

**THE SAN MATEO HEALTH COMMISSION
Regular Meeting
January 14, 2026 - 12:30 p.m. Pacific Time
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/3rFZHydatGw?feature=share>
Please note that while there is 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 Community Advisory Committee Minutes (draft) – October 15, 2025
 - 4.2 Approval of Advisory Group Membership for 2026
 - 4.3 Approval of San Mateo Health Commission Meeting Dates for 2026
 - 4.4 Approve Amendment to Agreement for printing and mailing services
 - 4.5 Approval of one-time capacity funds for SF Children's Dental*
 - 4.6 Approval of San Mateo Health Commission Meeting Minutes from December 10, 2025
- 5. Specific Discussion/Action Items**
 - 5.1 Election of Officers*
 - 5.2 Behavioral Health Therapy (BHT) Benefit Update
 - 5.3 2026 Health Policy Outlook
 - 5.4 501(c)(3) Update
- 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.

DRAFT

**HEALTH PLAN OF SAN MATEO
COMMUNITY ADVISORY COMMITTEE MEETING
Meeting Minutes
Wednesday, October 15, 2025
801 Gateway Blvd. - 1st Floor Boardroom
South San Francisco, CA 94080**

**Agenda Item: 4.1 Date:
January 14, 2026**

Committee Members Present: Angela Valdez, Ligia Andrade-Zuniga, Amira Elbeshbeshy, Jill Dawson, Kay Lee, Lizelle Lirio de Luna

Committee Members Absent: Kathryn Greis, Hazel Carillo, Ana Avendano Ed.D., Rob Fucilla,

Staff Present: Kiesha Williams, Greg Mays, Rustica Magat- Escandor, Mackenzie Moniz, Michelle Heryford, Veronica Alvarez, Talie Cloud, Joanne Qiao, Joy Deinla

1.0 Call to Order/Introductions: The meeting was called to order by Amira Elbeshbeshy at 12:00 pm, a quorum was met.

2.0 Public Comment: There was no public comment.

3.0 Approval of Meeting Minutes for July 16, 2025: The minutes for July 16, 2025, were approved as presented. **Williams / Andrade-Zuniga MSP**

4.0 Consent Agenda: The consent agenda was approved as presented. **Andrade-Zuniga / Williams MSP**

5.0 HPSM Operational Reports and Updates:

5.1 Leadership Report: Mackenzie Munoz reports:

- HPSM is closely tracking everything that is continuing to happen at the federal level, and it impacts statewide and locally. We have not yet seen decreases in membership but anticipate that we might in 2026. We will be presenting more formal updates at the Commission meeting in November and will bring them back to CAC in January.

5.2 Behavioral Health Service Structure: Joanne Chow and Mackenzie Munoz report:

- The structure of behavioral health services, outreach and education requirements, and gathered feedback from committee members including Joy Dienla and others on improving access, cultural competency, and messaging for mental health and BHT services, especially for AAPI and Black members.

- **Behavioral Health Service Structure:** Joanne Chow explained the Medi-Cal behavioral health system, detailing the roles of HPSM for non-specialty mental

health and BHT (including ABA for autism), and BHRS for specialty mental health and substance use disorder treatment. She described the referral and access processes for both BHT and mental health services, including the use of the Access Call Center and the involvement of clinical care managers in member matching.

- **Outreach and Education Plan Requirements:** Mackenzie outlined the DHCS-mandated outreach and education plan, emphasizing the need for multiple member contacts, cultural and linguistic appropriateness, and stigma reduction. The plan is reviewed annually and feedback from the committee and provider groups is sought to improve clarity and accessibility.
- **Feedback on Access and Cultural Competency:** Committee members shared that Black and AAPI members face barriers such as lack of culturally matched providers and stigma. Suggestions included increasing provider diversity, home visiting and field-based services, and leveraging trusted community leaders and primary care physicians to build trust and improve engagement.
- **Improving Messaging and Materials:** Members discussed the importance of clear marketing materials that highlight available benefits and services, with materials available in multiple languages. Suggestions included normalizing preventative mental health care and ensuring that information about benefits and access is widely distributed, including through community organizations and schools.
- **Clarification of Referral and Matching Processes:** Joy Deinla clarified that the Access Call Center is the first point of contact for mental health services, with HPSM handling non-specialty matching and BHRS handling specialty or SUD cases. The process for provider matching and follow-up was explained in response to member questions.

5.3 Population Needs Assessment/PHM, CHA/CHIP work: Talie Cloud reports:

- The 2025 Population Needs Assessment findings and 2026 action plan, highlighting demographic trends, health disparities, and priority intervention areas, and solicited feedback from the committee on strategies to address identified gaps, especially for subpopulations such as people with disabilities and older adults.
- **Assessment Process and Demographics:** Tailey described the annual process of conducting a population needs assessment, including data collection on demographics, program enrollment, chronic conditions, social determinants of health, and disparities. The 2025 membership was 150,534, with a growing Brazilian Portuguese-speaking subgroup and a predominantly Hispanic population.
- **Health Disparities and Priority Areas:** The assessment identified disparities in diabetes, hypertension, and cancer screening among Black members, lower primary care engagement among Brazilian Portuguese speakers, and lower engagement and chronic condition control among English speakers. Priority areas

- for intervention include perinatal health, child and youth well visits, adult preventive care, osteoporosis screening, and hypertension management.
- **Community Health Improvement Plan Collaboration:** Tailey reported on HPSM's participation in the county-wide Community Health Improvement Plan, focusing on access to care, mental health, and social determinants of health, and noted recent funding approval to support these initiatives.
- **Feedback on Accessibility and Older Adult Services:** Committee members highlighted persistent accessibility barriers for people with disabilities, especially for cancer screenings, and discussed the evolving needs of older adults, including the role of technology and the importance of in-person care for chronic disease management.

5.4 Health Policy Update: Joy Deinla reports:

- HPSM's guiding principles for navigating Medicaid coverage changes, focusing on long-term planning, transparent communication, and member privacy, and demonstrated new website resources and outreach strategies to keep members, especially immigrants, informed and supported.
 - **Long-Term Planning and Fiscal Strength:** Joy outlined HPSM's commitment to careful long-term planning and fiscal responsibility to ensure stable healthcare access, including investments in community health assessments, primary care, and provider network support.
 - **Transparent Communication and Privacy:** HPSM is enhancing member communications through updated privacy practices, community engagement strategies, and multilingual website resources. Joy emphasized that member data is not shared with immigration authorities and described efforts to inform members about their benefits and available support services.
 - **Support for Immigrant and Vulnerable Populations:** The website now features resources for immigrant families, including legal aid, telemedicine, and virtual dental care, with plans to expand language offerings and publicize these resources through community partners.
 - **Mission, Vision, and Advocacy:** Joy described ongoing advocacy efforts with legislators and the distribution of fact sheets highlighting HPSM's community impact, reaffirming the organization's commitment to its mission and values.

5.5 Grievance and Appeals Report: Greg Mays reports:

- The grievance and appeals analyst presented the Q3 report detailing membership trends, complaint rates, categories of grievances, and the appeals process, and answered questions about internal review procedures and follow-up with providers.
 - **Membership and Complaint Trends:** Membership slightly decreased in Q3, with Care Advantage having the highest volume of appeals and grievances. Medi-Cal complaints increased, with billing, customer service, and quality of care as the top categories.

- **Appeals Outcomes and Processes:** Greg reported on the number of medical and drug appeals, including the rates of overturns, withdrawals, and upholds. Most overturned appeals result from additional information provided during review by medical directors.
- **Provider Follow-Up Procedures:** In response to questions, Greg confirmed that providers are contacted for additional information even if members do not appeal, through a provider response request process, ensuring that cases are reviewed thoroughly before final decisions.

