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Health Plan of San Mateo
Healthy is for everyone

801 Gateway Boulevard, Suite 100
South San Francisco, CA 94080

tel 650.616.0050
fax 650.616.0060
tty 800.735.2929 or dial 7-1-1

www.hpsm.org

NOTICE OF SPECIAL MEETING
(Gov't Code section 54956)

Please take notice that the Chair of the San Mateo Health Commission, acting pursuant to California Government Code section 54956, hereby calls a special meeting of the San Mateo Health Commission to take place on August 12, 2026, at 10:00 am.

THE SAN MATEO HEALTH COMMISSION
Special Meeting
August 12, 2026 – 10:00 am
Health Plan of San Mateo
801 Gateway Blvd., 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.

AGENDA

1. **Call to Order/Roll Call**
2. **Public Comment/Communication**
3. **Approval of Agenda***
4. **CLOSED SESSION**
   - 4.1 Public Employment Appointment (Gov't Code section 54957)
     Title: Chief Executive Officer
5. **Report on Action Taken in Closed Session**
6. **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.

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THE SAN MATEO HEALTH COMMISSION
Regular Meeting
August 12, 2026 – 12:30 pm
Health Plan of San Mateo
801 Gateway Blvd., 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.

AGENDA

1. **Call to Order/Roll Call**
2. **Public Comment/Communication**
3. **Approval of Agenda***
4. **Consent Agenda***
   - 4.1 Approval of Amended Conflict of Interest Code, Biennial Review
   - 4.2 QIHEC Meeting Minutes– March 19, 2026
   - 4.3 Approval of San Mateo Health Commission Meeting Minutes – July 8, 2026
5. **CLOSED SESSION**
   - 5.1 Public Employment Appointment (Gov't Code section 54957)
     Title: Chief Executive Officer
   - 5.2 Conference with Labor Negotiators (Gov't Code section 54957.6)
     Designated Representative: Commission Chair
     Unrepresented Employee: Chief Executive Officer
6. **Report on Action Taken in Closed Session**
7. **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: August 12, 2026

DATE: August 5, 2026

TO: San Mateo Health Commission

FROM: Pat Curran, CEO

RE: Approval of Revised Conflict of Interest Code – Biennial Review

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Recommendation

Adopt revisions to the Health Plan of San Mateo conflict of interest code to update the position titles on the designated filer list.

Background and Discussion

The San Mateo Health Commission has previously adopted a conflict of interest code for HPSM which includes a list of designated filers who must complete California Form 700, Statement of Economic Interests, upon assuming a position, annually, and when leaving the position.

The County Assessor's Office requires a biennial review and update of the code. Since the last biennial review in 2024, a number of position titles have changed and new positions have been created, requiring an update of this list of designated filers. Attached is a redlined version of the conflict of interest code indicating the changes required.

Fiscal Impact

There is no fiscal impact related to this action.

DRAFT

RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF A REVISED CONFLICT OF INTEREST CODE

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. The San Mateo Health Commission has adopted a conflict of interest code (COI) for the Health Plan of San Mateo; and

B. The appendix to the code designates the positions required to complete the California Form 700 – Statement of Economic Interests when assuming office, annually, and when leaving office; and

C. Changes to position titles, deletion of positions, and additions of newly formed positions requires updates to the list of designated filers.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves the revised Conflict of Interest Code as attached, to be submitted for approval to the San Mateo County Board of Supervisors.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 12th day of August 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

CONFLICT OF INTEREST CODE OF THE
SAN MATEO HEALTH COMMISSION
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

Approved by the Code Reviewing Body on the (_____)

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt promulgated Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the term of 2 Cal. Adm. Code Section 18730 and any amendments to it, duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the SAN MATEO HEALTH COMMISSION (hereafter "Agency").

Pursuant to Section 18730 (b) (4) (B) of the Standard Code, all designated employees shall file statements of economic interests with the agency, which shall make and retain a copy and forward the originals to the code reviewing body, which shall be the filing officer.

As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo. Pursuant to Title 2, division 6 of the California Administrative Code, Section 18227, the County Clerk for the County of San Mateo shall be the official responsible for receiving and retaining statements of economic interests filed with the Board of Supervisors.

