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

Next meeting: June 10, 2026, 1:00pm - 2:00pm

Meeting Location: In- Person- 150 Westridge Drive, Suite 101, Watsonville, Ca 95076 and 1080 Emeline Ave., Bldg. Clinic. 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#**

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