

CMSP GOVERNING BOARD

January 28, 2026
In-Person and via Zoom
9:30 a.m.

Governing Board Conference Room
1545 River Park Drive, Suite 435-A
Sacramento, CA 95815

MEMBERS PRESENT

Jennifer Vasquez, Director, Health & Human Services, Yuba County (in-person)
Ed Valenzuela, Supervisor, Siskiyou County (in-person)
Scott De Moss, County Administrative Officer, Glenn County (in-person)
Brent Houser, California Health & Human Services Agency (non-voting) (in-person)
Elishia Hayes, County Administrative Officer, Humboldt County (remote)
Derek Johnson, County Executive Officer, Marin County (remote)
Deborah Martinez, Director, Department of Social Services, Madera County (remote)
Mike Ziegenmeyer, Supervisor, Sutter County (remote)*

MEMBERS ABSENT

John Vasquez, Supervisor, Solano County
Elizabeth Kelly, Director, Health & Human Services, Colusa County
Jennifer Yasumoto, Director, Health & Human Services, Napa County

*Board Member Ziegenmeyer joined the meeting remotely following the Public Comment period.

PUBLIC SESSION

Introductions and Public Comments

Vice Chair Jennifer Vasquez presided over the meeting in the absence of Chair John Vasquez and confirmed that a quorum of the Governing Board was present. Vice Chair Vasquez opened the Public Session and invited Governing Board Members to introduce themselves, beginning with those attending in person and followed by those participating remotely.

Vice Chair Vasquez then opened the floor for public comment.

Public Comment:

Connie Moreno-Peraza, MSW, LCSW, Director of the Santa Cruz County Health Services Agency, addressed the Governing Board. Ms. Moreno-Peraza stated that the Santa Cruz

Mr. Yoder highlighted recent legislative activity of interest to counties, including a bill related to veterans services officers that received substantial county engagement and is currently on the Governor's desk. He also flagged Senate Bill 747 (Weiner), which would expand prosecutorial authority related to certain federal law enforcement officials and does not expressly carve out local governments, advising counties to be aware of the measure.

Mr. Yoder discussed the State's fiscal outlook and recent estimates of approximately \$42 billion in unanticipated revenue, explaining that a significant portion is constitutionally required to be allocated to Proposition 98 and Proposition 2 reserves, with additional amounts attributable to higher-than-projected expenditures, including Medi-Cal, and prior budget shortfalls. He noted ongoing uncertainty regarding future revenues, including capital gains volatility, and differing views between the Administration and the Legislative Analyst's Office regarding sustainability.

With respect to federal health policy changes under H.R.1, Mr. Yoder reported that the Governor's proposed budget did not include funding to address anticipated impacts on county indigent care programs. He stated that the Legislature has begun holding informational hearings and is expected to develop proposals in the coming months, including potential action by the Department of Health Care Services related to eligibility redeterminations. He emphasized that CMSP staff and legislative advocates are actively engaging with legislators and state stakeholders to educate them on county indigent care responsibilities and the anticipated impacts of federal policy changes.

In response to questions from the Governing Board, Mr. Yoder confirmed that Senate Bill 694 is the measure currently on the Governor's desk referenced during his report. He also explained that CMSP eligibility and membership criteria are established in statute, and that, based on statutory population thresholds at the time of enactment, Placer, Merced, San Luis Obispo, and Santa Cruz Counties remain eligible to join CMSP unless the law is amended.

No action was taken on this item.

Federal Health Program Reductions Planning

Vice Chair Jennifer Vasquez introduced the item and invited Executive Director Kari Brownstein to present.

Executive Director Brownstein provided an overview of anticipated federal health program reductions under H.R.1 and their potential impacts on CMSP counties. She reviewed CMSP's statutory role under Welfare and Institutions Code section 16809 and that of counties under Welfare and Institutions Code section 17000 and summarized projected enrollment and cost scenarios based on Medi-Cal work requirement disenrollment

estimates at varying levels. Ms. Brownstein explained that the projections focus solely on H.R.1 impacts and do not include potential losses of Covered California subsidies, restrictions on lawfully present immigrants, or eligibility and health program administrative costs. She noted that while CMSP may be able to absorb additional medical costs in the first year under certain scenarios, available reserves would not be sufficient to sustain projected costs into a second year without policy changes and additional revenue.

