reported.

Changes to Medi-Cal Base Rates



	A	B	C	D (B+C)	E
	2025 MM w/ 2024 Rates	Draft Budget	Revised Budget	Net Change	% Chng.
SIS	\$485.8M	(\$11.0M)	\$41.5M	\$30.6M	6.3%
UIS	\$248.7M	(\$17.9M)	\$4.7M	(\$13.1M)	-5.3%
Total Base Rates	\$734.5M	(\$28.8M)	\$46.3M	\$17.4M	2.4%

- The forecast risk with this budget is utilization with UIS population that became eligible in 2024. The budget assumes this population will continue to be lower utilizers in 2025. However, higher utilization (which would be appropriate) will reduce the overall projected surplus.

Thank You



Provider Investments Strategy Update

Colleen Murphey, Chief Operating Officer
Luarnie Bermudo, Director of Provider Services
Dr. Miriam Sheinbein, Medical Director

San Mateo Health Commission
January 8, 2025



Objectives for today



- **Recap our journey** over the last two years, including the early foundation we laid for HPSM's investment strategy
- Report out on **investment progress and decisions** made to date, including:
 - An historic investment in HPSM's network providers in areas of need
 - Primary Care Investments
- Share **next steps** for advancing our investment decisions in 2025
- Discuss **questions and input**

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HPSM’s 2024-2028 Strategic Plan



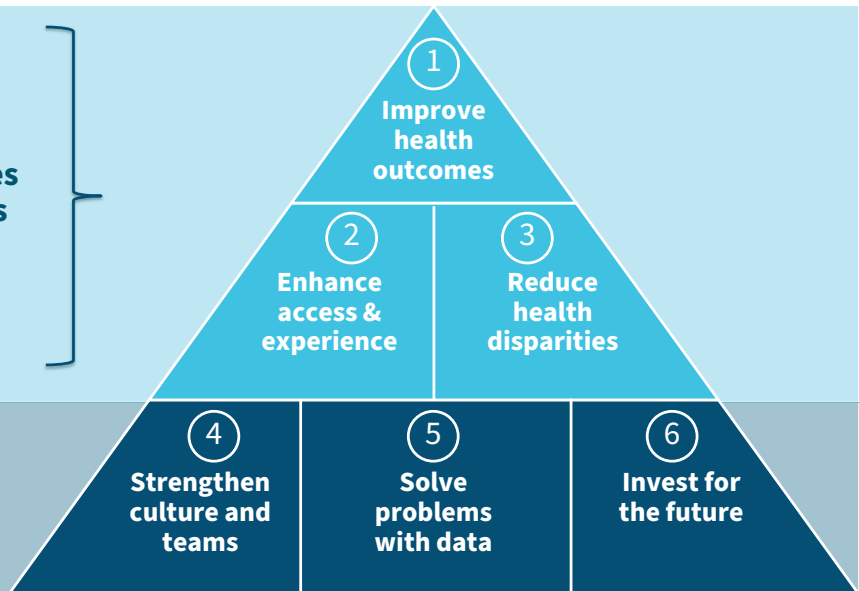
HPSM 2024-2028 Strategic Plan:

Area of Focus 1:

Better Health Care Experiences and Outcomes for all Members

Area of Focus 2:

Thriving Organizational Capacity and Resilience



A plan shaped by many voices



February 2023

December 2023



A plan shaped by our external environment



CalAIM HCS Statewide care transformation



Accountability for Health Outcomes and Health Equity



Growing competitive pressure



Lasting impacts of the COVID-19 Public Health Emergency

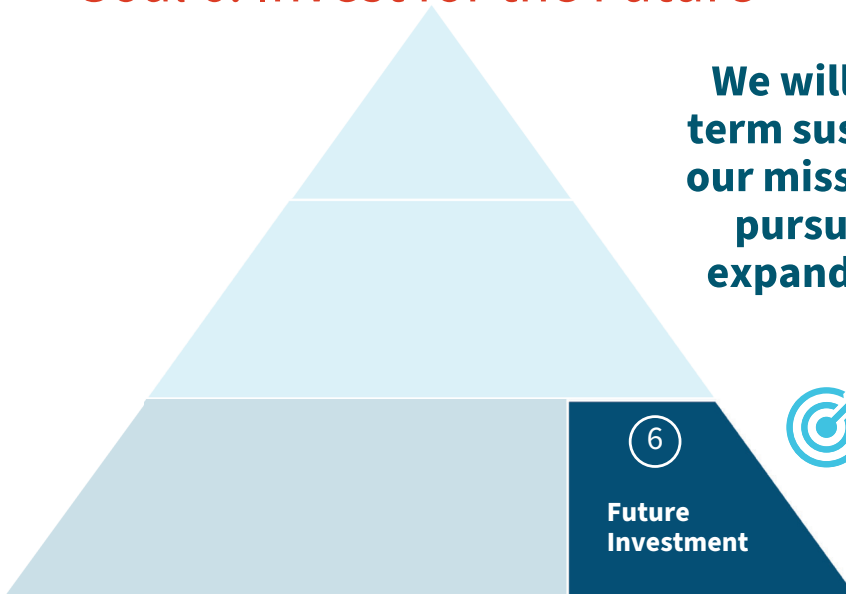


Shifting focus on financial risk

Goal 6: Invest for the Future



We will ensure HPSM's long-term sustainability to advance our mission, by evaluating and pursuing opportunities to expand or invest differently.



All investments of HPSM reserves were made applying our impact criteria.

