



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

SUBJECT: MUNICIPAL HEALTH SERVICES
(MHSP) PROGRAM PROVIDER
AGREEMENT EXTENSIONS

DATE: 05-23-05

Approved

Date

6/1/05

Council District: Citywide

SNI Area: N/A

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute amendments to the provider agreements with Gardner Family Health Network, Inc. and the County of Santa Clara for participation in the San Jose Municipal Health Services Program, extending the term from its current end date of June 30, 2005 through June 30, 2008.

BACKGROUND

The San Jose Municipal Health Services Program (MHSP) was established in 1978 through a grant from the Robert Wood Johnson Foundation. The Health Care Financing Administration (currently called Centers for Medicare & Medicaid Services – CMS) later agreed to develop the MHSP Medicare Waiver Demonstration Project, which began on July 1, 1979. Congress has extended the project six times, including a recent two-year extension through December 31, 2006.

The MHSP program provides an expanded array of healthcare services to its clients, above and beyond those services provided under basic Medicare. To provide these services, the City contracts with public and community health clinics within San José. MHSP contracted providers are Santa Clara County Health and Hospital System, which operates the East Valley and Chaboya Health Centers (soon to be Valley Health Center at Tully), and Gardner Family Health Network, which provides services at the St. James and Gardner Health Centers.

The City of San José acts in an administrative role for the MHSP grant. All payments to provider and City expenses associated with this program are supported by revenue from CMS.

ANALYSIS

We are requesting that the City Council adopt a resolution authorizing the negotiation and execution of amendments to the provider agreements with Gardner Family Health Network, Inc. and the County of Santa Clara extending the term through June 30, 2008. The purpose of extending the term beyond the service termination date is to allow for submission of claims (under Medicare regulations providers have up to 12 months following services to submit billing) and other project closeout activities by MHSP providers.

COST IMPLICATIONS

The City's role in the Municipal Health Services Program is to administer a pass-through grant, and all funds to be paid out under this service provider contract are first received by the City as revenue. The original contract specifies in section 10D that payments be made only upon "receipt of funds" from our federal funders Centers for Medicare and Medicaid Services (CMS, formerly HCFA). For this reason the requested contract extension has no cost implication for the City.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No)
132	0091	Medicare Waiver Reimbursement	000346	\$5,888,600	\$5,888,600	XI - 61	5/24/05,

*As noted above in the "Cost Implications" section of this document, the City administers a pass-through grant for the MHSP program, and payments to service providers are contingent on the receipt of revenue from federal funders. Therefore no contract amount is specified in the agreement.

OUTCOMES

Extending the terms of these contracts will allow MHSP providers to continue to provide services to clients without interruption.

PUBLIC OUTREACH

Providers are designated by CMS.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, and City Manager's Budget Office.

CEQA

Not a project.



SARA L. HENSLEY
Director of Parks, Recreation and
Neighborhood Services