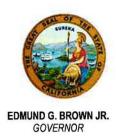


State of California—Health and Human Services Agency

Department of Health Care Services



April 4, 2012

Ms. Maya Altman Health Plan of San Mateo 701 Gateway Blvd., Suite 400 South San Francisco. CA 94080

Dear Ms. Altman, MAUA

We are pleased to inform you that the Health Plan of San Mateo has been selected to participate as an integrated health plan in California's proposed dual eligibles demonstration project. San Mateo County is one of four counties that will proceed under current state authority to implement the demonstration, pending federal approval. The department looks forward to working with you to achieve the goals of improved care coordination, better beneficiary health and a more efficient delivery system.

The Health Plan of San Mateo has a 25-year history of serving the county's most vulnerable seniors and people with disabilities, including dually eligible beneficiaries. In six years of coordinating Medicare benefits through its Dual Eligibles Special Needs Plan (D-SNP), enrollment has grown to 8,400 dual eligible members, almost 62 percent of the eligible population. These are clear indicators that Health Plan of San Mateo is a top choice for local beneficiaries and a top choice for integrating care under this new demonstration.

Your deep level of collaboration with county departments and the county health system is reflected across Health Plan of San Mateo's proposed model of care, from a new data-sharing platform to the composition of the interdisciplinary care teams. The review team was particularly encouraged by your inclusion of leaders from the county In-Home Supportive Services and health system at the in-person interview. Health Plan of San Mateo's level of infrastructure, preparation and collaboration make us confident that dual eligible beneficiaries in San Mateo County will benefit greatly under your implementation of this demonstration.

Recently, we announced a series of workgroups to support the development and implementation of the demonstration. We look forward to Health Plan of San Mateo being an active participant in these workgroups, as well as your ongoing engagement of local stakeholders to prepare for the launch of the demonstration.

This letter marks an important milestone in a process begun a year ago to develop this demonstration. Prior to the program beginning on January 1, 2013, the demonstration will require approval of various agreements and plans by the federal Centers for Medicare & Medicaid Services. In addition, your health plan will need to document having met stringent federal and state operational standards through various readiness review procedures. The Department of Health Care Services' Medi-Cal Managed Care Division will soon send you a letter that will help you continue preparing for the demonstration.

Congratulations on your work to date. We look forward to working with you in partnership on this important program to support California's dual eligible beneficiaries.

Sincerely,

JANE OGLE,

Deputy Director, Health Care Delivery Systems