A thread throughout our last two years

2023



2023 Investment Progress in brief

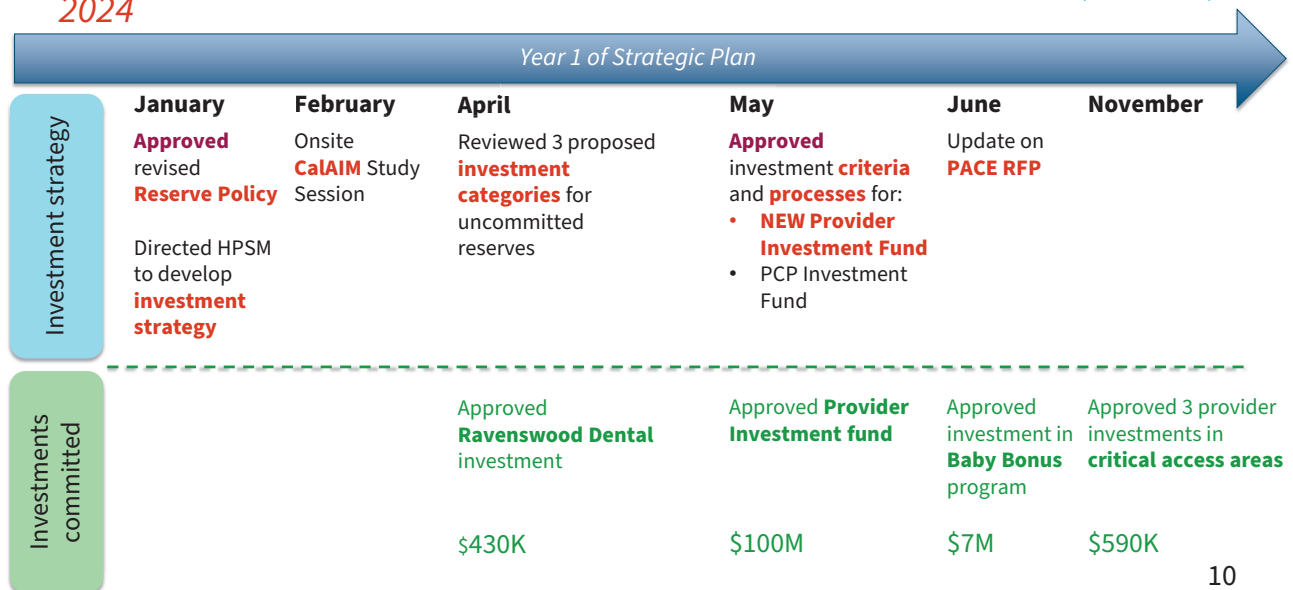


Defined Potential Areas of Investment Opportunity

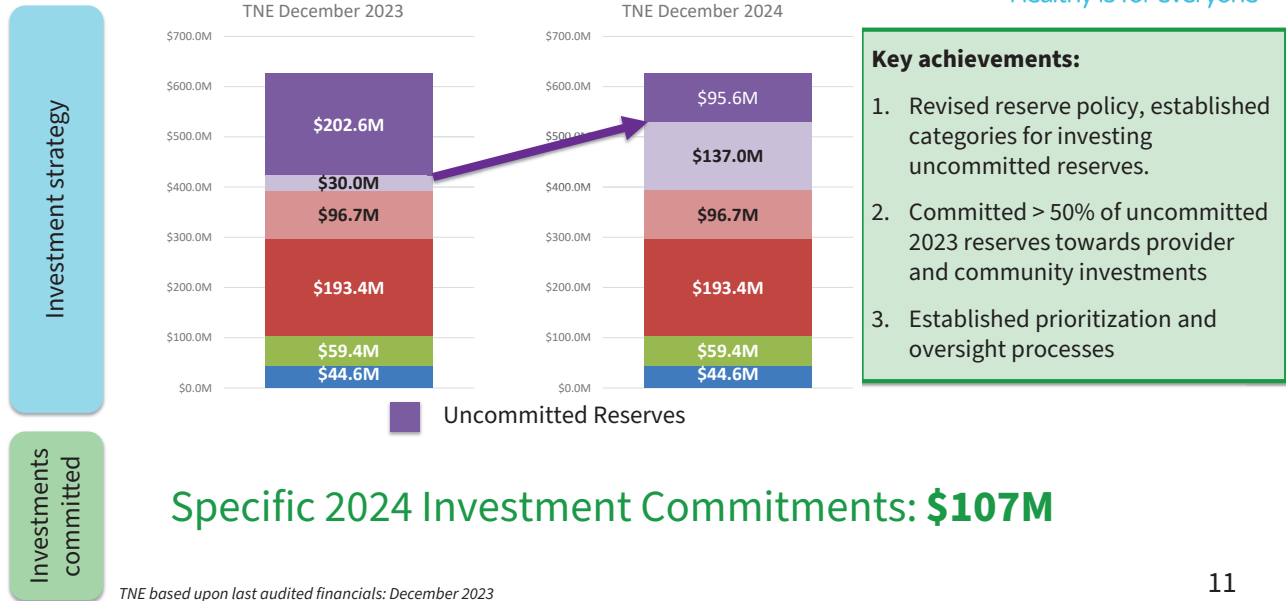


A thread throughout our last two years

2024



2024 Investment Progress in brief



Ensuring effective oversight



In May 2024, SMHC approved **investment criteria** for the Provider Investment Fund (\$100M) and Primary Care Investments (\$30M)

SMHC approved the following **oversight processes**:

1. Obtain Commission approval by vote for:
 - Vendor expenditures following our existing purchasing policies
 - Bundles of one-time provider investments
2. Report out on progress on Provider Investments and Primary Care Investments every 6-12 months, including HPSM progress on implementing network rate changes based upon approved criteria

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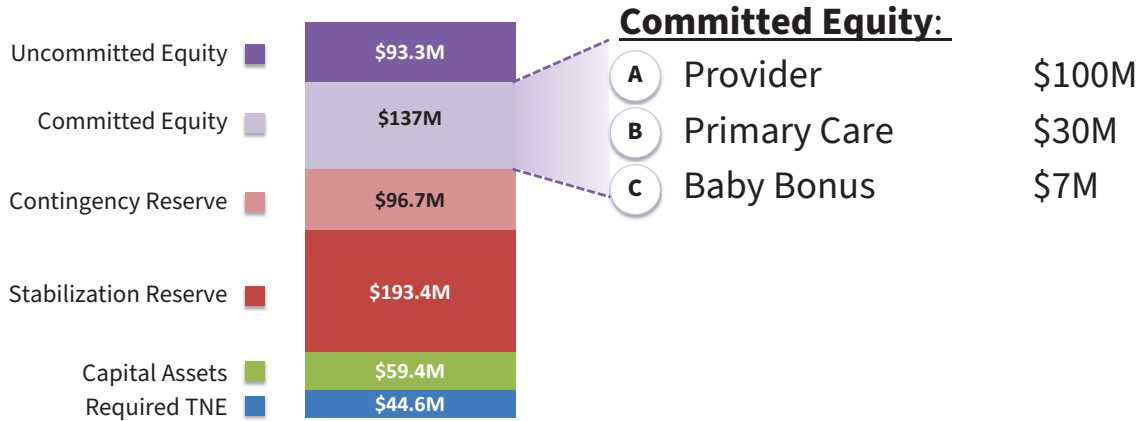


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Provider Investment Fund Update



