

The County of Santa Cruz

Integrated Community Health Center Commission

MEETING AGENDA

June 10, 2026 @ 1:00pm - 2:00pm

MEETING LOCATION: In-Person – 150 Westridge, Suite 101, Watsonville, Ca 95076 and 1080 Emeline Ave., Bldg. D, Admin Conference Room, Santa Cruz, CA 95060, 40 Eileen Street, Watsonville CA 95076, will connect through Microsoft Teams Meeting or call in (audio only) +1 831-454-2222,191727602# United States, Salinas Phone Conference ID: **191 727 602#**

ORAL COMMUNICATIONS - Any person may address the Commission during its Oral Communications period. Presentations must not exceed three (3) minutes in length, and individuals may speak only once during Oral Communications. All Oral Communications must be directed to an item not listed on today's Agenda and must be within the jurisdiction of the Commission. Commission members will not take actions or respond immediately to any Oral Communications presented but may choose to follow up at a later time, either individually, or on a subsequent Commission Agenda.

1. Welcome/Introductions
2. Oral Communications
3. May 13, 2026, Meeting Minutes – Action Required
4. Introduction of the Health Center Manager
5. Removal of Recuperative Care Center from Approved HRSA Sites - Action Item
6. Quality Management Update
7. Financial Update
8. CEO Update

<u>Action Items from Previous Meetings:</u> Action Item	Person(s) Responsible	Date Completed	Comments

Next meeting: Wednesday, July 8, 2026, 1:00pm - 2:00pm **Meeting Location: In-Person - 150 Westridge,** Suite 101, Watsonville, Ca 95076 and 1080 Emeline Ave., Bldg. D, Admin Conference Room, Santa Cruz, CA 95060. Commission will connect through Microsoft Teams Meeting or call in (audio only) +1 831-454-2222,191727602# United States, Salinas Phone Conference ID: **191 727 602#**

The County of Santa Cruz Integrated Community Health Center Commission

Minute Taker: Mary Olivares

Minutes of the meeting held May 13, 2026

TELECOMMUNICATION MEETING: Microsoft Teams Meeting - or call-in number +1 916-318-9542 – PIN# 500021499#

Attendance	
Len Finocchio	Executive Board – Co-Chair
Rahn Garcia	Member
Dinah Phillips	Member
Marco Martinez-Galarce	Member
Michelle Morton	Member
Maximus Grisso	Member
Nicole Pfeil	Member
Joseph Eaton	Member
Amy Peeler	County of Santa Cruz, Chief of Clinics
Raquel Ruiz	County of Santa Cruz, Senior Health Services Manager
Julian Wren	County of Santa Cruz, Admin Services Manager
Jennifer Phan	County of Santa Cruz, Health Services Manager
Meeting Commenced at 1:00 pm and concluded at 1:45 pm	
Excused/Absent:	
Excused: Christina Berberich	
1. Welcome/Introductions	
Introductions were done at this time.	
2. Oral Communications:	
3. April 8, 2026, Meeting Minutes – Action Required	
The minutes from April 8, 2026, meeting were reviewed and recommended for approval. Dinah motioned to accept the minutes as presented. Rahn seconded the motion. All members present voted in favor. Joseph abstained, as he was not present at the previous meeting.	
4. HSA Billing FO Policy Procedure Policy 100.03 – Action Required	
Policy Updates - Billing & Collections	
• Updated billing and collections procedures to align with HRSA guidelines 100.03 ○ Language strengthened but no material changes to current practices ○ Required for \$2.5M federal funding compliance ○ HRSA conducts on-site reviews every few years • Key changes made: ○ Clarified pursuit of appropriate reimbursement within HRSA guidelines ○ Strengthened eligibility requirements for sliding fee scale ○ Limited collection efforts for patients below 100% federal poverty level ○ Ensured all fee schedule charges eligible for sliding discount ○ Added reasonable collection practices language	
Board approval required for policy changes. Nicole motioned to accept policy updates Maximus seconded the motion. All members present voted in favor.	
Follow Up Items: • Michelle asked if the sliding scale is available for a patient that has an insurance that is out of network. Julian responded that the sliding scale is available to everyone. • Johnathan asked if a patient could do volunteer work to pay off their debt. Julian will report back to see if that is an option.	
5. Policy 100.04 HSA Billing Sliding Fee Discount Program – Action Required	

