Health Plan of San Mateo
Healthy is for everyone

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THE SAN MATEO HEALTH COMMISSION
Regular Meeting
November 18, 2026 - 12:30 p.m. Pacific Time
Health Plan of San Mateo
Boardroom
801 Gateway Blvd., South San Francisco, CA 94080

This meeting of the San Mateo Health Commission will be held in the Boardroom at 801 Gateway Blvd., South San Francisco. Members of the public wishing to view this meeting remotely may access the meeting via YouTube Live Stream using this link: https://youtube.com/live/3n8SeOQRyZM?feature=share
Please note that while there is an opportunity to provide public comment in person, there is no means of doing so via the Live Stream link.

AGENDA

1. **Call to Order/Roll Call**
2. **Public Comment/Communication**
3. **Approval of Agenda***
4. **Consent Agenda***
   - 4.1 Waive RFP and Approve Letter of Engagement with Milliman Consultants for Actuarial Services
   - 4.2 Approval of NMT Services Budget with RFP Awarded Vendor, American Logistics
   - 4.3 Approval of Amendment to Agreement with Optum f/k/a Change Healthcare Resources, LLC
   - 4.4 Waive Request for Proposal & Approve Amendment to the Agreement with Avid Translation, LLC
   - 4.5 Waive Request for Proposal & Approve Amendment to the Agreement with CLI
   - 4.6 Approval of Amendment with Hanna Interpreting Services, LLC
   - 4.7 Draft CAC Minutes – August 19, 2026
   - 4.8 QIHEC Minutes – June 18, 2026
   - 4.9 Finance/Compliance Committee Report & Draft Minutes – November 2, 2026
   - 4.10 Approval of San Mateo Health Commission Meeting Minutes - September 9, 2026
5. **Specific Discussion/Action Items**
   - 5.1 Community Reinvestment Update
   - 5.2 UIS Transition Update
   - 5.3 HPSM Budget Update
6. **Report from the CEO**
7. **Other Business**
8. **Adjournment**

**Items for which Commission action is requested.*

Government Code §54957.5 requires that public records related to items on the open session agenda for a regular commission meeting be made available for public inspection. Records distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission. The Commission has designated the Clerk of the San Mateo Health Commission located at 801 Gateway Boulevard, Suite 100, South San Francisco, CA 94080, for the purpose of making those public records available for inspection. Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Clerk of the Commission at least two (2) working days before the meeting at (650) 616-0050. Notification in advance of the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

MEMORANDUM

AGENDA ITEM: 4.1

DATE: November 18, 2026

DATE: November10, 2026

TO: San Mateo Health Commission

FROM: Patrick Curran, Chief Executive Officer
Katie-Elyse Turner, Director of Financial Planning & Analysis

RE: Waive Request for Proposal and Approve Letters of Engagements with Milliman Consultants for Actuarial Services Related to 2028 and 2029 Medicare D-SNP Bids

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Recommendation:

Waive the Request for Proposals (RFP) process and authorize the Chief Executive Officer to execute the Letters of Engagement with Milliman Consultants for actuarial services related to the 2028 and 2029 Medicare Advantage (MA) and Part D (PD) bid submissions.

Background:

As HPSM is committed to supporting complex and older adults with both Medicaid and Medicare eligibility, we have operated a Medicare line of business since 2006. CareAdvantage (CA), a Medicare Advantage (MA) and Part D (PD) Special Needs Plan (SNP), operated from 2006 through 2016. CareAdvantage Cal MediConnect (CA CMC), an integrated Medicare-Medicaid Plan (MMP), operated from April 2014 through 2022. As of January 2023, CareAdvantage transitioned to a MA-PD Dual-Eligible Special Needs Plan (D-SNP) in alignment with HPSM's Medi-Cal line of business.

The Centers for Medicare and Medicaid Services (CMS) require annual submission of "bids" for all MA and PD plans. This actuarial process utilizes medical and pharmacy cost and utilization data, HPSM's plan design decisions, market intelligence, and operational goals to develop an estimated "per member per month" (PMPM) cost of offering the CareAdvantage product's benefit package. CMS then compares these data to nationwide MA and PD benchmarks and sets final plan specific PMPM rates for the benefit year, which form the basis for HPSM's Medicare revenue streams.

Milliman Consultants have provided actuarial and consulting services for the Health Plan since 2005, including annual MA-PD bid support, Medi-Cal dental benefit rate development support, and a variety of other Medicare and Medicaid actuarial and financial guidance and deliverables.

Discussion:

Milliman's work on the bid includes a suite of support services and deliverables, including:

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- Preliminary projections of benefit year costs and revenue for Part C (MA) and Part D (PD),
- Advice and strategy support to develop D-SNP product and benefit package,
- CMS delivery-ready bid pricing tools (BPTs) for June submission and August resubmission, qualitative and quantitative bid substantiation, and actuarial certification, and
- Support through CMS's bid desk review process and a final management report documenting the submitted bid information and major assumptions used in development.

Staff continue to be satisfied with Milliman's deep expertise in MA-PD plan design, understanding of CMS expectations for the annual bid process, and strategic thought partnership and support in developing comprehensive MA and PD bids and related documentation. Given the complexities of the CMS MA-PD bid process and Milliman's familiarity with HPSM and its D-SNP program, it is in the Health Plan's best interests to waive the request for proposal process and maintain our actuarial relationship with Milliman for MA-PD bid services.

Fiscal Impact:

Based on historical experience of annual bid development costs, HPSM staff estimate expenditures between $375,000 and $425,000 for all 2028 bid activities and between $450,000 and $510,000 for 2029 bid activities, with the final fees based on actual time and expense incurred.

Estimated annual bid development costs *include* charges to support common MA-PD research and bid tools, response support for CMS desk review inquiries, and August resubmission activities (after the initial bid submission in June), but *exclude* CMS bid audit activities, should HPSM be selected.

As HPSM's familiarity with the MA-PD bid process has grown, staff are better equipped to take proactive steps to avoid and control bid development costs by identifying process efficiency opportunities, leveraging internal subject matter expertise where possible, and making best efforts to deliver information and data to Milliman timely.

We therefore anticipate total expenditures of approximately $825,000 to $935,000 for 2028 bid development activities (in 2027) and 2029 bid development activities (in 2028) and request a total not to exceed amount of $950,000.

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RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER TO WAIVE REQUEST FOR PROPOSAL PROCESS AND APPROVE LETTERS OF ENGAGEMENT WITH MILLIMAN CONSULTANTS FOR 2028-2029 MEDICARE BIDS

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. The San Mateo Health Commission continues to support service delivery alignment for complex and older adults by offering the CareAdvantage line of business, a Medicare Advantage and Part D (MA-PD) Dual-Eligible Special Needs Plan (D-SNP);
B. The Centers for Medicare and Medicaid Services (CMS) require annual submission and approval of actuarially developed and certified bids to administer MA-PD plans; and
C. HPSM staff recommend waiving the request for proposal process and continued utilization of Milliman Consultants to provide Medicare line of business-related actuarial services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission waives the Request for Proposal process and authorizes the engagement with Milliman Consultants for services related to the 2028 and 2029 MA-PD bid projects with a not to exceed amount of $950,000 for the two year term; and
2. Authorize the Chief Executive Officer to execute said letters of engagement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November 2026 by the following votes:

AYES:
NOES:
ABSTAINED:
ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

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MEMORANDUM

AGENDA ITEM: 4.2

DATE: November 18, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Pat Curran, Chief Executive Officer
Amy Scribner, Chief Health Officer
Gale Carino, Director of Integrated Care
Erica Han, Program Manager, Transportation

RE: Approval of Non-Medical Transportation (NMT) Services Budget with RFP Awarded NMT Vendor, American Logistics.

Recommendation

Following a competitive Request for Proposal (RFP) process, recommendation is for the Commission to authorize HPSM's CEO to execute a three-year agreement with NMT vendor, American Logistics (AL), with a not to exceed amount of $25.2 million to provide services under the Non-Medical Transportation (NMT) benefit.

Background

NMT is a covered Medi-Cal benefit that provides eligible Medi-Cal and CareAdvantage members with transportation to access covered health care services. HPSM is responsible for ensuring timely and reliable access to this benefit in accordance with California Department of Health Care Services (DHCS) requirements as described in All Plan Letter (APL) 22-008.

American Logistics (AL) has supported HPSM's NMT services since implementation of the expanded Medi-Cal transportation benefit in 2017, through successive contractual agreements.

In 2026, HPSM completed a competitive RFP process to evaluate transportation vendors based on service capabilities, operational performance, cost, regulatory compliance, and ability to meet member needs. Following the evaluation, American Logistics (AL) was selected and awarded the three-year NMT services agreement, effective October 1, 2026, through September 30, 2029.

Discussion

The selection of American Logistics (AL) supports HPSM's commitment to reliable, accessible, and cost-effective transportation services. The three-year agreement provides continuity while supporting strengthened vendor oversight and accountability.

Continuity of Member Services: Maintain uninterrupted access to transportation for Medi-Cal and CareAdvantage eligible members to attend covered health care appointments.

Competitive Procurement: AL was selected following evaluation of vendor qualifications, capabilities, and proposed contract terms.

Vendor Performance and Accountability: Continue oversight of service delivery, performance standards, member experience, and compliance.

Program Integrity and Cost Management: Strengthen monitoring and controls to mitigate potential fraud, waste, and abuse and improve utilization oversight.

Budget Planning: Establish a three-year financial framework for anticipated transportation utilization and expenditures given changes in Medi-Cal eligibility effective January 1, 2027.

Fiscal Impact

The proposed three-year NMT services budget is estimated at $25.2 million, based on projected monthly expenditures of approximately $700,000. Utilization controls will continue in this agreement period to mitigate FWA/misuse of the ride benefit; this includes system enhancement, workflow revisions, staff training and monitoring.

Since implementing enhanced utilization controls starting July 2025, HPSM has experienced a significant reduction in NMT expenditures. Over the 14-month period from August 2025 through September 2025, average monthly expenditures were approximately $687,000, compared to $1.7 million prior to the implementation of these controls. More recently, expenditures have remained relatively stable, averaging approximately $672,000 per month from April through September 2026. The proposed monthly budget of $700,000 provides an allowance for anticipated contractual rate increases and potential fluctuations in transportation utilization. The budget reflects projected expenditures based on anticipated member transportation utilization and service costs. NMT expenditures are classified as health care costs. Actual expenditures will vary based on utilization, demand, and applicable contractual rates. HPSM will continue monitoring utilization, vendor performance, and expenditures to support appropriate benefit use and fiscal oversight.

Commission approval of the estimated $25.2 million budget will authorize funding for NMT services provided by American Logistics (AL) over the three-year agreement period, subject to applicable HPSM approval and payment policies.

NMT is a mandatory benefit for Medi-Cal members; HPSM is required to provide rides regardless of member demand. As such, these costs are eventually reflected in HPSM's rates from the CA Department of Health Care Services.

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RESOLUTION OF THE

SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF NON-MEDICAL TRANSPORTATION (NMT) SERVICES BUDGET WITH RFP AWARDED VENDOR, AMERICAN LOGISTICS COMPANY

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. Non-Medical Transportation (NMT) is a covered Medi-Cal benefit and health care expense, with associated costs are reflected in HPSM's capitation rates received from the Department of Health Care Services (DHCS); and

B. HPSM completed a competitive Request for Proposal (RFP) process and selected American Logistics Company (AL) to continue providing NMT services to eligible HPSM members for a three-year agreement period, effective October 1, 2026, through September 30, 2029; and

C. The estimated cost of NMT services under the three-year agreement is $25.2 million, based on projected monthly expenditures of approximately $700,000, subject to actual member utilization and transportation service needs; and

D. Approval of the proposed NMT services budget will support uninterrupted access to transportation services for eligible members while maintaining appropriate fiscal oversight and vendor accountability.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission authorizes the Chief Executive Officer to approve an estimated three-year budget of $25.2 million for NMT services provided by American Logistics (AL) for the agreement period of October 1, 2026 through September 30, 2029.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M.Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

MEMORANDUM

AGENDA ITEM: 4.3

DATE: November 18, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Patrick Curran, Chief Executive Officer
Anne Bentz, Revenue Data Operations Manager

RE: Approval of Agreement Renewal with Optum f/k/a Change Healthcare Resources, LLC

Recommendation:

Authorize the Chief Executive Officer to execute a renewal of Agreement to extend the services provided by Optum (previously Change Healthcare Resources, LLC) to add $2,150,000 for a contract extension of services through December 31, 2029.

Background and Discussion:

HPSM conducts several ongoing efforts related to understanding and reporting its members' health conditions and accessed services. In addition to other data sources, medical records created and maintained by providers that see HPSM members are a rich source of information that the health plan relies on for Medi-Cal and Medicare Quality Improvement requirements through the Health Effectiveness Information Data Set (HEDIS) reporting mechanism and for ensuring accurate risk adjusted Medicare revenue critical to these operations.

HPSM has partnered with Optum to provide medical record retrieval, review, abstraction, and coding services that support both the Revenue Data Operations and Quality Improvement departments. The vendor's services enable HPSM to efficiently obtain medical records from providers, support annual HEDIS medical record review activities, and ensure accurate capture of diagnoses for Medicare risk adjustment programs.

Based on Optum's performance over the past two years, both the Revenue Data Operations and Quality Improvement teams find that Optum continues to meet business requirements, remains competitively priced, and demonstrates a strong understanding of HPSM's operational and regulatory needs. The proposed amendment supports one year of full project activity and a second and third year of reduced-scope coding services as HPSM evaluates opportunities to transition portions of the work internally to achieve future cost savings and reduce provider abrasion.

Fiscal Impact:

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The proposed renewal extends the agreement through December 31, 2029, and provides funding authority for anticipated medical record retrieval, coding, chart review, and related support services during the remainder of calendar year 2026. Based on current volume projections and expected service utilization, HPSM estimates that annual HEDIS and risk adjustment-related expenditures will be approximately $330,000 and $1,820,000, respectively, over the term of the contract and including the outstanding invoices from 2026. The requested increase will provide sufficient funding authority to support projected expenditure through the extension period and ensure uninterrupted vendor support.

