

Report on Closed Session

Alison Bassett, CMSP Counsel, reported that the Governing Board met in Closed Session and discussed the Executive Director's performance evaluation and took no action.

Report from Legislative Representative

Karen Lange of Shaw, Yoder, Antwih, Schmelzer & Lange (SYASL) reported that the Legislature adjourned September 14. In the 2023 session 3,030 bills were introduced. Of those, 541 have been signed by the Governor, 6 have been vetoed, and 779 still await the Governor's action.

Ms. Lange said the Governor is in Los Angeles this morning to sign bills related to labor. At this time, Ms. Lange stated that she is assuming he will be signing SB 525 today or very soon. This bill would raise the minimum wage for people who work in health care settings. It's a four-tiered bill and affects providers differently. It has a phase-in, and while counties are not directly pulled into it, it will affect the larger healthcare marketplace, so it will have impacts on counties as providers of healthcare services. At the very end of negotiations, the California Hospital Association (CHA) was able to support the bill because it was set up in four tiers and will be phased-in over time.

Ms. Lange reported that there are a few other bills pending that could affect counties directly. For example, AB 299 would allow a bargaining unit, after 2 weeks of striking, to be able to collect unemployment insurance (UI) benefits. There is major concern among counties that the UI Fund is nearly insolvent, so granting more people eligibility for UI benefits could undermine the fiscal strength of the fund. Further, AB 504, a so-called "sympathy strike" bill, would allow bargaining units that have a contract to engage in a sympathy strike on behalf of other bargaining units that do not have a contract. Another bill is AB 1484, which pertains to temporary employees, and would require that temporary employees be included in the bargaining unit of their full-time counterparts.

Ms. Lange reported that there is a new Assembly Speaker, Robert Rivas, who was installed July 1. He's from California's Central Coast (Salinas). There is also a new Speaker Pro Tem, Cecilia Aguiar-Curry, who represents Yolo, Napa, Lake, and part of Sacramento Counties. Finally, the new Senate President Pro Tem is Senator Mike McGuire, who represents various CMSP counties.

In other legislative news, Ms. Lange reported the following:

- ACA 1 (Aguiar-Curry) was approved and would lower the vote threshold to 55% for various funding measures (infrastructure, libraries, homelessness). It will go to the November 2024 ballot.
- SB 789 moved ACA 1 and SCA 2 (repeal prohibition to use public funds to support public housing) to the 2023 November ballot to free up the March 2024 ballot for the mental health program overall, as sought by the Governor.

- As the Assembly was winding down, there was a major behind the scenes effort to put together a proposal to get homeowner's property insurance companies to come back to the California market. The proposal under consideration would have allowed companies to use future climate risk as a part of their future ratemaking but did not deal with making things more affordable. It also had a provision to stabilize the FAIR plan (all regulated lines of insurance are a board of directors of the FAIR plan and they all share in the cost of a catastrophe). The overall effort fell apart, but the Governor did an Executive Order and the Insurance Commissioner issued regulations that would allow insurers to use future climate change in their future rate setting. A webinar is scheduled for Friday, October 13, with the Insurance Commissioner to discuss the regulations.
- It is unclear when the Governor intends to sign the mental health legislation (AB 531-bond), (SB 326-MHSA), and (SB 326). These bills will be placed on the March 2024 ballot. A last-minute amendment was made to AB 531 that would allow mental health funds to be used for building acute, locked facilities.
- SB 43 was passed with broad bi-partisan support and would expand the definition of "gravely disabled."

Board Member Jennifer Vasquez joined the meeting.

Board Member Terms and Elections

Ms. Brownstein reported that the terms of the following Governing Board members end December 31, 2023:

- Richard Forster, Supervisor, Amador County
- Elishia Hayes, County Administrator, Humboldt County
- Elizabeth Kelly, Health and Human Services Director, Colusa County
- Christine Zoppi, Health and Human Services Director, Glenn County

She also reported that Matthew Hymel, County Administrator, Marin County will be retiring from his position with Marin County in early 2024 and will then no longer be eligible to serve on the Governing Board.

Ms. Brownstein stated that elections will need to be held for the open positions before the end of the year. She asked for the Governing Board's approval for SYASL to conduct the elections for the County Supervisor and County Administrator positions, and for the CMSP office to conduct the election for the Health Official, and for CWDA to conduct the election for the County Welfare Director.

ACTION MSC:

Governing Board authorize elections of CMSP Board Members as follows: 1) SYASL to conduct the elections for the County Supervisor and County Administrative Officer positions; 2) the CMSP Office to conduct the election for the Health Official position; and, 3) CWDA to conduct the election for the County Welfare Director position.

a proposed update to the CMSP hospital rate policy in December of this year for the Governing Board to consider. Finally, with Medi-Cal determinations now taking place, if people fall off Medi-Cal then they may qualify for CMSP.

Anthony Wright, Health Access California, was recognized by the Board Chair. On behalf of Health Access, Mr. Wright expressed appreciation to the Governing Board for looking into the issue of hospital financing and he recommended that CMSP has an important role to play. He noted that Health Access supported the MCO tax, and Health Access looks forward to working with CMSP and others to address the financing issues facing hospitals.