Committed TNE as of EOY 2024

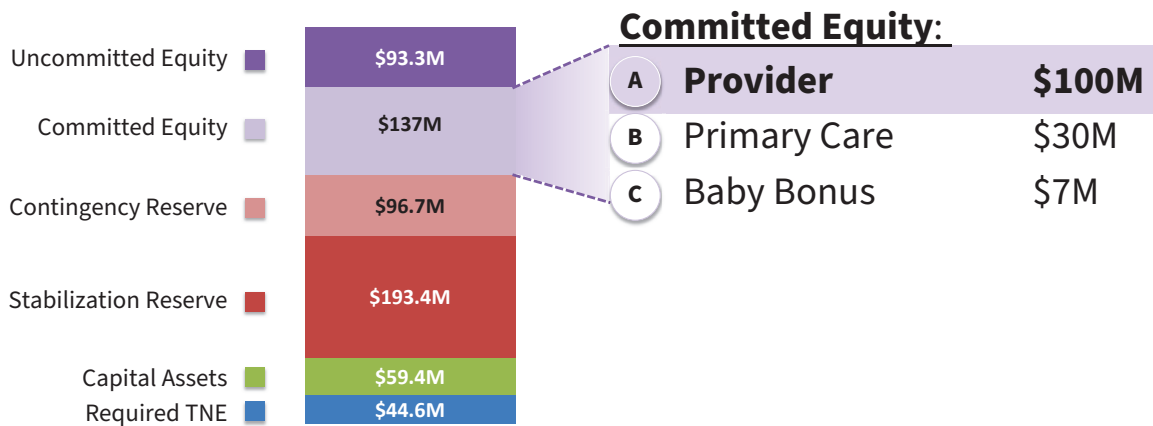


Based upon last audited financials: December 2023

Provider Investment Fund Update



Committed TNE as of EOY 2024



Based upon last audited financials: December 2023

HPSM Investment Criteria

Does this investment:

- Meaningfully impact member access** to high-quality care, services and supports in alignment with our mission.
- Support our members' journey to the **best possible health outcomes**, including equitable outcomes and a positive member experience
- Leverage HPSM's unique strengths** including our unique capabilities, resources, relationships and role within the health care ecosystem.
- Support strong **stewardship of our financial resources**.
- Address threats and opportunities that **impact HPSM's long-term organizational health**
- Have defined metrics for **measurable progress** we can realistically make within an appropriate time frame.

A Provider Investment Fund

Provider Investments: Prioritization Criteria

Provider Priority (E.g., discrepancy of current HPSM rates from Medicare rates)	Review closely <i>Particular considerations:</i> <ul style="list-style-type: none"> Full picture of providers' payor mix /other HPSM or MC reimbursement HPSM financial sustainability 	Highly aligned No-regrets investments to prioritize first
	Not prioritized	Review closely, consider alternatives <i>Particular considerations:</i> <ul style="list-style-type: none"> Is issue lack of providers (vs. competitiveness of rates) Where is it justified to make intentional exceptions to MC/Medicare rate norms to meet access goals
HPSM Member Access Priority		

In Brief: For all potential investments, we consider:

- Member access priority
- Provider priority
- Financial sustainability including revenue and MCO tax alignment
- A more fitting alternate funding source is not available

Provider Investments: Prioritization Criteria

Provider Priority (E.g., discrepancy of current HPSM rates from Medicare rates)	Review closely <i>Particular considerations:</i> <ul style="list-style-type: none"> • Full picture of providers' payor mix /other HPSM or MC reimbursement • HPSM financial sustainability 	Highly aligned No-regrets investments to prioritize first
	Not prioritized	Review closely, consider alternatives <i>Particular considerations:</i> <ul style="list-style-type: none"> • Is issue lack of providers (vs. competitiveness of rates) • Where is it justified to make intentional exceptions to MC/Medicare rate norms to meet access goals

HPSM Member Access Priority

Methodology: how we measure access

Access Category	Examples
Contract Sufficiency	<ul style="list-style-type: none"> • Geographic Access • Provider Ratios
Real World Availability	<ul style="list-style-type: none"> • Grievances • OON Utilization • Appointment Availability • Single Case Agreements
Population Needs Assessment	<ul style="list-style-type: none"> • HPSM Population Needs Assessment
Voices of the Community	<ul style="list-style-type: none"> • Qualitative Feedback from members, providers, community partners and staff.

X Axis: HPSM Member Access Priority

In Brief: When determining network priorities.....

- We collect and analyze relevant access category data.
- We then use a framework to prioritize efforts that takes into consideration reach, impact, confidence, effort and voices of the community.

* Access priorities summarized in Appendix.

Network dashboard: top priority needs



X Axis: HPSM Member Access Priority

Primary Care	Primary Dental	Dental Specialty
Behavioral Health	NEMT	Speech/Occupational Therapy
Gender Affirming	CaAIM	OB/GYN
Ophthalmology	Optometry	Community Health Workers
Neurology	Doula	LTC/SNF

Example network prioritization variables

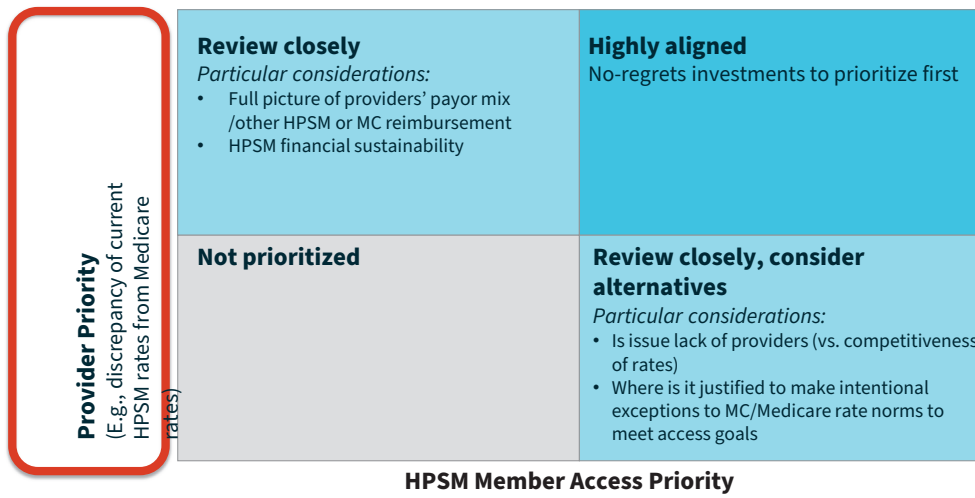


X Axis: HPSM Member Access Priority

Type	Contract Sufficiency	Real World Availability	Pop Needs Assessment	VOC*	Key Insights
Primary Care	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Evergreen, Workforce at risk
Dental	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Primary, Specialty (Endo, Perio, Oral Surgery), Services for Special Needs (e.g. homebound, Dental OR/Anesthesia); coast
Behavioral Health	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Psychological testing, in person services for kids, ABA Services, eating disorder specialists, Pharmacy etc.
Community Health Worker		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	New Benefit, 0 contracted providers
Speech Therapy/ Occupational Therapy		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Pediatric population, low volume but high impact