Ms. Brownstein also reviewed CMSP's current fund balance and explained that, while statutory realignment funding could be triggered if reserves fall below two years of operating costs, the amount available would be limited and insufficient to cover projected administrative and medical expenses.

A. CMSP CalSAWS Eligibility System Changes

Ms. Brownstein reviewed proposed eligibility policy changes intended to manage future CMSP enrollment and expenditures and explained that any such changes would require CalSAWS system programming. She reported that preliminary discussions with CalSAWS indicate the proposed changes could be implemented at an estimated cost of approximately \$500,000, with a potential implementation date of January 1, 2027.

Board members asked clarifying questions regarding the scope of the proposed eligibility changes and confirmed that no eligibility changes were being approved at this meeting. Ms. Brownstein confirmed that staff is seeking direction to proceed with planning and to obtain feedback from the Planning and Benefits Committee and the Eligibility Committee, with any proposed eligibility changes to return to the Governing Board for consideration at a future meeting.

B. CMSP Benefit Coverage Redesign

Alison Kellen, Senior Program Director, reviewed proposed benefit coverage considerations in light of anticipated enrollment increases and CMSP's role in assisting counties to meet their statutory obligation to provide subsistence medical care. She discussed potential benefit changes, including a return to restricted-scope services for undocumented members and a review of the scope of benefits for all members to ensure alignment with Welfare and Institutions Code section 17000.

Board members discussed the potential fiscal and operational impacts of benefit coverage decisions, particularly for rural counties and stand-alone hospitals, and emphasized the importance of evaluating costs associated with emergency services and

mandated care. Staff indicated that additional data, including historical and current cost estimates, would be developed for committee review.

C. CMSP Grant Programs

Ms. Brownstein reviewed recommended actions regarding CMSP grant programs in response to anticipated federal reductions. Board members discussed the status of existing grant programs, including the Loan Repayment Program, scholarship programs, Building the Healthcare Workforce Grants, and Healthcare Infrastructure Development Matching Grants.

Following discussion, the Governing Board approved completing the current Loan Repayment Program round and conducting no further Loan Repayment Program rounds, with direction to terminate the related HCAI contract upon completion of the current cycle. The Governing Board likewise approved completing the current scholarship round, conducting no further scholarship rounds, and terminating the related HCAI contract upon completion of the current cycle.

With respect to the Building the Healthcare Workforce Grants and the Healthcare Infrastructure Development Matching Grants, the Governing Board did not take final action and instead directed that those programs be referred to the Planning and Benefits Committee for further discussion and recommendations before returning to the Governing Board.

D. Future Budget Considerations

Ms. Brownstein reviewed future budget considerations, including potential reinstatement of county participation fees, suspension of the Connect to Care benefit program, and suspension of alternative CMSP enrollment processes. She noted that these items were informational only and would be considered by the Governing Board as part of future budget discussions.

Board members discussed the importance of ongoing communication with CMSP counties regarding potential policy and budget changes and suggested additional outreach, including written communication, to ensure counties are informed of issues under consideration.

ACTION MSC: Governing Board authorize the Executive Director to proceed with development of an agreement with CalSAWS to carry out proposed CMSP eligibility system changes; direct the Eligibility Committee to review proposed eligibility changes and provide feedback for Governing Board consideration at a future meeting; direct the Planning and Benefits Committee to

systems. She explained that, consistent with past practice, new counties pay their own medical and administrative costs for an initial period, typically two to three years, pursuant to the terms of their participation agreements.

Ms. Brownstein noted that CMSP is not expected to bring proposed County Participation Agreements to the Governing Board until May 2026, following anticipated Board decisions regarding eligibility and benefit policies. She further explained that, if approved by the Governing Board, participation agreements must also be approved by the respective county boards before implementation activities could begin. She described the extensive implementation work required to bring a new county into CMSP, including eligibility system changes, training, provider network development, continuity of care, third-party administrator and pharmacy benefit manager updates, and administrative preparations, and noted that full implementation could take up to one year.

In response to questions from the Governing Board, Ms. Brownstein clarified that new counties do not draw from CMSP reserves during the initial self-funded period. She explained that, at the conclusion of the initial period, the Governing Board determines each new county's ongoing financial participation and amends the County Participation Agreement accordingly. Board members discussed historical practice for integrating new counties into CMSP and noted that future participation terms would be determined by the Governing Board based on then-existing conditions and available revenue.

Board Member Elishia Hayes departed the meeting during this item.

