CMSP GOVERNING BOARD
May 27, 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

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

MEMBERS ABSENT

John Vasquez, Supervisor, Solano County
Mike Ziegenmeyer, Supervisor, Sutter County

PUBLIC SESSION

Introductions and Public Comments

Chair Scott De Moss called the meeting to order and confirmed that a quorum of the Governing Board was present. Chair De Moss opened the Public Session and invited Governing Board Members attending in person and remotely to introduce themselves.

Chair De Moss then opened the floor for public comment.

Public Comment:

There were no public comments.

Correspondence and Consent Calendar

Chair De Moss requested a motion on the Correspondence and Consent Calendar, including approval of the March 25, 2026 Governing Board Meeting Minutes and receipt of the correspondence included in the Board packet.

ACTION MSC: Governing Board approve the Correspondence and Consent Calendar, including approval of the March 25, 2026 Governing Board Meeting Minutes.

APPROVED Votes: Aye - 8
Nay - 0

Report from Legislative Representative

Chair De Moss introduced the item and invited Paul Yoder of Shaw Yoder Antwih Schmelzer & Lange, the Governing Board's Legislative Representative, to provide an update.

Mr. Yoder reported on the Governor's proposed May Revision to the FY 2026-27 State Budget and key issues for the 2026 legislative session. He stated that, following the California State Association of Counties (CSAC) Spring Conference, county organizations and advocates were generally aligned in seeking both additional state funding for county indigent care impacts and development of an emergency-services-only Medi-Cal approach for individuals who lose Medi-Cal coverage due to federal work requirements. He further reported that county advocates were emphasizing that this approach should not be viewed as mutually exclusive from requests for additional state funding.

Mr. Yoder reported that some state officials had raised operational concerns regarding the time needed to implement a new emergency Medi-Cal aid code, and that county advocates were urging the Administration and Legislature to address those concerns. He also reported on efforts to secure support from the Assembly Democratic Caucus, Senate leadership, and Assembly leadership for additional county funding.

Mr. Yoder discussed the Governor's proposed sales tax on certain products, which he stated could generate approximately $1.5 billion to $1.6 billion annually. He explained that, under current law, revenues from a new sales tax would flow through existing state and realignment formulas unless the law is changed to direct or redirect funds to counties affected by H.R.1. He reported that CSAC advocates were continuing to explain to the Administration and legislative leadership that statutory changes would be needed not only to enact the tax, but also to specify how any resulting revenues would flow.

During discussion, Board members asked questions regarding the proposed emergency-services-only Medi-Cal concept. Executive Director Brownstein explained that the concept would keep individuals who lose full-scope Medi-Cal due to work requirements connected to Medi-Cal through an emergency-services-only aid code. She explained that the emergency-services-only benefit already exists for other populations, but that a new aid code and related CalSAWS, MEDS, and claims system work would be required for the work-requirement population. Lee Kemper, the Governing Board's Policy & Planning Consultant, explained that maintaining individuals in an emergency-services-only Medi-Cal aid code would help prevent them from falling entirely out of Medi-Cal and immediately becoming the responsibility of county indigent care programs.

Mr. Yoder also noted that the Governor's May Revision included a fee-for-service proposal and that public hospital counties had raised concerns regarding potential fiscal impacts. He stated that significant budget and trailer bill discussions were expected to continue through June and potentially into the end of the legislative session in August.

Federal Health Program Reductions Planning

Chair De Moss introduced the item and invited Executive Director Kari Brownstein and CMSP staff to present. Ms. Brownstein summarized prior Board direction regarding CMSP eligibility and benefit changes approved in March 2026 pending public hearings and explained that additional decisions were needed regarding CMSP grant programs, budget considerations, and public hearing scheduling in light of projected impacts from H.R.1 and the absence of additional indigent care funding in the Governor's May Revision.

CMSP Grant Programs

Executive Director Kari Brownstein explained that, at the March 2026 meeting, the Governing Board considered proposed actions regarding the Healthcare Infrastructure Development Matching Grants Program and the Building the Healthcare Workforce Grants Program, but that the prior motion did not receive the minimum six affirmative votes required under the Governing Board's bylaws. Staff therefore returned the items for further Board consideration and clear direction.