*Voices of the Community

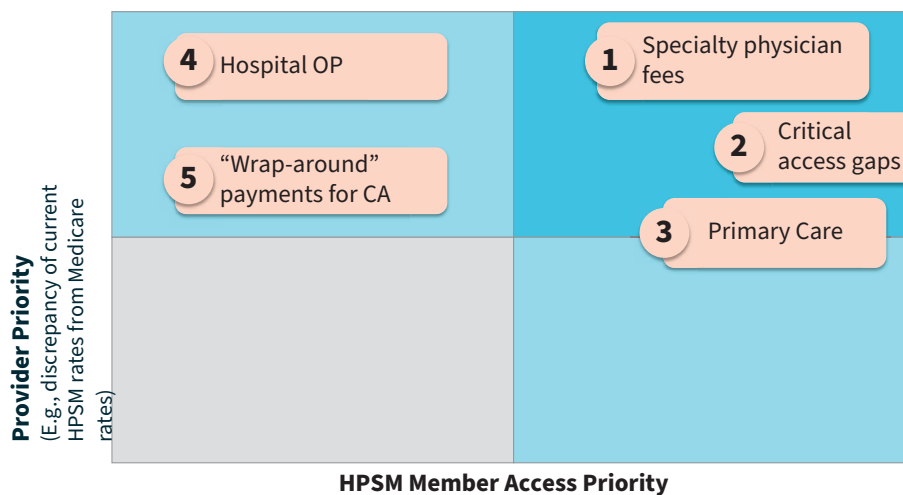
Provider Investments: Prioritization



2025-2027 Provider Investments



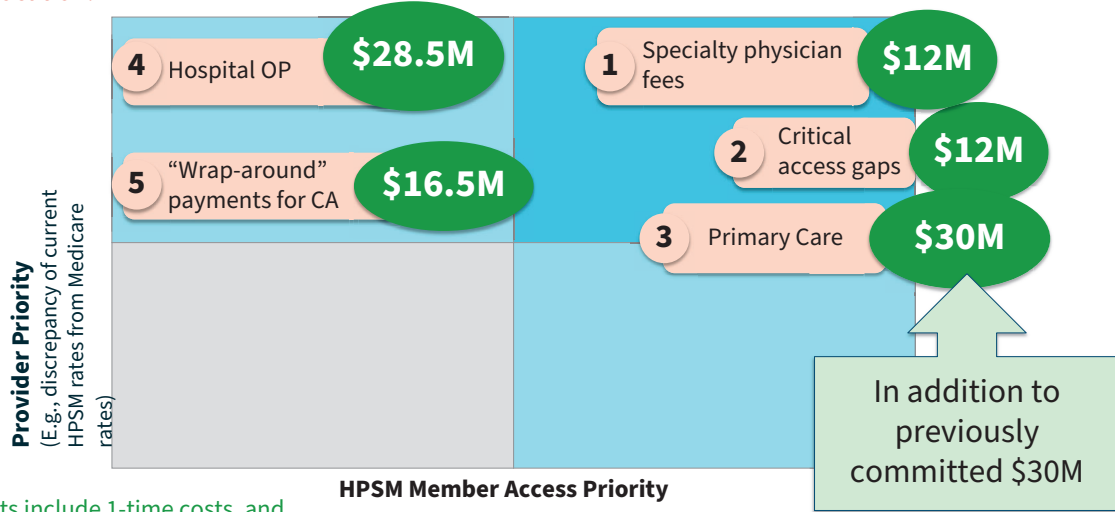
Prioritized investment areas:



2025-2027 Provider Investments



Cost allocation:



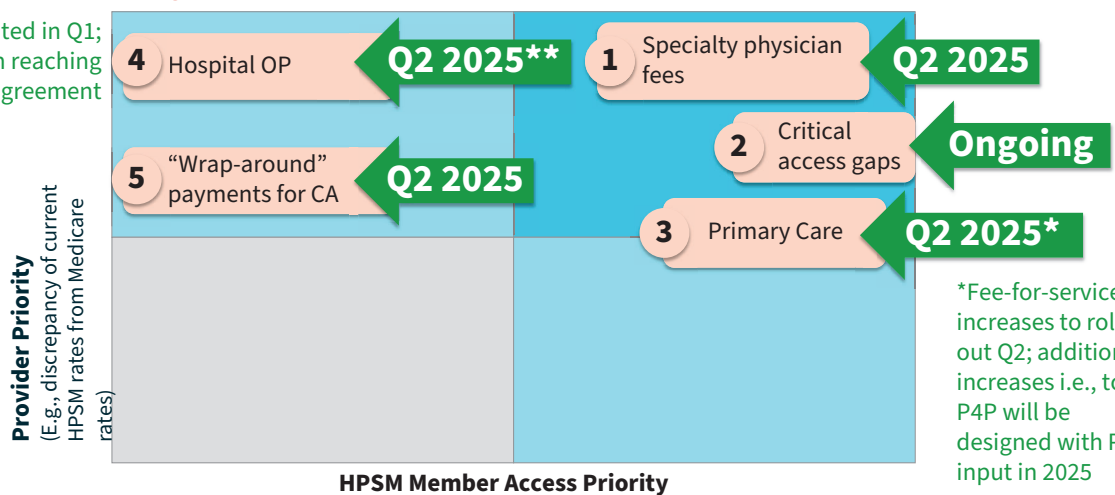
Total costs include 1-time costs, and the cost of network rate increases over **three years 2025-2027**

2025-2027 Provider Investments



Implementation timing:

** Initiated in Q1; dependent on reaching agreement



*Fee-for-service increases to roll out Q2; additional increases i.e., to P4P will be designed with PCP input in 2025

Provider Investments Next Steps



- Broad **provider communication** to all providers impacted by Phase 1 rate changes
- Individual meetings with all **contracted hospitals**
- Continue to provide **updates to SMHC** on progress
- Ongoing: additional one-time capacity funding opportunities within **critical access areas** will be bundled and brought to SMHC for approval as identified

