

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

February 25, 2026

Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Julienne Angeles, MD

Bryan Bucklew

Paul Canepa

Joy Farley, MD

Michael Herrera, DO

Jay Krishnaswamy

Sandra Regalo

Michael Sorensen

Terry Woodrow – *attended meeting virtually*

COMMISSION MEMBERS ABSENT:

Genevieve Valentine, Chair

Jim Diel

Ruben Imperial

Terry Withrow

STAFF PRESENT:

Lizeth Granados, Chief Executive Officer

Betty Clark, Chief Regulatory Affairs and Compliance Officer

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Tracy Hitzeman, Executive Director – Clinical Operations

Elizabeth Le, Chief Operations Officer

Michelle Tetreault, Chief Financial Officer

Victoria Worthy, Chief Information Officer

Edward Kiernan, County Counsel

Sue Nakata, Executive Assistant and Clerk of the Health Commission

Sue Nakata, Clerk of the Health Commission, reported that both the Chair and Vice-Chair were absent. In accordance with the Bylaws, Section 3.1.2, the Commissioners present selected one of their members to serve as Chair pro tempore, who, while acting in that capacity, holds all the authority of the Chair.

ACTION: Commissioner Krishnaswamy nominated Commissioner Sorensen to serve as Chair pro tempore in the absence of the Chair and Vice-Chair. The motion was seconded by Commissioner Canepa and approved unanimously (9–0).

CALL TO ORDER

Acting Chair Sorensen called the Health Commission meeting to order at 5:07 p.m.

Acting Chair Sorensen stated for the record that a portion of the San Joaquin County Health Commission meeting is being conducted pursuant to California Government Code Section 54953, as Health Commissioner, Terry Withrow, is participating from an alternate location: Withrow Koftinow & Baggett, LLP CPAs at 920 15th St., Modesto, CA 95354, via Microsoft Teams. In accordance with the Ralph M. Brown Act, this alternate location was included in the meeting notice and agenda.

With no questions or comments from the Commission, it was noted that all commissioners present confirmed they could hear Commissioner Withrow clearly and had no doubt regarding his identity as the participant joining via teleconference.

PRESENTATIONS/INTRODUCTIONS

Acting Chair Sorensen welcomed newly appointed Commissioner Bryan Bucklew, who was approved by the Board of Supervisors. Mr. Bucklew serves as President and CEO of the Hospital Council, representing Central and Northern California.

Ms. Granados also extended her welcome and noted that the Hospital Council represents all four counties served by the Health Plan.

PUBLIC COMMENTS

No public comments were forthcoming.

Pursuant to the requirements of the Ralph M. Brown Act (Gov. Code § 54950 et seq.) and its teleconferencing provisions, and because Commissioner Withrow is participating remotely (via a teleconference connection), the Commission must take its vote for all consent and action items by roll call, to ensure that each member's vote is publicly identified and recorded in the minutes.

CONSENT CALENDAR

Acting Chair Sorensen presented four consent items for approval:

1. January 28, 2026 Health Commission Meeting Minutes

ACTION: With no questions or comments, the motion was made by Commissioner Canepa, seconded by Commissioner Krishnaswamy, with an abstention by Commissioner Bucklew, and was unanimous to approve the January 28, 2026 meeting minutes as presented (8/1).

2. Community Advisory Committee (CAC) – 02/12/2026
 - a. December 11, 2025 Meeting Minutes
 - b. Volunteer Income Tax Assistance (VITA)
 - c. Inspiring Communities – Diabetes Prevention Program (DPP)
 - d. Quality Campaign
 - e. CAC Charter Review

3. Finance and Investment Committee – 02/18/2026
 - a. January 21, 2026 Meeting Minutes
4. Human Resources Committee – 02/25/2026
 - a. December 10, 2025 Meeting Minutes
 - b. Policy Updates
 - i. Promotions and Transfer Policy
 - ii. Base Salary Program Policy

ACTION: With no questions or comments, the motion was made by Commissioner Canepa, seconded by Commissioner Krishnaswamy and consent items 2-4 were unanimously approved as presented (9/0).

