MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

April 29, 2026
Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Genevieve Valentine, Chair
Ruben Imperial
Julienne Angeles, MD
Paul Canepa
Jim Diel – *Remote Participation*
Joy Farley, MD
Michael Herrera, DO
Michael Sorensen
Terry Withrow
Terry Woodrow

COMMISSION MEMBERS ABSENT:

Bryan Bucklew
Sandra Regalo

STAFF PRESENT:

Lizeth Granados, Chief Executive Officer
Betty Clark, Chief Regulatory Affairs and Compliance Officer
Dr. Lakshmi Dhanvanthari, Chief Medical Officer
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

CALL TO ORDER

Chair Valentine called the Health Commission meeting to order at 5:02 p.m.

Chair Valentine 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, Jim Diel, is participating from an alternate location: EDC Health & Human Services Agency – 3057 Briw Road,

Suite B, Placerville, CA 95667, 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 Diel clearly and had no doubt regarding his identity as the participant joining via teleconference.

PRESENTATIONS/INTRODUCTIONS

NONE.

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 Diel 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

Chair Genevieve presented three consent items for approval:

1. March 25, 2026 Health Commission Meeting Minutes

2. Community Advisory Committee – 04/09/2026
   a. February 12, 2026 Meeting Minutes
   b. Quality Campaign
   c. Member Experience
   d. Health Equity and Cultural & Linguistic Services/Language Access & DEI Training

3. Finance and Investment Committee – 04/22/2026
   a. March 18, 2026 Meeting Minutes
   b. Investment Portfolio Performance Update
   c. ACCO Engineered Systems, Inc. Contract

ACTION: With no questions or comments, the motion was made by Commissioner Withrow, seconded by Commissioner Angeles and was unanimously approved for all three consent items as presented (8/0).

Commissioners Canepa and Imperial joined the meeting at this time.

DISCUSSION/ACTION ITEMS

4. February FY 2026 Financial Reports

Michelle Tetreault, CFO, presented for approval the February FY 2026 financial reports, highlighting the following:

- Premium Revenue is +$27.1M favorable (+$4.35 PMPM) to FYTD budget as of February 2026. This is primarily driven by +$14.1M favorable due to higher member month volume and +$27.4M favorable due to rate, partially offset by -$14.4M unfavorable due to risk corridor agreements for the current fiscal year related to Enhanced Care Management (ECM)

- 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 -$157.6M unfavorable (-$44.81 PMPM) to FYTD budget, primarily driven by -$109.8M unfavorable in Specialist fee-for-service, -$52.1M unfavorable in Hospital Outpatient, -$13.5M unfavorable in Community Support, -$10.8M unfavorable in Emergency Room, -$10.7M unfavorable in FQHC fee-for-service, -$9.6M unfavorable in Behavioral Health, -$5.4M unfavorable in Outpatient Mental Health. These unfavorable variances are largely attributable to the fact that the budget was faulty due to an assumption that the utilization/cost trends combined would be 6.5% for the remainder of the FY end 2025 subsequent to the baseline used for budget purposes. The baseline for budget ended with October 2025. In addition, we still are experiencing 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 +$41.8M favorable in PCP fee-for-service, and +$10.6M favorable in Long Term care

- Net other program revenues and expenses are +$6.9M favorable (+$2.19 PMPM) primarily driven by the release of previously recorded accruals for the CalAIM Incentive Payment Program (CalAIM IPP) and the Student Behavioral Health Incentive Program (SBHIP) as the related expenditures are no longer expected to occur within the current fiscal year. These are incentives for DHCS-established programs paid to providers for achieving metrics outlined in the programs

- Administrative expenses are -$4.4M unfavorable (-$1.12 PMPM) to budget primarily driven by -$6.1M 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, -$3.0M unfavorable in Consultant expenses due to a reclassification from Subscription, -$1.3M unfavorable in Medical Management depreciation due to a reclassification from depreciation of technology and equipment to Medical Management-related depreciation, and -$0.7M unfavorable in Support and Maintenance expenses due to a correction that moved payments previously coded as capital in process into expense. These are partially offset by +$2.3M favorable in Subscription expenses from reclassification to Consultant, +$1.3M favorable in QM license fees primarily related to IT software for DSNP, +$1.3M favorable in depreciation of technology and equipment due to reclassification to Medical Management-related depreciation, +$1.0M favorable in printing and communication to member, and +$0.7M favorable in Medical Management consultant

- Prior period adjustments of +$69.0M favorable (+$21.38 PMPM) are primarily driven by $53.8M prior-year IBNR adjustments and additional $18.4M reinsurance recoveries, for the prior fiscal year, greater than expected

Ms. Tetreault also noted that an internal list of initiatives was developed, which includes at least six additional items, such as rate advocacy, due to unfavorable trends and continued growth. In discussions with DHCS, we raised concerns that our 2025 rates were not adequate and requested higher rates for

2026, as well as an adjustment for 2025. While DHCS initially indicated they might consider this, it is no longer an option for us to receive a rate adjustment for 2025.