Ms. Lange was recognized by the Board Chair. She reported that the Governor signed the fast-food “deal” pertaining to a minimum wage set of conditions but had not taken action yet on the other matters she had outlined earlier.

Proposed Services Agreements

Ms. Brownstein presented four proposed Services Agreements for the Governing Board’s consideration.

Crowe LLP Agreement

The Governing Board has contracted with Crowe LLP since 2009 for the provision of audit services. In March 2021, after a full RPF process, the Board approved continuing audit services with Crowe LLP. The proposed Services Agreement and Engagement Letter with Crowe is for the Fiscal Year 2022-2023 CMSP Annual Audit and the cost is \$32,500.

EA Compensation Resources Agreement

In 2021, under contract to the Governing Board, EA Compensation Resources LLC (CR) conducted an organizational review of the Board’s Administrative Office organization and staffing composition, including the CMSP organization chart, employee position titles, additional staff positions, employee classification pay ranges, annual adjustments to pay ranges and evaluation tools. Since completing that work, CR has assisted CMSP with on-going internal human resources needs, including job description development, market pricing, and associated matters. The proposed Services Agreement with CR would continue CR services in 2024 at a cost not to exceed \$20,000.

Kemper Consulting Group Amendment

The Governing Board’s contract with Kemper Consulting Group for policy and planning services ends December 31, 2023. Consultant services to the Board have focused on various CMSP administrative, policy, and legal matters pertaining to Path to Health, Connect to Care, CMSP grant programs, provider contracting matters, as well as support with preparation of Governing Board and committee meeting materials. The proposed Amendment to the Services Agreement would continue the provision of consultant services

providers and the educational pathways for health care professionals in the CMSP and RCRC counties, will be presented in a complete UCSF report for the Governing Board's consideration at the Board's December meeting. Mr. Kemper also stated that conceptual framing is underway for a stakeholder convening in early Spring to present and discuss UCSF's research findings. Discussion among Board members ensued.

CMSP Financial Reports

Nino Celentano, Finance Director, presented the CMSP financial reports.

CMSP Balance Sheet

Mr. Celentano reported on the July 2023 and August 2023 financial statements. The CMSP Balance Sheets show:

ITEM	July 2023	August 2023
Total CMSP Funds	\$326,696,250	\$325,172,632
Total Assets	\$327,953,936	\$327,099,016
Total Liabilities and Equity	\$327,953,936	\$327,099,016

FY 2023-24 Program Budget Expenditures Year-to-Date

Mr. Celentano presented a report on year-to-date actual versus budgeted Program expenditures. As of July 31, 2023 there were expenditures of \$654,756 (accrual basis) and as of August 31, 2023 there were expenditures of \$2,159,220. The approved Program Budget for FY 2023-24 is \$34,789,500.

FY 2023-24 Administrative Office Budget Expenditures Year-to-Date

Mr. Celentano presented a report on year-to-date actual versus budgeted Administrative Office expenditures. As of July 31, 2023 there were expenditures of \$206,619 (accrual basis) and as of August 31, 2023 there were expenditures of \$372,131. The approved Administrative Office Budget for FY 2023-24 is \$5,316,000.

Report on CMSP Investments

Mr. Celentano reported that staff conducted research on the potential yield opportunities offered by LAIF and CalTrust in comparison to what the Governing Board has historically obtained from the Sonoma County Treasury Investment Pool. The assessment focused on yield comparisons over 2, 3, and 5-year periods, using data derived from Sonoma and CalTrust websites. The key takeaway from the analysis period (2018 through 2022) for the existing Sonoma account, LAIF, and CalTrust found the following:

1. CalTrust's Medium Term Yield Fund consistently outperformed both Sonoma and LAIF when comparing average yields over 2, 3, and 5-year periods;

2. The difference could mean an increased return of over \$350k/year based on CalTrust's 5-year average yield.
3. Sonoma demonstrated an equal or superior average yield to LAIF over 2, 3, and 5-year durations.

Discussion among Board members ensued. Ms. Brownstein asked for direction from the Board concerning next steps. By consensus, the Board directed Ms. Brownstein to further investigate what would be required to make a change from the Sonoma County Treasury Investment Pool to CalTrust.

Executive Director's Report

Ms. Brownstein provided brief updates on the following:

- The Board's Administrative Specialist departed in August and CMSP is presently recruiting for two positions: Data Analyst and Administrative Specialist
- The HSG Grant Program is wrapping up and a report of final program findings will be presented to the Board in December
- There is a LICN convening next week (technical assistance vendor convening)
- A Quarterly Webinar for Path to Health and Connect to Care enrollment clinics was held in September
- CMSP Staff will attend the upcoming CSAC conference and will have a CMSP exhibit
- Path to Health members will transition to Medi-Cal on 1/1/2024

Public Comments

Mr. Forster asked for public comments. There were no public comments and Mr. Forster adjourned the meeting. The next meeting is December 14, 2023.