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Objectives for today

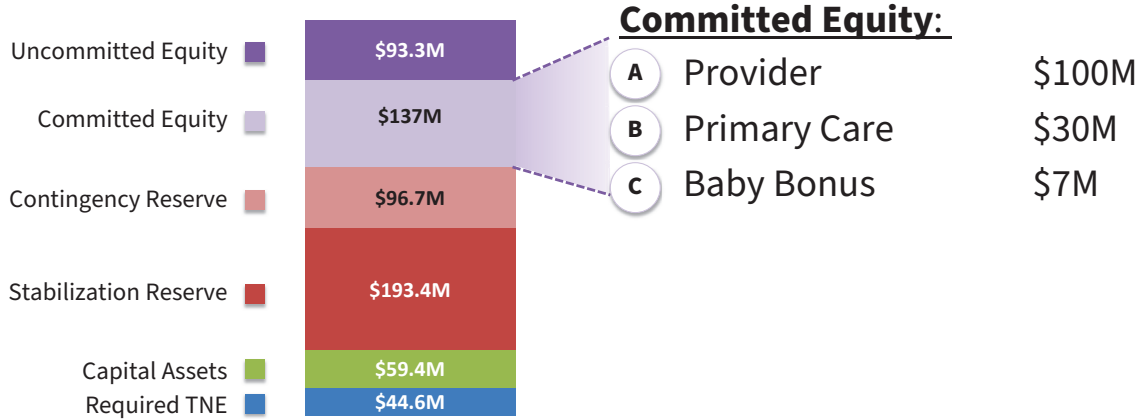


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Primary Care Investment Update



Committed TNE as of EOY 2024

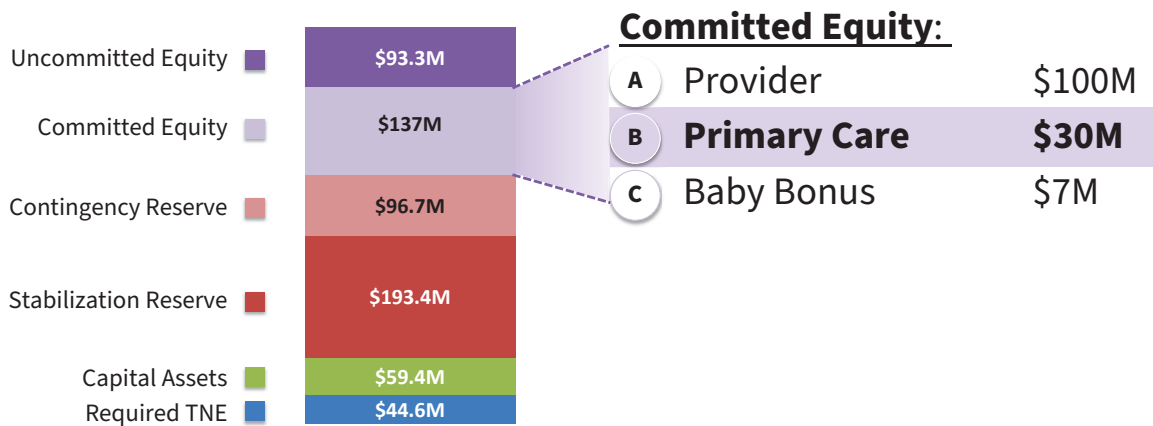


Based upon last audited financials: December 2023

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B Primary Care Investments

Key achievements on PCP investment work



- Defined specific **metrics of success** to measure effectiveness in advancing our four primary care investment goals
- Designed a **Primary Care Grants program** launching this spring
- Launched an RFP for **Practice Transformation** services
- Developed methodology for calculating **Primary Care Spend**, with consideration for statewide focus on this metric

Key achievements on PCP investment work



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- Developed methodology for calculating **Primary Care Spend**, with consideration for statewide focus on this metric

Primary Care Investment Metrics



Investment Goal:

Primary Metric:

1 Better Use of Resources	Increase primary care spend by 30% per capita
2 Better Work	Right-size primary care panels to 1200 members per primary care team.
3 Better Population Health	Show tiered improvement on prioritized HEDIS metrics Close disparity gaps for well-child visits and immunizations
4 Better Care Experience	Increase the percent of members with a usual source of primary care

Primary Care Provider Grants



- Grants are available to **all HPSM-contracted** primary care practices
- Grantees will be asked to describe how the funding will **improve capacity, bandwidth and joy** for primary care teams and/or **access** for HPSM members.
- Grants are based on available funding **through 2028**.
- HPSM grants are awarded to **organizations, not individuals**
- Organizations are encouraged to **apply together**

Four flexible options



Grant type:

Purpose:

Primary Care Team Expansion	Hire and integrate new interprofessional team members
Core Team Stabilization	Recruit and retain Primary Care Providers and Medical Assistants
Provider Sabbatical	Retain providers by enhancing resilience through sabbatical
Custom Pilot Program	Supports pilots and programs that improve primary care teams' capacity, bandwidth and joy

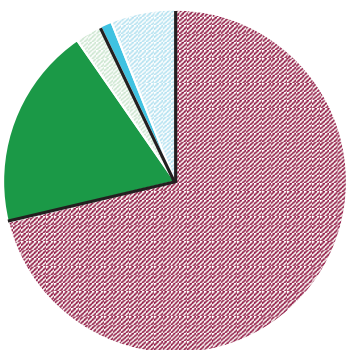
Progress on launching investments



Projected expenditures by category & status, within initial \$30M Primary Care Fund:

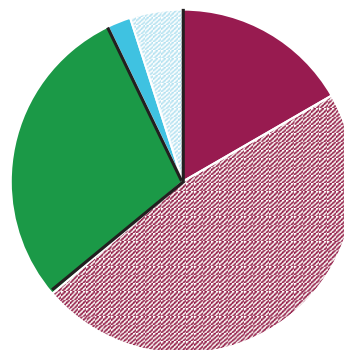
Placeholder allocation Investment in progress