Commissioner Herrera asked what is included under high costs within Institutional Cost. Ms. Tetreault explained that this category primarily consists of therapy and chemotherapy drugs, and that there has been an increase in the number of high-cost cases.

ACTION: With no further questions or comments, the motion was made by Commissioner Herrera, seconded by Commissioner Sorensen, and was unanimous to approve the February FY 2026 financial report as presented (10/0).

INFORMATION ITEMS

5. CEO Report

Lizeth Granados, CEO, provided an update on the following activities:

Medical Frailty and Work Requirement Eligibility Verification Processes

- DHCS outlined its updated medical frailty framework and work requirement exemption process under H.R. 1
- A multi-step model uses administrative data, a new frailty screener, and streamlined documentation when automation is insufficient
- Members in programs already aligned with frailty criteria (HCBS waivers, PACE, CBAS, ECM, CS) will be automatically exempt
- Processes integrate with broader exemption systems, prioritizing automated determinations and minimizing consumer burden
- DHCS estimates 1.84M members will be exempt or compliant via automation; 2.79M need review, with about 1.4M requiring additional verification

Medical Frailty Verification Process - California will take the following steps to identify medically frail individuals:

- Define Medical Frailty: Establish clinically grounded definitions that capture full range of conditions eligible for exemption
- Data Verification: Prioritize *ex part* verification using available administrative data
- Medical Frailty Screener: Develop a clinically grounded screener at application and renewal to allow self-identification
- Documentation Verification: If neither data nor screening is sufficient, DHCS will develop streamlined process to request supporting documentation

High Unemployment Exemptions Update

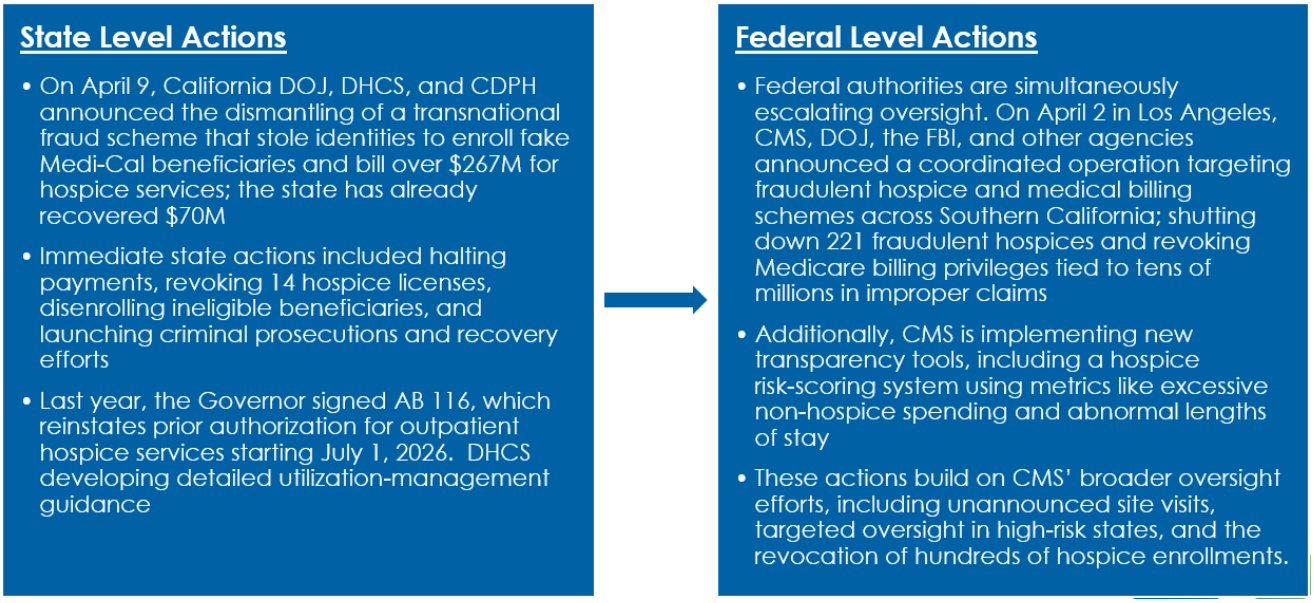
DHCS has undertaken several initiatives in anticipation of the changes mandated by H.R. 1. These initiatives include:

- H.R. 1 allows states to seek hardship exemptions from Medicaid work requirements for counties with high unemployment, modeled on the SNAP waiver framework
- DHCS is preparing California's exemption request, analyzing Bureau of Labor Statistics (BLS) county unemployment data, and evaluating whether 12-, 6-, or 3-month averages will be permitted

- Counties meeting the "high unemployment" definition – 8% or higher or at least 1.5x the national average (4.3%) – include Alpine (10.1%), Stanislaus (7.7%) and San Joaquin (7.2%)
- Some analysts suggest up to 38% of California counties (roughly 780,000 expansion adults) could qualify, depending on CMS guidance
- Key operational questions remain, including how CMS will handle fluctuating unemployment rates and exemption renewal frequency

State and Federal Hospice Fraud Enforcement Actions

In January, CMS sent California a letter outlining concerns regarding the Medi-Cal program and requested California provide a comprehensive program integrity action plan for the following categories:



Ms. Granados acknowledged Ms. Tetreault and her team for their thorough analysis, noting positively that providers are not participating in the state-level hospice actions.

She also recognized the Executive Team for completing the audit with only one finding; an impressive accomplishment given the thorough oversight of the state places on health plans. The team had already identified and begun addressing the issue prior to the audit, fully anticipating it would be noted. She commended the team for their excellent work on what was a very detailed and demanding audit.

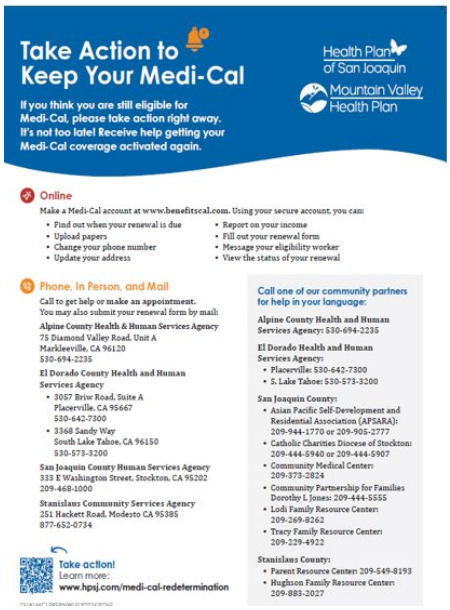
Regarding the DHCS full-scope audit, Commissioner Imperial also noted that achieving only one finding was an outstanding job.

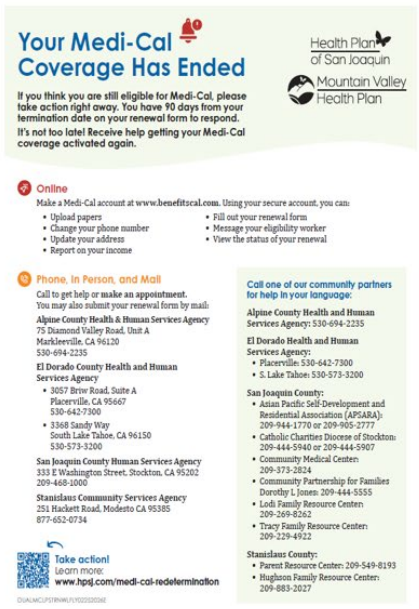
6. COO Report – *April 2026 Operations Report are available in the Health Commission meeting packet*.

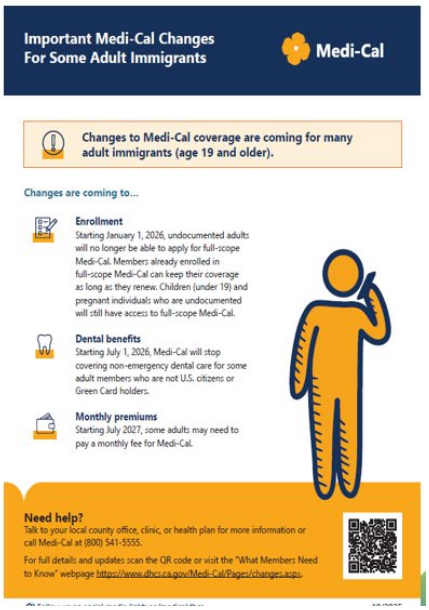
7. Renewal/Redetermination Update

Vena Ford, Director of Community Marketplace and Member Engagement, joined the meeting to present on membership renewal and redetermination, highlighting the Membership Preservation Objective - Engage and mobilizing key stakeholders to mitigate the negative impacts of Medi-Cal redetermination and eligibility changes to Medi-Cal and D-SNP members, providers, and community partners.