DISCUSSION/ACTION ITEMS

5. December FY 2025 Financial Reports

Michelle Tetreault, CFO, presented for approval the December FY 2025 financial reports, highlighting the following:

- Premium Revenue is \$8.3M favorable (\$1.99 PMPM) to FYTD budget. This is primarily driven by +\$13.2M favorable due to higher member month volume and +\$2.1M favorable due to rate, partially offset by -\$7.0M unfavorable due to risk corridor agreements for the current fiscal year, of which -\$6.9M is attributable to Enhanced Care Management (ECM) and -\$0.1M is attributable to Major Organ Transplant (MOT)
- Other Medical Revenue & Expense consists of DHCS-Directed Payments. These payments are established by DHCS to support provider participation, network adequacy, access to care, and quality improvement across California's Medi-Cal delivery system. DHCS requires Managed Care Plans (MCPs) to distribute these payments to eligible providers. The programs are accounted for on a gross basis, with revenue and corresponding expense recognized in the same reporting period. Because amounts received are fully disbursed in accordance with DHCS directives, these amounts do not impact Health Plan's margin
- Managed care expenses are -\$146.6M unfavorable (-\$54.76 PMPM) to FYTD budget, primarily driven by -\$85.0M unfavorable in Specialist fee-for-service, -\$43.4M unfavorable in Hospital Outpatient, -\$11.2M unfavorable in Emergency Room, -\$8.2M unfavorable in Hospital Inpatient, -\$8.1M unfavorable in FQHC fee-for-service, -\$8.1M unfavorable in Community Support, -\$6.6M unfavorable in Behavioral Health, -\$4.4M unfavorable in Outpatient Mental Health, -\$3.5M unfavorable in Medical Transportation, and -\$3.3M unfavorable in Home and Community-Based Services. These unfavorable variances are due to 2 factors: 1) budget is faulty due to a faulty baseline. A trend rate of 6.5% was assumed to estimate where the 2025 fiscal year would conclude. The actual trend experienced was 13%. This created an unfavorable variance in the budget to start. 2) Higher utilization due to increased member acuity and more complex care needs, resulting in more hospitalizations and specialist visits, combined with rising unit costs. These are partially offset by +\$29.9M favorable in PCP fee-for-service, and +\$6.0M favorable in Long Term care
- Net other program revenues and expenses are +\$1.4M favorable (+\$0.63 PMPM) primarily due to the timing of CalAIM Incentive Payment Program (IPP) and Student Behavioral Health Incentive Program (SBHIP). These are incentives for DHCS-established programs paid to providers for achieving metrics outlined in the programs
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- Administrative Expenses are -\$3.6M unfavorable (-\$1.14 PMPM) to budget primarily driven by -\$3.5M unfavorable in Salaries and Benefits due to several factors, including positions initially classified as Medical Management Expense but later deemed non-Medical Management by DHCS, a lower-than-budgeted vacancy factor, and increased workload resulting in higher temporarily staffing and overtime costs, -\$0.8M unfavorable in Support and Maintenance expenses due to a correction that moved payments previously coded as capital in process into expense, -\$1.2M unfavorable in Medical Management depreciation due to a reclassification from depreciation of technology and equipment to Medical Management-related depreciation, -\$3.1M unfavorable in Consultant expenses due to a reclassification from Subscription. These are partially offset by +\$1.8M favorable in Subscription expenses from reclassification to Consultant, +\$0.9M favorable in QM license fees primarily related to IT software for DSNP, +\$0.9M favorable in depreciation of technology and equipment due to reclassification to Medical Management-related depreciation, +\$0.7M favorable in printing and communication to member, and +\$0.6M favorable in Medical Management consultant.
- Prior period adjustments of +\$69.7M favorable (+\$28.53 PMPM) are primarily driven by 2 factors: 1) \$53.2M of prior-year IBNR adjustments, 2) \$18.4M additional reinsurance recoveries not anticipated for FY 2025 high-cost claims

Ms. Tetreault also noted, from the TNE perspective, the Health Plan is on track. January rates show improved performance, but results remain unfavorable to the bottom line. We are projecting a fiscal year loss of \$129 million.

Commissioner Herrera asked whether TNE has decreased and at what point should we be concerned. Ms. Tetreault responded, despite the losses, we have sufficient assets to sustain losses for this fiscal year, with six months of cash on hand.