Laura Moyer, Grants Administrator, reviewed the Healthcare Infrastructure Development Matching Grants Program. She explained that the program was created in December 2022 with up to $10 million in allotted award funding to provide local-level matching funds to help counties and contracted organizations leverage larger healthcare infrastructure funding opportunities. She reported that six grants and/or conditional awards had been approved, representing approximately $2.5 million in committed funds, and that one additional unprocessed application for $500,000 had been received.

Ms. Moyer also reviewed the Building the Healthcare Workforce Grants Program. She explained that the program was created following healthcare workforce development research in 2024 and that $14 million had been allotted to support Coalition Planning Grants and Initiative Grants. She reported that approximately $2.9 million had been awarded to date, with approximately $11.1 million remaining unawarded. She further explained that three Coalition Planning grantees had been expected to have the opportunity to apply for Initiative Grants, each of which could be up to $450,000.

Board members discussed the value of the programs, the expectations of grantees that had completed planning work, the fiscal uncertainty facing CMSP, and the importance of preserving CMSP resources for its core benefit program. Board members noted that discontinuing future awards would not reflect a conclusion that the grant programs lacked value, and that the programs could be reconsidered in the future if circumstances change. Chair De Moss opened the floor for public comment on the item, and there were no public comments.

ACTION MSC: Governing Board discontinue further grant awards under the Healthcare Infrastructure Development Matching Grants Program and the Building the Healthcare Workforce Grants Program, except for payment of already-awarded commitments.

APPROVED Votes: Aye - 7
Nay - 0
Abstain - 1 (Jennifer Vasquez)

CMSP Budget Considerations

Executive Director Kari Brownstein introduced additional budget considerations intended to contain costs and align CMSP operations with anticipated enrollment changes resulting from H.R.1. She explained that Connect to Care is a primary-care-only benefit program for documented and undocumented uninsured adults who are likely eligible for CMSP but have not applied for CMSP coverage, and that enrollment occurs through community health centers. Alison Kellen, Senior Program Director, reported that approximately 75 to 80 percent of Connect to Care applicants identify as undocumented and that current Connect to Care eligibility was running slightly below approximately 1,400 members per month.

Ms. Brownstein explained that, because the Governing Board had previously approved restricting CMSP coverage for undocumented members to Emergency Services Only effective January 1, 2027, pending public hearings and final Board action, staff recommended pausing the Connect to Care program effective January 1, 2027. She explained that staff recommended a pause rather than discontinuance because the Board had made a significant investment in the mCase system and may wish to use the system for future programs depending on state and federal developments.

Ms. Brownstein also reviewed staff's recommendation to pause CMSP enrollment through the mCase system at community health centers effective January 1, 2027. She explained that, with Medi-Cal work requirements, CMSP enrollment should proceed solely through county social services departments in order to preserve linkages to Medi-Cal and confirm that individuals have been determined ineligible for Medi-Cal because of work requirements. Ms. Kellen noted that the infrastructure built for mCase took substantial financial resources and CMSP staff time, and that staff did not recommend severing the relationship with the system at this time.

Board members discussed the scope and timing of the proposed pauses, the continued availability of online Medi-Cal applications through BenefitsCal, the extent to which CMSP operations may need to return to a pre-Affordable Care Act structure, the absence of additional indigent care funding in the Governor's May Revision, and the need to protect CMSP reserves and core statutory obligations. Board members also noted that Connect to Care services for documented individuals are largely duplicative of benefits available through full-scope CMSP.

Public comment was received from Tracy Mendez, Chief Executive Officer of Aliados Health, who encouraged the Board to consider allowing community health centers to continue enrolling eligible documented CMSP patients and residents at the point of care. Staff explained that documented applicants could seek CMSP coverage through county social services departments.

ACTION MSC: Governing Board approve suspension of the Connect to Care benefit program effective January 1, 2027, pending consideration at future public hearings of the Governing Board, and approve suspension of

CMSP eligibility processing through the mCase eligibility system at community health centers effective January 1, 2027.

