MINUTES OF THE MEETING OF THE
SAN JOAQUIN COUNTY HEALTH COMMISSION

August 26, 2026
Health Plan of San Joaquin – Community Room

COMMISSION MEMBERS PRESENT:

Genevieve Valentine, Chair

Ruben Imperial, Vice-Chair

Julienne Angeles, MD

Joy Farley, MD

Michael Herrera, DO

Sandra Regalo

Michael Sorensen

Terry Woodrow

COMMISSION MEMBERS ABSENT:

Bryan Bucklew

Paul Canepa

Terry Withrow

STAFF PRESENT:

Lizeth Granados, Chief Executive Officer

Michael Engelhard, Interim Chief Financial Officer

Liz Le, Chief Operations Officer

Tracy Hitzeman, Chief Health Services Officer

Victoria Worthy, Chief Information Officer

Margaret Tatar, Interim Chief Compliance Officer

Kimberly Glasby, Executive Director, Health Services

Edward Kiernan, County Counsel

Sue Nakata, Executive Assistant and Clerk of the Health Commission

<u>CALL TO ORDER</u>

Chair Valentine called the Health Commission meeting to order at 5:05 p.m.

PRESENTATIONS/INTRODUCTIONS

Chair Valentine welcomed Dr. Rohini Bogineni, the newest Commissioner, to the Health Commission. Commissioner Bogineni currently serves as the Community Representative for Stanislaus County. She is a board-certified surgeon and the Trauma Medical Director at Doctors Medical Center in Modesto.

PUBLIC COMMENTS

No public comments were forthcoming.

CONSENT CALENDAR

Chair Valentine presented three consent items for approval:

1. June 24, 2026 Health Commission Meeting Minutes

2. Community Advisory Committee (CAC) – 08/06/2026
   a. June 11, 2026 Meeting Minutes
   b. Alzheimer's Association
   c. Health Ed Field Testing
   d. Creative Approaches to Reduce Kids' ER Visits
   e. Medi-Cal Renewal

3. Finance and Investment Committee – 08/19/2026
   a. June 17, 2026 Meeting Minutes

ACTION: With no questions or comments, the motion was made by Commissioner Sorensen, seconded by Commissioner Farley and was unanimously approved for all three consent items as presented (9/0).

DISCUSSION/ACTION ITEMS

4. May FY 2026 and June FYE 2026 Financial Reports

Michael Engelhard, Interim CFO submitted for approval the May 2026 and June 2026 FYE Pre-Audit financial reports, highlighting the following for June:

Financial Highlights Summary – June 2026

- MTD Net Income was ($21.4M) vs Budget of ($15.9M)
- YTD Net Income was ($186.3M) vs Budget of ($82.3M)
- June 2026 Enrollment at 383,497 vs Forecast of 379,706
- IBNR Prior Period Adjustments Net of Claims Paid MTD $2.8M (Favorable)
- YTD $53.3M (Favorable)

Consolidated Income Statement as of June 30, 2026

- **ENROLLMENT:** MTD: 383,497; YTD: 4,776,320
  - Medi-Cal: June –383,173 favorable to budget by 3,346 members; YTD –4,774,799 favorable to budget by 50k (1%)

  - DSNP: June –324 unfavorable to budget by 1,358 members; YTD (started Jan 2026) -1,521 unfavorable to budget by 6,010 (80%)

- **REVENUE:** Favorable $71.2M YTD ($11.83 PMPM) driven by January 2026 capitation rate increase and higher overall membership. This was partially offset by an ECM risk corridor accrual due to lower-than-expected utilization of ECM services

- **MEDICAL EXPENSES** are $235.6M ($46.21 PMPM) unfavorable to budget for YTD ($153.8M including favorable prior period IBNP restatement)
  - Inpatient Hospital: Favorable to budget by $23.2M ($5.98 PMPM)
  - Unfavorable to budget in the following Categories of Service (COS)
    - Physician Specialty –Unfavorable to budget by $142.6M ($29.40 PMPM)
    - Outpatient Hospital –Unfavorable to budget by $72.5M ($14.87 PMPM)
    - Behavioral Health Treatment (BHT) –Unfavorable to budget by $19.5M ($4.02 PMPM)
    - Federally Qualified Health Centers (FQHC) –Unfavorable to budget by $18.8M ($3.90 PMPM)

- **ADMINISTRATIVE EXPENSES** are $104.7M compared to $99.1M budgeted ($5.6M unfavorable)
  - Salaries and Benefits: $7.9M unfavorable to budget due to lower vacancy factor and unbudgeted temporary help
  - General Administrative expenses: $2.3M favorable to budget