5.6 Provider Services Report: There was no Provider Services report for this meeting.

5.7 Member Services Report: Keisha Williams reports:

- An update on member services and call center operations, reporting on membership trends, call handling metrics, outreach activities, and upcoming improvements to call center technology and processes.
 - **Membership Trends and Terminations:** Medi-Cal enrollment declined by 2,856 members in Q3, with ongoing terminations primarily due to members moving out of county or not completing renewal packets. ACE membership also declined, while Healthworks and CCS remained stable.
 - **Call Center Performance and Staffing:** The call center answered 82% of incoming calls with a 5% abandonment rate and an average handle time of 6 minutes. The team includes 14 bilingual staff, with ongoing recruitment for Tagalog speakers and program specialists assisting with call volume.
 - **Outreach and Technology Initiatives:** Outreach efforts included over 1,000 new member welcome calls and pediatric HRAS outreach. Planned technology upgrades include workforce management, after-call surveys in multiple languages, and demographic pre-screening via IVR to streamline member identification.
 - **Tracking Redeterminations and Re-enrollments:** Keisha confirmed that the team tracks members lost due to redetermination and monitors how many are retroactively re-enrolled, coordinating with county efforts to reconnect members who lose coverage.

5.8 CareAdvantage Report: Rustica Magat- Escandor reports:

- The CareAdvantage Call Center Supervisor reported on Q3 membership, call center activity, benefit changes for 2026, and ongoing outreach and recruitment efforts, addressing questions about benefit reductions and retention.
 - **Membership and Enrollment Changes:** CareAdvantage membership increased by 2.4% to 8,433, with 246 new enrollments (208 new, 38 re-enrolled) and 201 disenrollments, mainly due to death, relocation, or plan changes. Default enrollment accounted for 30% of Q3 enrollments with a 79% retention rate.
 - **Call Center Operations and Top Call Reasons:** The call center received 6,008 calls in Q3, with transportation, billing inquiries, Part D benefits, Part C appeals, and

general benefit education as the top reasons for calls. Quality monitoring met the 95% goal.

- **Benefit Changes for 2026:** Effective January 1, 2026, the over-the-counter benefit allowance will decrease from \$95 to \$75 per quarter, and the healthy grocery benefit will decrease from \$70 to \$25 per quarter, with no carryover of unused funds. Members have been informed of these changes.
- **Outreach and Staffing Initiatives:** Ongoing retention outreach includes welcome calls and preventive care campaigns. Recruitment is underway for a bilingual CareAdvantage navigator and an enrollment/disenrollment specialist. An all-aboard CareAdvantage event is scheduled for October 25th.

5.9 2026 Meeting Dates

- Mackenzie reviewed proposed 2026 meeting dates, discussed the potential for virtual meetings pending Brown Act changes, and encouraged committee members to recruit new HPSM members to join the committee.
- **Meeting Scheduling and Recruitment:** The committee approved the 2026 meeting dates, which will remain on the third Wednesday of each quarter. The possibility of virtual meetings is being monitored, and members were encouraged to invite new participants, especially HPSM members, to future meetings.

6.0 New Business: There was no new business.

7.0 Adjournment: The meeting was adjourned at 1:11 pm by Amira Elbeshbeshy.

Respectfully submitted:

V. Alvarez

V. Alvarez

MEMORANDUM

AGENDA ITEM: 4.2

DATE: January 14, 2026

DATE: January 07, 2026

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer

RE: 2026 Membership - Commission Committees and Advisory Groups

The Commission approves the membership of its standing committees and advisory groups every year at this time. During the year, committee chairs fill vacancies with qualified individuals, and these appointments are confirmed annually by the Commission.

At the July 2023 Commission meeting, the Commission approved the restructuring of its standing committees to streamline committee oversight. The three remaining standing committees are:

- Finance/Compliance Committee
- Community Advisory Committee
- Quality Improvement and Health Equity Committee

Attached for the Commission's approval is a list of the Commission's current standing committees and advisory groups, including current membership and respective membership representation. Proposed changes have been indicated with strike-through for deletions and underlining for additions.

DRAFT

**RESOLUTION OF
THE SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF
COMMITTEE AND ADVISORY GROUP MEMBERSHIP
AND MEMBERSHIP REPRESENTATION FOR 2026**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission has previously established various committees and advisory groups to carry out its business, and appointed members to these committees and groups; and
- B. Membership and representation of these committees is approved annually by the Commission.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves the attached list of committees, committee members, and their respective membership representation for its standing committees for 2026.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January 2026 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

SAN MATEO HEALTH COMMISSION
COMMITTEES/ADVISORY GROUPS
Member and Committee Representation List 2025

COMMITTEE OR GROUP **MEMBERSHIP REPRESENTATION**

Finance/Compliance Committee (5) Staff: CFO/CEO

Meets as Scheduled

Si France, M.D.	-	Commissioner
George Pern Manuel Santamaria	-	Commissioner
Michael Callagy	-	Commissioner
Bill Graham	-	Commissioner
Barbara Miao Shabnam Gaskari	-	Commissioner

Community Advisory Committee (13) Staff:

Meets Quarterly

Ligia Andrade Zuniga	-	HPSM Commissioner
Vacant	-	HPSM Member or Consumer Advocate
Vacant	-	HPSM Member or Consumer Advocate
Mary Pappas (Commission on Aging) Kay Lee	-	HPSM Member or Consumer Advocate
Eynthia Pascual (Member) Giselle Espinoza (Member)	-	HPSM Member or Consumer Advocate
Vacant	-	HPSM Member or Consumer Advocate
Hazel Carrillo (Member)	-	HPSM Member or Consumer Advocate
Rob Fucilla	-	HPSM Member or Consumer Advocate
Ana Avendano	-	HPSM Member or Consumer Advocate
Angela Valdez	-	HPSM Member or Consumer Advocate
Amira Elbeshbeshy/Katherine Greis, Chair	-	Human Services Agency, County of San Mateo
Ricky Kot Jill Dawson	-	Legal Aid Society Representative
Marmi Bermudez Lizelle Lirio De Luna	-	Aging & Adult Services, County of San Mateo

Director of Population Health

-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	HPSM Member or Consumer Advocate
-	Human Services Agency, County of San Mateo
-	Legal Aid Society Representative
-	Aging & Adult Services, County of San Mateo
-	Health System HCU, County of San Mateo

Quality Improvement & Health Equity Committee (QIHEC) (9)

Staff: Director of Quality Improvement

Meets Quarterly

Kenneth Tai, M.D.	-	Commissioner (Physician)
Jeanette Aviles, M.D.	-	Commissioner/Physician Member (SMMC-Internal Medicine)
Alpa Sanghavi, M.D.	-	Physician Member (SMMC Chief of Quality & Patient Experience)
Jaime Chavarria, M.D.	-	Physician Member (PCP – Family Medicine)
Maria Osmena, M.D.	-	Physician Member (PCP – Pediatrics)
Curtis Chan, M.D.	-	Physician Member (SMC Deputy Health Officer)
Nazleen Bharmal, MD	-	Physician Member (Primary Care and Population Health)
Vacant	-	Specialist
Vacant	-	Pharmacist

(Italics indicates additional information on committee member)

AGENDA ITEM: 4.3

DATE: January 14, 2026

MEMORANDUM

DATE: January 07, 2026

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer

RE: Commission Meeting Schedule for 2026

The San Mateo Health Commission meetings are held on the 2nd Wednesday of the month at 12:30 p.m. The meetings will be held at the Health Plan of San Mateo, 801 Gateway Blvd., 1st Floor Boardroom, South San Francisco. Below are the meeting dates planned for 2026, unless notified otherwise.