Commissioners Canepa and Bucklew asked, regarding total member months budgeted, if Ms. Tetreault could provide more details. Ms. Tetreault reported that the Health Plan currently has more members than budgeted and experienced fewer losses than anticipated. The 40,000 figure represents the cumulative number of members per month more than originally budgeted.

ACTION: With no further questions or comments, the motion was made (Commissioner Farley) seconded (Commissioner Canepa) and was unanimous to approve the December FY 2025 financial report as presented (9/0).

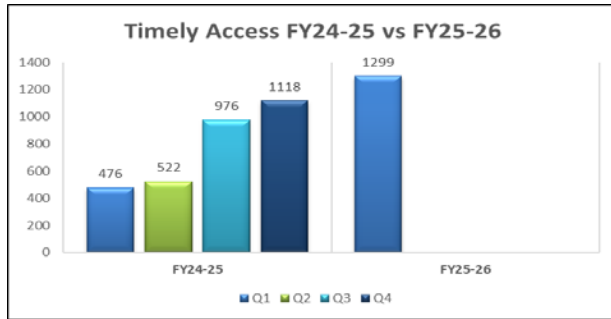
5. QIHEC Committee Meeting – 02/18/2026

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QIHEC Committee meeting report for 02/18/2026, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

QIHETP Annual Evaluation – FY 2024-2025

- NCQA overall rating improved from 3 to 3.5 stars due to improvements in the HEDIS measure performance
- Performance Improvement projects
 - Black/African American Well Child Visits, 6+ visits by 15 months of age (MY2022-2024) increased by 11.3 percentage points

- Blood Led Screening in Children- Screening rates improved by 10%, anticipatory guidance rates improved by 10.9% & 83.59% of the members received appropriate follow up when the lead levels were above the accepted range
- Initial Health Appointment- 81% of IHA completion within 120days. (Children-93.9% and Adults 72.7%)
- Member Experience Survey reporting year 2025-declining response rates, less than 10%, demonstrated improvements in ratings of health plan, health care, personal doctor & specialists, strengths in customer service, coordination of care, & ease of filing out forms. Opportunities in timely access to services, specialists and PCPs
- Grievance & Appeals- grievances increased overall by 17% from the previous fiscal year. Access related grievances had the highest increases exceeding the <5/1000 threshold to 5.07. BH grievances declined by 25.3% with insourcing
- Network Access
 - Geographic Access Time and Distance
 - All Primary Care and OBGYN provider types met standard (1:2,000 for MDs and 1:1,000 with mid-level practitioners) in all Counties. 95% of members within 10 miles or 30 minutes
 - Specialty and behavioral health providers met capacity (1:10,000) and geographic standards of either 10 miles or 30 minutes or 30 miles or 60 minutes in rural areas 955% of membership met
 - HIV/AIDS/Infectious Disease specialists did not meet in San Joaquin or Stanislaus Counties
 - Provider Appointment Availability
 - When combining all provider types, urgent and routine appointment availability did not meet goal
 - Urgent 78% (80% goal), Routine 76% (80% goal)
 - Urgent appointments within 48 hours met for all primary care provider appointment types and did not meet for specialty care
 - Non-urgent appointments did not meet 10 business days for PCPs nor 15 business days for Specialty Care appointments
 - Corrective actions will be implemented for repeat findings, and increased provider education for all providers
 - After Hours Access - Improved to 79.5% but did not meet goal. Continued monitoring, provider education, and escalation processes are planned to address ongoing deficiencies
 - Provider Satisfaction -12.2% response rate. Stable overall satisfaction and strong loyalty (90%) among 147 providers, with opportunities identified in financial processes, care coordination, and call center interactions. Improvements across authorization and referral processes
- Grievance Rates, especially the timely access grievances, have consistently increased quarter over quarter in the last FY and in 25-26 Quarter 1



- FY 2025-26-Q1 saw 16.2% increase in grievances when compared to FY2024-25-Q4 & when compared to FY2024-25 Q1- the increase was 173%
- The following were the top 5 grievances:

Timely Access NMT	404	Telephone Access Plan	131
Timely Access PCP	302	Telephone Access Provider	97
Timely Access Specialist	192		

Clinical Operations

Annual Over and Under Utilization Report:

- Behavioral Health
 - Number of unique utilizers of non-specialty mental health services (NSMHS) on target
 - NSMH visits per month for therapy and medication management exceeded the benchmark
 - Transition from Carelon Behavioral Health, (delegate) to internal operations
- Asthma Medication Ratio
 - Continued improvement, but did not attain the Medi-Cal Accountability Set (MCAS) goal
 - Interventions continue
 - Measure sunsetting
- Cesarean Section Rate
 - Exceeded benchmark (lower is better)
 - Attributed to untimely prenatal care, elective C/S and complications of pregnancy
 - Outreach to high-risk members, Me and My Baby Program enrollment
- Readmission Rate- San Joaquin and Stanislaus Counties
 - Outperformed metric (fewer readmissions than goal- lower is better)
 - Continuing Transitions of Care, enhance reporting
- Opioid Use
 - Decreased Opioid prescriptions year over year
- Pharmacy Utilization
 - Increased medication adherence
 - Chronic underutilization for Diabetes and Hypertension medications
 - Barriers include transportation, members not aware of services, homelessness
 - Adherence programs, hypertension classes, disease management

Clinical Operations Committee

Specialty Referral Monitoring FY 2025:

- Top 5 specialties:
 - OB-Gynecology
 - Cardiology
 - Nephrology
 - Physical Medicine and Rehabilitation
 - Dermatology
- Referral Rates to out-of-network (OON) or out-of-area (OOA) providers
 - San Joaquin: Decreased 28%
 - Stanislaus: Decreased 55%
 - El Dorado: increased 144% (new county)
- OON Referrals causes:
 - Access and availability 27.5%
 - Continuity of Care 7.5%
 - Continuation of Care 25%
 - Medical necessity 17.5%

Specialty Referral Monitoring FY 2025:

- OON requests denied increased to 13.75% (from 5.3%) in San Joaquin County, and to 10.5% (from 5.8%) in Stanislaus County. The reasons for denial cited included:
 - Services available in network 25%
 - Other primary healthcare/CCS coverage 25%
 - Not a covered benefit 5%
 - Retrospective request not eligible 20%

Trauma Protocol – Annual Update:

The Trauma Protocol includes guidelines for the trauma level of care which include trauma team activation, documentation requirements, triage protocols by diagnosis/condition necessitating this service

The following update was made to the existing Trauma Protocol effective 2026 to ensure consistency with requirements across our service area and based on county emergency service agencies and national guidelines of field triage of injured patients:

- Removed the 8-hour trauma activation, as activation must occur within 30 minutes of arrival to the Emergency Department

Upon review of Dr. Dhanvanthari's report, the following questions were raised by Commissioners:

Q: Canepa - What is BH insourcing?

A: Dr. Dhanvanthari - Previously, a vendor managed our Behavioral Health (BH) services, but this function has now been brought in-house. The BH team now works directly with members to provide these services.

Q: Herrera - What does after-hours access mean?

A: Dr. Dhanvanthari - When a member calls a physician's office after hours, the call is handled either by an answering service or the provider. Messages must be clear and concise, with a response provided within 30 minutes.

Q: Canepa - Are referral figures based on membership percentage or number of referrals?

A: Dr. Dhanvanthari and Granados - The data reflects out-of-network referrals compared to the previous year. Ideally, members are not referred out of network. A decrease in out-of-network referrals is positive, as it reduces the need for members to travel outside the area for care. Significant work is being done to track referrals and identify in-county provider options for members.

Q: Herrera and Farley- Is Stanislaus receiving more specialists locally, and are appointments counted as access?

A: Dr. Dhanvanthari - Yes, specialists are available locally, and we must ensure appointments are timely to maintain access.

ACTION: With no additional questions or comments, a motion was made by Commissioner Canepa, seconded by Commissioner Krishnaswamy, and was unanimous to approve the QIHEC Committee Report for 02/18/2026 as presented (9/0).