Sliding Fee Scale Program Updates

- Updated Policy 100.04 to strengthen federal compliance requirements
- Program structure requirements:
 - Minimum 3 discount levels based on federal poverty level
 - Available to patients under 200% federal poverty level
 - Based on income and family size
 - Updated annually each January per federal guidelines
- Eligibility process changes:
 - Added 12-month reassessment requirement
 - 30-day verification period for new applicants
 - Self-attestation allowed initially
 - Strengthened income/family size verification requirements
- Applies to underinsured patients with high cost-sharing
- Consistent application across all patients without discrimination

Joseph motioned to accept policy updates Dinah seconded the motion. All members present voted in favor.

6. Quality Management Update

Quality Management Committee: Raquel reported on the 2025 Central California Alliance for Health Care Based Incentives. The Health Centers did extremely well and received 93 points out of 100. The peer average was 69.4. This resulted in \$542,529.31 in incentive payment back to our health centers. She reported on care coordination, access measures, and quality of care measures. There are two ways to get maximum points for each measure; 1) meeting or surpassing the plan goal, or 2) an improvement rate of 2.5% or more.

Peer Review Committee: They reviewed 14 monthly peer review chart audits. The committee is also working on a complaints and grievance data base to standardize information collected by health center. This will allow the committee to see high level themes to address concerns brought forward by our patients.

7. FY 26/27 Proposed Budget - Action Required

FY 26/27 Budget Overview

- Total health center budget: \$63.6M (34% of HSA's \$187M total)
- Budget hearing with Board of Supervisors: June 10
- Strategy: Maintain access and quality without adding staff
 - Reduced 5.6 vacant positions
 - Protected all filled positions
 - Controlled costs while preserving workforce
- Budget breakdown by unit:
 - Washington Health Center: 34%
 - Emeline Health Center : 22%
 - Behavioral Health (pass-through): 22%
 - Administration: 15%
 - Homeless Persons Health Project: 13%

Financial Challenges & Market Environment

- Patient payer mix vs national FQHC average:
 - Medicaid: 70% (vs 48% national)
 - Private insurance: 4% (vs 22% national)
 - Uninsured: 9% (vs 18% national)
 - 87% patients covered by Medicaid/Medicare
- Cost per patient: \$727 vs much lower reimbursement rates
- Gap between expenses and revenue increasing over 6-7 years
- Most FQHCs operating in negative margin environment
- Anticipated increase in uninsured patients due to policy changes starting July

Prospective Payment System Rate Review

- Requested PPS rate review after years without increase
- Potential revenue increase: \$5-7M annually
 - High likelihood of approval based on cost analysis
 - Conservative estimates accounting for 10-20% audit reduction
- Timeline: Up to 18 months for final decision
 - Can request 60% interim rate increase during review process
- Using Wipfli Advisors LLC (experienced with multiple CA FQHCs)
- Currently using intergovernmental transfers (IGT) as temporary revenue source
- Waiting for governor's May budget revision for uninsured visit backfill decisions

FY 26/27 Proposed Budget - Action Required: Maximus motion to accept 26/27 budget as presented. Marco Second, rest of commission members present all in favor.

8. CEO Update

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☐ Minutes approved _____ (Signature of Board Chair or Co-Chair) / / (Date)



Health Centers Division

Integrated Community Health Center Commission Meeting Fiscal Report

6/10/26

Health Centers Final Estimated Actuals

Estimated Revenue and
Expenditures Balances as of
5/18/2026

County of Santa Cruz (HSA)
FY 24/25 HEALTH CENTERS(All)
As of 5/14/25

Division HEALTH CENTERS
GLKey (All)