May 2024



Directly to providers
Technology & services
Administrative costs

January 2025



Next steps

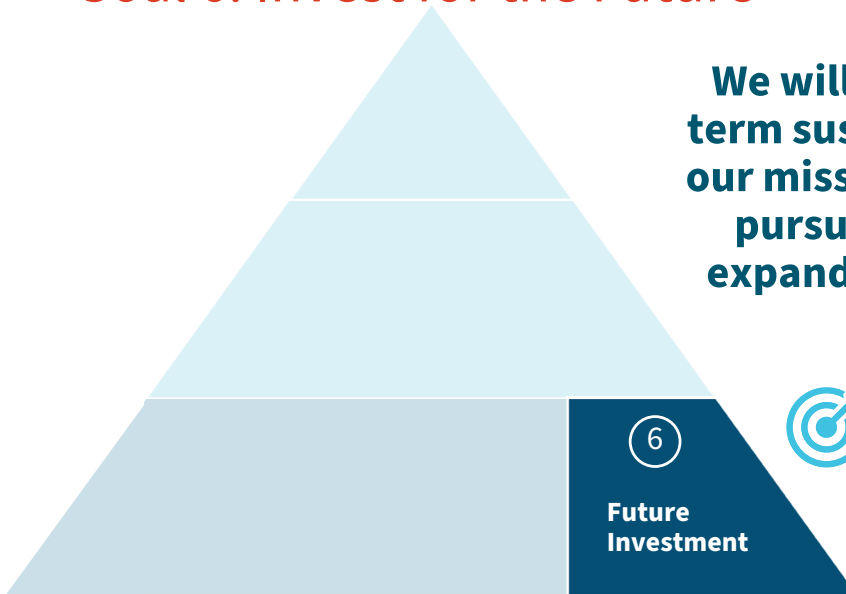


- Complete **Practice Transformation RFP**, for SMHC approval this spring
- Launch primary care **communication campaign**
- Continue to bring **updates to SMHC** on progress
- Bring bundled **Primary Care Provider Grants** for SMHC approval in the coming months
- **Additional one-time capacity funding** opportunities to support primary care will be brought to SMHC for approval as identified

Goal 6: Invest for the Future



We will ensure HPSM's long-term sustainability to advance our mission, by evaluating and pursuing opportunities to expand or invest differently.



All investments of HPSM reserves were made applying our impact criteria.

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Keeping our eye on our external environment



CaAIM HCS Statewide care transformation



Accountability for Health Outcomes and Health Equity



Growing competitive pressure



Lasting impacts of the COVID-19 Public Health Emergency



Shifting focus on financial risk

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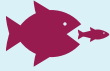
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**Emerging
2025
themes:**

- Potential and unknown federal policy shifts
- Ongoing roll out of D-SNPs by local plans statewide

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At the gate



- **February:** Preview of policy landscape implications
- **March and April:** Two-part series aimed at capturing Commission priorities and input on our next phase of work for Goal 6, shaping future investments.

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Grounded in our HEALTHY values



- H** **Health care** that puts members at the center of everything we do.
- E** **Equitable** access to quality services and supports for all members.
- A** **Advocacy** for members disproportionately impacted by health inequities.
- L** **Local** health care based in San Mateo county provided in partnership with community resources.
- T** **Transparency** and accountability achieved through local governance.
- H** **Honesty** is the core of our service to members, providers, business partners and the community.
- Y** **You** - because HEALTHY is for everyone!

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Questions and Input



- What other information would be helpful to this Commission in future investment updates?
- What other information would be helpful as we prepare for additional investment prioritization in March and April?
- Other questions or suggestions?

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Appendix



2025-2027 Network Rate Investments

Based upon prioritization criteria



Category	Annual Investment	Three-Year Investment (2025-27) (millions)	Implementation
Provider wrap-around Medi-Cal payments for CareAdvantage members	\$5.5M	\$16.5M	Q2 2025
Specialty Physician Fee Schedule Payments	\$4M	\$12M	Q2 2025
Hospital Outpatient Payments	\$9.5M	\$28.5M	Q2 2025, dependent on reaching agreement
Primary Care Payments: FFS, Capitation and Value-Based	\$10M	\$30M	Q2 2025 for FFS
Payments in Critical Access Areas	\$4M	\$12M	In progress - ongoing
Total Provider Investment	\$33M	\$99M	

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D Primary Care Investments

Primary Care Investment Goals

Strategically invest in primary care, to:



1. Better allocate resources: to address chronic underinvestment, support the implementation of advanced primary care, and shift from a focus on *volume to value*.



2. Promote a robust and thriving workforce: fortify a diverse primary care workforce in San Mateo County to increase capacity, bandwidth, and joy.



3. Improve population health: support our network to be more population focused, in order to achieve better, more equitable health outcomes for our members.



4. Enhance the care experience for members and families, so that they are satisfied, engaged in their care, and healthy.

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Primary Care Investment Goals



Prioritization considerations:

- The degree to which the opportunity advances our four investment goals relative to the size of the investment/grant.
- The appropriateness of HPSM as the funder, do-er, or convener
- Appropriateness of the request by the specific provider

Either/or (not both):

- For project support: test something that is net-new; aligned with the concepts of piloting, evaluating, and sharing lessons learned
- For general operational support: financial stability of the investment for HPSM and sustainability for the providers implementing new solutions

Primary Care Investment Metrics



Goal	Primary Metric(s)	Secondary Metric(s)
Better Use of Resources	Increase PC spend by 30% (proportional to number of members)	Monitor proportion of reimbursement earned through VBP. Monitor rates in comparison to Medicare.
Better Work	Right-size primary care panels to 1200 members per primary care team.	Monitor provider well-being.
Better Population Health	Each primary care organization will show tiered improvement* on the following applicable clinical (HEDIS) metrics**: Well Child Visits; Breast Cancer Screening; Depression Screening and Follow Up; HbA1C>9 Close disparity gaps for well-child visits and immunizations at a statistically significant level.	Increase data transparency, integration and interoperability.
Better Care Experience	Increase members with a usual source of primary care.	

* Tier 1: at or above 90th percentile: stay or exceed; Tier 2: between 50th and 90th percentile: greater than 25% gap closure to 90th percentile; Tier 3: below 50th percentile: exceed 50th percentile

** minimum denominator of 30 members per component rate

MEMORANDUM

AGENDA ITEM: 5.1

DATE: February 12, 2025

DATE: February 5, 2025
TO: San Mateo Health Commission
FROM: Patrick Curran, CEO
RE: Approval of Dental Clinic Capacity Investment for San Mateo Medical Center (SMMC)

Recommendation:

HPSM staff recommends that the San Mateo Health Commission approve capacity funding of \$1,600,000 out of the Provider Investment Fund to support expansion of dental access for HPSM members at the new North County Wellness Center to be operated by SMMC in South San Francisco.

Background:

HPSM has operated its unique dental integration program since its launch in January 2022. We have seen tremendous partnership in the community and increased access for HPSM members. Though we have expanded the network significantly through both Federally Qualified Health Centers (FQHCs) and private dentists, demand for services still far exceeds supply.

This Health Commission has provided capacity funding for several projects that have assisted our growth in network capacity, including funding for an oral surgeon at NEMS, funding for a mobile unit, panoramic x-ray capability, and community health workers at Sonrisas, and expansion of Ravenswood Family Health Center's dental clinic in the soon-to-be constructed Redwood City location, which is primarily funded by the Sequoia Healthcare District. The Health Commission has also funded the development at Ravenswood of an internal dental assistant training program.