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RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF AMENDMENT TO
AGREEMENT WITH OPTUM f/k/a CHANGE HEALTHCARE RESOURCES, LLC
FOR MEDICARE RISK ADJUSTMENT BUSINESS NEEDS

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. The San Mateo Health Commission seeks an external partner with subject matter and operational expertise to align medical record collection and review activities;
B. Change Healthcare Resources, LLC continues to provide medical record collection and review services in support of Health Plan of San Mateo's Quality Improvement and Medicare Risk Adjustment business needs;
C. Both parties with to extend the agreement for an additional 3-year term.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves the renewal to the agreement with Change Healthcare Resources, LLC adding $2,150,000 to extend the term of the agreement three years through December 31, 2029; and
2. Authorizes the Chief Executive Officer to execute said amendment.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November 2026 by the following votes:

AYES:
NOES:
ABSTAINED:
ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

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MEMORANDUM

AGENDA ITEM: 4.4

DATE: November 18, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Amy Scribner, Chief Health Officer

RE: Waive Request for Proposal Process and Approve Amendment to the Agreements with Avid Translation, LLC

Recommendation:

Waive the Request for Proposal (RFP) process and authorize the Chief Executive Officer to execute an amendment to the agreement with Avid Translation, LLC (Avid) to extend the term for three months through March 31, 2027 and increase the contract amount by $285,000.

Background:

HPSM is required to provide no-cost interpreter services to members, and thus contracts with multiple vendors to provide phone, video, and in-person interpreter services to our members. Avid has been HPSM's in-person interpretation vendor since 2011, providing in-person interpreter services to ensure members can communicate with their providers in a language they understand. Utilization of Avid's services has steadily increased due to utilization for therapy services, including behavioral health, occupational therapy, physical therapy, and speech therapy. These services often occur on a weekly basis, resulting in in-person interpreter costs increasing exponentially.

HPSM has worked to track, trend, and better understand patterns for in-person interpreter utilization. Following this assessment, HPSM has begun to implement the following strategies to match appropriate interpreter modality to service being delivered through the following mechanism:

- Provide consultation to the top four in-person interpreter services utilizers to review clinical guidelines and HPSM's guidance on how and which modality to use for which service.
- Develop communication materials for providers, focusing on phone and video services and re-educating on when in-person services should be utilized.
- Reviewing patterns of utilization following training to determine if multiple modes are consistently being used by providers, rather than sole reliance on one type of interpreter service modality.

Discussion:

Avid has provided excellent interpreter services for HPSM, with many providers requesting their services as a result. This year, HPSM completed the RFP process for interpreter services, selecting a new vendor for 2027. During this implementation phase and until the new vendor completes onboarding, HPSM will continue to utilize Avid for in-person services to ensure continuity of services. Therefore, staff recommend a waiver for the RFP process.

Fiscal Impact:

The amendment increases the contracted maximum amount by $285,000. The term of the agreement is extended through March 31, 2027.

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RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF AMENDMENT
TO AGREEMENT WITH AVID TRANSLATION, LLC

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. The San Mateo Health Commission has an agreement with Avid Translation, LCC to provide interpreter services for in-person visits;
B. Increased utilization of in-person interpretation for therapy services has increased cost; and
C. Staff recommends the continued use of these services and the amendment as outlined in the attached memorandum.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission waive the Request for Proposal (RFP) process and approves an amendment to the agreement with Avid Translation, LLC (Avid) to extend the term for three months through March 31, 2027 and increase the contract amount by $285,000; and
2. Authorizes the Chief Executive Officer to sign said amendment.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November, 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

MEMORANDUM

AGENDA ITEM: 4.5

DATE: November 11, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Amy Scribner, Chief Health Officer

RE: Waive Request for Proposal Process and Approval of Amendment to the Agreements with Certified Languages International (CLI)

Recommendation:

Waive the Request for Proposal (RFP) process and authorize the Chief Executive Officer to execute an amendment to the agreement with Certified Languages International to extend the term for three months through March 31, 2027 and increase the contract amount by $320,000.

Background:

HPSM is required to provide no-cost interpreter services to members, contracting with multiple vendors to ensure members have access to phone, video, and in-person interpreter services. CLI has been HPSM's phone and video interpretation vendor since 2014, providing phone and video interpreter services to ensure members can communicate with their providers in a language they understand. Utilization of CLI's services has increased, with both provider and staff aware of the availability of services to better aid HPSM's members.

Discussion:

This year, HPSM completed the RFP process for interpreter services, selecting a new vendor for 2027. During this implementation phase and until the new vendor completes onboarding, HPSM will continue to utilize CLI for phone and video services to ensure continuity of services. Therefore, staff recommend a waiver for the RFP process for CLI to continue providing this service until the transition is complete.

HPSM will continue to evaluate interpretation needs with the transition of over 30,000 members to fee-for-service starting on January 1, 2027. Staff currently review utilization for providers and HPSM staff on a monthly basis. Analyzing usage by modality (phone or video), provider type or

department, and language allows HPSM to identify trends and any potential areas to improve services. HPSM also tracks issues with CLI's services, working closely with the vendor to remedy problems providers and staff encounter. Through this monitoring, HPSM will ensure that members continue to receive the interpreter services they need in a timely manner.

Fiscal Impact:

The amendment increases the contracted maximum amount by $320,000. The term of the agreement is extended through March 31, 2027.

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RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF AMENDMENT TO AGREEMENT WITH CERTIFIED LANGUAGES INTERNATIONAL

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. The San Mateo Health Commission has an agreement with CLI to provide interpreter services for in-person visits;
B. Increased utilization of interpretation services has increased overall cost; and
C. Staff recommends the continued use of these services and the amendment as outlined in the attached memorandum.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission waive the Request for Proposal (RFP) process, approve an amendment to the agreement with CLI to extend the term for three months through March 31, 2027 and increase the contract amount by $320,000; and
2. Authorize the Chief Executive Officer to sign said amendment.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November, 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

MEMORANDUM

AGENDA ITEM: 4.6

DATE: November 18, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Amy Scribner, Chief Health Officer

RE: Approval of Agreement with Hanna Interpreting Services, LLC

Recommendation:

Authorize the Chief Executive Officer to execute an agreement with Hanna Interpreting Services, LLC (Hanna) to provide interpreter services, with the agreement ending April 30, 2029, and with a total amount of $2,600,000.

Background:

HPSM and its network providers are required to provide no-cost interpreter services to members. When providers are unable to provide these services themselves, HPSM's interpreter services are available for their use. This ensures all members' needs are met regardless of the providers' capacity.

Over the years, utilization of all modalities, phone, video, and in-person interpretation, has increased with growing awareness of HPSM's interpreter services. HPSM has utilized different vendors throughout the years to adapt to the needs of the members. Currently, staff utilize phone interpreters to communicate with members. Providers access phone, video, and in-person interpreters during appointments with HPSM members. In 2024, HPSM released an RFP seeking a vendor to provide a solution for interpreter services, and Hanna was selected as HPSM's new vendor for phone, video, and in-person interpretation.

Discussion:

Hanna was chosen due to their reputable background in working with health plans and the opportunity for seamless and simplified processes that will improve member experience when working with an interpreter. Hanna will maintain all three modalities for HPSM, making access to services easier for providers and HPSM staff. In addition, Hanna offers innovative technological solutions that will improve current processes such as member and provider verification to verify proper usage of services, integrated service platforms to allow ease of access for providers and

staff, and interactive dashboards for monitoring and reporting. These solutions will improve the efficiency of HPSM's current services.

During the implementation of Hanna, HPSM will continue to utilize services of its current vendors to ensure members receive interpreter services. HPSM will work with Hanna to implement solutions that improve upon current systems. In addition, HPSM will continue to monitor interpretation needs with steady increase of utilization by therapy services (behavioral, occupational, physical, and speech) and the transition of over 30,000 members to fee-for-service starting on January 1, 2027.

Fiscal Impact:

The amendment establishes the contracted maximum amount by $2,600,000. The term of the agreement is May 21, 2026, through April 30, 2029.

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RESOLUTION OF THE
SAN MATEO HEALTH COMMISSION

IN THE MATTER OF APPROVAL OF THE AGREEMENT WITH HANNA INTERPRETING SERVICES, LLC

RESOLUTION 2026 -

RECITAL: WHEREAS,

A. HPSM has a need to maintain interpreter services for members with limited English proficiency; and
B. Hanna was selected after completing the RFP process as HPSMS interpreter services provider for all modalities (phone, video, and in-person) due to their extensive experience providing interpreter services to other health plans.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The San Mateo Health Commission approves and agreement with Hanna Interpreting Services, LLC (Hanna) to provide interpreter services, with the agreement ending April 30, 2029, and with a total amount of $2,600,000; and
2. Authorize the Chief Executive Officer to execute said agreement.

PASSED, APPROVED, AND ADOPTED by the San Mateo Health Commission this 18th day of November, 2026 by the following votes:

AYES:

NOES:

ABSTAINED:

ABSENT:

_____
Bill Graham, Chairperson

ATTEST:

BY: _____
M. Heryford, Clerk

APPROVED AS TO FORM:

_____
Kristina Paszek
DEPUTY COUNTY ATTORNEY

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HEALTH PLAN OF SAN MATEO
COMMUNITY ADVISORY COMMITTEE MEETING
Meeting Minutes
Wednesday, August 19, 2026
801 Gateway Blvd. – 1st Floor Boardroom
South San Francisco, CA 94080

Agenda Item: 4.7
Date: Nov 18, 2026

Committee Members Present: Amira Elbeshbeshy, Angela Valdez, Jill Dawson, Ligia Andrade-Zuniga, Kay Lee, Giselle Espinoza.

Committee Members Absent: Hazel Carillo, Ana Avendano Ed.D., Kathryn Greis, Lizelle Lirio de Luna

Staff Present: Amy Scribner, Rustica Magat-Escandor, Mackenzie Moniz, Karla Mendoza-Pina, Sarah Munoz, Veronica Alvarez, Joy Dienla, Selina Flores.

1.0 Call to Order/Introductions: The meeting was called to order by Amira Elbeshbeshy at 12:04 pm, a quorum was met.

2.0 Public Comment: The Chair invited public comments and community announcements. No comments were submitted in advance via email, and no comments were made during the meeting.

3.0 Approval of Meeting Minutes for April 16, 2026: The minutes for April 16, 2026, were approved as presented. **Valdez /Espinoza MSP**

4.0 Consent Agenda: The consent agenda was approved as presented. **Valdez /Espinoza MSP**

5.0 Discussion Topics:

- **Leadership Update:**

  CEO Amy Scribner reported Amy Scribner and the committee discussed the upcoming transition of approximately 40,000 Health Plan of San Mateo (HPSM) members with unsatisfactory immigration status from managed care to fee-for-service Medi-Cal, including the loss of ECM and community supports, provider notification processes, and outreach strategies, with input and questions from multiple committee members.

  - Amy Scribner explained that about 40,000 HPSM members with unsatisfactory immigration status will transition from managed care to fee-for-service Medi-Cal, resulting in the loss of Enhanced Care Management (ECM) and community supports for this population. The

transition is significant and will require careful planning to minimize member impact.

- Amy Scribner described that provider letters about the transition have been sent, and HPSM is awaiting final guidance from the Department of Health Care Services (DHCS) on what data can be shared with providers regarding impacted members. Providers will receive lists of affected members once guidance is finalized.
- The Department of Health Care Services will send letters directly to impacted members, planned for October 1st or earlier. Amy Scribner emphasized the importance of community partners in helping members understand these communications, especially given language and literacy barriers, and welcomed offers from committee members to assist with outreach.
- Committee members inquired about tracking and supporting members with disabilities during the transition. Amy Scribner acknowledged the early stage of planning and expressed interest in leveraging community partners to ensure these members receive appropriate information and support.
- Amy Scribner clarified that most HPSM providers are PAVE credentialed and can bill fee-for-service Medi-Cal, but lower reimbursement rates may affect provider participation. The provider services team is discussing these impacts with providers, though many have not yet made final decisions.
- Amy Scribner and committee members honored the late Rob Fiscilla, a long-term CAC member, with a moment of silence and reflections on his contributions to the committee and the community

- **Health Education and Outreach Programs, Plan Marketing Materials and Communication:**

Selena and Joy Dienla presented updates on HPSM's health promotion programs, new and revised member education materials, outreach pilots for chronic condition management, and enhancements to the Health Matters member newsletter, with committee feedback on accessibility and engagement strategies.

- **Health Promotion Program Updates:** Selena described updates to health promotion and wellness programs, including preventive care, risk reduction, and chronic condition management. The team is revising materials and outreach strategies to increase member awareness and engagement.
- **Chronic Condition Management Outreach Pilot:** A new outreach pilot targets Medi-Cal and Care Advantage members with diabetes and hypertension, offering information, health tips,

and resources. Members who engage receive additional materials, such as portion control plates and pedometers, and can be connected to registered dietitians if interested.

- **Member Communication Materials and Feedback:** Committee members reviewed new and revised materials, providing feedback on design, accessibility, and content. Suggestions included improving font contrast, including images of people with disabilities, and offering practical items like magnets or notebooks to encourage engagement.

- **Health Matters Newsletter Enhancements:** Joy Dienla outlined improvements to the Health Matters newsletter, including more graphical content, age-specific editions, and plans for audio versions to enhance accessibility. The newsletter is supported by a blog and consolidated contact information on the HPSM website.

- **Interpreter Services and Member Rights:** Committee members asked about interpreter policies for Care Advantage and Medi-Cal members. HPSM clarified that interpreter services are offered and members are informed of their right to request them, with processes in place for both outgoing and incoming calls.

- **Population Health Framework**

  Amy Scribner provided an overview of HPSM's population health improvement framework, the annual Population Needs Assessment (PNA), and priority areas for improvement, with ongoing alignment to the county's Community Health Improvement Plan (CHIP).