APPENDIX DESIGNATED OFFICIALS AND EMPLOYEES

Designated Positions	Disclosure Category
Chief Executive Officer	1, 2, 3, 4
Chief Health Officer	1, 2, 3, 4
Chief Financial Officer	1, 2, 3, 4
Chief Government Affairs and Compliance Officer	1, 2, 3, 4
Chief Information Officer	1, 2, 3, 4
Chief Operating Officer	1, 2, 3, 4
Chief Medical Officer	1, 2, 3, 4
~~Chief Performance Officer~~	~~1, 2, 3, 4~~
Commissioners	1, 2, 3, 4
Controller	1, 2, 3, 4
Dental Director	1, 2, 3, 4
Director of Behavioral Health	1, 2 ,3 ,4
Director of Claims and Payment Integrity	1, 2, 3, 4
Director of Compliance	1, 2, 3, 4
Director of Financial Planning & Analysis	1, 2, 3, 4
Director of Health Analytics	1, 2, 3, 4
Director of Human Resources	1, 2, 3, 4
Director of IT Applications and Configuration	1, 2, 3. 4
Director of Medicare	1, 2, 3, 4
Director of Pharmacy	1, 2, 3, 4
Director of Population Health	1, 2, 3, 4
Director of Provider Services	1, 2, 3, 4
Director of Quality Improvement	1, 2, 3, 4
Facilities Manager	1, 2, 3, 4
Government and Regulatory Affairs Manager	1, 2, 3, 4
IT Operations Manager	1, 2, 3, 4
Legal Counsel	1, 2, 3, 4
Marketing and Communications Manager	1, 2, 3, 4
Medical Director	1, 2, 3, 4
Senior Medical Director	1, 2, 3, 4
Utilization Review Manager	1, 2, 3, 4
Consultants*	1, 2, 3, 4

* Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties, and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code and shall forward a copy of this determination to the San Mateo County Board of Supervisors. Nothing herein excuses any such consultant from any other provisions of the Conflict of Interest Code.

AGENDA ITEM: 4.2
DATE: August 12, 2026

QUALITY IMPROVEMENT HEALTH AND EQUITY IMPROVEMENT COMMITTEE

March 19 ,2026 6:00 p.m. – 7:30 p.m.
Health Plan of San Mateo 801 Gateway Blvd.
South San Francisco CA 94080

Voting Committee Members	**Specialty**	**Present (Yes or Excused)**
Kenneth Tai, M.D.	PCP (Internal Medicine)	**Yes**
Jaime Chavarria, M.D.	PCP (Family Medicine)	**Yes**
Maria Osmena, M.D.	PCP (Pediatric)	**Yes**
Jeanette Aviles, M.D.	SMMC Physician (Internal Medicine)	**?**
Alpa Sanghavi, M.D.	SMMC Physician (Chief of Quality and Patient Experience)	**Yes**
Curtis Chan, M.D.	Deputy Health Officer, San Mateo County	**Yes**
Nazleen Bharmal, M.D.	Chief Health Equity Officer, Stanford Medicine	**Yes**
Non-voting HPSM Staff	**Title**	**Present (Yes or Excused)**
Chris Esguerra, M.D.	CMO	**Yes**
Amy Scribner	CHO	**Excused**
Nicole Ford	QI Director	**Yes**
Talie Cloud	PHM Program Specialist	**?**
Samareen Shami	PHM Manager	**?**
Non-voting Guest	**Title**	**Present (Yes or Excused)**
Kismet Baldwin-Santana	Health Officer, San Mateo County	**?**
Manuel Santamaria	San Mateo Health Commissioner	**?**

1. **Call to Order**
   The meeting was called to order at 6:06pm by Dr. Tai.

2. **Public Comment/Communication**
   - No public comments received.

3. **Approval of Agenda:** The agenda was approved as presented. The committee formally approved the meeting agenda through a unanimous vote.