Please note there will be no meeting scheduled for the month of April 2026:

January 14, 2026

February 11, 2026

March 11, 2026

May 13, 2026

June 10, 2026

July 8, 2026

August 12, 2026

September 9, 2026

October 14, 2026

November 11, 2026

December 9, 2026

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF SAN MATEO HEALTH COMMISSION
MEETING DATES FOR 2026**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission meets on the 2nd Wednesday of the month eleven times a year at 12:30 p.m.; and
- B. The Commission wishes to adopt a schedule for 2026 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 April 2026.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January, 2026 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: 4.4****DATE: January 14, 2026****DATE:** January 07, 2026**TO:** San Mateo Health Commission**FROM:** Pat Curran, Chief Executive Officer
Trent Ehrgood, Chief Financial Officer
Oz Bubakar, Facilities Manager**RE:** Approval of Amendments to the Agreements with Print and Mailing Services Vendors**Recommendation**

Approve a waiver of the request for proposal (RFP) process and authorize the Chief Executive Officer to execute amendments to the agreements with our print and mailing vendor, Lahlouh, Inc., Folger Graphics, Inc. and Clarity Software Solutions, LLC. The total print and mailing budget to be allocated among the vendors is for a not to exceed amount of \$1,500,000 annually.

Background and Discussion

HPSM performs a large volume of print and mailing services to meet State and the Centers for Medicare and Medicaid Services (CMS) requirements for printed hard copies of important informing materials to be mailed to the Plan's 160,000 members and more than 900 providers.

HPSM handles the printing, packaging and mailing of materials through a combination of internal staff resources and contracted vendors. Many years ago, HPSM invested in a small number of large, high-volume printers to handle print jobs that are more efficiently done internally, especially simple letter notices about key program changes. HPSM Administrative staff print and process these materials.

HPSM has been using multiple print and mailing vendors allowing more flexibility to choose the vendor that best fits timeline and delivery requirements as well as cost considerations. This approach also permits HPSM to obtain competitive pricing for certain print jobs. In 2020, the Commission approved \$1,737,400 for printing services provided by FolgerGraphics, Inc., KP LLC and Clarity which was identified through an RFP.

Last year, HPSM conducted an RFQ process specifically for mailing and printing and Lahlouh, Inc. was selected to be added to our pool of our print and mailing vendors.

Due to new programs including Cal-AIM, Dental, Pharmacy and D-SNP, as well as some unexpected mailing mandates from the State, the cost of contracted printing increased significantly. While departments actively worked together to anticipate these costs to HPSM, the costs were much higher than anticipated. We are asking the Commission to approve an agreement with Lahlouh, Inc and amendments to the current agreements for Folger Graphics, Inc. and Clarity Software Solutions, Inc.

Fiscal Impact

We are estimating the 2026 expenditures with vendors for print, processing and postage were requested to be budgeted for \$1,500,000. The amendments to the agreement will be with Clarity Software Solutions, Inc., FolgerGraphics, Inc. and Lahlouh, Inc. collectively for the term January 1, 2026 through December 31, 2026.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF APPROVAL OF AMENDMENTS TO
AGREEMENTS FOR PRINT AND MAILING VENDORS:
LAHLOUH, INC., FOLGER GRAPHICS, INC. AND
CLARITY SOFTWARE SOLUTIONS, LLC.**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. HPSM does a large volume of print and mailing services to meet requirements from the State and the Centers for Medicare and Medicaid Services (CMS) to mail printed hard copies of important informing materials to members and providers; and
- B. Multiple print and mailing vendors give HPSM more flexibility to choose the vendor that best fits timeline and delivery requirements as well as cost considerations, and allows HPSM to obtain competitive pricing for certain print jobs; and
- C. HPSM has been using FolgerGraphics Inc. and Clarity Software Solutions, LLC, for these services and has identified Lahlouh, Inc. last year through an RFQ process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves amendments to the agreements with Lahlouh Inc., Clarity Software Solutions, LLC and FolgerGraphics, Inc. for an allocated amount of \$1,500,000 for the term January 1, 2026 through December 31, 2026; and
2. Authorizes the Chief Executive Officer to execute said amendments.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Chairperson

ATTEST:

APPROVED AS TO FORM:

BY: _____

M. Heryford, Clerk

Kristina Paszek

DEPUTY COUNTY COUNSEL

MEMORANDUM

AGENDA ITEM: 4.5
DATE: January 14, 2026

DATE: January 07, 2026

TO: San Mateo Health Commission

FROM: Chris Esguerra MD, Chief Medical Officer
Carolyn Brown DDS, Dental Director

RE: Approval of one-time capacity funds in the amount of \$130,000 funding HPSM contracted provider, SF Children's Dental.

Recommendation:

Authorize the Chief Executive Offer to provide one-time capacity funding to the following HPSM participating providers: SF Children's Dental in the amount of \$130,000.

Background:

HPSM continues to grow and expand its dental network. One identified need is pediatric dentistry and specifically pediatric dentistry that has in-office sedation capabilities.

Discussion:

HPSM staff has identified and has been working with SF Children's Dental, whose office is in San Francisco. They have been a strong partner in seeing our members and providing timely access. They have opened an office in Redwood City with the goal of serving HPSM members in the community, reducing travel times. Their expansion and focus on HPSM members in Redwood City will result in:

- Three (and growing) dental providers
- A wide range of pediatric dentistry services that include in-office sedation

They expect to see around 3,800 HPSM members as patients a year.

Fiscal Impact:

The total fiscal impact is \$130,000 of one-time capacity funds to be leveraged from the SMHC approved Provider Investment Fund.

DRAFT

**RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION**

IN THE MATTER OF

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission at its January 08, 2025, meeting approved criteria for provider investments; and
- B. Investing in its provider network is critical for HPSM to maintain a stable provider network and attain the goals it established in its 2024-28 Strategic Plan; and
- C. These proposed investments meet the criteria of provider investments and increase access to care for HPSM members.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission authorizes the Chief Executive Officer to enter into agreement with SF Children's Dental for \$130,000 from the Provider Investment Fund.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January, 2026, 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

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
December 10, 2025 – 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.6

DATE: January 14, 2026

Commissioners' Present: Jeanette Aviles, M.D. Kenneth Tai, M.D.
Raymond Mueller Manny Santamaria, Vice-Chair
Michael Callagy Jackie Speier
Shabnam Gaskari Bill Graham, Chair

Commissioners' Absent: Amira Elbeshbeshy
Si France, M.D.
Ligia Andrade Zuniga

Counsel: Kristina Paszek

Staff Presenting: Trent Ehrgood, Pat Curran

1. Call to order/roll call

The meeting was called to order at 12:34 p.m. by Commissioner Graham, Chair. A quorum was present.

2. Public Comment

There were no public comments.

3. Approval of Agenda: The agenda was approved as presented. Motion: Speier (Second: Aviles) **M/S/P.**

4. Consent Agenda: The consent agenda was approved as presented. Motion: Callagy (Second: Santamaria) **M/S/P.**

5. Specific Discussion/Action Items:

5.1 Appreciation for Jeanette Aviles, M.D., SMHC Commissioner: Pat Curran, HPSM CEO, reminded the group that this was Commissioner Aviles' last meeting. She has completed her term and will be replaced by another physician from the San Mateo Medical Center (SMMC). He thanked her for her service and conveyed his appreciation for her work as a physician and for her leadership in ensuring a safety net, especially in primary care. Dr. Aviles expressed her appreciation, noting that she enjoyed her time on the commission and the ability to see the bigger picture through the lens of the health plan. She has been happy to add her support. Commissioner Graham thanked her for her input and feedback noting the importance of the Provider voice which is central and critical to the importance and impact of the delivery of

services. Dr. Tai said that she will be greatly missed. He expressed his gratitude for welcoming him and showing him the ropes when he first started on the Commission. He admitted he still looks to her for advice and best practices because of her wealth of knowledge. Commissioner Callagy thanked her for being such a steady hand on the commission for such a long time. He has always admired her passion and clear thinking and noted how she always keeps the most vulnerable in her thoughts. He expressed his appreciation remarking that she left an incredible mark on the commission and on the community.