APPROVED Votes: Aye - 7
Nay - 1 (Jennifer Vasquez)

Public Hearing Requirements and Scheduling

Executive Director Kari Brownstein reviewed the public hearing requirements applicable before the Governing Board may take final action to eliminate or reduce the level of services, restrict eligibility for services, or adopt regulations. She explained that the Board must provide public notice not less than 30 days before the hearings, publish notice in newspapers of general circulation in each participating CMSP county, and conduct two public hearings in Sacramento County or hold hearings in the county seats of at least four regionally distributed CMSP participating counties.

Staff proposed two public hearings in Sacramento County: Friday, September 18, 2026, at 9:30 a.m., and Wednesday, September 30, 2026, at 9:30 a.m., with the September 30 public hearing to be held before the regular Governing Board meeting. Ms. Brownstein explained that staff intended to begin preparing public notices and related planning, but that notice publication would not proceed until after the July 2026 Governing Board meeting.

Chair De Moss opened the floor for public comment on the item, and there were no public comments.

ACTION MSC: Governing Board approve the proposed dates for the public hearings required by law and authorize the Executive Director and CMSP staff to proceed with planning and administration of the public hearings.

APPROVED Votes: Aye - 8
Nay - 0

New County Participation in CMSP

CMSP Statutorily Eligible Counties Proposed Agreements

Chair De Moss introduced the item and invited Executive Director Kari Brownstein to present. Ms. Brownstein reported that CMSP had received letters of interest from Merced, Placer, and Santa Cruz Counties, each of which is statutorily eligible to participate in CMSP. She also noted that San Luis Obispo County is statutorily eligible, but that CMSP had not yet received a letter of interest from that county as of the meeting date.

Ms. Brownstein presented a proposed New County Participation Agreement template for new CMSP participating counties. She explained that the template was based on the agreement used when Yolo County joined CMSP in 2012-2013 and had been updated to reflect current terms, an updated business associate agreement, updated benefits anticipated to be effective January 1, 2027, subject to required public hearings and final Board action. She stated that, if approved by the Governing Board, each interested county would need to obtain approval from its Board of Supervisors, and CMSP requested fully executed agreements by June 30, 2026, to allow implementation work to begin.

Ms. Brownstein explained that the proposed template includes a start-up period beginning July 1, 2026, with an anticipated April 1, 2027 go-live date. Under the template, each new county would pay start-up costs, monthly administrative costs, out-of-pocket costs, and the cost of medical and pharmacy services for members in that county. She further explained that the agreement includes a 15-month initial payment period, followed by a second 15-month period, to allow CMSP to collect a full fiscal year of experience and then determine an ongoing pooled rate for each new county. Staff anticipated returning to the Governing Board with amended and restated agreements before the end of that period, currently expected around September 2029.

Board members asked questions regarding enrollment and per-member-per-month estimates. Ms. Brownstein explained that staff used Department of Health Care Services estimates, adjusted by CMSP's assumptions regarding the percentage of individuals likely to seek care and CMSP's projected per-member-per-month costs. She also explained that the template accounts for the possibility that a county may qualify for an unemployment-related exemption from federal work requirements, which could reduce the relevant population and associated payment obligations.

Public comment was received stating that San Luis Obispo County was expected to consider a letter of interest regarding CMSP participation at its June 2, 2026 Board of Supervisors meeting.

ACTION MSC: Governing Board approve the proposed New County Participation Agreement template for new CMSP participating counties and authorize the Executive Director, with the assistance of General Counsel, to finalize and execute the Participation Agreement on behalf of the Governing Board.

APPROVED Votes: Aye - 8
Nay - 0

CMSP Non-Statutorily Eligible Counties

Ms. Brownstein provided an informational report regarding interest from counties that are not statutorily eligible to join CMSP. She explained that California counties generally fall into three categories for indigent care purposes: CMSP counties, public hospital counties, and Article 13 counties. She reported that at least two smaller Article 13 counties had expressed interest in CMSP or CMSP-like assistance, even though they are not eligible to participate in CMSP under the current statute.