4. **Approval of Consent Agenda**
   - 4.1 QIHEC minutes from December 18, 2025
   - 4.2 UMC minutes from January 23, 2026
   - 4.3 PRC minutes from December 9, 2025
   - 4.4 CQC minutes from November 17, 2025
   - 4.5 DAG minutes from January 16, 2025
   - 4.6 P&T minutes from September 25, 2025
   - 4.7 CCS Clinical Advisory Minutes from December 11, 2025

The committee formally approved the meeting agenda through a unanimous vote. The consent agenda, which included minutes from all reporting subcommittees, was also approved without objection.

5. **Utilization Management Review**
   There were no updates to report.

6. **Clinical Guidelines:**

   Nicole led the committee through a comprehensive review of the recommended immunization schedules for children and adolescents, adults, and pregnant individuals. The review referenced national guidelines from the American Academy of Pediatrics (AAP), American Academy of Family Physicians (AAFP), and the American College of Obstetricians and Gynecologists (ACOG). Committee members actively engaged in discussion, asked clarifying questions regarding deviations from CDC guidance, and considered implications for coverage, provider education, and public messaging. Formal motions were made and seconded for each schedule, resulting in committee approval.

   For the Child and Adolescent Immunization Schedule, Nicole presented the AAP recommendations and highlighted a significant deviation from CDC guidance related to the hepatitis B vaccine. Specifically, the AAP schedule removes both the birth dose and the entire hepatitis B vaccine series from its recommendations. Committee members raised questions regarding how this change would impact coverage policies, shared decision-making conversations, and communication with providers and parents. Members discussed whether families and clinicians would clearly understand the rationale for the deviation and what educational support might be necessary. After discussion, a motion was made and seconded to approve the AAP child and adolescent immunization schedule, and the motion passed unanimously.

   The committee then reviewed the Adult Immunization Schedule for individuals aged 19 and older, based on the AAFP recommendations. Nicole noted that the primary differences from CDC guidance were related to COVID-19 vaccination recommendations. Committee members asked questions about the feasibility of tracking adult immunization rates, particularly for vaccines such as polio, and discussed challenges related to incomplete data among immigrant populations. There was also discussion about whether immunization data could be better stratified by race and ethnicity to identify disparities. Following discussion, a motion was made and approved to adopt the AAFP adult immunization schedule.

   Nicole next introduced the Maternal Immunization Schedule, referencing ACOG guidance for routinely recommended vaccines during pregnancy. She noted deviations from CDC recommendations, particularly related to COVID-19 and RSV vaccines. Committee members asked clarifying questions about the recommended timing of RSV vaccination during pregnancy and how these recommendations should be communicated to obstetric providers. After discussion, a motion was made, seconded, and approved to adopt the ACOG maternal immunization schedule.

The committee also discussed coverage implications and public messaging related to the approved schedules. Members asked how vaccine coverage would be handled in cases where federal programs, such as Vaccines for Children (VFC), do not cover specific vaccines. It was clarified that the health plan would provide coverage in those circumstances. The group emphasized the importance of clear and consistent communication to providers and members regarding coverage decisions and the reasoning behind guideline changes to avoid confusion or misinterpretation.

Finally, Nicole and committee members discussed the growing emphasis on shared decision-making for certain vaccines. Questions were raised about the lack of standardized national resources to support these conversations and how clinicians are expected to navigate them effectively. The committee identified an opportunity for local collaboration to develop educational tools and materials to support providers and families in shared decision-making discussions related to immunizations.

7. **2025 QIHE Evaluation, 2026 QIHE Program Description, 2026 QI Work Plan Review & Approval:**

Nicole presented the 2025 Quality Program Evaluation, the Quality Program Description, and the proposed 2026 Quality Improvement (QI) Work Plan. She provided an overview of overall program performance, key quality measures, areas of strength, and opportunities for improvement. Committee members asked questions throughout the presentation, provided feedback on priorities and data interpretation, and ultimately approved all three documents following formal motions and votes.

In summarizing the 2025 Quality Program Evaluation, Nicole highlighted strong performance in preventive care measures, particularly immunizations and clinical screenings. She also identified several areas requiring improvement, including osteoporosis management following fractures, transitions of care, and glycemic control among members with diabetes. Nicole explained the methodology used to evaluate performance, including reliance on HEDIS measures and star ratings, and discussed the impact of small denominators on certain measures. Committee members asked questions about how small sample sizes affect trend interpretation and whether alternative metrics or supplemental data sources could be used to provide additional context.

