



Edwin M. Lee
Mayor

Barbara A. Garcia, MPA
Director of Health

TO: Angela Calvillo, Clerk of the Board of Supervisors

THROUGH: Barbara A. Garcia, MPA, Director of Health

THROUGH: Colleen Chawla, Director of Policy and Planning, Deputy Director of Health

FROM: Stella Cao, Director of Managed Care, Office of Managed Care

DATE: June 22, 2015

SUBJECT: Proposed Resolution for San Francisco Department of Public Health to Enter into Contract with the California Department of Health Care Services for Participation in the County Children's Health Initiative Program

The San Francisco Department of Public Health (DPH) is requesting approval enter into an agreement with the California Department of Health Care Services (DHCS) to participate in the County Children's Health Initiative Program (C-CHIP) to draw down federal matching funds for eligible Healthy Kids insurance program members. A signed agreement between DPH and DHCS is required to receive the federal matching funds, and to approve this agreement, DHCS requires a resolution by the Board of Supervisors.

Created as a result of passing Assembly Bill 495 in 2003 and authored by former Assemblyman Manny Diaz, the Children's Health Initiative Matching (CHIM) Fund provides the opportunity for continued operations of the Healthy Kids program by receiving federal matching funds. A contract between DPH and the Managed Risk Medical Insurance Board (MRMIB) was originally signed for San Francisco's C-CHIP participation in 2006, and up to December 31, 2014, the contract was renewed annually with amendments which extended the contract period for DPH to continue drawing down federal funds. On July 1, 2014, MRMIB ceased operations as a result of the Budget Act of 2014, and MRMIB programs such as C-CHIP were transitioned to DHCS. On March 4, 2015, DHCS proposed a six-month contract with DPH to cover the January 1, 2015 to June 30, 2015 time period and then will initiate a new contract with a start date of July 1, 2015 to align with the 2015-2016 fiscal year and future fiscal years.

In the original agreement with MRMIB, DPH was responsible for advancing 35% of the expected federal reimbursement amount in order to draw down the matching federal funds for Healthy Kids premiums. In this proposed agreement with DHCS, DHCS will advance 35% of the expected federal reimbursement amount instead. San Francisco is currently one of three counties participating in C-CHIP (along with San Mateo and Santa Clara).

For the proposed agreement period of January 1, 2015 to June 30, 2015, DHCS will expend funds to DPH for eligible Healthy Kids premiums in an amount of no more than \$397,405.00, as stated in the proposed agreement on the STD 213_DHCS form, provided to DPH by DHCS on March 4, 2015. In the 2014 calendar year, a net total of \$289,097.62 was received from federal funds.

In order to be eligible for this federal funding, the following criteria must be met of a Healthy Kids member:

- Documented U.S. citizen or Legal Permanent Resident
- Less than 19 years old
- Between 266% - 322% of the federal poverty line
- Resides in the City & County of San Francisco

Approximately 14% percent of the current Healthy Kids membership is eligible for San Francisco to draw down federal funding.

Continued operations of the Healthy Kids insurance program is crucial to the health of all children in San Francisco who do not qualify for other forms of health care coverage and is an example of DPH's mission to protect and promote health for all San Francisco residents. Continuing the relationship with the State to obtain federal funding helps to achieve this mission.