  - The population health improvement framework guides HPSM's efforts to improve member outcomes, with the PNA identifying priority areas such as perinatal health, child and youth health, and chronic condition management. The process involves data analysis, stakeholder collaboration, and action planning.

  - HPSM participates in county CHIP work groups to ensure strategies are informed by both the PNA and broader community health assessments, fostering coordinated improvement efforts.

6.0 HPSM Operational Reports

- **Grievance and Appeals Report:**

  No report was presented during the meeting. The report will be distributed to committee members following the meeting for their review.

- **Provider Services Report:**

The committee received updates on provider network changes, including the extension of Prop 56 dental payments, the transition of dental benefits for UIS members, and new provider agreements, as well as collaborative efforts with FQHCs and CBOs to support members during transitions.

- The planned elimination of Prop 56 dental payments was delayed until July 1, 2027, maintaining supplemental payments to dental providers and alleviating concerns about reduced reimbursement.

- Dental benefits for members with unsatisfactory immigration status will transition to fee-for-service on January 1, with emergency-only coverage beginning July 1, 2027. Communication challenges were noted due to changes in benefit timelines.

- HPSM is holding monthly meetings with Federally Qualified Health Centers (FQHCs) and the San Mateo Healthcare Coalition to coordinate support for members affected by the transition, aiming to prevent service gaps.
- Recent network updates include new agreements with Peninsula Dialysis Access Center, Seven Bridges Speech Therapy, and Health Right 360 for ECM services. HPSM also hosted a dental summit and launched primary care practice coaching initiatives.

- **Member Services Report:**

  Carla Mendoza, Member Services Manager, presented the Q2 2026 Member Services report. Total HPSM membership across all lines of business was approximately 131,000. Medi-Cal membership continued to decline, resulting in a net loss of 9,297 members during the quarter. In contrast, the ACE program experienced growth, with enrollment increasing to 2,364 participants. HealthWorx and CCS enrollment both saw slight decreases during the reporting period.

  - The Member Services Call Center maintained strong performance, answering 95.83% of incoming calls and keeping the abandonment rate low at 2.7%. Average call handle time was 6 minutes and 26 seconds. Staff managed 540 voicemails and responded to 1,348 emails during the quarter. The team consisted of 13 Customer Service Navigators supported by 7 Program Specialists.
  - Member Services reported continued improvements in member engagement and access to care. During Q2, staff completed 528 primary care provider assignments for new Medi-Cal members through welcome calls. The team also conducted 48 Health Risk Assessments (HRAs) for pediatric members, reaching a total of 65 families. Enhancements to the Interactive Voice Response (IVR) phone system improved caller navigation and reduced call misrouting. These improvements were reflected in positive member satisfaction survey results collected through post-call surveys.
  - Committee members discussed the significant growth in the ACE program and asked about readiness for continued enrollment increases. Carla reported that Member

Services has been able to successfully manage the increased enrollment volume and continues to work closely with the County to meet enrollment deadlines and participant needs. Additional discussion highlighted that recent ACE enrollment growth is largely driven by the automatic enrollment of individuals transitioning from MAGI restricted Medi-Cal, and there are currently no plans to cap ACE enrollment.

- Committee members also inquired about the future of the HealthWorx program and the characteristics of the affected member population. Staff noted that additional demographic information could be gathered and shared at a later date. It was reported that the County of San Mateo and the City of San Mateo are actively working with labor unions to identify a replacement insurance provider. The transition is expected to be finalized before the end of the year, minimizing the risk of coverage gaps for current HealthWorx members. Members would only need to seek coverage through Covered California if they choose not to enroll in the new employer-sponsored option.

- **CareAdvantage (CA) Enrollment and Call Center Report:**

Rustica Magat-Escandor, CareAdvantage Call Center Supervisor, presented the Q2 2026 CareAdvantage report. As of June 2026, CareAdvantage membership was 8,509 members, representing an increase of 74 members since January 2026. During the quarter, 318 members were enrolled, including 276 new enrollments and 42 re-enrollments. New enrollments continued to be the primary source of growth, accounting for 80% of enrollments, while default enrollments accounted for the remaining 20%.

- During the reporting period, 284 members were disenrolled, primarily due to member death, loss of Medi-Cal eligibility, or plan changes. Staff continue to monitor members losing Medi-Cal coverage, with common causes including incomplete renewals, share-of-cost determinations, and missing income verification.
- The CareAdvantage Call Center handled 5,551 inbound and 5,289 outbound calls while maintaining performance standards and a zero disconnect rate. The most common member inquiries involved PCP changes, billing, and member education. Quality monitoring resulted in a 97% score across 150 reviewed calls, and staff continued educating members on AOR requirements.
- Member experience initiatives included ongoing Medicare CAHPS survey follow-up and distribution of the CareAdvantage Member Experience Survey to identify opportunities for service improvements. Committee members also discussed the Medi-Cal deeming process, which remains in place for eligible members and provides up to four months to regain coverage before disenrollment.

7.0 New Business:

Before adjournment, Jill Dawson shared an update regarding the Public Authority and In-Home Supportive Services (IHSS) program. Following the retirement of the Health Services Manager overseeing the program, coverage responsibilities have transitioned internally. Committee members were encouraged to reach out with any questions or concerns related to IHSS providers and Public Authority services. Staff also highlighted the Public Authority Advisory Committee as a resource for ongoing community engagement and program oversight.

8.0 **Adjournment:** The meeting was adjourned at 1:35 pm by Amira Elbeshbeshy.

DRAFT

QUALITY IMPROVEMENT HEALTH AND EQUITY IMPROVEMENT COMMITTEE

Agenda Item: 4.8
Date: Nov 18, 2026

June 18, 2026 6:00 p.m. – 7:30 p.m.
Health Plan of San Mateo 801 Gateway Blvd.
South San Francisco CA 94080

Voting Committee Members	**Specialty**	**Present (Yes or Excused)**
Kenneth Tai, M.D.	PCP (Internal Medicine)	Yes
Jaime Chavarria, M.D.	PCP (Family Medicine)	Yes
Maria Osmena, M.D.	PCP (Pediatric)	Yes
Jeanette Aviles, M.D.	SMMC Physician (Internal Medicine)	Yes
Alpa Sanghavi, M.D.	SMMC Physician (Chief of Quality and Patient Experience)	Yes
Curtis Chan, M.D.	Deputy Health Officer, San Mateo County	No
Nazleen Bharmal, M.D.	Chief Health Equity Officer, Stanford Medicine	No
Non-voting HPSM Staff	**Title**	**Present (Yes or Excused)**
Amy Scribner	CHO	Excused
Nicole Ford	QI Director	Yes
Janet Davidson	UM Manager	Yes
Kaylee Knowles	Provider Services Program Manager	Yes
Mithu Tharayil, M.D.	Contract Physician	Yes
Non-voting Guest	**Title**	**Present (Yes or Excused)**
Kismet Baldwin-Santana	Health Officer, San Mateo County	Yes

1. **Call to Order**
   The meeting was called to order at 6:05 pm by Dr. Aviles.

2. **Public Comment/Communication**
   - No public comments received.

3. **Approval of Agenda:** The agenda was approved as presented. The committee formally approved the meeting agenda through a unanimous vote.

4. **Approval of Consent Agenda**
   - 4.1 QIHEC minutes from March 18, 2026
   - 4.2 UMC minutes from January 26, 2026
   - 4.3 PRC minutes from February 10 and February 20, 2026
   - 4.4 CQC minutes from February 23, 2026
   - 4.5 DAG minutes from February 20 and April 17, 2026
   - 4.6 P&T minutes from December 18, 2025 and March 11, 2026
   - 4.7 CCS Clinical Advisory Minutes from March 12, 2026

The committee formally approved the meeting agenda through a unanimous vote. The consent agenda, which included minutes from all reporting subcommittees, was also approved without objection.

5. Utilization Management Review

Ms. Davidson presented information regarding the availability of prior authorization timeliness data on the HPSM website (www.hpsm.org/provider/authorizations and www.hpsm.org/member/prior-authorization). The website includes response time metrics for both standard and expedited prior authorization requests, as well as approval and denial rates for each category for calendar year 2025. Ms. Davidson also noted that the MCG Care Guidelines are available to both providers and members through the HPSM website, promoting transparency and facilitating access to clinical decision-making resources. She further reported that providers will be notified of the availability of these guidelines through an article in the provider newsletter.

6. MY2025/RY2026 HEDIS Results:

Ms. Ford presented the Health Effectiveness Data Information Set (HEDIS) results, for reporting year 2026 and measurement year 2025, detailing methodology, audit processes, performance benchmarks, and highlighting areas of improvement and concern. She described the minimum and high-performance levels set by the Department of Health Care Services (DHCS) and the National Committee of Quality Assurance (NCQA), the use of prior year benchmarks, and the consequences for falling below benchmarks, such as quality improvement work and potential sanctions.

Ms. Ford presented the Managed Care Accountability Set (MCAS) results, noting improvement in 11 measures, seven measures above high-performance level, and one measure below minimum performance level (well-child visits in the first 15 months), with discussion on interventions and data issues. She noted the decline in timely well-child visits during the first 15 months of life, which contributed to performance falling below the minimum performance benchmark. The committee discussed potential factors influencing the decrease, including data capture issues associated with the Newborn Gateway implementation, and explored strategies to identify, investigate, and resolve these issues to improve performance outcomes.

The Plan performed well in prenatal and postpartum care measures, with the postpartum care measure achieving the high-performance level benchmark. This indicates effective care for pregnant members and new mothers.

Ms. Ford reviewed STAR metrics for Medicare, highlighting differences in benchmarks compared to Medi-Cal, the impact of changing cut points, and the need for ongoing improvement to achieve an overall STAR score that will earn financial bonus payments.

The committee discussed improvements in diabetes management, particularly in glycemic control. The Plan has seen positive trends in managing diabetes, which is attributed to ongoing efforts and incentives for providers.

Ms. Ford presented the Plan's all-cause readmissions data, showing improvements in the observed rate for both Medicare and Medicaid populations. They explained the methodology for calculating the observed-to-expected ratio and noted that the Plan aims to keep this ratio below one.

Ms. Ford explained the stratification of HEDIS measures by race and ethnicity, noting that the Plan captures more granular categories, but reports based on HEDIS specifications. They discussed the challenges of capturing accurate race and ethnicity data and the importance of addressing disparities in health outcomes. The Plan uses stratified data to identify and address disparities, ensuring that all populations receive equitable care.

At the Committee’s request during the March meeting, immunization performance rates for adults, children, and adolescents stratified by race and ethnicity were provided for review. The requested stratified data were distributed to Committee members.

.**Adjournment:** 7:30pm

Next meeting Thursday, September 17, 2026

HealthPlan OF SAN MATEO

AGENDA ITEM: 4.9

DATE: Nov 18, 2026

M E M O R A N D U M

Date: November 10, 2026
To: Finance/Compliance Committee
From: Trent Ehrgood, Chief Financial Officer

Subject: **Financial report for the nine-month period ending September 30, 2026**

Preliminary 2026 Financial Results All Lines of Business

Q3 2026 preliminary financial results for all lines of business is a loss of $35.2M, and a cumulative YTD loss of $70.9M, compared to the year-to-date (YTD) budget loss of $15.7M. Favorable prior year adjustments totaling $20.9M have been recorded so far during the first nine months of the year. These are due to timing because of normal lag for items like maternity revenue, Medicare risk adjustment revenue, and benefits from reinsurance recoveries. In addition, there was a favorable pick-up for 2025 Medi-Cal rates from a final rate amendment recorded in Q3. Without these prior year adjustments, the true current-year YTD results is an estimated $91.8M loss.

Both Medi-Cal and Medicare lines-of-business (LOB) are experiencing losses that are worse than projected in the budget. Below are brief explanations of key drivers for both LOBs.

The Medi-Cal line-of-business is experiencing a larger decline in enrollment than assumed in the budget, and a recent analysis of leavers versus stayers has shown that the members that have disenrolled (leavers) were historically low cost, and the members that remain (stayers) are higher cost. This is a trend that held true in Q3 and will continue throughout the remainder of the year. Over time, in subsequent years, Medi-Cal rates should increase to be more in line with the remaining higher cost membership mix. There is a possibility that these losses could be partially mitigated from two items. The first is an acuity adjustment that DHCS might apply to 2026 rates later in the year. The second is additional capitation revenue from the UIS risk corridor. Both of these will be evaluated as more information is available.

The Medicare LOB (CareAdvantage) had very high hospital cost in Q2 for both inpatient and outpatient services. This is due to a unique situation with Medicare's pricing method for one of our contracted hospitals. CMS applied a significant increase to the cost factor used in the pricing process (DRG and APC grouper). This caused higher than normal reimbursement for this one facility. This higher cost factor

was temporary, and reimbursement for this facility dropped back closer to previous levels. This dynamic caused approximately $10M in higher hospital costs for this LOB in Q2. Although facility cost decreased back to previous levels in Q3, outpatient cost and pharmacy cost inched up some.

Cost related to provider rate increases in the first nine months of the year is around $23M, which is also included in the budget. This cost contributes to the loss, but not the budget variance. This is planned spend related to the $100M approved strategic use of reserves for provider rate increases.

Cost related to capacity building grants and practice transformation in the first half of the year is around $4M, which is not included in the budget, and does contribute to the budget variance. This is planned spend related to the $30M approved strategic use of reserves for primary care capacity building.

Efforts to tighten administrative cost began in early 2026 based on expected Medi-Cal enrollment decline. This includes a higher level of scrutiny filling vacant positions. Administrative cost is running around $9.4M under budget for the nine months thru September (or $10.5M after removing $1.1M in strategic investments that is recorded in admin cost).

Attached is presentation material to guide the discussion for our committee meeting on November 2nd. Detailed Statements of Revenue and Expense on a consolidated basis, as well as for each line of business, are provided after the presentation slides.