Row Labels	Adopted Budget	Adjusted Budget	Actual
REVENUE	(61,118,056)	(61,231,259)	(36,360,319)
05-LICENSES, PERMITS AND FRANCHIS	0	0	0
15-INTERGOVERNMENTAL REVENUES	(6,815,851)	(6,893,054)	(2,295,609)
19-CHARGES FOR SERVICES	(53,727,619)	(53,727,619)	(33,344,783)
23-MISC. REVENUES	(574,586)	(610,586)	(719,927)
EXPENDITURE	60,034,314	60,147,517	47,741,593
50-SALARIES AND EMPLOYEE BENEF	36,922,899	36,952,899	31,405,079
60-SERVICES AND SUPPLIES	7,007,056	7,090,259	5,450,202
61-SERVICES AND SUPPLIES-ISF	1,312,438	1,312,438	1,079,379
70-OTHER CHARGES	48,404	48,404	41,247
80-FIXED ASSETS	1,111,100	1,271,132	819,650
95-INTRAFUND TRANSFERS	13,632,417	13,472,385	8,946,035
Grand Total	(1,083,742)	(1,083,742)	11,381,274

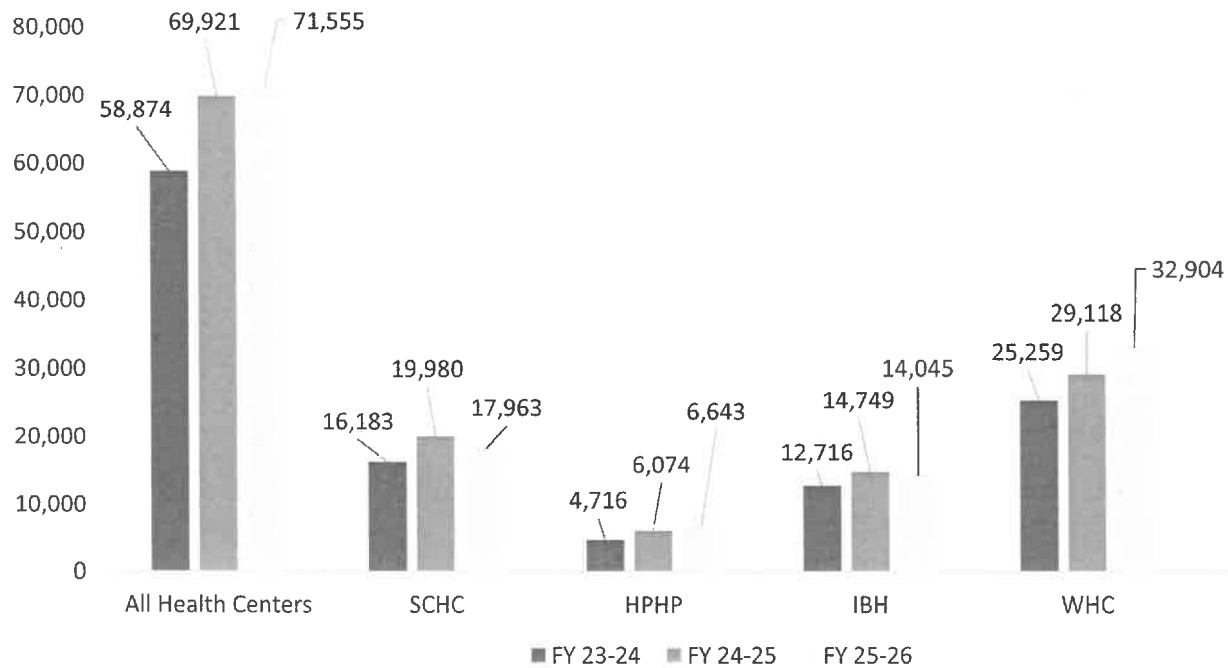
County of Santa Cruz (HSA)
FY 25/26 HEALTH CENTERS(Multiple Items)
As of 5/18/2026