Building on this momentum of enhancing dental access, San Mateo County's commitment to build the new North County Wellness Center in South San Francisco presents a unique opportunity for HPSM to secure additional dental access. SMMC plans to devote space for six new dental operatory units, which will provide up to 5,500 annual new patient visits. Based upon current utilization at existing SMMC dental clinics, almost all those new patient visits would be HPSM members.

Discussion and Fiscal Impact:

In our prior funding for dental clinic expansion, we have established criteria for both operatory expansion and capacity funding to hire new practitioners. We use those criteria to request funding for SMMC at this new clinic location. The funding includes the following:

- Building six new Dental Operatory Units: **\$600,000** (\$100,000 per operatory)
- Recruitment of three new Dentists: **\$600,000** (\$200,000 per dentist)
- Recruitment of six new Registered Dental Assistants: **\$200,000** (\$50,000 per dental assistant)
- Recruitment of two new Registered Dental Hygienists: **\$200,000** (\$100,000 per dental hygienist)

Total Request: \$1,600,000

This funding will offset the start-up costs of clinic expansion and provider recruitment. Assuming that the clinic attains 5,500 new patient visits, that would mean that 3% of HPSM members not seeing a dentist may have new access. Over a three-year time frame, this also translates to 16,000 additional visits over the current HPSM network capacity. The three-year HPSM investment equals \$100 per additional visit.

Another advantage of this funding proposal is that due to the nature of FQHC funding, this clinic and these visits will be financially sustainable for SMMC, and it can attain that financial sustainability sooner with this funding. Finally, due to the thoughtful design of the Wellness Center, it will provide a welcoming setting for HPSM members.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF
DENTAL CLINIC CAPACITY INVESTMENT
FOR SAN MATEO MEDICAL CENTER**

RESOLUTION 2025 -

RECITAL: WHEREAS,

- A. In January 2022 HPSM launched its unique dental integration program, providing local administration of the Medi-Cal Dental benefit;
- B. HPSM recognizes that the stability and viability of its provider network is critical to member access;
- C. HPSM has developed a Provider Investment Fund to support providers through payment rate changes and one-time investments;
- D. HPSM has criteria in place and precedent to fund dental capacity in the community to meet the needs of HPSM members.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to fund San Mateo Medical (SMMC) an amount of \$1,600,000 to expand dental capacity at the new North County Wellness Center.
- 2. HPSM will monitor progress of the North County Wellness Center dental expansion and make periodic reports to the San Mateo Health Commission as part of its ongoing updates on its Dental Integration Program.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 12th day of February 2025, by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

MEMORANDUM

AGENDA ITEM: 5.2

DATE: February 12, 2025

DATE: February 5, 2025
TO: San Mateo Health Commission
FROM: Patrick Curran, CEO
RE: Approval of Innovation Lab/Primary Care Capacity Investment for San Mateo Medical Center

Recommendation:

HPSM staff recommends that the San Mateo Health Commission approve capacity funding of \$300,000 out of the Provider Investment Fund to support San Mateo Medical Center's (SMMC) Innovation Lab pilot to expand Primary Care Engagement among HPSM members.

Background:

At the May 8, 2024, HPSM Commission meeting, the San Mateo Health Commission approved a strategy to invest in the HPSM provider network through the Provider Investment Fund. The goal of these investments is to increase access to high-quality member-centered care through the HPSM Provider Network. In January 2025, HPSM provided additional information on how investment dollars would be prioritized based on network priorities, such as Primary Care.

SMMC has almost half of HPSM's assigned members and estimates that around 20,000 patients are not actively engaged in primary care. SMMC, in partnership with HPSM, have co-designed a pilot project, through their Innovation Lab, that will offer an innovative solution to ameliorate the access challenges of the SMMC Medi-Cal population.

This Health Commission has provided capacity funding for several projects that have assisted our growth in network capacity, which include dental capacity funding, capacity funding for autism services for young members, capacity funding for Community Health Worker services, capacity funding to expand access to Behavioral Health Services, capacity funding to support primary care access, etc.

Continuing to build on momentum of enhancing primary care access, San Mateo County's commitment to build the SMMC Innovation Lab and pilot out a Primary Care intervention, presents a unique opportunity for HPSM and SMMC to test out new models of care and secure additional primary care access.

Discussion and Fiscal Impact:

The scope of the pilot includes 4 proposed phases. For the purposes of this memo, HPSM is proposing to initially fund Phase 1 and Phase 2 of the proposal.

- **Phase 1:** Ethnographic Research with the patient community to understand their needs around health and access.
- **Phase 2:** Co-designing with patients by sharing the results of the ethnographic study with patients and staff groups who reframe access to primary care and co-design solutions in a series of community workshops.
- **Phase 3:** Virtual First Care Team Model. The solution is to implement within a hybrid care team model in partnership with a virtual platform vendor. The care team scales up to serve 3,000 patients and demonstrates efficacy, quality and financial viability.
- **Phase 4:** Scale and Spread. SMMC establishes the model within its business lines and invites other care teams to adopt it.
- **The target will be in** serving 3,000 SMMC/HPSM Primary Care unengaged, Spanish speaking members, an important population to segment to learn more about why they may not be accessing care, considering the current political climate.

The aims of the proposed project are:

1. To build trust with our patient community.
2. To provide care to those who are not currently accessing primary care.
3. To build affordable high-capacity primary care (supplement existing operations and minimize the need for additional clinic footprint).

The funding includes an initial request of \$300,000, to fund Phase 1 and Phase 2 of the pilot project. The funding will offset the cost for the ethnographic research and workgroup costs to co-design with patients and staff groups. This will set the foundation for Phase 3 and Phase 4, of implementation.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF
INNOVATION LAB/PRIMARY CAPACITY INVESTMENT
FOR SAN MEDICAL CENTER**

RESOLUTION 2025 -

RECITAL: WHEREAS,

- A. HPSM has developed a Provider Investment Fund and Primary Care Investment Strategy to support providers through payment rate changes and one-time investments;
- B. HPSM recognizes that the stability and viability of its provider network is critical to member access;
- C. HPSM has criteria in place to fund primary care capacity pilots in the community to meet the needs of HPSM members.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission authorizes the Chief Executive Officer to fund San Mateo Medical in the amount of \$300,000 to fund Phase 1 and Phase 2 of the SMMC Innovation Lab Primary Care Access Pilot Project.
- 2. HPSM will monitor progress of the SMMC Innovation Lab Primary Care Access Pilot Project and make periodic reports to the San Mateo Health Commission as part of its ongoing updates on its Primary Care Investment Strategy.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 12th day of February 2025, by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____
M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