5.2 Approval of 2026 HPSM Budget: Trent Ehrgood, HPSM CFO provided a presentation of the proposed budget for 2026. HPSM has benefited from several years of larger than normal surpluses, over \$120M in 2022 and 2023 and \$60M in 2024. 2025 is currently projected to have a net loss of around \$7.5M. HPSM is projecting an overall loss of \$22M in 2026. However, at an operation level the projected loss is \$57M, which is offset by non-operating revenue of \$35M, most of which comes from earnings on cash reserves. Funding for the Medi-Cal line of business (LOB) is much tighter, however, some of this is due to HPSMs decision to self-fund provider rate increases and capacity building grants over a three-year period. Reduced Federal funding to Medicaid will require states to make up the difference, which will force them to consider reduced enrollment or reduced benefits to Medi-Cal. Funding for the Medicare LOB (D-SNP) is also tighter as the Centers for Medicare and Medicaid Services (CMS) have continued to make changes to Medicare Advantage (MA) plans that affect HPSMs revenue through risk adjustment and Part-D financing. The demands of managed care plans continue to increase, including administration of new benefits and increased reporting to regulators.

Mr. Ehrgood walked the group through each line of the proposed 2026 budget. Revenue is projected to be \$1.169B for all LOB. Healthcare costs are expected to be \$1.057B. There are \$88M in administrative expenses, and \$80M for the MCO tax. He noted that the MCO tax is a zero-sum game, the \$1.1B in revenue includes funding to offset that expense. The net loss from operations comes to \$57M, which reflects normal core operations. But there is also non-operating revenue which has three parts. Interest income earned from cash reserves which is estimated to be \$33M, rental income at \$1.3M and \$453K from third-party administrator (TPA) fees. The TPA fees are paid by the County to administer the ACE program. That reduces the loss to a net of \$22M.

There was a question about the \$15M in transportation costs. Mr. Ehrgood explained that it represents the non-medical transportation benefit, often provided through Uber or Lyft by HPSMs transportation vendor. It enables members to get rides to appointments or to the pharmacy. This statewide benefit has been growing rapidly. So much so that it was speculated that members were abusing it for things other than what it was designed for. HPSM has been working with DHCS to make sure they have tools in place to better manage

this benefit. Now trips must be requested two days in advance and members must state where they are going, which is then checked. The strategy has worked; the requests and costs have decreased considerably. It was noted that SamTrans offers the same service, with no requirement that they be on Medi-Cal. Mr. Ehrgood said HPSM is considering providing monthly bus passes instead of using Uber or Lyft.

There was a question about the MCO tax. Mr. Ehrgood reiterated that the Medi-Cal rates include funding to reimburse HPSM for the medical benefits for that tax. Though he warned that the federal government is planning to create restrictions around how states use the MCO tax or any kind of provider tax to raise funds for the non-federal share. Mr. Curran stated that these funds ultimately go out to providers so any changes will be significant. There will be further discussion about this at the January meeting.

Mr. Ehrgood reminded the committee that the bottom line would be positive if not for of the \$31M in provider rate increases that is coming from the strategic reserves. \$28M are related to provider rate increases and \$3M is slated for capacity building and the Baby Bonus program. These items have been going into effect in phases; the first phase occurred in April of 2025. He compared the 2026 budget to years prior, adding context to the surplus in 2024 compared to the loss in 2025 and the projected loss in 2026. 2025 reflects the provider rate increases but not the full value, 2026 has a full year's worth impacting it.

Mr. Ehrgood also went over the program that the Department of Health Care Services (DHCS) has implemented for three years where they incentivize health plans to perform in areas which focus mainly on behavioral health and capacity building around enhanced care management (ECM) and community supports (CS). It also included some housing related items. It states that if you do well in these areas you will be able to earn additional funding. HPSM earned approximately \$30M between 2022-2024.

He also spoke about the risk corridor. This helps the State to protect itself in case they did not properly estimate funding. This guardrail ensures that if a plan gets more than they need, they give it back. If it is not enough, they will get more. HPSM received more than needed for the ECM and had to give some back. HPSM also had to return monies for the Unsatisfactory Immigrant Status (UIS) member risk corridor.

Mr. Ehrgood highlighted the quality withhold; it started in 2024 for Medi-Cal. They take a percentage of the plan premiums and hold it; the plan must then earn it back through quality metrics. In 2024 the withhold was .5 percent of the Medi-Cal revenue, which came to about \$3M. In 2025 it went up to a whole percent. The plan was for it to grow each year, possibly getting as high as 3 percent. It stayed at 1 percent for 2025 and 2026, the reduction in revenue is about \$7M. There will be favorable adjustments for 2024 and 2025 to record the

amount earned, which will improve the year that it applies to.

Mr. Ehrgood spoke about community reinvestment, which started in 2024. It states that if a health plan has a surplus in its Medi-Cal LOB they are required to use 5% of that to reinvest in the community. HPSM's Medi-Cal line made a profit in 2024 and is required to reinvest \$3.3M. There is no profit expected for 2025 or 2026.

Changes for 2026 include an enrollment freeze on the UIS adult population in January, a reinstatement of the asset limit in January, and an elimination of the prospective payment system (PPS) for Federally Qualified Health Centers (FQHC) visits provided to UIS members in July. While the latter will not impact the plan it will impact FQHC clinics and providers. Also on the chopping block is the dental benefit for UIS adult members starting on July 1st. These are all factored in the budget.

Budget assumptions for membership include a projected decline in Med-Cal. A small decline in the SIS membership due to the asset limit and a larger decline in UIS membership due to the enrollment freeze and asset limit. CareAdvantage (CA) membership is projected to have similar trends in 2026 as they did in 2025. Healthworx is expected to remain steady at approximately 1,300 members. ACE membership is expected to grow in 2026 due to a portion of the UIS population losing coverage under Medi-Cal.

Mr. Ehrgood reviewed budget assumptions for revenue and health care costs as well as administrative costs and provided a budget summary by LOB. Lastly, he went over projected tangible new equity (TNE), otherwise known as the reserves, providing details and changes in the uncommitted and committed reserves. He asked the Commission to recommend approval of the 2026 budget with a projected loss of \$22.3M.

Commissioner Gaskari moved to approve the 2026 HPSM budget. (Second: Aviles) **MSP**

6. Report from Chief Executive Officer: There was no verbal report for December.

7. Other Business: There was no other business.

8. Adjournment: The meeting was adjourned at 1:51 pm by Commissioner Graham.

Submitted by:

M. Heryford

M. Heryford, Clerk of the Commission

2026 Operating Budget

HPSM Commission
December 10, 2025



Financial Summary and Outlook for 2026



- HPSM has benefited from several years with larger than normal surpluses. 2022 and 2023 were over \$120M each, and 2024 was \$60M. 2025 is currently projected to have a net loss of around \$7.5M. These are restated values (reclassing prior year adjustments).
- For 2026, HPSM is projecting an overall loss of \$22M. However, at an operating level, we are projecting a loss of \$57M, which is offset by non-operating revenue of \$35M, mostly earnings on cash reserves.
- Funding for the Medi-Cal line-of-business is much tighter as seen with the progressively lower financial performance, however some of this is due to HPSM's decision to self fund provider rate increases and capacity building grants over a three-year period (strategic use of reserves).

