

Report on Closed Session

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

Report from Legislative Representative

Paul Yoder of Shaw, Yoder, Antwih, Schmeltzer and Lange greeted the Governing Board. Mr. Yoder reported that Proposition 1 has achieved a narrow victory. Both the Legislature and Governor will soon move into planning for implementation of the proposition, specifically moving forward with the \$6.4 billion in bonds approved in the proposition (for mental health and substance use beds, both unlocked and unlocked facilities). The big question is when will the bonds go to market. Because of high interest rates, every \$1 billion in bonds will cost the State roughly \$600 million over time. Of the total bonds, \$1.5 billion will go directly to counties and cities. It is expected that local officials will ask the Governor to go to market on these bonds right away. It is also expected that the Behavioral Health Continuum Infrastructure Program (BHCIP) will be utilized to allocate the remainder of bond funds not directly allocated to cities and counties.

In budget-related news, the latest version of the Managed Care Organization (MCO) tax (SB 136) would, in addition to providing funding to support Medi-Cal program costs, provide funding for distressed hospitals and an increase in psychiatry payment rates. The Senate is looking to set the budget deficit target at \$38 to \$53 billion, instead of the higher estimate of roughly \$70 billion as estimated by the Legislative Analyst. Many of the budget reduction concepts included in the Senate proposal are drawn from the Governor's proposal. The MCO tax proposal will be discussed on April 18th. Some medical specialties are not slated for rate increases under the MCO tax proposal, which has led to behind-the-scenes negotiations between different provider groups.

AB 2200 (Rivas) is this year's "health care for all" legislation, sponsored by the California Nurses Association (CNA), has been introduced but is not expected to move. The projected annual cost of the bill is \$300 billion or higher.

CMSP Financial Reports

Report on Incurred But Not Paid (IBNP) Claims as of June 30, 2023

Kari Brownstein, Executive Director, presented the Healthcare Analytical Solutions, Inc. (HCAS) report of IBNP Claims as of June 30, 2023. Ms. Brownstein stated that the outstanding medical and pharmacy claim liability for all three programs (CMSP, Path to Health and Connect to care) as of June 30, 2023 is \$1.46 million, which is approximately \$500,000 less than the previous year. From analysis of the two reports, she stated that the majority of this difference is in the Path to Health program which has decreased in membership over time with more and more of these members becoming eligible for full scope Medi-Cal.

Laura Moyer, Grants Administrator, reported that three Healthcare Development Matching Grant awards were approved, but one grantee withdrew from their award because local matching funds are no longer required for the base award they were intending to match. One grantee has just submitted final paperwork and one grantee is awaiting state approval of the base grant for which the Healthcare Development Matching grant funds will be used.

Board Member Richard Egan returned to the meeting.

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 January 31, 2024 there were expenditures of \$1,860,572 (accrual basis). As of February 28, 2024 there were expenditures of \$2,037,836 (accrual basis). The approved Administrative Office Budget for FY 2023-24 is \$5,341,000.

Fiscal Agent Agreements

Ms. Brownstein reported that, pursuant to direction from the Governing Board at the Board's December 14, 2023 Governing Board Meeting, CMSP staff initiated a transfer of the entirety of the Board's funds from the Sonoma County Treasury Investment Fund to CalTrust. This action was initiated by sending Sonoma County notices of termination of the parties' two fiscal agent agreements, with such terminations to be effective as of March 31, 2024.

In follow up to these notices, Sonoma County reported back that moving the funds would impose a financial loss to the Board because of differences between the book value of the Board's assets and the par value. In lieu of a full transfer of funds, the Sonoma County Treasurer suggested that an amount of up to \$25 million per month could be transferred. Sonoma County Counsel later stated that the amount of \$25 million was too high and instead proposed an amount of \$5 million per month.

In consideration of these discussions, Ms. Brownstein proposed that the Governing Board extend the termination date for 3 months to provide time for CMSP staff to work with Sonoma County and CalTrust representatives to get documentation from Sonoma County on the fiscal impacts of the proposed change, and to develop a plan for transferring the revenue to CalTrust in a manner that meets state law and Sonoma County investment policy and minimizes the impact to Board assets or the assets of other accounts in the Sonoma County Treasury Investment Fund.

Board Chair Richard Forster said he wants to be respectful of Sonoma County's role of providing asset management over the years and the county's concerns. At the same, he wants to see more content in the termination letters to Sonoma County that request documentation of the impacts of the change. Board Member Richard Egan said the County is providing quarterly reports on the difference between the asset's book value vs. par value and this information could be a part of that documentation. Mr. Egan stated that the

Center's report "The Healthcare Workforce Landscape in County Medical Services Program (CMSP) and Rural County Representatives of California (RCRC) Counties."

Ms. Brownstein said that there are currently 60 in-person registrants and 40 virtual registrants for the convening. A few Board members have not registered, and she stated that CMSP staff would take care of making these registrations. Board Members Mike Ziegenmeyer and Elizabeth Kelly reported they will be out of town and unable to attend the convening.

Board Member Richard Egan asked about whether the convening needs to follow the Brown Act. CMSP General Counsel Alison Bassett reported that the convening will follow the Brown Act.

CMSP Grants Update

Laura Moyer, Grants Administrator, reported on the Local Indigent Care Needs (LICN) grant program. Ms. Moyer stated a final LICN Implementation Grant Program RFP was released, and 10 previously awarded Planning Grantees are eligible to submit an Implementation Grant proposal. Six of the 10 grantees have reported an intention to apply.

Ms. Moyer then reported on the CMSP Loan Repayment program. She stated that the State Department of Health Care Access and Information (HCAI), which administers the program, just released the awards roster and 68 providers in 17 CMSP counties were awarded loan repayment awards under the program.

Finally, Ms. Moyer reported on the Healthcare Infrastructure Development Grant. As she had reported earlier, one grantee withdrew from their award because local matching funds were no longer required for their base grant; one grantee has just submitted final paperwork; and one grantee is still awaiting state approval for their base grant.

Executive Director's Report

Ms. Brownstein provided the following informational report:

- The CMSP Workforce convening has been a key priority for CMSP staff the past several weeks. She thanked all the CMSP staff present at the meeting and those not in attendance for their work on the convening.
- An interview process for Administrative Specialist candidates is underway.
- The Path to Health wind-down transition is going on. To assure continuity of care, the program is working with various Medi-Cal health plans to facilitate primary care provider assignments for the newly eligible Med-Cal members.
- The RedMane mCase functional design documents (for CMSP enrollment through community health centers) are complete, and CMSP staff are currently working with State DHCS on the state-level interface. Implementation of the new CMSP enrollment program is projected for the end of 2024.

Public Comments

Mr. Forster asked for public comments. There were no public comments and Mr. Forster adjourned the meeting. The next meeting is May 23, 2024.