The committee then engaged in a discussion of data tracking and health disparities**.** Members asked whether immunization and screening data could be stratified by race and ethnicity to better identify disparities and target interventions. Nicole described the current limitations of available data systems and acknowledged gaps in demographic data completeness. The committee emphasized the importance of identifying and addressing disparities across populations, and Nicole committed to bringing stratified data to a future meeting for more detailed review and discussion.

Nicole next outlined the 2026 Work Plan initiatives and focus areas**,** describing both ongoing and new quality improvement efforts. These included initiatives to increase early well-child visits, address disparities in well-child visit rates among specific populations, improve follow-up after emergency department visits for behavioral health conditions, and enhance depression screening and follow-up care. Committee members asked questions about how these initiatives would be operationalized, including the role of provider incentives, member outreach strategies, and partnerships with external organizations. Nicole explained how these strategies align with identified performance gaps and regulatory requirements.

The committee also discussed data collection challenges and health information exchange efforts**.** Members raised questions about the feasibility of collecting required data for newer quality measures, particularly those requiring depression screening results, and noted the limitations of claims-based reporting. Nicole described efforts to expand data collection through electronic health record extracts, direct provider submissions, and the ongoing development of a health information exchange (HIE) to support more comprehensive and timely data sharing. Committee members discussed how improved data integration could enhance quality measurement and care coordination.

Following completion of the review and discussion, Nicole requested approval of the 2025 Quality Program Evaluation, 2026 Quality Program Description, and 2026 QI Work Plan as a combined action item. Motions were made and seconded to approve all three documents together. With no objections raised, the committee unanimously approved the evaluation, program description, and work plan.

8. **2025 CAHPS Results:**

Mackenzie Moniz presented the results of the 2025 Consumer Assessment of Healthcare Providers and Systems (CAHPS) and other member experience surveys, highlighting response rates, demographic trends, and areas for improvement, and outlined strategies for action planning and reducing survey fatigue.

Mackenzie explained the CAHPS survey process, including the time lag between service and results, the use of multiple response modes (mail, phone, online), and efforts to increase response rates through provider notifications and call center staff training. She reported an overall response rate of 13% across 92,000 surveys sent in 2025.

Demographic Trends and key findings survey results indicated variations in ratings by gender, age, race/ethnicity, education, and self-reported health status. For example, Asian members tended to rate access and care lower, while Black/African American and Hispanic members often rated care higher. Members with better self-reported mental health gave higher ratings overall.

The committee identified 'getting needed care' and 'getting care quickly' as areas needing improvement, along with communication and care coordination. Mackenzie described

organization-wide strategies to address these issues, including coordinated provider network strategies, digital literacy initiatives, and equity-focused survey follow-up.

Mackenzie detailed other ongoing surveys, such as Baby and Me, behavioral health, and care management surveys, and described efforts to limit survey frequency for individual members to reduce fatigue. She also discussed plans to provide feedback to members about changes made in response to survey input.

9. Adjournment: 7:29pm
next meeting Thursday, June 18, 2026

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
July 8, 2026 – 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.3

DATE: August 12 , 2026

Commissioners' Present:	Alpa Sanghavi, M.D.	Manny Santamaria, Vice Chair
	Bill Graham	Shabnam Gaskari
	Noelia Corzo	Ligia Andrade Zuniga
	Kenneth Tai, M.D.	Jackie Speier

Commissioners' Absent: Amira Elbeshbeshy, Michael Callagy

Commissioner Speier joined virtually from a second location that was posted on the agenda.

Counsel: Kristina Paszek

Staff Presenting: Pat Curran, Colleen Murphey, Ian Johannson

1. **Call to order/roll call**
   The meeting was called to order at 12:48 p.m. by Commissioner Graham, Chair. A quorum was present.

   Commissioner Corzo arrived at 12:52 pm.