Division
GLKey

Row Labels	Adjusted Budget	Actual	Division EA's 5.18.26 Updated
REVENUE	(63,831,171)	(32,607,014)	(58,486,348)
15-INTERGOVERNMENTAL REVENUES	(6,700,158)	(2,608,943)	(7,276,508)
19-CHARGES FOR SERVICES	(56,451,015)	(29,734,860)	(50,438,552)
23-MISC. REVENUES	(679,998)	(263,212)	(771,288)
EXPENDITURE	64,009,124	43,172,453	58,425,061
50-SALARIES AND EMPLOYEE BENEF	36,266,243	26,229,746	35,885,697
60-SERVICES AND SUPPLIES	15,483,116	5,095,123	9,809,927
61-SERVICES AND SUPPLIES-ISF	1,444,968	789,979	1,645,850
70-OTHER CHARGES	48,404	34,412	48,404
80-FIXED ASSETS	0	0	0
95-INTRAFUND TRANSFERS	10,766,393	11,023,192	11,035,182
Grand Total	177,953	10,565,439	(61,288)

Deficit this fiscal year is \$815,835 less Year-To-Date

Fiscal Year July-May completed billable appointment comparison



HEALTH CENTERS
HEALTH SERVICES AGENCY

Encounter Dates Available: 01/01/18 - 03/04/18

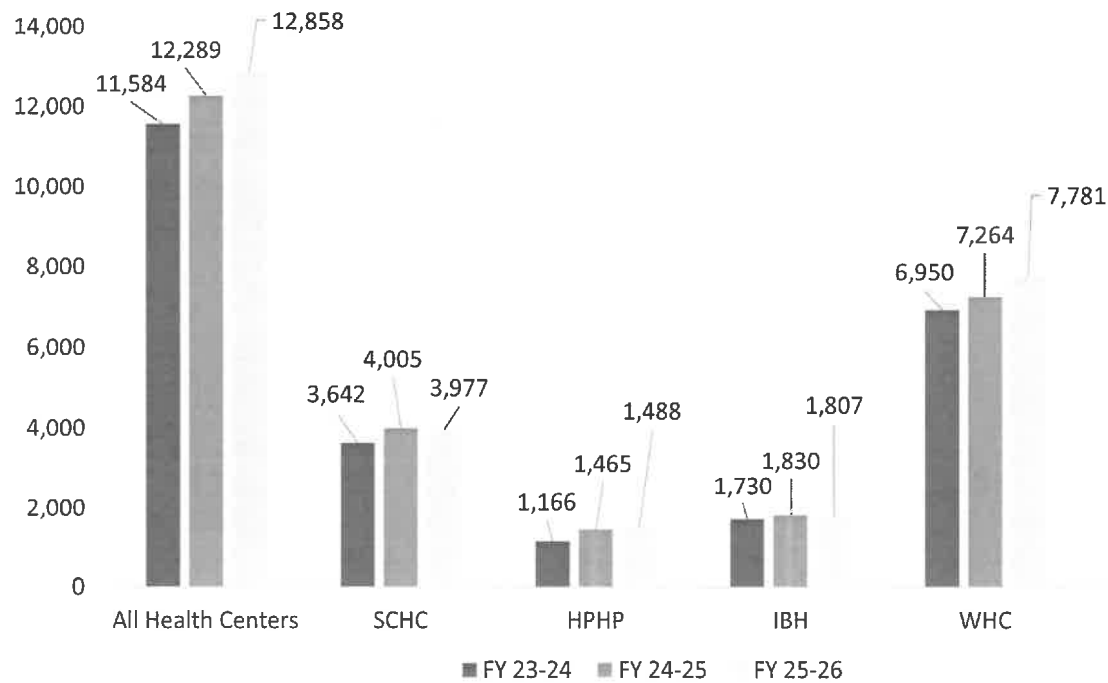
Last Refresh Date

Sunday, May 31, 2026

Week/Month

Previous/Next

Fiscal Year July-May Unique Patient Comparison



HEALTH CENTERS
HEALTH SERVICES AGENCY

Encounter Dates Available: 01/01/10 - 09/04/25

Last Refresh Date

Sunday, May 31, 2026

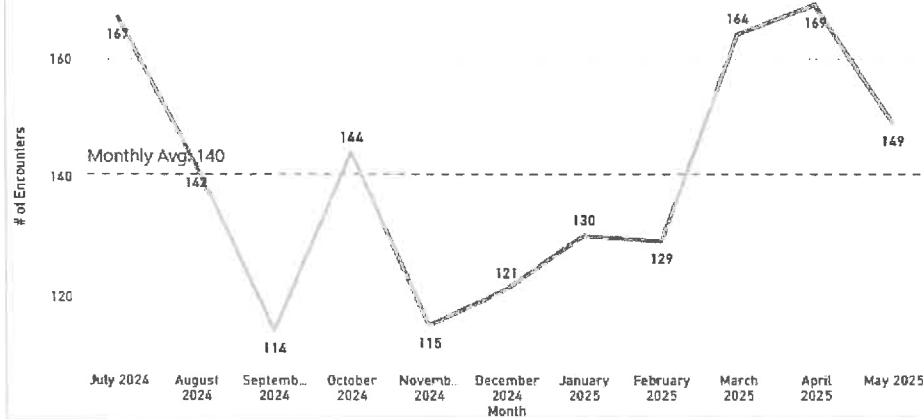
Week/Month

Previous Location

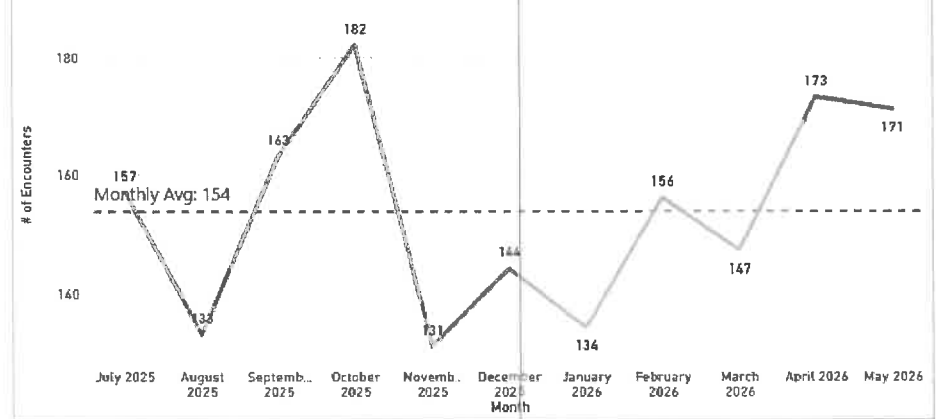
Total Uninsured Completed Billable Appointments

Fiscal Year Comparison July-May
24-25 vs. 25-26

Completed Encounters by Month/Year



Completed Encounters by Month/Year



HEALTH CENTERS
HEALTH SERVICES AGENCY

Financial Dates Available: 01/01/18 - 05/31/26

Last Refresh Date:

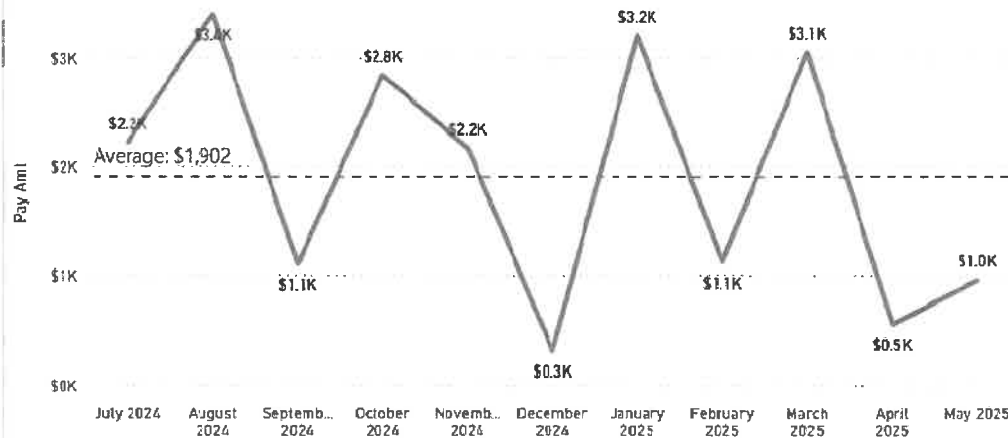
Sunday, May 31, 2026

Total Uninsured Payments

Fiscal Year Comparison July-May
24-25 vs. 25-26

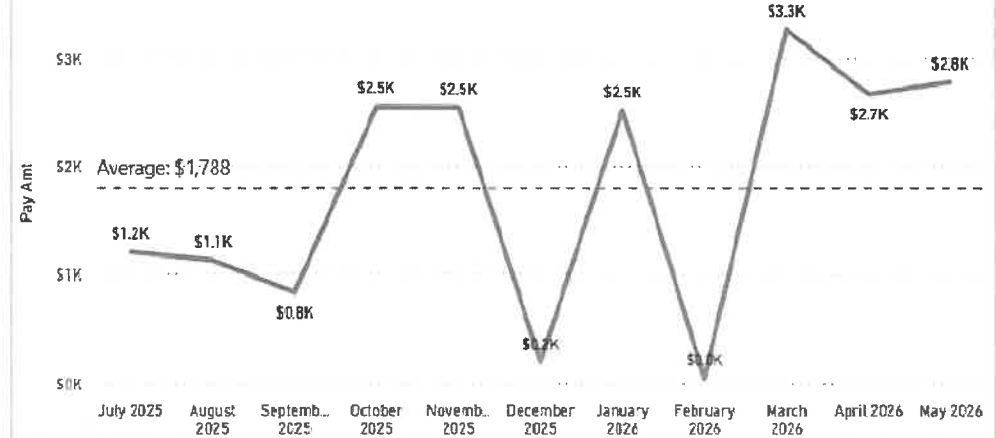
Total Payments per Payment Post Month and Week

(Can be drilled down to see Payments by Post Week)



Total Payments per Payment Post Month and Week

(Can be drilled down to see Payments by Post Week)



HEALTH CENTERS
HEALTH SERVICES AGENCY

Financial Dates Available: 01/01/18 - 05/31/26

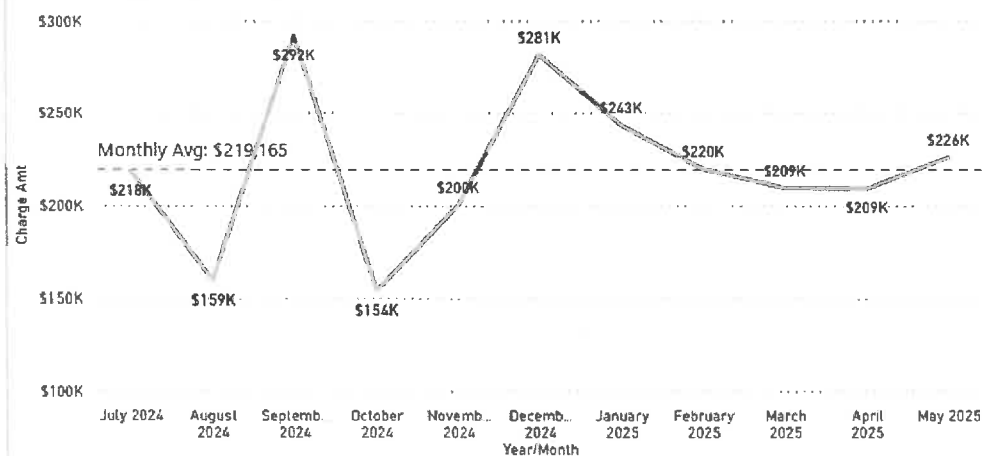
Last Refresh Date:

Sunday, May 31, 2026

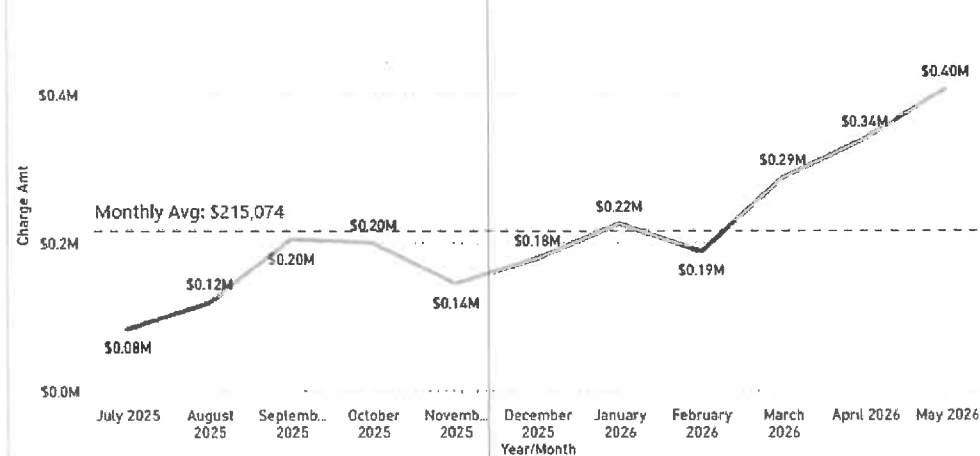
Total Limited Scope Medi-Cal Charges

Fiscal Year Comparison July-May
24-25 vs. 25-26

Total Charges by Charge Post Month



Total Charges by Charge Post Month



HEALTH CENTERS
HEALTH SERVICES AGENCY

Financial Dates Available: 01/01/18 - 05/31/26

Last Refresh Date:

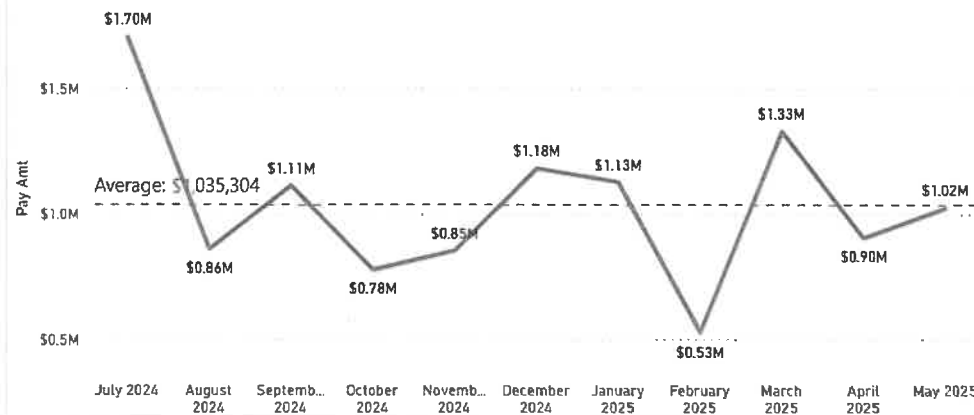
Sunday, May 31, 2026

Total Limited Scope Medi-Cal Payments

Fiscal Year Comparison July-May
24-25 vs. 25-26

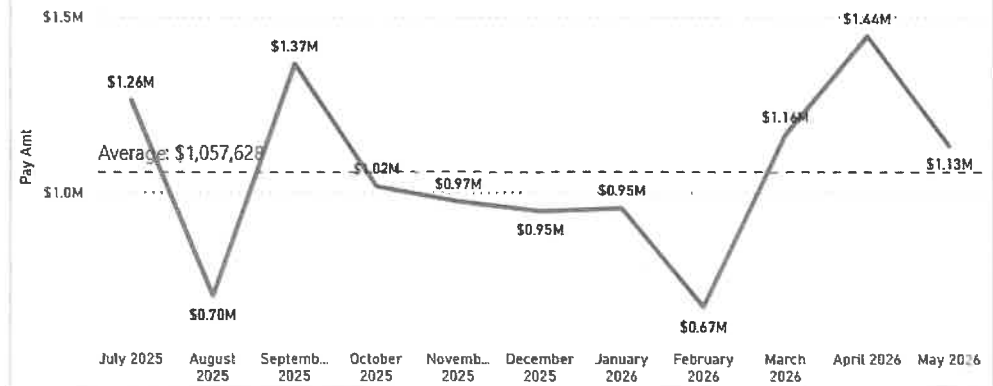
Total Payments per Payment Post Month and Week

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Total Payments per Payment Post Month and Week

(Can be drilled down to see Payments by Post Week)



HEALTH CENTERS
HEALTH SERVICES AGENCY

Financial Dates Available: 01/01/18 - 05/31/26

Last Refresh Date:

Sunday, May 31, 2026

Is there anything I can Clear up for you?

Thank You