Ms. Brownstein explained that the Governing Board has statutory authority to develop alternative products outside of CMSP for counties contracting with the Board, provided those products are funded separately and do not impair CMSP's financial stability. She stated that any such product would be separate from the CMSP pool and would need to be fully funded by the participating non-CMSP counties. Board members discussed the value of the CMSP infrastructure that the Governing Board has maintained since implementation of the Affordable Care Act, including provider contracts, CalSAWS and MEDS linkages, and third-party administrator relationships.

Proposed Services Agreements

Chair De Moss introduced the item. Staff presented four proposed services agreement amendments and advised that the items could be considered together unless a Board member wished to separate an item. No item was pulled for separate consideration.

Department of Health Care Services Amendment

Ms. Kellen reviewed the proposed amendment to the agreement with the State of California Department of Health Care Services. She explained that the current agreement ends June 30, 2026, and includes one-year auto-renewal provisions. The proposed amendment would cover services through June 30, 2027, with an anticipated cost increase of approximately $6,493 over the prior year. Ms. Kellen explained that the agreement is important to maintain CMSP's linkage to the MEDS system, issuance of State of California Benefits Identification Cards, eligibility file generation, and share-of-cost tracking.

Healthcare Analytical Solutions, Inc. Amendment

Ms. Kellen reviewed the proposed amendment to the agreement with Healthcare Analytical Solutions, Inc (HCAS). She explained that HCAS supports the Governing Board's annual incurred but not paid claims report, which is incorporated into the annual audit, and also provides data reporting. Staff reported that the proposed amendment would extend the agreement for two years, and increase the Actuary and the Senior Analyst rate per hour. Ms. Brownstein noted that HCAS would also support paid-claims reporting and reconciliation if new counties join CMSP.

Lexlogia Technologies Amendment

Ms. Kellen reviewed the proposed amendment to the agreement with Lexlogia Technologies, which provides data integration services and supports eligibility file movement and reconciliation. She explained that the amendment would extend the agreement for one year, add cyber liability insurance language, update the business associate agreement, increase the hourly rate, and the contract cap.

RedMane Amendment

Ms. Kellen reviewed the proposed amendment to the agreement with RedMane Technology LLC for the mCase eligibility and enrollment system. She noted that the Board packet contained a typographical error and that the current agreement ends June 30, 2026, not June 30, 2025. She explained that the proposed amendment would provide a six-month extension through December 31, 2026, to allow the Board time to address H.R.1, the State budget, and CMSP programs. The amendment proposes a three percent increase to the monthly subscription rate, the maintenance and operations rate, and a reduction in maintenance and operations hours per month.

Chair De Moss opened the floor for public comment on the proposed services agreements, and there were no public comments.

ACTION MSC: Governing Board approve the proposed amendments to the agreements with the California Department of Health Care Services, Healthcare Analytical Solutions, Inc., Lexlogia Technologies, and

RedMane Technology LLC, and authorize the Executive Director to execute the amendments.

APPROVED Votes: Aye - 8
Nay - 0

CMSP Financial Reports

CMSP Balance Sheet

Finance Director Nino Celentano presented the CMSP Balance Sheet as of March 31, 2026 and April 30, 2026. He noted that the incurred but not paid claims payable amount had been updated based on the HCAS report approved at the March 2026 meeting.

The CMSP Balance Sheet reflects the following:

ITEM	**March 2026**	**April 2026**
Total CMSP Funds	$310,735,021	$309,740,323
Total Assets	$310,787,582	$309,778,320
Total Liabilities and Equity	$310,787,582	$309,778,320

The Balance Sheet was presented for informational purposes only; no action was taken.

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 March 31, 2026 and April 30, 2026.

As of March 31, 2026, total revenues were $8,209,920 and total expenditures were $11,876,803 on a cash basis, representing approximately 43 percent of the approved FY 2025-26 Program Budget of $27,933,000.

As of April 30, 2026, total revenues were $8,968,771 and total expenditures were $13,630,353 on a cash basis, representing approximately 49 percent of the approved FY 2025-26 Program Budget.