Financial Summary and Outlook for 2026

continued . . .



- Reduced Federal funding to Medicaid will require States to scramble to make up the difference, which in turn will force States to consider reduced enrollment or reduced benefits to Medi-Cal.
- Funding for the Medicare line-of-business (D-SNP) is also much tighter, as CMS has pushed more risk on Medicare Advantage (MA) Plans through risk adjustment and Part-D financing. Most MA Plans are finding it increasingly difficult to produce a profit with the Medicare Advantage model.
- The demands of Managed Care Plans continue to increase, including administration of new benefits and increased reporting to regulators.

Proposed 2026 Budget



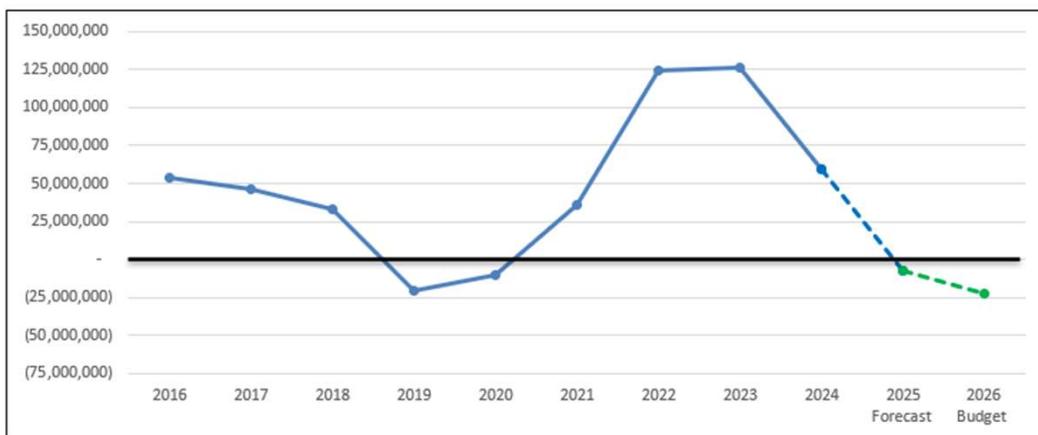
OPERATING REVENUES:	
Capitation & Premium Revenue (net)	1,169,606,990
HEALTH CARE EXPENSE:	
Inpatient Services	204,393,680
Outpatient/Professional	405,247,175
SNF/LTC	188,651,372
Pharmacy	74,995,280
Directed Payments	43,809,104
Dental	58,496,939
ECM, CS, CBAS	22,354,502
UMQA	27,037,261
Provider Incentives	16,888,000
Transportation/Other	15,809,955
Total Health Care Expenses	1,057,683,268
ADMINISTRATIVE EXPENSES	
MCO Tax	88,557,379
	80,497,644
Net Income/(Loss) from Operations	(57,131,301)
NON-OPERATING REVENUE:	
Interest	33,000,000
Rental Income	1,302,837
TPA Fees	453,672
Net Non-Operating Revenue	34,756,509
PROJECTED INCOME/(LOSS)	\$ (22,374,791)

2026 Budget and Prior Year Compare



	2024 Actual	2025 Forecast	2026 Budget
Revenue adjustments			
OPERATING REVENUES:			
Capitation & Premium Revenue	\$ 1,183,974,643	\$1,206,779,458	\$1,170,957,528
Medi-Cal Incentive Revenue	11,432,374	-	-
Medi-Cal ECM Risk Corridor	(7,650,733)	(7,499,274)	(1,350,538)
Medi-Cal UIS Risk Corridor	(46,300,000)	(26,100,000)	-
Total Operating Revenue	1,141,456,284	1,173,180,184	1,169,606,990
HEALTH CARE EXPENSE:			
Inpatient Services	193,802,723	206,943,818	204,393,680
Outpatient/Professional	355,550,980	401,640,301	405,247,175
SNF/LTC	163,950,783	182,444,022	188,651,372
Pharmacy	65,124,458	70,613,212	74,995,280
Directed Payments	80,089,216	52,433,930	43,809,104
Dental	38,459,436	60,402,785	58,496,939
ECM, CS, CBAS	17,202,842	20,875,403	22,354,502
UMQA	22,438,418	26,307,413	27,037,261
Provider Incentives	19,561,926	15,444,000	16,888,000
Transportation/Other	13,008,486	20,892,397	15,809,955
Other Provider HC (Grants)	2,117,137	2,280,780	-
Total Health Care Expenses	971,286,403	1,060,278,061	1,057,683,268
ADMINISTRATIVE EXPENSES	69,038,858	76,458,720	88,557,379
MCO Tax	78,954,196	81,773,865	80,497,644
Net Income/(Loss) from Operations	22,176,826	(45,330,461)	(57,131,301)
NON-OPERATING REVENUE:			
Interest	39,508,470	36,276,940	33,000,000
Rental Income	1,160,105	1,263,194	1,302,837
TPA Fees	255,000	255,000	453,672
Community Reinvestment Exp	(3,350,000)	-	-
Net Non-Operating Revenue	37,573,575	37,795,134	34,756,509
PROJECTED INCOME/(LOSS)	\$ 59,750,401	\$ (7,535,327)	\$ (22,374,791)

Historical Net Income/(Loss) Ten-year trend – Restated w/ 2026 budget



State Budget Provisions (2025-26)

[from Commission meeting Nov 12, 2025]



Items taken into consideration with the 2026 budget

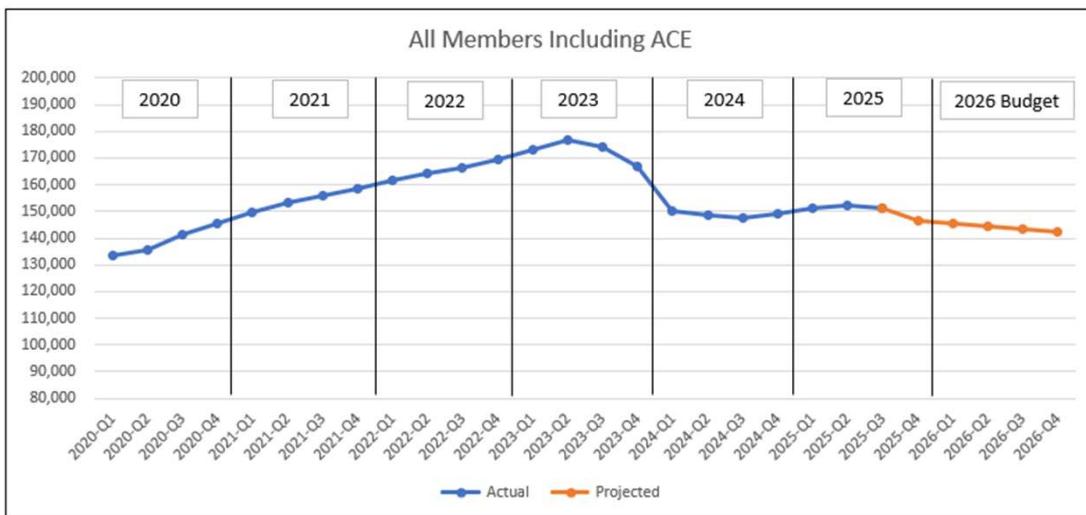
- **Freeze on new enrollment for UIS Adults (1/1/26)**
(assumed monthly decrease in UIS enrollment)
- **Reinstatement of Medi-Cal Asset Test (1/1/26)**
(assumed monthly decrease in SIS and UIS enrollment)
- **Elimination of FQHC PPS rate for UIS Adults (7/1/26)**
(no impact to HPSM, but impacts FQHC overall reimbursement)
- **Elimination of Adult Dental for UIS Adults (7/1/26)**
(ended UIS adult dental for second half of year)
- **Elimination of Supplemental Dental Payments (7/1/26)**
(ended Prop56 Dental for second half of year – passthrough for HPSM; impacts dental provider reimbursement)