2. **Public Comment**
   There were no public comments.

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

4. **Consent Agenda:** The consent agenda was approved as presented. Motion: **Sanghavi** (Second: **Andrade-Zuniga**) **M/S/P.**

5. **Specific Discussion/Action Items:**

   5.1 State Budget Update: HPSM Chief Government Affairs and Compliance Officer Ian Johansson went over the latest updates to the State budget. Despite advocacy efforts, the legislature and Governor agreed to move the unsatisfactory immigrant status (UIS) population to fee-for-service effective January 1st, citing implementation feasibility and cost savings as primary reasons, with the alternative managed care proposal

deemed legally compliant but not feasible within the required timeline. The budget delays several cuts, including the prospective payment system (PPS) wrap payment to clinics and the Prop 56 dental payment, until July of 2027. This will provide temporary relief to safety net providers and allow more time for planning and adjustment. The asset test reduction is delayed, with current limits remaining until July of 2027, after which they will be lowered, potentially reducing enrollment. Mr. Johansson clarified that the asset test focuses mainly on liquid assets, excluding primary residences and one vehicle. The budget codifies HR 1 changes, including work requirements and redeterminations, with anticipated guidance from the Department of Health Care Services (DHCS) for health plans and providers, and ongoing advocacy regarding the medical frailty rule and its impact on vulnerable populations.

Local Health Plans of California (LHPC), California Association of Health Plans (CAHP), Association for Community Affiliated Plans (ACAP), and other groups coordinated advocacy, including coalition letters to the legislature and administration. There are also ongoing efforts to influence both legislative and administrative decisions affecting Medi-Cal. Also noteworthy, 24 states have joined a lawsuit against the Centers for Medicare and Medicaid Services (CMS) regarding the medical frailty rule, and local congressional representatives have been encouraged to advocate for rule changes to better protect vulnerable populations from losing coverage. It was noted that a significant portion of coverage loss is due to procedural barriers, prompting discussion on enhancing navigation support through trusted providers, FQHCs, and community-based organizations, as well as learning from other counties' models to reduce paperwork-related drop-offs. The team is working with County Human Services Agency (HSA) and the Safety Net Coalition to centralize and coordinate messaging to members and providers, to avoid confusion and ensure consistent, accurate information about eligibility and coverage changes.

5.2 Scenario Planning: HPSM COO, Colleen Murphey, shared an updated assessment of the impact of the final state budget and provided an overview of HPSM’s approach and next steps for navigating these impacts. The HPSM Finance team is updating budget assumptions and projections based on new membership and revenue realities, and engaging department leads in a bottom-up budgeting process. They will present

updates to the commission in October and December.

Ms. Murphey described ongoing analysis of provider financial risks, anticipated changes in payer mix, and the need to triage support for providers and members most affected by eligibility and coverage changes. The organization is developing tools and data exchanges to help providers identify members at risk of losing coverage, support redetermination efforts, and plan for financial impacts before major changes take effect. With administrative costs projected to rise as membership declines, the team is exploring the use of technology, including AI for analytics, while maintaining a commitment to human connection in member services. She emphasized the critical role of HSA in finalizing enrollments and discussed the possibility of providing additional funding or support to HSA and community-based organizations to enhance outreach and navigation assistance. There was discussion about successful models from census outreach and Promotora programs. The group considered how similar strategies could be adapted to support Medi-Cal enrollment and retention amid upcoming changes.

5.3 CEO Search Update: Commission Chair Bill Graham updated the group on efforts by the CEO Search Committee. The search group will be conducting interviews in July. Final interviews will be held in August with three candidates at a closed session with the full Commission.

6.0 Report from Chief Executive Officer: HPSM CEO Pat Curran advised the group that former HPSM Chief Medical Officer Dr. Chris Esguerra has been appointed to Deputy Director and Chief Quality and Medical Officer for DHCS.