Supplemental Report by Line-of-Business (LOB):

Medi-Cal

Below is a summary report for the Medi-Cal LOB. After removing prior-year transactions, the Medi-Cal LOB is under-performing compared to budget by $60.5M. As mentioned before, the member acuity mix is the primary driver (leavers vs. stayers). This is the reason why healthcare costs are not decreasing in relation to the decreased enrollment. This is a trend that will continue throughout the remainder of the year. Medical Loss Ratio (MLR) is currently 106%.

	YTD by PY/CY			Current Year YTD		
	Prior Year	Current Year	Total	Current Year	Budget	CY Variance
Operating Revenue:						
Capitation	257,149,103	651,722,594	908,871,697	651,722,594	690,780,219	(39,057,625)
Total Operating Revenue	257,149,103	651,722,594	908,871,697	651,722,594	690,780,219	(39,057,625)
Healthcare cost	244,816,619	628,734,915	873,551,534	628,734,915	599,517,998	(29,216,918)
Administrative expenses	-	38,848,189	38,848,189	38,848,189	45,511,521	6,663,332
MCO Tax	(2,927,487)	59,213,056	56,285,569	59,213,056	60,373,233	1,160,176
Income/(loss) from operations	15,259,971	(75,073,566)	(59,813,595)	(75,073,566)	(14,622,532)	(60,451,035)

CareAdvantage

Below is a summary report for the CareAdvantage (D-SNP) LOB. After removing prior-year transactions, this LOB is under-performing compared to budget by $10.6M. This LOB was running favorable to budget in Q1, but healthcare cost in Q2 jumped significantly due to a unique situation with Medicare's pricing for one of our contracted hospitals. Medicare's rate for both inpatient and outpatient facility fees increased, but these higher rates were temporary (mostly in Q2). Although hospital inpatient cost dropped back to normal in Q3, both pharmacy and outpatient cost has inched up. Medical Loss Ratio (MLR) is currently 112%.

	YTD by PY/CY			Current Year YTD		
	Prior Year	Current Year	Total	Current Year	Budget	CY Variance
Operating Revenue:						
Capitation	5,007,101	179,726,065	184,733,166	179,726,065	185,241,237	(5,515,172)
Total Operating Revenue	5,007,101	179,726,065	184,733,166	179,726,065	185,241,237	(5,515,172)
Healthcare cost	(241,260)	200,557,850	200,316,590	200,557,850	191,830,504	(8,727,346)
Administrative expenses	-	14,901,493	14,901,493	14,901,493	18,558,200	3,656,707
Income/(loss) from operations	5,248,361	(35,733,278)	(30,484,917)	(35,733,278)	(25,147,467)	(10,585,811)

Financial Update

Presentation to Finance/Compliance Committee

November 2, 2026

HealthPlan OF SAN MATEO
Healthy is for everyone

2026 Budget by Quarter

HealthPlan OF SAN MATEO
Healthy is for everyone

	Q1	Q2	Q3	Q4	Total
Operating revenue	299,573,148	296,443,328	288,448,766	285,595,419	**1,170,060,662**
Healthcare cost	270,677,271	268,980,101	259,955,637	258,070,259	**1,057,683,268**
Administrative expenses	22,497,497	21,770,436	22,113,235	22,176,211	**88,557,379**
MCO Tax	20,124,411	20,124,411	20,124,411	20,124,411	**80,497,644**
Income/(loss) from operations	(13,726,031)	(14,431,619)	(13,744,517)	(14,775,462)	**(56,677,629)**
Non-operating revenue	9,018,222	8,728,205	8,428,205	8,128,205	**34,302,837**
Net income/(loss)	(4,707,809)	(5,703,414)	(5,316,312)	(6,647,257)	**(22,374,792)**

Q3 2026 Preliminary Financial Results

	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	YTD Total	YTD Budget	Budget Variance
Operating Revenue:						
Capitation	293,191,466	286,895,800	521,658,985	1,101,746,251	884,182,281	217,563,970
TPA Fees	63,750	63,750	75,770	203,270	282,962	(79,692)
Total Operating Revenue	293,255,216	286,959,550	521,734,755	1,101,949,521	884,465,243	217,484,278
Healthcare cost	268,462,889	290,259,992	525,175,537	1,083,898,418	799,613,009	(284,285,409)
Administrative expenses	17,551,563	19,140,679	20,223,790	56,916,032	66,381,168	9,465,136
MCO Tax	16,856,886	19,674,035	19,754,648	56,285,569	60,373,233	4,087,664
Income/(loss) from operations	(9,616,122)	(42,115,156)	(43,419,220)	(95,150,498)	(41,902,167)	(53,248,331)
Non-operating revenue	8,185,451	7,888,101	8,218,670	24,292,222	26,174,632	(1,882,410)
Net income/(loss)	(1,430,671)	(34,227,055)	(35,200,550)	(70,858,276)	(15,727,535)	(55,130,741)

YTD September 2026 – PY/CY

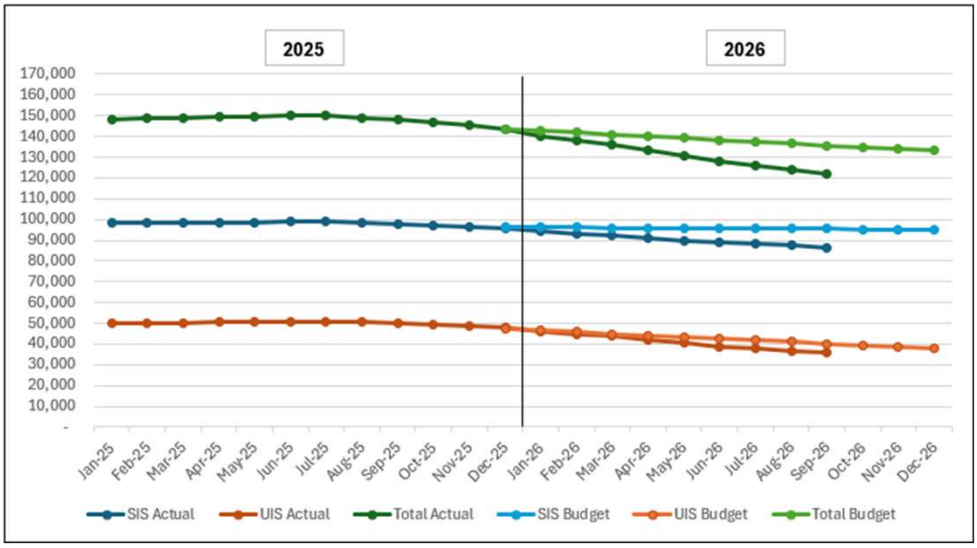
	YTD by PY/CY			Current Year YTD		
	Prior Year	Current Year	Total	Current Year	Budget	CY Variance
Operating Revenue:						
Capitation	262,159,802	839,586,450	1,101,746,252	839,586,450	884,182,281	(44,595,831)
TPA Fees	-	203,269	203,269	203,269	282,962	(79,693)
Total Operating Revenue	262,159,802	839,789,719	1,101,949,521	839,789,719	884,465,243	(44,675,524)
Healthcare cost	244,165,106	839,733,312	1,083,898,418	839,733,312	799,613,009	(40,120,303)
Administrative expenses	-	56,916,032	56,916,032	56,916,032	66,381,168	9,465,136
MCO Tax	(2,927,487)	59,213,056	56,285,569	59,213,056	60,373,233	1,160,177
Income/(loss) from operations	20,922,183	(116,072,681)	(95,150,498)	(116,072,681)	(41,902,167)	(74,170,514)
Non-operating revenue	(2,280)	24,294,502	24,292,222	24,294,502	26,174,632	(1,880,130)
Net income/(loss)	20,919,903	(91,778,179)	(70,858,276)	(91,778,179)	(15,727,535)	(76,050,644)

Average Membership

YTD Variance to Budget

LOB	Avg. Actual	Avg. Budget	Variance	% Var
Medi-Cal	66,054	70,312	(4,258)	-6.1%
Medi-Cal Expansion	47,070	50,299	(3,229)	-6.4%
Whole Child Model	1,020	1,054	(34)	-3.2%
Medi-Cal Full Duals	8,551	9,163	(612)	-6.7%
Sub-total Medi-Cal	122,695	130,828	(8,132)	-6.2%
Medicare D-SNP	8,366	8,520	(154)	-1.8%
HealthWorx	1,314	1,315	(1)	-0.1%
Total at Risk	132,374	140,662	(8,288)	-5.9%
+ ACE	2,095	3,500	(1,404)	-40.1%
Grand Total	134,470	144,162	(9,692)	-6.7%

Medi-Cal Membership by Month



Budget Variance by Major Drivers

favorable/(unfavorable)

		YTD Jun	YTD Sep		Revenue	Expense
1	Prior year adjustments not in the budget	15,211,979	20,919,902			
	Current year variances:					
2	Membership lower than budget (*budget reset*)	(2,017,173)	(3,796,785)	<<	(37,945,748)	34,148,962
3	Revenue: Yield PMPM variance to budget	(2,017,286)	(471,850)			
3b	Revenue: ACE TPA Fee	(25,488)	(79,693)			
4	Revenue: Maternity supplemental payment	(3,196,309)	(3,163,180)			
5	Healthcare cost: CY PMPM variance to budget	(36,779,961)	(70,600,872)			
6	Healthcare cost: CY directed payments	930,564	(996,295)			
7	Healthcare cost: strategic investments	(1,959,603)	(2,403,073)			
8	ECM (rev-exp variance)	(166,811)	347,679	<<	616,703	(269,024)
9	Administrative cost variance to budget	8,063,604	10,590,886			
10	Administrative cost: strategic investments	(487,914)	(1,125,750)			
11	MCO Tax variance (rev-exp variance)	(1,131,511)	(2,471,578)	<<	(3,631,754)	1,160,176
12	Non-op revenue (*CY portion*) *variance to budget*	(1,670,595)	(1,880,130)			
	Total current year	(40,458,482)	(76,050,643)			
	Total consolidated budget variance	**(25,246,503)**	**(55,130,741)**			

Healthcare Cost

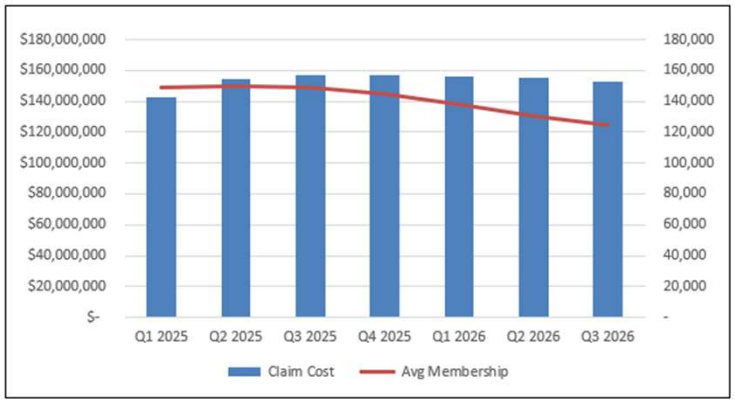
Detail by Category of Service

		YTD Actual						
		Total	Prior Year	Current Year	YTD Budget	Variance *	% Var.	
1	Provider Capitation	23,084,579	1,084,138	22,000,441	21,842,488	(157,953)	-0.7%	
2	Hospital Inpatient	154,484,907	(26,668)	154,511,574	154,211,844	(299,731)	-0.2%	⇒
3	LTC/SNF	145,190,008	1,242,848	143,947,160	141,504,392	(2,442,768)	-1.7%	⇒
4	Pharmacy	46,928,938	(793,479)	47,722,417	56,062,067	8,339,650	14.9%	
5	Physician FFS	91,362,195	67,649	91,294,546	87,648,378	(3,646,168)	-4.2%	⇒
6	Hospital Outpatient	104,239,318	162,374	104,076,944	98,133,060	(5,943,884)	-6.1%	⇒
7	Other Medical Claims (incl. Other HC Serv)	116,146,374	(182,407)	116,328,781	98,278,119	(18,050,662)	-18.4%	⇒
8	Directed Payments	285,129,002	250,038,261	35,090,742	34,094,446	(996,295)	-2.9%	
9	Long Term Support Services	2,025,297	-	2,025,297	1,933,905	(91,393)	-4.7%	
10	CPO/In-lieu of Services	17,826,827	171,596	17,655,231	11,539,180	(6,116,051)	-53.0%	
11	Dental	51,650,895	(651,000)	52,301,895	46,265,860	(6,036,036)	-13.0%	
12	ECM	4,227,481	671,290	3,556,191	3,287,168	(269,024)	-8.2%	
13	Provider Incentives	12,581,797	21,132	12,560,665	12,666,000	105,335	0.8%	
14	Supplemental Benefits (D-SNP)	1,462,613	-	1,462,613	2,715,772	1,253,159	46.1%	
15	Transportation	5,979,867	(12,750)	5,992,617	6,932,672	940,055	13.6%	
16	Strategic Investments (one-time grants)	2,403,073	-	2,403,073	-	(2,403,073)	100.0%	
17	Indirect Health Care Benefits	(3,524,544)	(7,623,593)	4,099,049	1,570,718	(2,528,330)	-161.0%	
18	UMQA	22,699,790	(4,285)	22,704,075	20,926,941	(1,777,133)	-8.5%	
	Total Healthcare Cost	1,083,898,418	244,165,106	839,733,311	799,613,009	(40,120,302)	-5.0%	

* Budget variance is net of 1) favorable variance due to lower members, and 2) unfavorable due to higher cost PMPM