Budget Assumptions - Membership

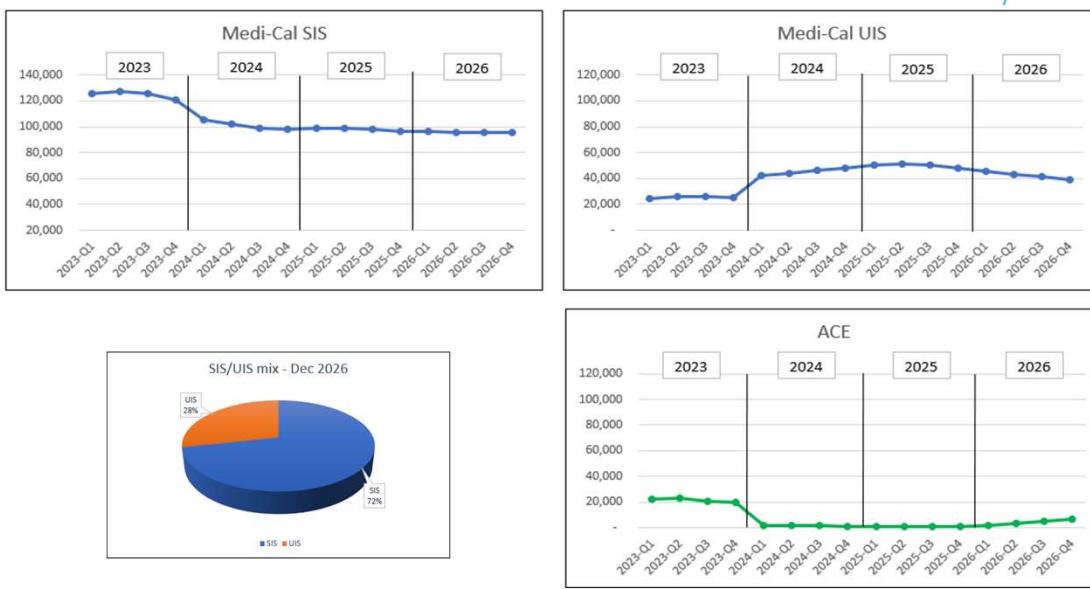


- Medi-Cal membership is projected to decline through 2026. The following assumptions were used:
 - Small decline to SIS membership due to reinstatement of asset limit. Projecting decrease of around 3% of the Adult/SPD population.
 - Larger decline to UIS membership due to adult enrollment freeze and asset limit. Projecting decrease of around 20% of the Adult UIS population. Also, assuming about 10% decrease in Child UIS enrollment.
- CareAdvantage membership is projected to have similar trends in 2026 as experienced in 2025, which includes a bump at the beginning of the year from open enrollment, with small growth throughout the year due to default enrollment and the DHCS Medicare buy-in effort.
- HealthWorx membership is expected to remain steady at approximately 1,300 members.
- ACE membership is expected to grow in 2026 due to a portion of the UIS population losing coverage under Medi-Cal and some individuals potentially re-enrolling in the ACE program.

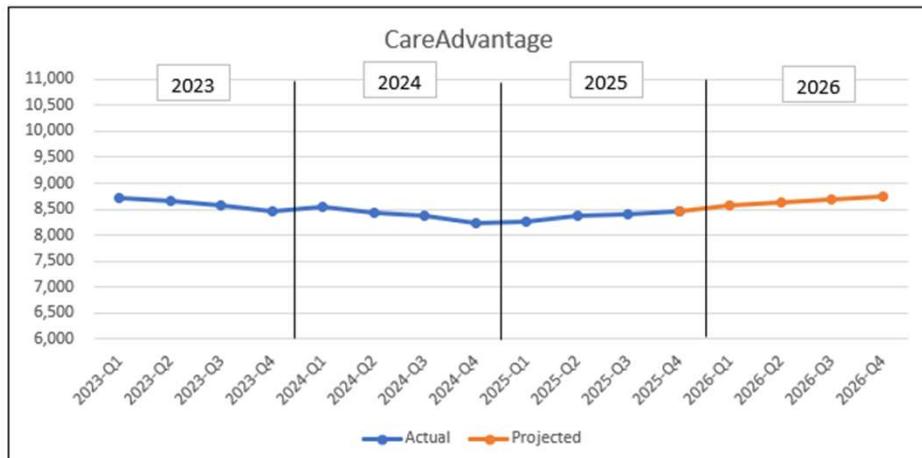
Membership Trends 2020-2026



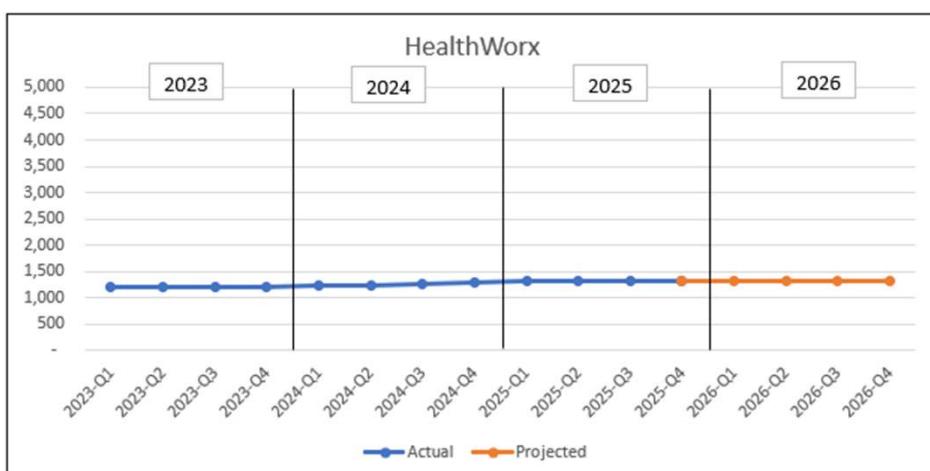
Medi-Cal Membership – SIS/UIS/ACE



CareAdvantage Membership



HealthWorx Membership

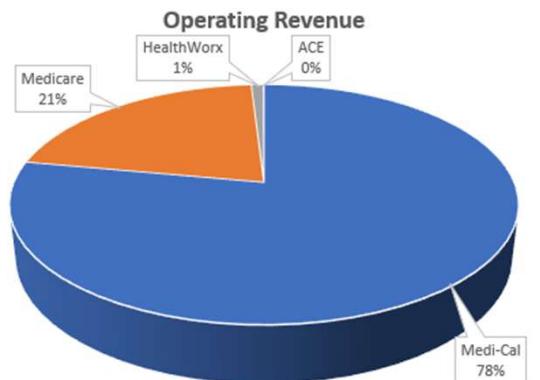
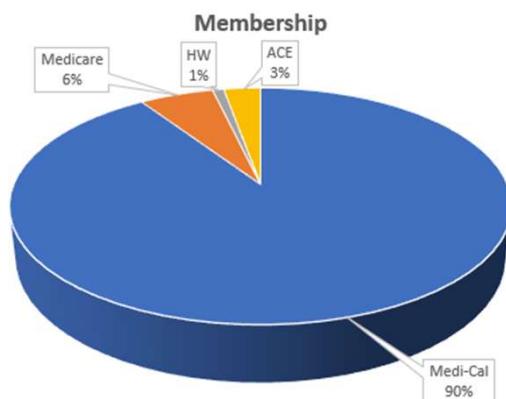


Budget Assumptions - Revenue



- Medi-Cal revenue is based on final prospective 2026 rates received in November. Overall, base rates increased by a small amount (only .1%) from 2025 (blended SIS and UIS). Separately, SIS rates increased by 4.3% and UIS rates decreased by 10.0%. The 2025 UIS risk corridor will result in a return of premium, so a decrease to UIS in 2026 was expected.
- CareAdvantage revenue is estimated using rates derived from the 2026 bid process and adjusted for projected risk adjustment. The D-SNP is no longer considered a new plan in 2026 and will not benefit from the 3.5% bonus given to new plans.
- HealthWorx revenue is negotiated with the County and provides coverage to IHSS workers. The premium for 2026 will increase by 15% to better align with increased healthcare cost.
- HPSM continues to benefit from higher interest rates, resulting in higher earnings on cash reserves. The budget assumes interest rates will start to decrease a little, so slightly lower interest income is projected in 2026 compared to 2025.