7.0 Other Business: There was no other business.

8.0 Adjournment: The meeting was adjourned at 2:01 pm by Commissioner Graham.

Submitted by:
M. Heryford

M. Heryford, Clerk of the Commission

2026-27 Health Policy Update
July 8, 2026

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2026 Health Policy Agenda

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- 2026-27 California Budget
  - Final Budget Detail
- Political Considerations and Looking Ahead
  - Political landscape
  - Planning for change

2026-27 Final CA Budget

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Final Budget

State Budget Timeline

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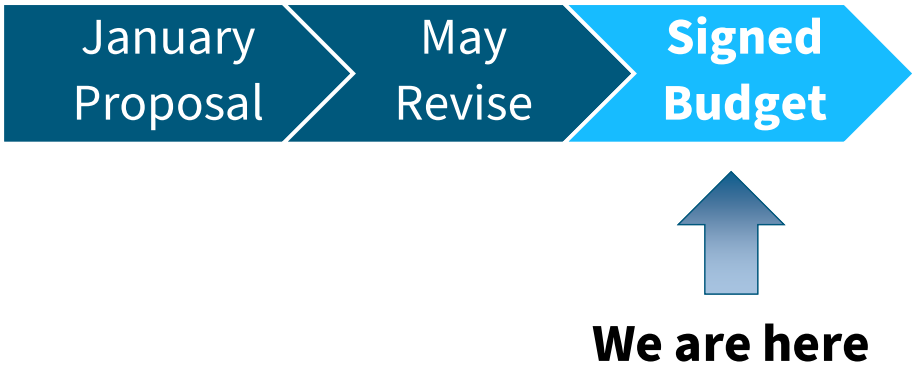
- Where are we in the process?



Final Budget

Final CA Budget Detail

- Policy Changes (mm/dd/yy)
  - **UIS carve-out** to Fee-For-Service (FFS) (01/01/27)
  - **PPS (Wrap) payment** elimination for UIS delayed (07/01/27)
  - **Qualified non-citizen** change to restricted Medi-Cal delayed (07/01/27)
  - **UIS adult dental** elimination for UIS delayed (07/01/27)

Final Budget

Final CA Budget Detail

- Eligibility & Benefit Changes (mm/dd/yy)
  - Implements **work requirements** (01/01/27)
  - Implements **6-month redeterminations** (01/01/27)
  - Decrease in **asset test** delayed (07/01/27)
    - New limit at $21,000 for individuals / $31,000 for couples
  - Maintains **acupuncture benefit**

Final Budget

Final CA Budget Detail

- Provider Funding (mm/dd/yy)
  - **Prop 56 dental** elimination delayed (07/01/27)
    - A supplemental payment for dental services
  - **Designated Public Hospitals (DPH)** allocation of $250 million to support public hospitals

Timeline (Next 12 Months)

HPSM Impact

July through December 2026

- Final budget keeps Medi-Cal "as-is"
  - Payments to providers
  - Benefits for members
  - Managed care enrollment for UIS
- Expect DHCS to begin transition planning for UIS
  - Focus on continuity of care, provider access
- Expect DHCS to finalize guidance for work requirements & redeterminations

HPSM Impact

January 2027

- UIS population moves to Fee-For-Service
  - DHCS received funding to support ($39 million)
    - Care Coordination
    - Navigation
    - Language Access
    - Integrated Care Planning
    - Member Outreach
    - Provider Coordination
  - $8 million earmarked for contracts with clinics and CBOs for navigation

HPSM Impact

July 1, 2027

- Delayed cuts are implemented
  - UIS Adult Dental
  - UIS PPS (“Wrap”) Payments
- UIS Premium starts (up to $50 per month)
  - Adults aged 19 to 59
  - Certain groups excluded
    - Former foster youth, pregnant members, other categories
- Asset Test reduced
  - Likely to result in less enrollment under lower limit

Political Considerations and Looking Ahead

Political Picture

November 2026 Election

- CA Governor
  - Term begins Monday, January 4, 2027
- US Congress
  - All House seats up for election
    - Democrats need a net gain of three (3) seats to flip the House
  - 33 Senate seats up for election
    - Democrats need a net gain of four (4) seats to flip the Senate
  - Term begins January 3, 2027

Political Picture

Potential Impacts

- CA
  - By January 2027, UIS population will have started FFS coverage
  - Budget health will play a role in whether delayed cuts are further postponed
    - IPOs expected in the coming 12 months include major AI companies
- US
  - By January 2027, work requirements and redeterminations will have started
  - Democrat controlled House, Senate, or Congress could result in changes to HR.1 through negotiation

Looking forward

- For HPSM, this means
  - Plan for and act on transition guidance from DHCS
  - Plan for and act on work requirements & redetermination guidance from DHCS
  - Address need from community partners, providers
  - Continue to advocate for, and track for change with CA Legislature and Congress through associations
    - LHPC, CAHP, ACAP

Questions?