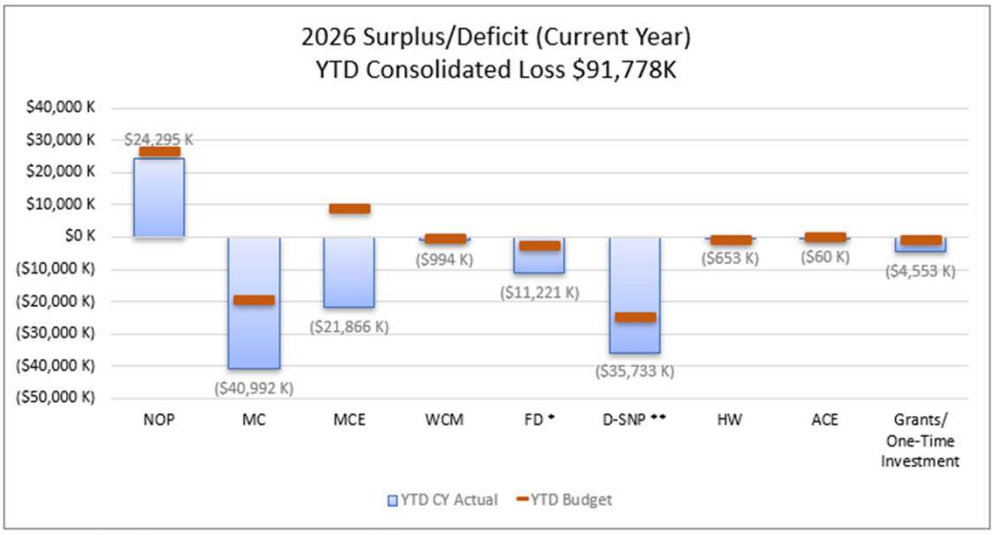
Medi-Cal Claim Cost Trend

Includes: Hospital IP, LTC/SNF, Physician FFS, Hospital OP, Other Medical





CY YTD Surplus/Deficit by LOB

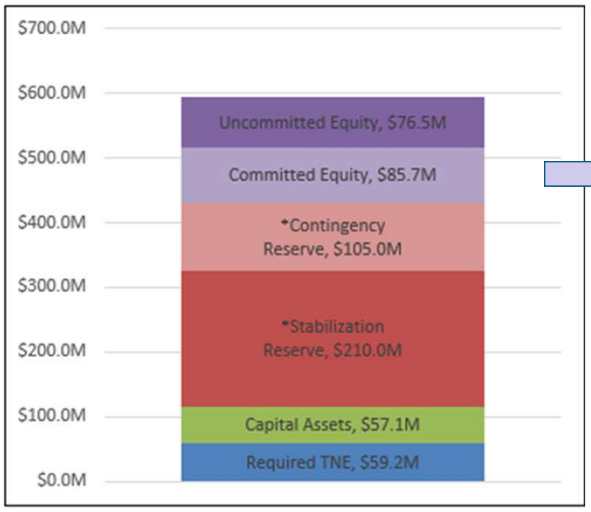


* FD (Full Duals) includes M-Cal portion of D-SNP

** D-SNP includes Medicare portion only

Tangible Net Equity (TNE)

Balance at 9/30/2026 = $593.4M
Uncommitted portion = $76.5M



Committed Equity:

	Funding	Spend	Balance
Provider	$100.0M	$41.5M	$58.5M
Primary Care	$30.0M	$8.1M	$21.9M
Baby Bonus	$7.0M	$1.7M	$5.3M
	$137.0M	$51.3M	$85.7M

* Contingency and Stabilization Reserve amounts are fixed based on historical operating cost.

Q3 2026 Summary

Two significant things are driving larger losses so far this year.

1. With the Medi-Cal LOB, the driver is an increased acuity of the population based on the changing membership mix (leavers, stayers, joiners). This dynamic held true in Q3 and will continue through the remainder of the year. There is possible relief from either 1) retro acuity adjustment applied to 2026 rates, or 2) additional revenue from the UIS risk corridor. These will be evaluated as more information is available.

2. With the CareAdvantage LOB, one driver is the increased Medicare provider rate that CMS applied to one of our contracted hospitals. This was temporary and should not continue through the remainder of the year. However, this added approximately $10M in added cost this year (most was recorded in Q2). Inpatient cost is back to normal in Q3, but outpatient and pharmacy cost has inched up.

Q3 2026 Summary
continued . . .

- Cost related to provider rate increases is estimated to be around $23M for the first nine months of 2026. This cost is contributing to the YTD loss, but is not impacting financial results compared to budget, as these expenses are included in the budget.
- Cost related to capacity building grants and practice transformation is around $4M for the first nine months of 2026, which is not included in the budget, and does contribute to the budget variance.
- The large prior year favorable adjustments are mostly due to timing with normal lag in maternity revenue and benefits from reinsurance recoveries. In addition, in Q2, we had a pick-up on 2025 Medicare risk adjustment revenue, and in Q3, we had a pick-up on 2025 Medi-Cal revenue based on final amended rates (acuity and LTC adjustment).

Q3 2026 Summary
continued . . .

- Efforts to tighten administrative cost began in early 2026 based on expected Medi-Cal enrollment decline. This includes a higher level of scrutiny filling vacant positions. Administrative cost is running around $9.4M under budget for the nine months thru September (or $10.5M after removing $1.1M in strategic investments that is recorded in admin cost).

Health Plan of San Mateo
Consolidated Balance Sheet
September 30, 2026 and Prior Quarter

	Current QE	Prior QE	PY 12/31
ASSETS			
Current Assets			
Cash and Equivalents	$753,095,001	$641,541,498	$701,567,502
Investments	194,101,737	192,196,137	188,433,422
Capitation Receivable from the State	245,863,889	203,195,207	297,404,828
Capitation Receivable from CMS	55,603,868	61,216,264	59,518,905
Other Receivables	14,204,443	15,485,667	11,508,105
Prepaids and Other Assets	16,160,075	17,158,820	16,721,322
Total Current Assets	1,279,029,013	1,130,793,593	1,275,154,085
Capital Assets, Net	57,114,135	57,381,433	57,617,587
Assets Restricted As To Use	300,000	300,000	300,000
Other Assets & Outflows	17,382,504	17,382,504	17,382,504
Total Assets & Deferred Outflows	$1,353,825,653	$1,205,857,531	$1,350,454,176
LIABILITIES			
Current Liabilities			
Medical Claims Payable	83,272,401	98,978,284	94,383,660
Provider Incentives	17,658,547	18,543,827	18,489,882
Amounts Due to the State	187,174,616	235,990,188	235,240,774
Accounts Payable and Accrued Liabilities	456,164,442	207,589,036	321,925,936
SBITA Liability	1,645,058	1,645,058	1,645,058
Total Current Liabilities	745,915,063	562,746,392	671,685,310
Other Liabilities & Inflows	14,464,495	14,464,495	14,464,495
Total Liabilities & Deferred Inflows	$760,379,558	$577,210,888	$686,149,805
NET POSITION			
Invested in Capital Assets	57,114,135	57,381,433	57,617,587
Restricted By Legislative Authority	300,000	300,000	300,000
Unrestricted			
Stabilization/Contingency Reserve	398,947,600	398,947,600	398,947,600
Committed/Uncommitted Reserve	137,084,359	172,017,610	207,439,184
Net Position	593,446,095	628,646,643	664,304,370
Total Liabilities & Net Position	$1,353,825,653	$1,205,857,531	$1,350,454,176
Change in Net Position	($70,858,276)	($35,657,727)	$0

Health Plan of San Mateo
Consolidated Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	YTD Actual	YTD Budget	YTD Variance	% Var
OPERATING REVENUE							
Capitation and Premiums							
Medi-cal (includes Offsets)	$457,884,682	$223,421,644	$234,463,038	$908,871,697	$690,780,219	$218,091,478	31.6%
HealthWorx	2,707,863	2,720,275	(12,412)	8,141,388	8,160,824	(19,436)	-0.2%
Medicare (includes CA-CMC)	61,066,440	62,176,873	(1,110,433)	184,733,166	185,241,237	(508,071)	-0.3%
Third Party Administrator Fees	75,769	129,974		203,269	282,962		
Total Operating Revenue	521,734,755	288,448,766	233,285,988	1,101,949,521	884,465,243	217,484,278	24.6%
OPERATING EXPENSE							
Healthcare Expense							
Provder Capitation	7,512,234	7,168,700	(343,534)	23,084,579	21,842,488	(1,242,091)	-5.7%
Hospital Inpatient	48,271,591	50,790,699	2,519,108	154,484,907	154,211,844	(273,063)	-0.2%
LTC/SNF	48,276,377	47,156,778	(1,119,599)	145,190,008	141,504,392	(3,685,616)	-2.6%
Pharmacy	16,484,294	18,810,284	2,325,990	46,928,938	56,062,067	9,133,129	16.3%
Medical	363,007,438	103,339,132	(259,668,307)	596,876,889	318,154,003	(278,722,886)	-87.6%
Long Term Support Services	732,715	647,593	(85,122)	2,025,297	1,933,905	(91,393)	-4.7%
CPO/In-lieu of Services	7,074,094	3,860,226	(3,213,867)	17,826,827	11,539,180	(6,287,647)	-54.5%
Dental Expense	18,205,875	12,167,608	(6,038,267)	51,650,895	46,265,860	(5,385,036)	-11.6%
Enhanced Care Management	1,237,070	1,082,657	(154,413)	4,227,481	3,287,168	(940,314)	-28.6%
Provider Incentives	4,253,188	4,222,000	(31,188)	12,581,797	12,666,000	84,203	0.7%
Supplemental Benefits	536,253	911,559	375,306	1,462,613	2,715,772	1,253,159	46.1%
Transportation	2,033,346	2,277,000	243,654	5,979,867	6,932,672	952,805	13.7%
Other Provider HC	443,470		(443,470)	2,403,073		(2,403,073)	
Indirect Health Care Expenses	149,002	513,075	364,073	(3,524,544)	1,570,718	5,095,263	324.4%
UMQA, Delegated and Allocation	6,958,590	7,008,326	49,736	22,699,790	20,926,941	(1,772,849)	-8.5%
Total Healthcare Expense	525,175,537	259,955,637	(265,219,899)	1,083,898,418	799,613,009	(284,285,409)	-35.6%
Administrative Expense							
Salaries and Benefits	17,356,228	18,210,865	854,637	51,348,167	53,646,125	2,297,958	4.3%
Staff Training and Travel	69,002	156,002	87,000	260,584	486,425	225,841	46.4%
Contract Services	3,834,011	5,091,092	1,257,081	12,128,734	15,644,000	3,515,266	22.5%
Office Supplies and Equipment	2,881,121	2,676,538	(204,582)	7,772,271	8,214,748	442,477	5.4%
Occupancy and Depreciation	1,203,481	1,086,400	(117,081)	3,160,792	3,124,000	(36,792)	-1.2%
Postage and Printing	461,958	664,500	202,542	1,598,817	1,994,000	395,183	19.8%
Other Administrative Expense	1,237,183	1,020,968	(216,215)	2,878,696	3,538,023	659,327	18.6%
UM/QA Allocation	(6,819,194)	(6,778,930)	40,264	(22,232,031)	(20,224,754)	2,007,277	-9.9%
Total Admin Expense	20,223,788	22,127,435	1,903,646	56,916,031	66,422,568	9,506,536	14.3%
Premium Taxes	19,754,648	20,124,411	369,763	56,285,569	60,373,233	4,087,663	6.8%
Total Operating Expense	565,153,973	302,207,483	(262,946,490)	1,197,100,018	926,408,809	(270,691,209)	-29.2%
Net Income/Loss from Operations	(43,419,218)	(13,758,717)	29,660,502	(95,150,498)	(41,943,567)	53,206,931	-126.9%
NONOPERATING REV AND (EXP)							
Interest Income, Net	7,747,937	8,100,000	(352,063)	23,147,390	25,200,000	(2,052,610)	-8.1%
Rental Income, Net	470,733	328,205	142,528	1,144,832	974,632	170,200	17.5%
Net Nonoperating Rev and (Exp)	8,218,670	8,428,205	(209,535)	24,292,222	26,174,632	(1,882,410)	-7.2%
Net Income/(Loss)	($35,200,548)	($5,330,512)	($29,870,037)	($70,858,276)	($15,768,935)	($55,089,341)	349.4%
Admin exp as % of Net Rev (adj for Tax)	*4.03%*	*8.25%*		*5.44%*	*8.06%*		
Medical Loss Ratio (adj for Tax)	*104.62%*	*96.88%*		*103.66%*	*97.03%*		