INFORMATION ITEMS

6. CEO Report

Ms. Granados provided an update on the following activities:

Health Plan Celebrates 30-Year Anniversary with February 2026 marking the Health Plan's milestone

- **1996:** Health Plan of San Joaquin established as a local Medi-Cal managed care plan to address the unique healthcare needs of San Joaquin County
- **1998:** California Healthy Families Program added to provide coverage to children who do not qualify for Medi-Cal
- **2004:** HPSJ built new headquarters in French Camp to provide centralized access for rapidly growing membership throughout our service areas
- **2013:** The Affordable Care Act expanded coverage to millions of U.S. Citizens, including the expansion of Medi-Cal, allowing for substantial member growth for HPSJ
- **2013:** Selected to serve Stanislaus County, expanding member access to a broader, integrated provider network
- **2015:** Achieved National Committee for Quality Assurance (NCQA) accreditation, recognizing our clinical excellence and commitment to high-quality service
- **2024:** Expanded into Alpine and El Dorado counties as Mountain Valley Health Plan (MVHP), strengthening our public health mission
- **2026:** Launched the Dual Eligible Special Needs Program (D-SNP), providing coordinated care for members eligible for both Medi-Cal and Medicare

Medi-Cal Program Integrity Concerns

On January 27th, CMS Administrator Dr. Mehmet Oz sent a letter to Governor Newsom, sharing broad concerns regarding Medi-Cal program integrity and requesting a comprehensive program integrity program action plan, including supporting documentation, address targeted questions in the following areas:

- Fraud, Waste, Abuse and Improper Payments
- Eligibility Determinations and Immigrations Status Controls
- Provider Screening, Enrollment and Validation
- Program Integrity Infrastructure and Accountability

- IHSS Program Specific Oversight

The state is formulating a response to the letter which they must submit prior to the February 17th deadline.

DHCS Implementation Plan of H.R. 1

On January 29, DHCS released its Implementation Plan for New Federal Eligibility and Enrollment Changes Under H.R. 1

- Outlines the state's approach to complying with new federal Medicaid requirements
- Changes include the introduction of work and community engagement requirements and an increase to twice-yearly eligibility renewals for certain populations beginning in January 2027
- Details guiding principles, implementation timelines, and operational strategies to support members in retaining coverage, while assisting counties, health plans, and community partners in preparing for the transition

DHCS has emphasized its commitment to minimizing coverage disruptions and maintaining continuity of care as these federally mandated changes are implemented.

CMS Final Rule – Provider Taxes

CMS issued Final Rule "Medicaid Program: Preserving Medicaid Funding for Vulnerable Populations – Closing a Health Care-Related Tax Loophole," which will take effect on April 3, 2026

- Affect states' ability to generate federal matching funds through provider taxes, including California's existing Managed Care Organization (MCO) tax structure
- May introduce additional budget uncertainty for California, as the current MCO tax is now out of alignment with federal guidance
- The rule is expected to have longer-term implications for Proposition 35 and the state's overall financial outlook

Key Development – California's compliance transition period has been extended to December 31, 2026, rather than June 30, 2026, providing the state with additional time to adjust to changing requirements and offering near-term fiscal stability.

Local Health Plans of California 2026 Legislative Briefing

In collaboration with the Local Health Plans of California, Health Plan participated in a virtual Legislative Briefing for the California State Capitol community. Local plans engaged elected officials and legislative staff by sharing updates on our priorities, achievements, and challenges.

Health Plan participated in a panel highlighting our work expanding the workforce of Community Health Workers, facilitating access to Medi-Cal benefits, and guiding members through the healthcare and social services delivery systems.

The event provided an opportunity to strengthen relationships with legislative leaders and staff, create new opportunities for collaboration and reinforce our shared commitment to improving healthcare access, quality, and equity in the communities we serve.

7. COO Report – February 2026 Operations Report are available in the Health Commission meeting packet.

10. Legislative Update

Jedd Hampton, Director of Government and Public Affairs, provided an update on legislative activities, highlighting the following:

2026 Legislative Session

The California State Legislature reconvened on January 5th, entering the critical second year of the 2025–26 session

- Shifting focus from new proposals to advancing priority bills amid intensified negotiations and tighter timelines
- Legislative activity is accelerating, with close coordination between policy and budget negotiations

Key Legislation Introduced - full list could be found in the Health Commission meeting packet.

ACTING CHAIR'S REPORT

No reports were forthcoming.

COMMISSIONER COMMENTS

The Health Commission congratulated the team on the Health Plan's 30-Years of achievements.

ADJOURNMENT

Acting Chair Sorensen adjourned the meeting at 6:16 p.m. The next regular meeting of the Health Commission is scheduled for March 25, 2026.