Item: 5.3

Date: February 12, 2025

Annual Compliance Report and 2025 Policy Outlook February 12, 2025

Annual Compliance Report



- Status & Activities - Background
 - Report provides a summary of HPSM’s Compliance efforts
 - Enables you to:
 - To be knowledgeable about the Compliance Program
 - To exercise reasonable oversight

Our Goal

- To establish a culture of compliance at HPSM that helps the organization and its employees “do the right thing” *for our members, providers, and community*
- Achieved through *maintaining a compliance program, that:*
 - Educates our employees
 - Identifies and resolves compliance issues and risks
 - Provides opportunities to engage our staff, *our Commission*, and stakeholders

Agenda

- 2024 - Year in review
 - Major activities & status
- 2025 – Outlook
 - Known major activities
 - Enhanced commission reporting

2024 Year in Review

- External review activity
 - Three (4) external reviews
 - Department of Health Care Services (DHCS) Medical Audit
 - Department of Managed Health Care (DMHC) Financial & Medical Surveys
 - Centers for Medicare and Medicaid Services (CMS) One-Third Financial Audit
- Other Major Activity
 - Received 2023 DHCS annual and focused audit CAP
 - Received approval de-delegation of Behavioral Health Therapy (BHT)
 - CareAdvantage gap analysis and mock audit kicked off
 - Revised internal/delegation auditing process to align with the regulatory landscape

2025 Forecasting

- CareAdvantage (Medicare)
 - CareAdvantage Mock audit work & Program Audit prep continues
 - CMS Compliance Program Effectiveness (CPE) audit (*potential*)
- Medi-Cal
 - 2024 DHCS Corrective Action execution (CAP)
 - 2025 DHCS Annual Medical Audit
 - 2024 DMHC Follow-Up Survey Corrective Action Plan execution (CAP)
- NCQA
 - Completion of tri-annual accreditation survey
- Internal Operations
 - Enhanced auditing (internal/delegate) aligned with the regulatory landscape, a proactive approach

Commission Reporting

- Reporting to the Finance/Compliance Committee and Commission
 - First report of 2025 will include additional metrics for compliance related activities including HIPAA, Fraud Waste and Abuse (FWA), internal audits, delegate audits and external audits
- Goals
 - Provide the Commission with an overview of the detailed reporting slated to be provided to the Finance/Compliance Committee
 - Provide the Commission with value-add reporting to allow the commission to engage in meaningful dialogue with HPSM as it pertains to compliance activities

MY2024 Compliance Survey



- Survey completion expected by end of Q1 2025
- Presentation to Commission in Q2 2025 of results and trends

Health Policy Outlook

Health Policy under Trump 2.0

- Medicare funding is not a target
 - May see changes at the regulatory level
- Medicaid funding **is a target**
 - \$2.3 trillion in potential cuts
- Policy proposals
 - Reduce Medicaid funding
 - Cut Medicaid eligibility and benefits

Implications of funding cuts

- Changes from the status quo *shift* costs onto California
 - To maintain existing eligibility and benefits
- California spent \$160 billion on Medi-Cal in FY 2024-25
 - \$98.5 billion from federal funding
- California anticipates future state budget deficits
 - ~\$47 billion over the next three years
 - FY 2026-27 through FY 2028-29

Implications of funding cuts

- Per-Capita Cap or Block Grants would limit federal Medicaid spending
 - Fixed amount of funding, which results in reduced funding as health care costs rise over time
- Reducing the matching ratio for expansion population:
 - ~\$12 billion increase in State spending
- Reducing the matching ratio for traditional Medicaid:
 - ~\$13 billion increase in State spending

Effects on HPSM

- Less federal funding = pressure on CA budget
- California would need to consider changes to Medi-Cal
 - Continue coverage of undocumented individuals?
 - Change/restrict Medi-Cal eligibility?
 - Change/restrict Medi-Cal benefits?
- As of January 2025, it's unclear which, if any Medicaid proposals can make it through Congress

Timing

- Proposed Medicaid changes would not affect 2025 Medi-Cal rates or programs
 - Any changes would take effect in future years
- Congressional action expected mid-to-late 2025

What can we do?

- Staying connected
 - Coordinating with county leaders and board of supervisors
 - Leveraging relationships with state and national associations
 - Expanding the tent – identifying impacts of change
- Messaging to Congress
 - Through associations and partners
 - Elected officials representing San Mateo County
- Monitor developments in Congress

2025-26 California Budget

- January Budget
 - Budget is balanced
 - ~\$320 million surplus
 - Governor and Legislative Analyst’s Office (LAO) have signaled caution with spending
 - No new programs or spending
 - Picture may change over time, with the next update in the May Revise

Policy Outlook

- Medi-Cal coverage and benefits unchanged in 2025
 - Temporary eligibility flexibilities are expiring, which may result in more disenrollments from Medi-Cal statewide
- What we're watching for:
 - Congressional action on Medicaid, Medicare
 - California budget picture in May Revise
- Next Update:
 - Summer 2025

Questions?

MEMORANDUM

AGENDA ITEM: 6.0

DATE: February 12, 2025

DATE: February 5, 2025
TO: San Mateo Health Commission
FROM: Patrick Curran
RE: CEO Report – February 2025

Federal Government Actions

The new year has brought a flurry of activity at the federal level, with the new administration issuing many executive orders, some of which (such as the federal funding freeze for grantees) caused consternation among health plans, providers, and community partners about funding disruption. Though we quickly confirmed that our funding was not at risk, and the order rescinded, it represented what is likely to be more activity that we will need to pay attention to.

In an update to staff, I emphasized the following points:

1. Our funding is secure through our contracts with DHCS and CMS.
2. Our member information has always been and will continue to be confidential and only shared as allowed under HIPAA and other state and federal privacy laws.
3. San Mateo County has resources available to the public that offer background information and practical advice regarding immigration enforcement.
4. Our vision that *Healthy is for Everyone* is founded on the principles of health equity and access to care for everyone in our community, and we will continue to use that vision as the guiding light for our work.

BH Connect

Amid the transition of administrations at the federal level, the state received approval from CMS for its BH Connect program. This five-year waiver program is designed to increase access to and strengthen the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs. It includes components for workforce development, evidence-based practices, and children/youth initiatives. We do not have information about the timing and rollout of these programs, most of which will be implemented through San Mateo County Health's Behavioral Health and Recovery Services (BHRS). We will work closely with them to better understand the components of the program and how they may impact HPSM members.

Provider Investments

After the update to the Health Commission in January, our teams are hard at work to implement new provider rate changes over the next few months, as well as implement the new primary care grant program. We are also actively working with provider partners to develop innovative new capacity funding proposals, which we will bring to the Health Commission periodically.