Report: 335 LOB By Source Qtrly,
Unit: ALL LOBS

Health Plan of San Mateo
ALL LOB UNITS Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Capitation	$447,576,006	$221,732,754	$225,843,253	101.9%	$895,919,875	$685,646,617	$210,273,258	30.7%
MC Supplemental Cap	4,938,681	4,730,512	208,168	4.4%	13,796,505	14,447,349	(650,844)	-4.5%
HealthWorx Premium	2,707,863	2,720,275	(12,412)	-0.5%	8,141,388	8,160,824	(19,436)	-0.2%
CareAdvantage Premiums	61,066,440	62,176,873	(1,110,433)	-1.8%	184,733,166	185,241,237	(508,071)	-0.3%
MC Cap Offset	5,369,995	(3,041,621)	8,411,617	276.6%	(844,683)	(9,313,747)	8,469,064	90.9%
Third Party Administrator Fees	75,769	129,974	(54,205)	-41.7%	203,269	282,962	(79,693)	-28.2%
Total Operating Revenue	521,734,755	288,448,766	233,285,988	80.9%	1,101,949,521	884,465,243	217,484,278	24.6%
OPERATING EXPENSE								
Provider Capitation	7,512,234	7,168,700	(343,534)	-4.8%	23,084,579	21,842,488	(1,242,091)	-5.7%
Hospital Inpatient	48,271,591	50,790,699	2,519,108	5.0%	154,484,907	154,211,844	(273,063)	-0.2%
LTC/SNF	48,276,377	47,156,778	(1,119,599)	-2.4%	145,190,008	141,504,392	(3,685,616)	-2.6%
Pharmacy	16,484,294	18,810,284	2,325,990	12.4%	46,928,938	56,062,067	9,133,129	16.3%
Physician Fee for Service	28,730,184	28,777,448	47,264	0.2%	91,362,195	87,648,378	(3,713,817)	-4.2%
Hospital Outpatient	34,530,591	32,262,002	(2,268,589)	-7.0%	104,239,318	98,133,060	(6,106,258)	-6.2%
Other Medical Claims	41,949,137	32,443,522	(9,505,616)	-29.3%	115,968,362	98,278,119	(17,690,243)	-18.0%
Other HC Services	109,613		(109,613)		178,012		(178,012)	
Directed Payments	257,687,913	9,856,161	(247,831,753)	-2514.5%	285,129,002	34,094,446	(251,034,556)	-736.3%
Long Term Support Services	732,715	647,593	(85,122)	-13.1%	2,025,297	1,933,905	(91,393)	-4.7%
CPO/In-lieu of Services	7,074,094	3,860,226	(3,213,867)	-83.3%	17,826,827	11,539,180	(6,287,647)	-54.5%
Dental Expense	18,205,875	12,167,608	(6,038,267)	-49.6%	51,650,895	46,265,860	(5,385,036)	-11.6%
Enhanced Care Management	1,237,070	1,082,657	(154,413)	-14.3%	4,227,481	3,287,168	(940,314)	-28.6%
Provider Incentives	4,253,188	4,222,000	(31,188)	-0.7%	12,581,797	12,666,000	84,203	0.7%
Supplemental Benefits	536,253	911,559	375,306	41.2%	1,462,613	2,715,772	1,253,159	46.1%
Transportation	2,033,346	2,277,000	243,654	10.7%	5,979,867	6,932,672	952,805	13.7%
Other Provider HC	443,470		(443,470)		2,403,073		2,403,073	
Indirect Health Care Expenses	149,002	513,075	364,073	71.0%	(3,524,544)	1,570,718	5,095,263	324.4%
UMQA (Allocation & Delegated)	6,958,590	7,008,326	(49,736)	-0.7%	22,699,790	20,926,941	1,772,849	8.5%
Total Health Care Expense	525,175,537	259,955,637	(265,219,899)	-102.0%	1,083,898,418	799,613,009	(284,285,409)	-35.6%
G&A Allocation	20,223,790	22,113,235	1,889,445	8.5%	56,916,032	66,381,168	9,465,136	14.3%
Premium Tax	19,754,648	20,124,411	369,763	1.8%	56,285,569	60,373,233	4,087,663	6.8%
Total Operating Expense	565,153,974	302,193,283	(262,960,692)	-87.0%	1,197,100,019	926,367,409	(270,732,610)	-29.2%
NONOPERATING REVENUE AND EXPENSE								
Interest Income, Net	7,747,937	8,100,000	(352,063)	-4.3%	23,147,390	25,200,000	(2,052,610)	-8.1%
Rental Income, Net	470,733	328,205	142,528	43.4%	1,144,832	974,632	170,200	17.5%
Total Nonoperating Revenue and Expenses	8,218,670	8,428,205	(209,535)	-2.5%	24,292,222	26,174,632	(1,882,410)	-7.2%
Net Income/(Loss)	($35,200,550)	($5,316,312)	($29,884,238)	562.1%	($70,858,276)	($15,727,535)	($55,130,742)	350.5%
Medical Loss Ratio (adj MCO)	104.62%	96.88%			103.66%	97.03%	0	6.8%
Member Counts	413,073	454,994	(41,921)	-9.2%	1,285,517	1,374,136	(88,619)	-6.4%

Report: 335 LOB By Source Qtrly,
Unit: MCUNITS

Health Plan of San Mateo
Medi-Cal UNITS Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Capitation	$447,576,006	$221,732,754	$225,843,253	101.9%	$895,919,875	$685,646,617	$210,273,258	30.7%
MC Supplemental Cap	4,938,681	4,730,512	208,168	4.4%	13,796,505	14,447,349	(650,844)	-4.5%
HealthWorx Premium								
CareAdvantage Premiums								
MC Cap Offset	5,369,995	(3,041,621)	8,411,617	276.6%	(844,683)	(9,313,747)	8,469,064	90.9%
Total Operating Revenue	457,884,682	223,421,644	234,463,038	104.9%	908,871,697	690,780,219	218,091,478	31.6%
OPERATING EXPENSE								
Provider Capitation	5,932,661	5,563,607	(369,054)	-6.6%	18,262,825	17,060,090	(1,202,735)	-7.0%
Hospital Inpatient	31,918,252	33,562,697	1,644,445	4.9%	98,233,027	102,878,310	4,645,283	4.5%
LTC/SNF	43,254,918	43,227,073	(27,845)	-0.1%	130,966,773	129,796,768	(1,170,004)	-0.9%
Physician Fee for Service	22,355,424	22,402,937	47,513	0.2%	72,340,378	68,644,779	(3,695,599)	-5.4%
Hospital Outpatient	20,467,965	23,063,803	2,595,838	11.3%	68,417,027	70,718,180	2,301,153	3.3%
Other Medical Claims	33,783,363	25,714,370	(8,068,993)	-31.4%	93,882,494	78,226,681	(15,655,813)	-20.0%
Other HC Services	126,503		(126,503)		195,200		(195,200)	
Directed Payments	257,687,913	9,856,161	(247,831,753)	-2514.5%	285,129,002	34,094,446	(251,034,556)	-736.3%
Long Term Support Services	732,715	647,593	(85,122)	-13.1%	2,025,297	1,933,905	(91,393)	-4.7%
CPO/In-lieu of Services	6,984,994	3,778,600	(3,206,393)	-84.9%	17,387,931	11,295,995	(6,091,936)	-53.9%
Dental Expense	18,205,875	12,167,608	(6,038,267)	-49.6%	51,650,895	46,265,860	(5,385,036)	-11.6%
Enhanced Care Management	1,233,416	1,082,657	(150,759)	-13.9%	4,079,313	3,287,168	(792,146)	-24.1%
Provider Incentives	3,886,579	3,855,389	(31,190)	-0.8%	11,481,965	11,566,166	84,201	0.7%
Transportation	2,006,765	2,261,376	254,611	11.3%	5,909,111	6,886,124	977,012	14.2%
Indirect Health Care Expenses	(33,745)	423,489	(457,234)	-108.0%	(3,082,320)	1,303,614	4,385,934	336.4%
UMQA (Allocation & Delegated)	5,141,028	5,209,398	(68,370)	-1.3%	16,672,614	15,559,912	1,112,703	7.2%
Total Health Care Expense	453,684,626	192,816,757	(260,867,869)	-135.3%	873,551,534	599,517,998	(274,033,537)	-45.7%
G&A Allocation	13,740,862	15,161,031	1,420,169	9.4%	38,848,189	45,511,521	6,663,332	14.6%
Premium Tax	19,754,648	20,124,411	369,763	1.8%	56,285,569	60,373,233	4,087,663	6.8%
Total Operating Expense	487,180,136	228,102,199	(259,077,937)	-113.6%	968,685,293	705,402,751	(263,282,541)	-37.3%
NONOPERATING REVENUE AND EXPENSE								
Net Income/(Loss)	($29,295,454)	($4,680,555)	($24,614,899)	525.9%	($59,813,595)	($14,622,532)	($45,191,063)	309.1%
Medical Loss Ratio (adj MCO)	103.55%	94.84%			102.46%	95.10%	0	7.7%
Member Counts	374,181	409,718	(35,537)	-8.7%	1,178,559	1,253,225	(74,666)	-6.0%

Report: 335 LOB By Source Qtrly,
Unit: CA LOB

Health Plan of San Mateo
CareAdvantage LOB Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Capitation								
MC Supplemental Cap								
HealthWorx Premium								
CareAdvantage Premiums	61,066,440	62,176,873	(1,110,433)	-1.8%	184,733,166	185,241,237	(508,071)	-0.3%
MC Cap Offset								
Total Operating Revenue	61,066,440	62,176,873	(1,110,433)	-1.8%	184,733,166	185,241,237	(508,071)	-0.3%
OPERATING EXPENSE								
Provider Capitation	1,579,573	1,605,093	25,520	1.6%	4,821,754	4,782,398	(39,356)	-0.8%
Hospital Inpatient	16,083,546	16,900,533	816,987	4.8%	55,544,407	50,351,127	(5,193,280)	-10.3%
LTC/SNF	5,021,459	3,929,705	(1,091,754)	-27.8%	14,223,235	11,707,623	(2,515,612)	-21.5%
Pharmacy	15,569,188	17,783,659	2,214,471	12.5%	44,296,583	52,982,190	8,685,607	16.4%
Physician Fee for Service	5,837,224	5,783,565	(53,659)	-0.9%	17,439,104	17,230,759	(208,345)	-1.2%
Hospital Outpatient	13,764,205	8,666,309	(5,097,896)	-58.8%	34,551,488	25,819,210	(8,732,278)	-33.8%
Other Medical Claims	7,917,852	6,559,126	(1,358,726)	-20.7%	21,412,603	19,541,359	(1,871,243)	-9.6%
Other HC Services	(16,890)		16,890		(17,188)		17,188	
CPO/In-lieu of Services	89,100	81,626	(7,474)	-9.2%	438,896	243,185	(195,711)	-80.5%
Enhanced Care Management	3,654		(3,654)		148,168		(148,168)	
Provider Incentives	204,609	349,111	144,502	41.4%	613,832	1,047,334	433,502	41.4%
Supplemental Benefits	536,253	911,559	375,306	41.2%	1,462,613	2,715,772	1,253,159	46.1%
Transportation	26,581	15,624	(10,957)	-70.1%	70,756	46,548	(24,208)	-52.0%
Indirect Health Care Expenses	163,392	79,813	(83,579)	-104.7%	(500,632)	237,784	738,415	310.5%
UMQA (Allocation & Delegated)	1,755,850	1,717,887	37,963	2.2%	5,810,970	5,125,214	685,756	13.4%
Total Health Care Expense	68,535,596	64,383,609	(4,151,986)	-6.4%	200,316,590	191,830,504	(8,486,086)	-4.4%
G&A Allocation	5,201,289	6,182,203	980,914	15.9%	14,901,493	18,558,200	3,656,707	19.7%
Total Operating Expense	73,736,885	70,565,812	(3,171,073)	-4.5%	215,218,083	210,388,704	(4,829,379)	-2.3%
NONOPERATING REVENUE AND EXPENSE								
Net Income/(Loss)	($12,670,444)	($8,388,939)	($4,281,506)	51.0%	($30,484,917)	($25,147,467)	($5,337,450)	21.2%
Medical Loss Ratio (adj MCO)	112.23%	103.55%			108.44%	103.56%	0	4.7%
Member Counts	25,394	26,040	(646)	-2.5%	76,278	77,580	(1,302)	-1.7%

Report: 335 LOB By Source Qtrly,
Unit: HW LOB

Health Plan of San Mateo
HealthWorx Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Capitation								
MC Supplemental Cap								
HealthWorx Premium	2,707,863	2,720,275	(12,412)	-0.5%	8,141,388	8,160,824	(19,436)	-0.2%
CareAdvantage Premiums								
MC Cap Offset								
Total Operating Revenue	2,707,863	2,720,275	(12,412)	-0.5%	8,141,388	8,160,824	(19,436)	-0.2%
OPERATING EXPENSE								
Hospital Inpatient	269,793	327,469	57,676	17.6%	707,472	982,406	274,934	28.0%
Pharmacy	915,106	1,026,626	111,520	10.9%	2,632,355	3,079,877	447,522	14.5%
Physician Fee for Service	537,536	590,947	53,410	9.0%	1,582,712	1,772,840	190,127	10.7%
Hospital Outpatient	298,420	531,890	233,470	43.9%	1,270,804	1,595,670	324,866	20.4%
Other Medical Claims	247,922	170,026	(77,896)	-45.8%	673,265	510,078	(163,187)	-32.0%
Other HC Services	0		(0)		0		(0)	
Provider Incentives	162,000	17,500	(144,500)	-825.7%	486,000	52,500	(433,500)	-825.7%
Indirect Health Care Expenses	19,355	9,773	(9,582)	-98.0%	58,407	29,320	29,087	99.2%
UMQA (Allocation & Delegated)	61,712	81,041	(19,328)	-23.9%	216,206	241,816	(25,610)	-10.6%
Total Health Care Expense	2,511,845	2,755,271	243,426	8.8%	7,627,221	8,264,507	637,286	7.7%
G&A Allocation	236,096	317,885	81,789	25.7%	752,904	954,252	201,348	21.1%
Total Operating Expense	2,747,941	3,073,156	325,216	10.6%	8,380,125	9,218,759	838,634	9.1%
NONOPERATING REVENUE AND EXPENSE								
Net Income/(Loss)	($40,078)	($352,882)	$312,804	-88.6%	($238,737)	($1,057,935)	$819,198	-77.4%
Medical Loss Ratio (adj MCO)	92.76%	101.29%			93.68%	101.27%	(0)	-7.5%
Member Counts	3,932	3,945	(13)	-0.3%	11,822	11,835	(13)	-0.1%

Report: 335 LOB By Source Qtrly,
Unit: ACE TPA

Health Plan of San Mateo
ACE TPA Statement of Revenue Expense
for the Period Ending September 30, 2026

	Current Qtr Actual	Current Qtr Budget	Current Qtr Variance	% Var	YTD Actual	YTD Budget	YTD Var Fav/(Unfav)	% Var
OPERATING REVENUE								
Medi-Cal Capitation								
MC Supplemental Cap								
HealthWorx Premium								
CareAdvantage Premiums								
MC Cap Offset								
Third Party Administrator Fees	75,769	129,974	(54,205)	-41.7%	203,269	282,962	(79,693)	-28.2%
Total Operating Revenue	75,769	129,974	(54,205)	-41.7%	203,269	282,962	(79,693)	-28.2%
OPERATING EXPENSE								
Total Health Care Expense								
G&A Allocation	66,610	111,019	44,409	40.0%	263,765	333,264	69,499	20.9%
Total Operating Expense	66,610	111,019	44,409	40.0%	263,765	333,264	69,499	20.9%
NONOPERATING REVENUE AND EXPENSE								
Net Income/(Loss)	$9,159	$18,955	($9,796)	-51.7%	($60,496)	($50,302)	($10,194)	20.3%
Medical Loss Ratio (adj MCO)								
Member Counts	9,566	15,291	(5,725)	-37.4%	18,858	31,496	(12,638)	-40.1%

HealthPlan OF SAN MATEO
Healthy is for everyone

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DRAFT

FINANCE/COMPLIANCE COMMITTEE MEETING

Meeting Summary

November 2, 2026, 12:30 pm

Agenda Item: 4.9

Date: November 30, 2026

County Executive Conference Room, 500 County Center, Redwood City, CA 94063
-or-
Health Plan of San Mateo-Boardroom 801 Gateway Blvd, South San Francisco, CA 94080

Members: Bill Graham, Mike Callagy, Manuel Santamaria, Shabnam Gaskari

Staff present: Pat Curran, Trent Ehrgood, Colleen Murphy, Ian Johansson, Amy Scribner, Francine Lester, Cheryl Serafino, Michelle Heryford

1.0 Call to Order: The meeting was called to order by Commissioner Graham at 12:33 pm. A quorum was met.

2.0 Public Comment: There was no public comment.

3.0 Approval of Meeting Summary for August 24, 2026: The meeting summary for August 24, 2026 was approved as presented. **Callagy/Santamaria M/S/P**

4.0 Preliminary Financial Results for the 9-month period ending September 30, 2026: HPSM CFO Trent Ehrgood reviewed the financial results for Q3. Net loss was $35.2 million, bringing the nine-month net loss to approximately $70.9 million. The Q3 increase in both capitation revenue and healthcare costs was largely caused by hospital directed payments received for prior periods and passed through to

providers. Mr. Ehrgood explained that these payments inflate both revenue and expense but have little effect on the bottom line.