Budget Membership and Revenue by Source



- Medi-Cal
- Medicare
- HealthWorx
- ACE

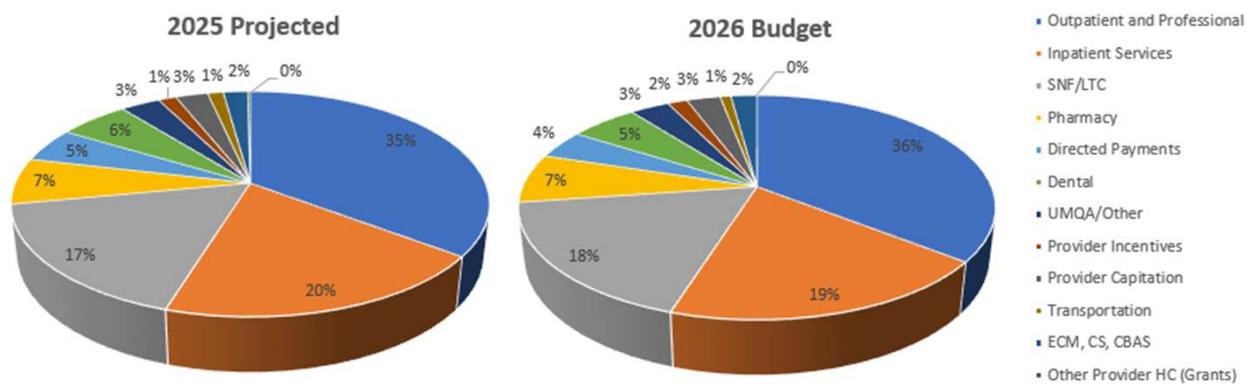
2026 Budget Operating Revenue: \$1,170M

Budget Assumptions – Health Care Cost



- Healthcare cost projections includes modest increases for trend purposes (rate/utilization), and additional increases (or decreases) in certain areas based on known contractual changes or where utilization is expected to be different.
- The provider rate increase initiative approved by the Commission is still being rolled out. The Commission approved investing \$100M of reserves over three years (\$33M per year). The 2026 healthcare cost budget includes the portions rolled out during 2025.
- The Commission also approved \$30M in capacity building grants to primary care. This is being rolled out over time as well. The 2026 budget does not include any PCP grant cost, so this will be tracked separately as it occurs, and will still flow through HPSM's financial statements.

Healthcare Cost by Expense Category



2026 Total Medical Expenses: \$1,058M including UM/QA

Budget Assumptions – Admin Cost



- Administrative cost projections are created in detail, including salary/benefit cost by position.
- Staffing levels are intentionally remaining flat with no new positions budgeted for 2026, except for two more Community Health Workers (CHWs) that are part of the Baby Bonus initiative, which has separate approved funding.
- Admin Cost is projected to be approximately 8.1% of total operating revenue, with the following variation by line-of-business: Medi-Cal 7.3%; CareAdvantage 10.0%; HealthWorx 11.7%.

Administrative Budget 2025 Budget to 2026 Budget Comparison



Expense Category	2025 Budget	2026 Budget	Change	% Chng.	2026 % of Total
Salaries, Benefits, Training, Travel	68,296,505	72,644,350	4,347,845	6.4%	63%
Consulting & Outside Services	19,312,400	20,896,400	1,584,000	8.2%	18%
Computer Maintenance & Support	7,864,900	8,520,000	655,100	8.3%	7%
Occupancy, Deprec. & Amort.	4,176,100	4,231,300	55,200	1.3%	4%
Postage, Delivery & Printing	2,758,100	2,658,500	(99,600)	-3.6%	2%
Office Expenses	2,595,200	2,405,220	(189,980)	-7.3%	2%
Other Admin Expenses	2,714,425	2,872,870	158,445	5.8%	2%
Strategic Investments	-	1,366,000	1,366,000	0.0%	1%
Sub-Total	107,717,630	115,594,640	7,877,010	7.3%	100%
UM/QA Allocation (to HC Cost)	(26,318,606)	(27,037,261)	(718,655)	2.7%	
Total Admin Expense	81,399,024	88,557,379	7,158,355	8.8%	
FTE's	431	433	2	0.5%	

2026 Budget Summary by LOB



	CareAdvantage			HPSM		Total
	Medi-Cal	(D-SNP)	HealthWorx	ACE	Non-Op *	
Operating Revenue	\$910,878 K	\$247,848 K	\$10,881 K			\$1,169,607 K
Health Care Expense	\$790,010 K	\$256,653 K	\$11,020 K			\$1,057,683 K
Admin	\$60,716 K	\$24,758 K	\$1,273 K	\$445 K	\$1,366 K	\$88,557 K
MCO Tax	\$80,498 K	\$0 K	\$0 K			\$80,498 K
Other Income				\$454 K	\$34,303 K	\$34,757 K
Net Profit/(Loss)	(\$20,345 K)	(\$33,563 K)	(\$1,412 K)	\$9 K	\$32,937 K	(\$22,375 K)

MLR	95.1%	103.6%	101.3%		97.1%
Average Membership	137,914	8,650	1,315	4,298	281,642
Revenue PMPM	\$550.39	\$2,387.74	\$689.55	\$8.80	

* Interest Income, Rent Income, and Strategic Investments

Profit Margin Summary:

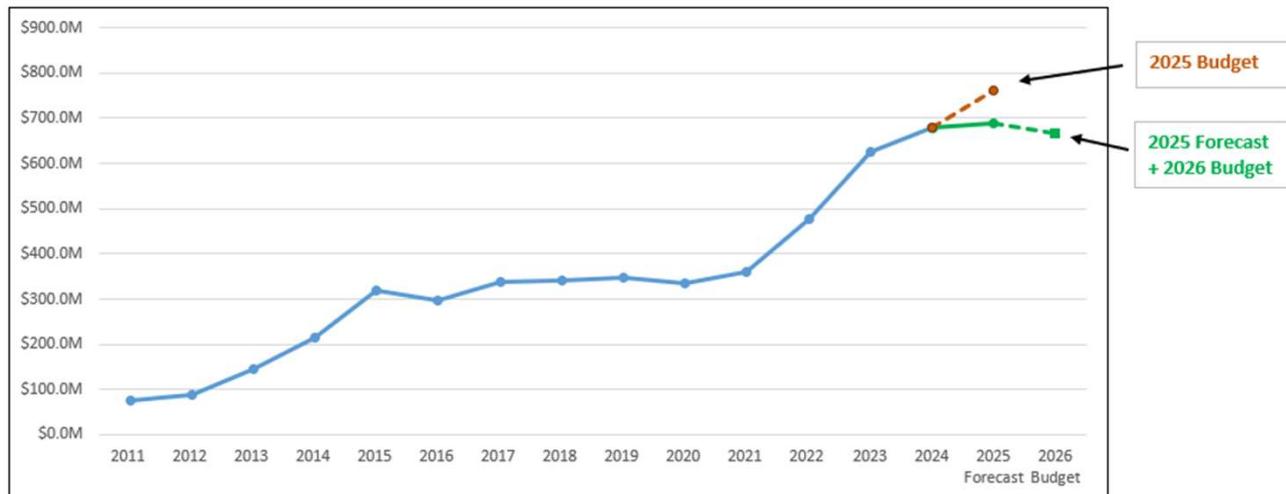
Medi-Cal	-2.5%
Medicare	-13.5%
HealthWorx	-13.0%
Consolidated	-2.1%