CMSP Financial Reports

Vice Chair Vasquez introduced the item and invited Finance Director Nino Celentano to present the financial reports.

CMSP Balance Sheet

Mr. Celentano presented the CMSP Balance Sheet as of November 30, 2025, and December 31, 2025.

The CMSP Balance Sheet reflects the following:

ITEM	November 2025	December 2025
Total CMSP Funds	\$311,840,187	\$312,190,016
Total Assets	\$312,067,211	\$312,449,469
Total Liabilities and Equity	\$312,067,211	\$312,449,469

Mr. Celentano noted that the incurred but not paid claims payable amount will be updated following completion of the annual audit.

FY 2025-26 Program Budget Year-to-Date

Mr. Celentano reviewed the Program Budget actual versus budgeted revenues and expenditures for FY 2025–26 as of November 30, 2025, and December 31, 2025.

As of November 30, 2025, total expenditures were \$8,362,467 on a cash basis, representing approximately 30% of the approved FY 2025–26 Program Budget of \$27,933,000. The ending fund balance was \$311,840,187.

As of December 31, 2025, total expenditures were \$9,171,165 on a cash basis, representing approximately 33% of the approved FY 2025–26 Program Budget. The ending fund balance was \$312,190,016.

Mr. Celentano noted that certain variances reflect timing differences, including grant funds due back to CMSP and county eligibility administration allocations.

FY 2025-26 Administrative Office Budget Expenditures Year-to-Date

Mr. Celentano also presented the Administrative Office actual versus budgeted expenditures for FY 2025–26 as of November 30, 2025, and December 31, 2025.

As of November 30, 2025, Administrative Office expenditures totaled \$1,922,804 on an accrual basis, representing approximately 36% of the approved FY 2025–26 Administrative Office Budget of \$5,369,000.

As of December 31, 2025, Administrative Office expenditures totaled \$2,271,247 on an accrual basis, representing approximately 42% of the approved FY 2025–26 Administrative Office Budget.

Mr. Celentano explained that both cash and accrual bases are presented for informational purposes and that the Administrative Office Budget rolls up into the Program Budget. He also noted budget adjustments related to previously approved services, including IT-professional services associated with mCase security testing and accounting services related to the third-party administrator audit.

This item was informational only, and no action was taken.

Executive Director's Report

Vice Chair Jennifer Vasquez introduced the item and invited Executive Director Kari Brownstein to present.

Ms. Brownstein provided updates on CMSP informational items and invited staff to report on specific areas. Laura Moyer, Grants Administrator, provided an update on the status of CMSP grant programs, including the recent Loan Repayment Program application cycle and the upcoming Local Indigent Care Needs (LICN) grantee convening scheduled for February 4–5, 2026.

Sarah Lewis, Program Analyst, reviewed the final report from JSR Strategies following the conclusion of CMSP’s marketing services agreement on December 31, 2025. Ms. Lewis summarized the scope of paid media and public relations activities conducted during the contract term, including outreach campaigns and development of a bilingual online eligibility screening tool. She reported that, while the campaigns increased visibility of CMSP and Connect to Care, enrollment trends did not materially change. Ms. Lewis confirmed that CMSP will not expend funds on paid media in 2026 and will instead utilize public relations support as previously approved by the Governing Board.

Ms. Brownstein then summarized recent and upcoming stakeholder outreach and meetings, including meetings with county leadership in San Luis Obispo, Merced, Santa Cruz, Placer, Mono, Yolo, and Sonoma Counties, as well as participation in Board of Supervisors meetings scheduled for February and March. She also reported on ongoing engagement with county and statewide organizations involved in indigent care and health policy, including California State Association of Counties (CSAC), California Health Executives Association of California (CHEAC), Rural County Representatives of California (RCRC), Urban Counties of California (UCC), California Association of Public Hospitals (CAPH), California Welfare Directors Association (CWDA), California Behavioral Health Directors Association (CBHDA), and other county indigent care programs, as well as meetings with the Department of Finance and legislative offices.

Vice Chair Vasquez thanked Ms. Brownstein and staff for the report.

Public Comments

Vice Chair Vasquez opened the floor for public comments.

There were no public comments.

Adjournment

Vice Chair Vasquez adjourned the meeting at 11:07 a.m. The next regular CMSP Governing Board meeting is scheduled for March 25, 2026, at 9:30 a.m.