Favorable prior-year adjustments totaled approximately $20.9 million and included approximately $2.5M maternity revenue, about $7 million in reinsurance recoveries, approximately $5 million in Medicare risk-adjustment revenue, and about $4.6 million from amended 2025 Medi-Cal rates. Additional information is expected to increase the favorable prior-year adjustment by roughly $3 million, which will be recorded during Q4.

The state continued the adult Unsatisfactory Immigration Status (UIS) dental benefit after the rate sheets had assumed its elimination, leaving Q3 claims expense without corresponding revenue. He estimated approximately $4.2 million of missing current-year dental revenue, which the team expected to recognize in Q4 after confirming the rate adjustment with the Department of Healthcare Services (DHCS).

After removing prior-year adjustments, quarterly losses were approximately $39 million in Q3. Mr. Ehrgood attributed the worsening trend primarily to lower enrollment combined with a higher-cost remaining membership mix. Mr. Ehrgood explained that Medi-Cal enrollment is declining faster than budgeted while healthcare spending fell much more slowly, increasing average cost per member. UIS members leaving Medi-Cal may qualify for ACE, but the decline in Medi-Cal enrollment was not producing the assumed level of ACE growth. He noted that the 90-day cure period and county eligibility processes can delay ACE enrollment because the county first allows people to restore Medi-Cal coverage .

The UIS population was expected to leave the managed Medi-Cal population and move to state fee-for-service coverage in January. Mr. Ehrgood projected that the remaining managed Medi-Cal population would be approximately 85,000 to 87,000 members, compared with roughly 150,000 total Medi-Cal members in mid-2025.

There was a question about HPSM's capacity and funding to manage a growing ACE population. Mr. Ehrgood noted the health plan could manage substantially more ACE members, based on historical enrollment that exceeded 26,000 and reached approximately 40,000 in earlier periods. The constraint is the county's funding and the number of eligible people, not operational capacity within the health plan.

The committee reviewed the healthcare categories driving unfavorable variance, including higher per-member costs in other medical services, community supports, and dental care, and discussed the need to balance provider support with the plan's declining revenue and reserves. Capacity-building grants and practice-transformation costs were approximately $4 million through September and were not included in the budget, creating an unfavorable budget variance. The team was also considering whether to issue another round of grants after using up the first block of $10 million that had been approved.

Efforts to tighten administrative costs began in early 2026 based on expected Medi-Cal enrollment decline. This includes a higher level of scrutiny filling vacant positions. Administrative cost is running around $9.4M under budget for the nine months through September.

Mr. Ehrgood went over updated 2026 projections, showing the year could end with an approximately $131 million loss under a simple Q4 assumption, while the preliminary 2027 range was a $50 million to $100 million loss. Management still identified a path toward break-even as rates, cost experience, and structural actions develop. Because Medi-Cal rates are based largely on historical cost experience, the severe 2026 experience should create pressure for higher future funding. He cautioned that the rate-setting process may take one or two years to reflect the changing membership mix, with limited immediate relief apart from possible retroactive acuity adjustments.

HPSM leadership continues to see a route back toward break-even but expects conditions to worsen before improving. They have identified the next two years as a period requiring close attention to structural deficits, cost management, line-of-business performance, and the ability to reach a sustainable position by the timeframe relevant to the 2031 state bid.

Tangible net equity is approximately $593.4 million as of September 30, 2026. HPSM is projecting declining reserves through 2028 under continued losses while retaining contingency and stabilization reserves. The group acknowledged that the cushion could be consumed quickly without structural changes.

The committee planned to use the November 18th San Mateo Health Commission meeting budget update to explain the emerging 2026 and 2027 outlook. They will focus on high-level losses, reserve trends, key drivers, and the actions supporting a path back toward break-even while making clear that enrollment decline, cost-per-member growth, provider pressures, and administrative restructuring require continued work.

The financial report was approved as presented. **Santamaria/Callagy M/S/P**

5.0 Other Business – There was no other business.

6.0 Adjournment – The meeting was adjourned at 1:42 pm by Commissioner Graham.

Respectfully submitted:

M. Heryford

M. Heryford

Clerk of the Commission

DRAFT

SAN MATEO HEALTH COMMISSION
Meeting Minutes
September 9, 2026 – 12:30 p.m.
Health Plan of San Mateo
801 Gateway Blvd., 1st Floor Boardroom
South San Francisco, CA 94080

AGENDA ITEM: 4.10

DATE: November 18 , 2026

Commissioners' Present:	Alpa Sanghavi, M.D.	Manny Santamaria, Vice Chair
	Bill Graham, Chair	Kenneth Tai, M.D.
	Noelia Corzo	Ligia Andrade Zuniga
Commissioners' Absent:	Jackie Speier, Shabnam Gaskari, Michael Callagy, Amira Elbeshbeshy	
Counsel:	Kristina Paszek	
Staff Presenting:	Pat Curran	

1. **Call to order/roll call**
   The meeting was called to order at 12:50 p.m. by Commissioner Graham, Chair. A quorum was present.

   Commissioner Noelia Corzo arrived at 12:49 pm.

2. **Public Comment**
   There were no public comments.

3. **Approval of Agenda:** The agenda was approved as presented. Motion: **Corzo** (Second: **Andrade/Zuniga**) **M/S/P.**

4. **Consent Agenda:** The consent agenda was approved as presented. Motion: **Andrade-Zuniga** (Second: **Tai**) **M/S/P.**

5. **Specific Discussion/Action Items:**

   5.1 San Mateo County Human Services Agency Presentation: Claire Cunningham, Agency Director of the San Mateo Human Services Agency (HSA) briefed the Commission on current and upcoming HR1 changes around renewals, coverage and work requirements affecting Medi-Cal eligibility. She also went over the County's operational response. The January 1, 2027, enrollment freeze allows existing Medi-Cal members with unsatisfactory immigration status (UIS) to remain enrolled, while new

applicants in that category are limited to emergency or restricted-scope coverage. The asset-limit test was also reinstated for non-MAGI members: through June 30, 2027, the limit is $130,000 for one person plus $65,000 per additional household member up to 10 members; on July 1, 2027, it will fall to $21,000 for one person, $31,000 for two people, and $1,550 for each additional member. Beginning October 1, the federal definition of qualified non-citizen will change, and the county anticipates approximately 8,376 of its Medi-Cal residents may lose regular Medicaid coverage. Retroactive coverage will also narrow on January 1, from three months to one month for Affordable Care Act (ACA) expansion members and two months for other Medi-Cal members, making timely application and renewal assistance more important. Starting March 1, Medi-Cal eligibility renewals for some adults will occur every six months rather than annually. Ms. Cunningham estimated that 53,704 San Mateo County beneficiaries will be affected and warned that members may overlook renewal packets because they recently completed a renewal under the former annual schedule.

Adults ages 19–64 without children under 13, unless otherwise exempt, will need to demonstrate work or community engagement beginning at least one month before applying. Approximately 27,613 residents will be subject to the requirement and approximately 26,000 to qualify for exemptions, although federal and state exemption details are still being finalized. HSA will provide a direct, voluntary warm handoff from eligibility workers to Employment Services for one year. She urged beneficiaries to keep mailing addresses and contact information current with the state, opt into text and email notices, act immediately on renewal packets, and track renewal dates because timelines are narrowing. HSA is producing benefit-basics videos in English and Spanish and developing a Tagalog version, along with multilingual flyers and electronic materials.

HSA’s core service agencies and nonprofit partners help residents use the BenefitsCal portal, collect and organize documentation, and submit applications. Only county eligibility workers may make eligibility determinations, but community organizations can complete the labor-intensive application-support work, provide culturally and linguistically appropriate navigation, and reduce the workload entering the county

eligibility queue. HSA's call center allows applications and telephonic signatures to be completed by phone, so residents do not need to visit an office. Community partners remain important when residents have questions or documentation needs that are difficult to resolve through a call center.

In response to questions about disabled workers, IHSS recipients, and people who become ineligible for Medi-Cal after obtaining part-time employment without employer coverage, Ms. Cunningham said options are becoming more limited. She noted that the San Mateo County Health Department is expanding the ACE program for people unable to participate in Medi-Cal, while federally qualified health centers (FQHCs) and other providers are working to help fill gaps; she offered to request information from Lee Pullen, San Mateo County Director, Aging and Disability Services, about plans for IHSS recipients and providers.

5.2 PHCC Immigrant Justice Presentation: Ana Avendano, Executive Director of El Concilio of San Mateo County, Judith Guerrero, Executive Director of Coastside Hope, Sophia Gonzalez, and Deandra Lee presented findings by the Public Health Community Collaborative (PHCC). The collaborative was formed after the pandemic through a two-year Get Healthy San Mateo County grant to create a community feedback loop for public health. The continuing cross-sector group now emphasizes policy advocacy and includes geographically distributed community-based organizations, multicultural partners, and county health representatives. From January through April, the collaborative reached more than 100 unique individuals through 37 focus-group participants on the coast and in South County, three interviews with county health providers, and 63 additional community and provider survey respondents. Survey outreach occurred throughout the county, although respondents were not asked to identify their county region.

One in three respondents said they had avoided visiting a doctor because of fear of immigration enforcement. Focus groups described risks associated with traveling from the coast to San Mateo or Stanford, concern about waiting rooms, delayed appointments, and people leaving jobs because of fear. Providers also reported clients postponing physical-health care and expressed concern that Medi-Cal eligibility

changes could cause people to lose coverage without realizing it. Half of respondents reported a drastic decrease in well-being, and 90% rated their decline between 3 and 5 on a five-point scale. Reported effects included feeling unsafe in public, high stress, low mood, inability to rest, and feeling unsafe at home; providers described increased paranoia and anxiety among clients.

The collaborative recommended expanding the county's immigration-response protocol to cover staff working in public spaces and requiring training for all front-facing staff. Additional recommendations were to elevate existing community resources and retain or expand mental-health services for immigrant communities. Participants reported that parents were unsure how to discuss immigration fears with children, with effects including reduced school performance and social isolation. An emergency-preparedness workshop showed that families struggled with conversations about who would care for younger children if a parent did not return home. Deandra Lee described countywide immigration-enforcement training and messaging tools, while commissioners and community partners discussed extending preparation to HPSM, medical centers, clinics, supervisors, and other frontline teams.

The county has created posters and messaging stating that residents can continue receiving services, describing county limits on cooperation with immigration enforcement, and indicating that staff are trained. Community partners said the Office of Community Affairs already distributes weekly calendars, flyers, posters, and signage that departments can obtain and display; a staff button or symbol identifying trained personnel was also under consideration. Commissioners discussed the need for consistent signage and protocols in medical centers and clinics, including clarification of public and private areas such as waiting rooms. Health Plan representatives indicated they would connect with county and clinic teams to share best practices and assess how to make care settings safer and more reassuring.

5.3 Announcement of HPSM CEO: After a nationwide search, the Search Committee in collaboration with Morgan Consulting, completed final candidate interviews in August 2026. Commissioner Graham asked the commission to approve the appointment of Alicia Hardy as CEO, pending final negotiation with her current employer. Ms. Hardy's

annual salary will begin at $537,000 and increase to $547,000 after six months. She will receive standard HPSM benefits, with an anticipated start date in early December 2026. Pat Curran, HPSM CEO, agreed to extend his retirement date through the end of the calendar year. He committed to working with Ms. Hardy and the organization to support a smooth leadership transition. Commissioner Corzo moved to accept the appointment of Alicia Hardy as the new CEO of HPSM. (Second: **Sanghavi**) M/S/P.

6. **Report from Chief Executive Officer:** Mr. Curran said the organization will continue monitoring membership losses and their financial effects while developing the 2027 budget. He asked commissioners to review the Finance/Compliance Committee presentation prepared by CFO Trent Ehrgood and the finance team. Mr. Curran noted that tens of thousands of members will change how they receive Medi-Cal beginning January 1, 2027. Members will retain Medi-Cal coverage but will no longer receive it through HPSM, creating additional outreach, information-sharing, and continuity challenges.

7. **CLOSED SESSION:** 7.1 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2)) (1 case)

8. **Report on Action Taken in Closed Session:** There was no report.

9. **Other Business:** There was no other business.

10. **Adjournment:** The meeting was adjourned at 2:21 pm by Commissioner Graham.