- **CHANGE IN NET ASSETS** is ($21.4M) for June -unfavorable to budget by $5.5M; ($186.3M) for FY2026 -unfavorable to budget by $104.0M

Upon review of the financial highlights, Commissioner Imperial asked whether there are any projections or insights on when we might reach a new baseline for membership and revenue. Mr. Engelhard explained that we will not have reliable visibility into this until mid-2027 due to several factors:

- The decline related to the UIS population,
- The impacts of HR.1 beginning in 2027, and
- Local work-requirement exemptions and redeterminations

He noted that by next summer 2027, the Health Plan should begin to see the data more clearly.

ACTION: With no further questions or comments, the motion was made by Commissioner Imperial, seconded by Commissioner Angeles, and was unanimous to approve the May FY 2026 and June FYE 2026 financial reports as presented (9/0).

5. Peer Review and Credentialing Committee (PRC) Update – 07/08/2026

Tracy Hitzeman, Chief Health Services Officer, presented for approval the PRC Committee report for July 8, 2026:

Direct Contracted Providers: 169

- Initial Credentialed for 1 years = 0
- Initial Credentialed for 3 year = 81
- Recredentialed for 1 Year = 4
- Recredentialed for 3 Years = 76
- Recredentialed for 6 Months = 1
- Clean File Initial Credentialing Sign Off Approval by Dr. Lakshmi: 5

- Clean File Recredentialing Sign Off Approval by Dr. Lakshmi: 2

Termination-Involuntary: 0

ACTION: With no questions or comments, a motion was made by Commissioner Regalo and seconded by Commissioner Woodrew, with an abstention by Commissioner Herrera, to approve the Peer Review and Credentialing Committee report for July 8, 2026, as presented (8/1).

INFORMATION ITEMS

6. Meketa/MetLife Investment Portfolio Annual Performance

David Sancewich of Meketa joined the meeting to provide an update on the Health Plan's investment portfolio and annual performance, highlighting the following:

- Total portfolio value at the end of June 2026 was $467.9 million
- The portfolio's investments returned +0.7% during the second quarter, bringing the performance since inception (June 2023) to +4.6%
- The Growth Portfolio returned +0.6% during the second quarter and +3.3% in the one-year period
- The Working Capital Portfolio returned +0.9% during the second quarter and +4.1% in the one year period
- As of quarter-end, the Health Plan's underlying investments and exposures are in compliance with sector, issuer, and maturity limits stated in the Investment Policy Statement

Chair Valentine noted that due to meeting time constraints, the remaining informational items would not be presented. However, all materials are available in the meeting packet and the PowerPoint packet for reference:

- CEO Report
- Community Reinvestment Obligation
- Short-Term Post-Hospitalization Housing (STPHH) Sunsets
- Bi-Monthly Compliance Update
- Quarterly Information Security Reporting
- Legislative and Priority Bill Reports

CHAIR'S REPORT

Chair Valentine provided information on HUD Government website, noting that the BeWell Project is highlighted as a featured federal initiative. The feasibility work and efforts led by the Health Commission are noteworthy and prominently recognized.

COMMISSIONER COMMENTS

Commissioner Imperial stated that he appreciates the new budget format presentation.

The Health Commission went into a Closed Session at 5:26 pm.

CLOSED SESSION

7. Closed Session – Trade Secrets
   Welfare and Institutions Code Section 14087.31
   Title: Organization Update

8. Closed Session – Trade Secrets
   Welfare and Institutions Code Section 14087.31
   Title: Tangible Net Equity (TNE Policy)

9. Closed Session – Trade Secrets
   Welfare and Institutions Code Section 14087.31
   Title: Approval of FY 25-26 Corporate Objectives Outcome

10. Closed Session – Public Employee Performance Evaluation
    Government Code Section 54957
    Title: Chief Executive Officer – Performance Review

The Health Commission came out of Closed Session at 6:28 pm.

ACTION: A motion was made (Commissioner Sorensen), seconded (Commissioner Angeles) and unanimous, to approve the FY 25-26 Corporate Objectives outcome as presented with no incentive payout as the Health Plan did not achieve a budgeted net income (9/0).

Chair Valentine reported that the Health Commission concurs with the CEO's performance review conducted by the Ad-Hoc Committee. The Commission will finalize the item at the September meeting.

ADJOURNMENT

Chair Valentine adjourned the meeting at 6:29 p.m. The next regular meeting of the Health Commission is scheduled for September 30, 2026.