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

Mr. Celentano reviewed the Administrative Office actual versus budgeted expenditures for FY 2025-26 as of March 31, 2026 and April 30, 2026.

As of March 31, 2026, Administrative Office expenditures totaled $2,981,977 on an accrual basis, representing approximately 56 percent of the approved FY 2025-26 Administrative Office Budget of $5,369,000.

As of April 30, 2026, Administrative Office expenditures totaled $3,252,186 on an accrual basis, representing approximately 61 percent of the approved FY 2025-26 Administrative Office Budget.

Proposed FY 2026-27 Budget

Mr. Celentano presented the proposed FY 2026-27 Administrative Office Budget and Program Budget. He explained that the Administrative Office Budget shows the detail of expenses for administering the CMSP office and contracts, and that all funding approved in the Administrative Office Budget rolls into the Professional Services and CMSP Governing Board Staff and Office Expenses line items in the Program Budget.

The proposed Administrative Office Budget includes increases to certain office expenses, including office lease, IT hardware and software, business and professional liability insurance, travel and business expenses, website development and maintenance, and internet expenses. The budget reduces accounting services expenses because the prior-year budget included a third-party administrator audit that will not occur in FY 2026-27, and includes no technical assistance vendor expenses because that contract has ended. The budget adds $150,000 for public hearings, $375,000 for CalSAWS pursuant to the Board's March approval of the CalSAWS agreement, and increases legal services, policy and planning consultant expenses, and data vendor expenses related to H.R.1 and new county participation. The proposed Administrative Office Budget totals $3,976,000.

Mr. Celentano reported that the proposed Program Budget includes two new lines for New County(ies) Reimbursement and New County(ies) Expenditures, both shown as zero pending final responses from interested counties. The proposed Program Budget projects a beginning fund balance of $311,000,000, assumes no realignment revenue, proposes to waive County Participation Fees of $5,991,905, and proposes to implement provider reimbursement rate increases in accordance with the Governing Board's Rate for Health Care Services Policy effective January 1, 2027, pending state budget discussions. The budget also reflects increased CMSP benefit program expenses due to projected CMSP enrollment increases resulting from federal Medicaid work requirements under H.R.1, reduced Connect to Care expenses based on the expected January 1, 2027 pause, and reduced Pilot Projects and Alternative Products expenses based on prior Board actions. The proposed Program Budget projects an ending fund balance of $296,215,541.

Ms. Brownstein stated that the budget would likely return to the Governing Board during the fiscal year as additional information becomes available regarding new county participation, the State budget, and trailer bills. She also noted that the Governing Board would need to revisit provider reimbursement rate increases later in the year because the rate changes would not take effect until January 1, 2027.

Chair De Moss opened the floor for public comment on the proposed budget, and there were no public comments.

ACTION MSC: Governing Board approve the proposed FY 2026-27 Administrative Office Budget and Program Budget.

APPROVED Votes: Aye - 8
Nay - 0

Executive Director's Report

Chair De Moss introduced the item and invited Executive Director Brownstein and staff to present informational updates.

Ms. Brownstein reported on CMSP public relations efforts, including increased posting on LinkedIn and Facebook, continued development of CMSP's presence on X, and ongoing messaging work with CSAC and the county coalition. She also summarized H.R.1-related stakeholder meetings, including multiple county coalition meetings, Assembly and Senate staff meetings, and meetings with the Legislative Analyst's Office, Department of Finance, Governor's Office, California Health and Human Services Agency, and other stakeholders. She further reported on presentations and meetings with county organizations and on continued meetings with Merced, Placer, and Santa Cruz Counties regarding potential participation in CMSP.

Ms. Kellen reported that CMSP would meet with enrollment sites that perform Connect to Care and CMSP eligibility through mCase to provide updates based on the Board's actions and to inform them regarding the public hearing process. She also reported that CMSP was working with its security vendor on additional security testing following an mCase platform upgrade to ensure the system remains secure.

Adjournment

Chair De Moss adjourned the meeting at 11:06 a.m.

The next regular CMSP Governing Board meeting is scheduled for July 22, 2026, at 9:30 a.m.