Submitted by:
M. Heryford

M. Heryford, Clerk of the Commission

H.R. 1 Implementation
Impact of Medi-Cal Mandates





Claire Cunningham
Agency Director

September 2026

OVERVIEW

- Quick review of H.R. 1 changes:
  - Enrollment freeze
  - Asset limit test reinstatement
  - Qualified Non-Citizen definition changes
  - Reduced timelines for retroactive Medi-Cal
  - Semi-annual eligibility verifications
  - Work/community engagement requirements
- How the work/community engagement requirements will be implemented in San Mateo County
- One-time Medi-Cal administrative funding
- Getting the word out

ENROLLMENT FREEZE – STARTED 1/1/26

- Medi-Cal Adult Expansion population (adults with unsatisfactory immigration status) is no longer able to newly enroll in full scope Medi-Cal.
  - **Intake**: Applicants who don't have Satisfactory Immigration Status (SIS) will be entitled to emergency/restricted and pregnancy services only, if otherwise eligible for Medi-Cal.
  - **Continuing**: Medi-Cal beneficiaries who are part of the Adult Expansion groups will remain enrolled in full scope Medi-Cal as long as they complete their annual renewal.

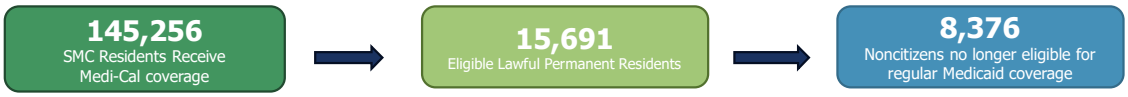
ASSET REINSTATEMENT – STARTED 1/1/26

- Medi-Cal considers resources, including property and other assets, when determining eligibility for applicants or members eligible for Non-MAGI*
  - Intake: Applications received on or after January 1, 2026, will require individuals to be within the asset limits when evaluated for Non-MAGI.
  - Continuing: Beneficiaries will need to be within the asset limits by their annual renewal or when they report a change in circumstances (CIC).
- Through 6/30/27, the asset limit is $130,000 for a household of 1 + $65,000 additional for each individual in the household (up to 10).
- Starting 7/1/27, the asset limit is $21,000 for 1 person, $31,000 for 2 people. Add $1,550 for every additional person in the household.

** This impacts adults 65 and older, people with a disability or living in a nursing facility/LTC, and families over the income limits for MAGI (138% FPL).*

QUALIFIED NON-CITIZEN DEFINITION – STARTS 10/1/26

- Effective October 1st, there is a new definition of QNC for federal Medi-Cal eligibility.
- This change will impact Individuals who are considered Persons Residing Under Color of Law (PRUCOL). This change will **end** the availability of federally funded full-scope MC benefits for:
  - Refugees
  - Asylees
  - Conditional Entrant granted before April 1980
  - Paroled into the United States for one year or more
  - Battered non-citizen, or parent or child of a battered non-citizen



RETROACTIVE MC REDUCED TIMELINES – STARTS 1/1/27

- Currently Medicaid (Medi-Cal) allows coverage for unpaid medical expenses incurred in the **three months** prior to the Medi-Cal application date for applicants who were eligible during those months.
- Effective January 1, 2027, Sec. 71112 reduces Medi-Cal and Children's Health Insurance Program (CHIP) retroactive coverage from three months before an individual's application date to **one month for ACA expansion members and two months for all other Medi-Cal members**.

SEMI-ANNUAL ELIGIBILITY CHECKS – STARTS 3/1/27

- People who are in the Adult Expansion Group (ages 19-64 without children under 19) under the ACA will have their renewal period shortened from 1 year to 6 months.
- In San Mateo County, this change affects **53,704** Medi-Cal beneficiaries.

WORK/COMMUNITY ENGAGEMENT – STARTS 1/1/27

- To be eligible for Medi-Cal, adults ages 19–64 without children under 13 must demonstrate work or community engagement at least 1 month **prior** to application and 1 month within every 6-month period once enrolled unless exempt.
- Qualifying activities include but are not limited to:
  - Employment, community service, work program or educational program for not less than 80 hours. Enrolled in an educational program for at least half time.
  - Have a monthly income that is not less than the applicable minimum wage requirements multiplied by 80 hours ($7.25/hr. x80 = $580.00).
  - Be a seasonal worker and make an average of $580.00 a month over the last six months.

WORK REQUIREMENTS - SAN MATEO COUNTY PROCESS

- If an HSA client is required to satisfy the new work/community engagement requirements, their Benefits Analyst will refer them to HSA's Employment Services division and schedule an **orientation**.
- At orientation, clients receive their **work program activities and schedule** and are assigned to an Employment Services Specialist.
- **Supervised job search** - Consists of individual and group job development, job search workshops, resume writing, interviewing techniques, and independent job search.
- Client then participates in **workfare** to develop basic skills or is referred to a work activity. They receive case management and work with a job developer to obtain **community employment**.

BY THE NUMBERS

Number of County residents who receive Medi-Cal as of July, 2026	138,320 (a decrease of 13,301 or 9% since Jan. 2026)
Total number of SMC Medi-Cal recipients exempted from work requirements	26,091
Total number of SMC Medi-Cal recipients subject to work/community engagement requirements	27,613
Number of Medi-Cal recipients subject to 6-month renewals	53,704

ONE-TIME STATE ADMINISTRATIVE FUNDING

- The enacted State Budget provides additional one-time administrative funding to support county implementation of the federal Medi-Cal and CalFresh changes.
- HSA expects to receive approximately $9.9 million in one-time Medi-Cal administrative funding:
  - $7.4 million through June 2027 for H.R. 1 implementation
  - $2.5 million through June 2028 through the CPI/COLA allocation
- A recruitment for 24 term Benefits Analysts is underway!

GETTING THE WORD OUT

- Benefit Basics video:

- Public Charge video coming soon
- Fliers available

- Medi-Cal recipients will get letters by mail, text, or email. They need to make sure their Medi-Cal contact information is up to date so they don't miss any important messages.
- Check mail and respond quickly to Medi-Cal renewal packets or letters from their health plan or HSA.
- Know when you need to renew. Medi-Cal recipients can renew online or contact HSA if they don't get their renewal notice.

Immigrant Health in San Mateo County

Emergent Findings & Recommendations

Presented by the San Mateo County Public Health Community Collaborative



Who We Are

The Public Health Community Collaborative (PHCC) is a cross-sector initiative focused on advancing health equity through community-informed research and policy advocacy. Established in 2023, the collaborative also seeks to build trust and strengthen relationships between County Health and community partners.

Redwood City Together – A Healthy Community Partnership
Center for Independence of Individuals with Disabilities – Serving San Mateo County
El Concilio of San Mateo County
East Palo Alto
¡Levantar!
ALAS – Apoyando Latinos a Soñar
Healthways
Taulama
Siena Youth Center of the St. Francis Center
San Mateo County Health – All together better.
Instituto Multicultural Multicultural Institute
Coastside Hope – Neighbors Helping Neighbors

Recommendations

Short-term: *currently underway*

To **expand protocol for immigration response** to include guidance for staff working in public spaces AND **implement a training** for front-facing staff

Long-term:

To **elevate and share existing community, social service, resources** and make **investments to retain or expand existing mental health resources** for immigrant communities

Introduction

Amid increasing federal enforcement activity and restrictions on public benefits, many individuals are experiencing heightened barriers to healthcare access and overall wellbeing.

These challenges call for informed, proactive responses from local county and health leadership.



Introduction

2025: At least **153** detentions in San Mateo County

2026 (Jan–Aug): At least **76** detentions in San Mateo County



News stories of ICE in hospitals

Objective

By sharing these findings, **we aim to support collaborative, proactive solutions that protect and promote the health of disproportionately impacted communities across San Mateo County.**



Existing Literature

Immigration status is a social determinant of health.

Migration experience

Family separations

Deportation proceedings

Exclusions from healthcare

San Mateo County:

- ALAS' 2022-2024 Latine Community Wellbeing Assessment

Our Data

How have our San Mateo County immigrant communities' health and wellbeing been affected by recent federal policy changes and heightened enforcement activity?

Qualitative

Focus groups – 37 participants

Provider Interviews – 3 participants

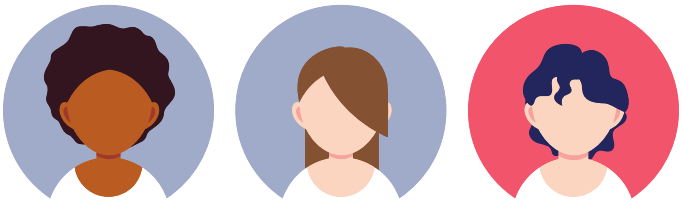
Quantitative

Community Survey – 41 responses

Provider Survey – 22 responses

100+ unique individuals

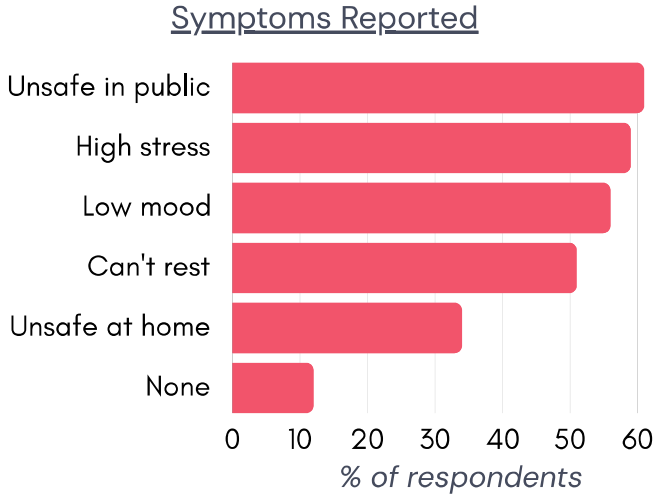
Community Survey



1 in 3 people
avoided going to the doctor for fear of ICE

Community Survey

50%
reported a drastic decrease in wellbeing.



Focus Groups

"**Traveling** [from Half Moon Bay] all the way to San Mateo or Stanford for a **medical appointment** is risky."

"I left my job out of that fear."



"Hospitals should have **signage** in all areas about how to respond to ICE for both patients and staff."

"I only feel safe at home and at church. I know my church has a **safety protocol**."

Provider Perspectives

"We got a couple emails and **talked about protocol once** in the clinic. I'd say we were ***informed*** on legal best practice more than *trained*."



"Clients also are **delaying** their physical health needs **appointments** out of fear of potential detainment."

"I wish I knew what is the county's plan to ensure people continue to be able to access care."

Other Themes

- Medi-cal eligibility changes
- Youth mental health impacts
- Related needs

The work continues...

We must act to strengthen patient trust.

Our goal is for all county health staff to **sign up for upcoming web and in-person trainings** from OCA.

For more information:
sofiaraquel@el-concilio.org | dlee1@smcgov.org

Recommendations

Short-term: *currently underway*



To **expand protocol for immigration response** to include guidance for staff working in public spaces AND **implement a training** for front-facing staff

Long-term:



To **elevate and share existing community, social service, resources** and make **investments to retain or expand existing mental health resources** for immigrant communities

Thank You

For your attention

AGENDA ITEM: 5.1

DATE: November 18, 2026

Meeting materials are not included

for Item 5.1 – Community Reinvestment Update

AGENDA ITEM: 5.2

DATE: November 18, 2026

Meeting materials are not included

for Item 5.2 – UIS Transition Update

AGENDA ITEM: 5.3

DATE: November 18, 2026

Meeting materials are not included

for Item 5.3 – HPSM Budget Update

MEMORANDUM

AGENDA ITEM: 6.0

DATE: November 18, 2026

DATE: November 10, 2026

TO: San Mateo Health Commission

FROM: Patrick Curran

RE: CEO Report – November 2026

Post-Election Summary

As reported widely in the news, the midterm election resulted in both the United States House of Representatives and the Senate switching from a Republican to a Democratic majority. Much speculation is occurring regarding what it may mean for health care, specifically Medicaid coverage and funding. We are attending post-election debrief sessions and preparing for federal advocacy in early 2027. For now, there are no immediate changes to any federal requirements or policy. For example, the work requirements change will go into effect as planned in 2027.

At a statewide level, California elected a new governor, Xavier Becerra. Our state association, LHPC, is already engaged with the transition team to ensure that local health plans communicate a coordinated policy agenda for the new governor. The first major piece of information that HPSM will evaluate is the initial 2027-28 budget proposal by the new governor, which will be announced in January. Like the federal situation, there are no immediate changes to the funding or eligibility for Medi-Cal at the state level.

Health Plan Quality Ratings

HPSM has received updated quality ratings from three separate regulatory agencies:

- NCQA: The National Committee for Quality Assurance (NCQA) is a national accreditation organization for health plans. HPSM received a 4.5 (out of 5.0) rating for the most recent measurement period. This is an improvement from our rating of 4.0 last year, and HPSM is only one of four Medi-Cal plans in California to achieve a 4.5 rating.

- CMS Star Rating: The Center for Medicare and Medicaid Services (CMS) rates the quality of CareAdvantage, our Dual Eligible Special Needs Plan (DSNP). In the most recent health plan rating, HPSM achieved a score of 3.0 (out of 5.0). That is the same rating we received last year. Our goal in the strategic plan is to achieve a 4.0-star rating.

- Medi-Cal MCAS Ratings: The Department of Health Care Services (DHCS) evaluates all Medi-Cal health plans on a series of measures called MCAS (Managed Care Accountability Set). It uses national Medicaid percentiles as its rating method, measuring whether health plans exceed the 50th percentile for certain measures, the Minimal-Performance Level (MPL), or attain the 90th percentile, the High-Performance Level (HPL). HPSM had only one measure below the MPL (zero last year) and seven measures above the HPL (six last year). Once again, HPSM received no financial sanctions based on this performance and is overall a high performer compared to other Medi-Cal health plans in California.

UIS Transition

As a reminder, due to a decision that the state finalized during the budget process, DHCS will transition all approximately 30,000 HPSM members with Unsatisfactory Immigration Status (UIS) to the state's Medi-Cal FFS delivery system on January 1, 2027. These individuals will not lose coverage, but they will no longer receive services through HPSM. We will give an update on this transition at the upcoming November Health Commission meeting.