Sample: Medi-Cal Redetermination Materials







Upon Ms. Ford's update, Commissioners Angeles and Canepa asked what happens if a deadline is missed, and whether there is an average or estimate. Ms. Ford explained that members have three months to resubmit the required information; if they do not, they must reapply. She noted that 5–10% of members fall off at the beginning of the month, but most return within the same month for reinstatement. Currently, the reenrollment rate is 97–99%.

Commissioner Canepa asked about D-SNP. Ms. Granados explained that while D-SNP eligibility during open enrollment occurs in October, enrollment can take place year-round. Members must already be opted in the Health Plan for us to enroll them, and re-enrollment is more flexible than for Medi-Cal members, who have a three-month window.

Ms. Granados also noted that the state is developing a pilot program in which existing members who are turning 65 would be automatically enrolled into D-SNP under the Health Plan. She shared that we are hopeful this option will be extended to our county once the pilot is rolled out.

8. Quarterly Information Security Reporting

Victoria Worthy, CIO, provided an update on the quarterly information security metrics for FY 26 Q3, highlighting the following:

- Security Program Maturity – Overall Grade = B
- Vulnerability Management – Overall Grade = A
- M365 Security Configuration - Overall Grade = A
- Phish Testing Trends – Overall Grade = A
- Security Monitoring and Incident Response = A

She also reported that the Information Security department is leading a solid portfolio of projects that focus on enhancing HPSJ's security posture, aligning with compliance regulations, and enhancing resilience in operations. Our current priority areas include:

- Enhancing Risk Management Process/Documentation

- 2026 Annual HIPAA risk assessment
- NIST 800-53 Readiness Assessment June 2026

Chair Valentine expressed her appreciation for the trend report and the continued improvements reflected in the grading.

10. Legislative Update

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

Legislative Update

- State revenues are outperforming projections, with General Fund receipts $7B above forecast year-to-date
- April Finance Bulletin will signal whether improved revenues allow reversal of cuts or targeted new investments
- Long-term outlook remains challenging, with structural deficits projected to reach about $35B annually by FY 2027–28
- Legislature is intensifying budget work, balancing limited resources against significant health care funding needs
- Loss of federal health funds could compound fiscal pressures and force difficult service-level decisions

Priority Bills - full list could be found in the Health Commission meeting packet.

CHAIR'S REPORT

Chair Valentine appointed Vice-Chair Imperial to the Human Resources Committee.

Chair Valentine reported on the formation of the Ad-Hoc CEO Evaluation Committee, which consists of two members: herself and Commissioner Sorensen.

Chair Valentine shared that she was invited to the White House to participate in a national work group focused on addiction, homelessness, and behavioral health. She is part of a group of 28 participants. The toolkit being developed will include components such as street medicine, Be Well, veterans' services, and medication-assisted treatment. Although there is no publication date yet, the toolkit is expected to be available nationwide by early next year.

Vice-Chair Imperial will chair the May meeting, as Chair Valentine is scheduled to attend a Builder's Conference on integrated behavioral health with Be Well.

COMMISSIONER COMMENTS

Commissioner Canepa provided an update on the Be Well campus, noting that the beam-raising event was very exciting. Chair Genevieve added that the final steel beam for the first building has been placed and that construction is currently ahead of schedule. Completion is anticipated by April 2027, with the first building expected to begin accepting patients by June 2027.

Commissioner Herrera shared an update on the groundbreaking event for St. Joseph's Hospital, noting that Don Wiley was honored for his significant contributions to the project. The expansion will bring more jobs and expand patient services for Stockton, with completion expected by 2030.

The Health Commission went into a Closed Session at 6:12 pm.

CLOSED SESSION

11. Closed Session – Trade Secrets
Welfare and Institutions Code Section 14087.31
Title: Quarterly FY 25-26 Corporate Objectives Update

The Health Commission came out of Closed Session at 6:28pm. No actions were forthcoming.

ADJOURNMENT

Chair Valentine adjourned the meeting at 6:28 p.m. The next regular meeting of the Health Commission is scheduled for May 27, 2026.