5.2 Scenario Planning

San Mateo Health Commission

7/8/2026

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Objectives

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- Share an **updated assessment of impact**, based on the final state budget
- Provide an **overview of HPSM's approach and next steps** for navigating these impacts

Updated environmental scan

- Providers across our network face varying degrees of risks:
  - **Revenue declines**: state and federal regulatory and tax changes, changing payer mix tied to unemployment trends
  - **Eligibility changes** reducing healthcare coverage result in increased acuity, increased ER utilization, increased "charity care"
  - **FQHCs[1] and hospitals** face significant, nearer-term risks ← **softened in final budget**
- Safety-net services, CBOs facing increased demand and revenue reductions

- Structural financial gaps are not addressable by HPSM alone
- HPSM will face increasing rate pressure from our network and additional funding requests to support the safety net

1 "Federally Qualified Health Centers." 55-60% of HPSM members are typically assigned to an FQHC for primary care

Projected impacts of changes to HPSM

	FROM:	TO:
KNOWN	• **Membership steady & growing**	➢ **Membership declining** steadily + significant reduction Jan 2027
		WITHOUT ACTION:
	• **Contributing annually** to our financial reserves	➢ **Spending** financial reserves (annual losses)
	• Reserves significantly **above** and beyond the minimum level	➢ Reserves closer to, but still above, our **contingency reserve** level
	• **On-target** administrative costs	➢ **Higher** administrative costs in relation to our membership size

Our approach

- Our relatively resilient financial position allows us to be **strategic, intentional, and paced in how we change,** and…
- ….**we must change**. It is imperative that we not squander this time, so that we can:
  - Maximize the resources we contribute to our members' health, and to fortifying the safety net providers and partners who care for our members
  - Fulfill our mandate of financial stewardship as a local, non-profit plan