ACE



- Third Party Agreement (TPA) with San Mateo County.
- Historical membership was around 26K, mostly undocumented immigrants. In May of 2022 approximately 6K members aged 50 and over became eligible for Medi-Cal; and then in January of 2024, members aged 26 through 49 also became eligible for Medi-Cal. Current enrollment is around 830 but is expected to grow in 2026.
- The TPA fee is \$8.50 PMPM, with a minimum fee of \$255K per year when enrollment drop below a certain level.

Projected Tangible Net Equity (TNE)

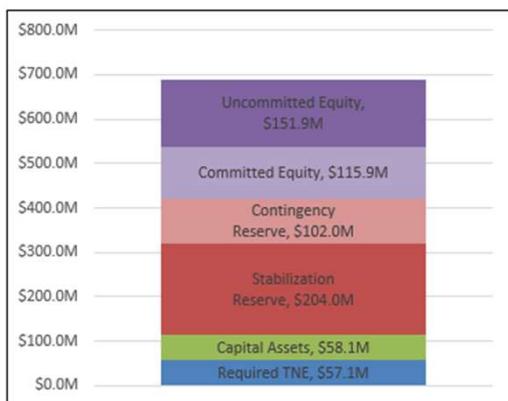


- This illustration is prior to any investments from strategic use of reserves in 2026.

Projected Tangible Net Equity (TNE)



Projected TNE at 12/31/25: \$689.0M



Projected TNE at 12/31/26: \$666.7M



Total TNE - \$22.3M
Uncommitted + \$8.7M
Committed - \$31.0M

Questions?



Voting Item:

Recommend approval of the 2026 budget with a projected loss of \$22.3M.

The budget includes approximately \$31M in expenses related to strategic use of reserves, including provider rate increases already set in motion, certain committed portions of capacity building cost and some cost related to the baby bonus program.

Thank You



AGENDA ITEM: 5.1

MEMORANDUM

DATE: January 14, 2026

DATE: January 07, 2026

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer

RE: Election of Commission Officers

The Commission's bylaws call for the election of the Commission's officers for one-year terms at the first meeting of each calendar year. The offices to be filled are Chair, Vice Chair, and Clerk.

The Commission's custom has been that the Chair and Vice Chair serve two one-year terms. Commissioner Graham has completed a one-year term as Chair. Commissioner Santamaria has completed a one-year term as Vice-Chair. The recommendation is to have Commissioner Graham serve his second one-year term as Chair and Commissioner Manuel Santamaria serve his second one-year term as Vice-Chair.

For the Clerk position, I recommend that this position be filled by Michelle Heryford.

DRAFT

**RESOLUTION OF
THE SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF
ELECTION OF COMMISSION OFFICERS FOR 2026**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission's Bylaws provide for election of its officers for one (1) year terms at the Commission's first meeting each year; and
- B. The Chair position is to be filled with a Commissioner.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission elects Commissioner Bill Graham to serve as Chair of the Commission for 2026.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Vice-Chair

ATTEST:

APPROVED AS TO FORM:

BY: _____

M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

DRAFT

**RESOLUTION OF
THE SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF
ELECTION OF COMMISSION OFFICERS FOR 2026**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- C. The San Mateo Health Commission's Bylaws provide for election of its officers for one (1) year terms at the Commission's first meeting each year; and
- D. The Vice-Chair position is to be filled with a Commissioner.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The San Mateo Health Commission elects Commissioner Manuel Santamaria to serve as Vice Chair of the Commission for 2026.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

Bill Graham, Vice-Chair

ATTEST:

APPROVED AS TO FORM:

BY: _____

M. Heryford, Clerk

Kristina Paszek
DEPUTY COUNTY ATTORNEY

DRAFT

**RESOLUTION OF
THE SAN MATEO HEALTH COMMISSION**

**IN THE MATTER OF ELECTION OF
CLERK OF THE COMMISSION FOR 2026**

RESOLUTION 2026 -

RECITAL: WHEREAS,

- A. The San Mateo Health Commission's Bylaws provide for election of its officers for one (1) year terms at the commission's first meeting each year; and
- B. The Clerk is to be filled by a non-commissioner.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission elects Michelle Heryford as Clerk of the Commission.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 14th day of January, 2026 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

AGENDA ITEM: 5.2

DATE: January 14, 2026

Item 5.2 – Behavioral Health Therapy Update

A presentation will be provided at the meeting.

AGENDA ITEM: 5.3

DATE: January 14, 2026

Item 5.3 – Health Policy Outlook

A presentation will be provided at the meeting.

AGENDA ITEM: 5.4

DATE: January 14, 2026

Item 5.4 – 501(c)(3) Update

A presentation will be provided at the meeting.

MEMORANDUM

AGENDA ITEM: 6.0

DATE: January 14, 2026

DATE: January 07, 2026

TO: San Mateo Health Commission

FROM: Patrick Curran

RE: CEO Report – January 2026

State Budget

Governor Newsom is expected to release the Governor's budget for the 2026-27 fiscal year (July 1, 2026, through June 30, 2027) on Friday, January 10th. As a reminder, this is the first step of the budget process. It will indicate the overall financial condition of the state, forecast revenue, and outline proposals for spending (including reductions). After this announcement, the legislature holds hearings and offers its own budget proposals, culminating in the so-called "May Revise" and final budget approval in June. Ian Johansson will give an update on the budget forecast at the January Health Commission meeting.

HR1

There are two developments in the implementation of this federal legislation. First, CMS released awards for the \$50B Rural Health Transformation Program. California received similar funding to that received by states with much smaller populations.

The second development is the current Managed Care Organization (MCO) Tax. This tax, which is budget neutral to HPSM but generates significant federal revenue for health care, is set to expire at the end of this year. Due to the wording of HR1 and initial communication from CMS, this tax could end as early as June 30, 2026, expire on December 31, 2026, or be renewed for a limited period (1-2 years) until a replacement tax vehicle is submitted and approved. We hope to hear more information about the timing in the next 2-3 months, but there is no definitive date for CMS to make this decision.

Veterans Affairs (VA) Opportunity

This program provides health care for military service veterans and families. It operates using VA facilities, but approximately 50% of the medical care is provided in the community in non-VA settings. The VA is currently undergoing an unprecedented solicitation of interest from health care entities throughout the country to participate in a 10-year program. It is using a vehicle called Indefinite Delivery, Indefinite Quantity (IDIQ). This IDIQ process has two steps. The first step is for health plans like HPSM to apply to become part of the vendor list of approved contractors. *This first step carries no obligation to contract with the VA.* It simply allows organizations to participate in step two, which may include multiple solicitations by the VA over the next 10 years. HPSM is exploring this opportunity and will update the Health Commission regarding our application, which would be due by early April.