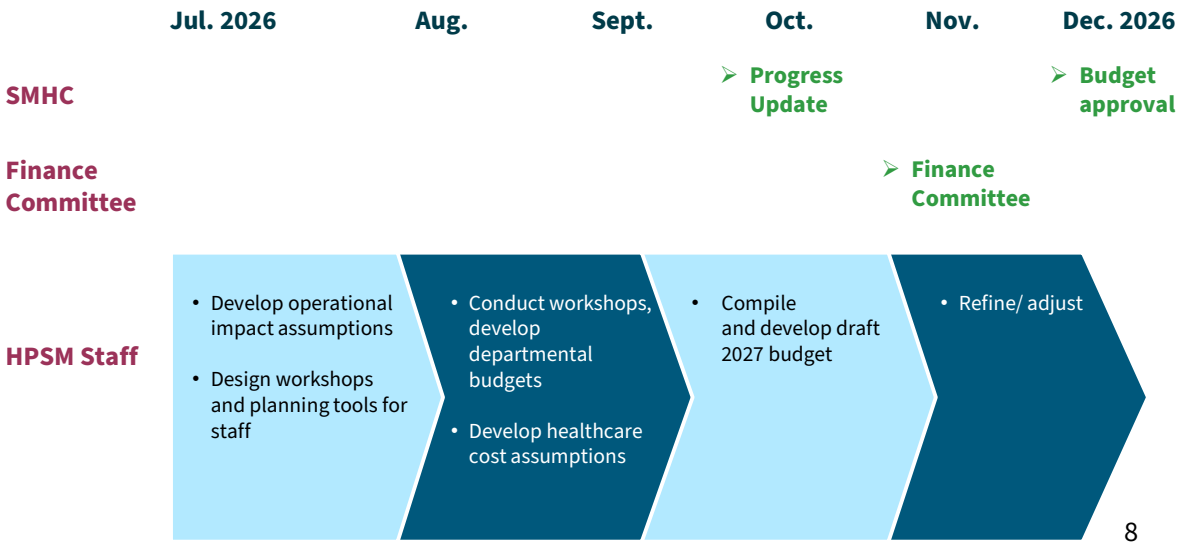
Avoiding under- or over-reaction

Recap: 6/10/26 SMHC Meeting

Next steps

- Reforecasting 2026 budget projections based on new inputs, in collaboration with the Finance Committee
- Working with HPSM department leaders to conduct additional review and planning for 2027 budget
- Continuing to monitor:
  - Internal progress on cost management
  - External budgetary, policy, and membership changes
- We will return with an update to this Commission in September/October prior to our submission of a proposed 2027 budget

2027 Budget Development Timeline



2027 Budget Iteration

HealthPlan OF SAN MATEO
Healthy is for everyone

Q1 2027 **Q2 2027** **Q3 2027** **Q4 2027**

Midyear SMHC update

Monitor and adjust
- External developments
- Cost management progress

Emerging areas of focus

HealthPlan OF SAN MATEO
Healthy is for everyone

- **Access sprint**: how to connect members most impacted by these changes to care, in advance of January 2027
- **Supporting providers with data** (eligibility/enrollment coordination, system-level planning regarding impacts to provider network)
- **Coordination of member messaging** about changes: coordination with Human Services Administration (HSA), DHCS, county partners ← *an ongoing, evolving effort*

Appendix

HealthPlan OF SAN MATEO
Healthy is for everyone

Potential impact on financial position

Potential Impact on Financial Reserves
of hypothetical losses

HealthPlan OF SAN MATEO
Healthy is for everyone

		A	B	C	D	E	F	G
		2025 Audit	2026		2027		2028	
		Balance at 12/31/25	2026 Net Loss	Balance at 12/31/26	2027 Net Loss	Balance at 12/31/27	2028 Net Loss	Balance at 12/31/28
1	Uncommitted Equity	$121.6M	($9.5M)	$112.1M	($16.6M)	$95.6M	($31.6M)	$64.0M
2	Committed Equity	$114.3M	($40.8M)	$73.5M	($43.9M)	$29.6M	($29.6M)	($0.0M)
3	Contingency Reserve	$105.0M		$105.0M		$105.0M		$105.0M
4	Stabilization Reserve	$210.0M		$210.0M		$210.0M		$210.0M
5	Capital Assets	$57.6M		$57.6M		$57.6M		$57.6M
6	Required TNE	$55.7M		$55.7M		$55.7M		$55.7M
7	Net Equity	$664.3M	($50.3M)	$614.1M	($60.5M)	$553.6M	($61.2M)	$492.3M

Note

These figures are hypothetical, to illustrate a relatively conservative "worst case scenario" we used to pressure-test our financial reserves

Potential impact on operational efficiency

Admin Cost as Percent of Revenue
2026 Budget

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Healthy is for everyone

		A CareAdvantage (2026 Budget)	B Total Medi-Cal (2026 Budget)
1	**Operating Revenue***	247,847,904	830,380,344
2	**Admin Cost**	24,758,009	60,715,729
3	**Admin % of Revenue**	10.0%	7.3%
4	**Average Membership**	8,650	137,914

** Operating revenue excludes MCO tax funding*

Potential impact on operational efficiency

Admin Cost as Percent of Revenue
with Reduced Enrollment

HealthPlan OF SAN MATEO
Healthy is for everyone

		A CareAdvantage (2026 Budget)	B Total Medi-Cal (2026 Budget)	C ➡	D Medi-Cal w/ Reduced Enrollment
1	**Operating Revenue***	247,847,904	830,380,344	(213,819,887)	616,560,457
2	**Admin Cost**	24,758,009	60,715,729		60,715,729
3	**Admin % of Revenue**	10.0%	7.3%		9.8%
4	**Average Membership**	8,650	137,914	(42,239)	95,676

** Operating revenue excludes MCO tax funding*