

CMSP GOVERNING BOARD

July 22, 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) (in-person)
Jennifer Yasumoto, Director, Health & Human Services, Napa County (remote)
Mike Ziegenmeyer, Supervisor, Sutter County (remote)

MEMBERS ABSENT

Brent Houser, California Health & Human Services Agency (non-voting)

CLOSED SESSION

The Governing Board met in closed session regarding contract and contract negotiations with providers of health care services.

PUBLIC SESSION

Introductions and Public Comments

Chair Scott De Moss convened the meeting in open session at 9:58 a.m. and invited Governing Board Members attending in person and remotely to introduce themselves. Chair De Moss then confirmed that a quorum of the Governing Board was present.

Chair De Moss opened the floor for public comment.

Michelle Shoresman, Division Manager for the Health Care Access Division of the San Luis Obispo County Public Health Department, introduced herself and stated that she was available to answer questions regarding San Luis Obispo County's interest in joining CMSP. There were no additional public comments.

Correspondence and Consent Calendar

Chair De Moss requested a motion on the Correspondence and Consent Calendar, including approval of the May 27, 2026 Governing Board Meeting Minutes and receipt of the correspondence included in the Board packet.

APPROVED Votes: Aye - 8
 Nay - 0
 Abstain - 1 (Ziegenmeyer)

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

Report from Legislative Representative

Ms. Lange reported that the Legislature was in summer recess and would return on August 3, 2026. She stated that the Legislature had adopted a timely State Budget and related trailer bills while also addressing November ballot measures affecting future local revenue measures and voting thresholds.

With respect to H.R. 1, Ms. Lange reported that the final State Budget included resources for increased county Medi-Cal eligibility workloads and funding for public hospitals but did not provide funding to address the anticipated increase in county indigent care obligations under Welfare and Institutions Code section 17000. She explained that an emergency-scope Medi-Cal proposal referred to as PATH was considered but not included in the final budget agreement with the Governor. Ms. Lange noted that CMSP was comparatively well-positioned in the near term because of its reserves to address increased needs resulting from H.R. 1, while Article 13 and public hospital counties generally did not have comparable reserves. She reported that the California State Association of Counties (CSAC) planned to advocate for approximately \$100 million for those counties during the final month of the legislative session.

Ms. Lange also reported that Covered California premiums were expected to increase by approximately 10 percent, which could further affect individuals attempting to maintain coverage. She stated that State revenues continued to outperform projections and that county advocacy regarding H.R. 1 impacts and indigent care funding would continue through the end of the legislative session and into the next administration.

Executive Director Brownstein noted that the Governing Board's non-voting representative from the California Health & Human Services Agency was unable to attend, but an agency representative was available to answer questions. No questions were asked, and no action was taken on this item.

Third Party Administrator Audit Report

Chair De Moss introduced the item and invited Executive Director Brownstein and representatives of Baker Tilly to present the medical claims audit of Advanced Medical Management, Inc. (AMM), CMSP's third-party administrator. Ms. Brownstein explained that the Governing Board approved the audit solicitation in May 2025 and approved an agreement with Baker Tilly in September 2025.

William Norris, Principal with Baker Tilly, reported that the audit reviewed AMM's claims administration services for calendar year 2024. Baker Tilly reviewed 210 claims representing approximately 41 percent of paid claim dollars. The review included eligibility, authorization, benefit limitations, fee schedule accuracy, share of cost, coordination of benefits, duplicate payments, and supporting documentation.

The audit reported financial accuracy of 99.9 percent and claims processing accuracy of 99.4 percent, both above the identified industry benchmarks. Baker Tilly concluded that the errors were non-systemic and that AMM maintained sound operational infrastructure, effective claims administration processes, adequate financial reporting controls, and strong transparency and communication practices.

Baker Tilly recommended adding contractual remedies tied to claims accuracy standards, reassessing and streamlining the reporting inventory based on current business needs and obtaining an external System and Organization Controls 2 (SOC 2) assessment. In response to Board questions, Chuck Nefkens, Director with Baker Tilly, recommended continuation of annual external financial audits; and stated that a SOC 2 assessment provides broader operational review than a Health Information Trust Alliance (HITRUST) assessment and is a best practice, particularly during periods of organizational or system change.

ACTION MSC: Governing Board accept the Baker Tilly audit report.

APPROVED	Votes:	Aye - 9
		Nay - 0

Proposed Services Agreements

Advanced Medical Management, Inc. Amendment

Executive Director Brownstein proposed an amendment to the Administrative Services Agreement with Advanced Medical Management, Inc (AMM) given the current agreement expires September 30, 2026 and the favorable conclusion of the Baker Tilly audit. The amendment would address administrative fees, audit and SOC 2 assessment requirements, claims accuracy standards and remedies, new county participation, disability referrals involving medically fragile cases, and updated subcontractors. Ms. Brownstein reported that the Governing Board had provided direction in closed session concerning the terms to be negotiated.

ACTION MSC: Governing Board delegate authority to the Executive Director, with the assistance of General Counsel and the consent of the Governing Board Chair, to finalize and execute the amendment with Advanced Medical Management, Inc.

APPROVED	Votes:	Aye - 9
		Nay - 0

CMSP Scholarships Program Amendment

Grants Administrator Laura Moyer reviewed proposed amendments with the California Department of Health Care Access and Information (HCAI) concerning CMSP-funded healthcare workforce scholarship and loan repayment programs. She explained that, in January 2026, the Governing Board approved completion of the 2025-26 award cycles and cessation of future awards in light of anticipated fiscal impacts from H.R. 1. HCAI requested amendments to formalize those decisions and update final invoicing and closeout procedures.

Ms. Moyer explained that the proposed CMSP Scholarships Program Amendment confirms that no new award cycles will be conducted beyond the 2025-26 cycle, limits CMSP's award and administrative payment obligations to the revised budget and establishes final invoice and program closeout responsibilities.

CMSP Loan Repayment Program Amendment

Ms. Moyer explained that the proposed CMSP Loan Repayment Program Amendment similarly confirms cessation of future award cycles beyond the 2025-26 cycle, limits CMSP's award and administrative payment obligations to the revised budget and establishes final invoice and program closeout responsibilities.

CMSP Allied Healthcare Loan Repayment Program Amendment

Ms. Moyer explained that the proposed Allied Healthcare Loan Repayment Program Amendment confirms cessation of future award cycles beyond the 2025-26 cycle, limits CMSP's award and administrative payment obligations to the revised budget and establishes final invoice and program closeout responsibilities.

ACTION MSC: Governing Board (1) approve the proposed CMSP Scholarships Program Amendment and authorize the Executive Director to execute the amendment with HCAI; (2) approve the proposed CMSP Loan Repayment Program Amendment and authorize the Executive Director to execute the amendment with HCAI; and (3) approve the proposed Allied Healthcare Loan Repayment Program Amendment and authorize the Executive Director to execute the amendment with HCAI.

APPROVED Votes: Aye - 9
 Nay - 0

Public Hearings Regarding Proposed Program, Eligibility, and Benefit Changes

Chair De Moss introduced the item and invited Executive Director Brownstein to present. Ms. Brownstein summarized the program, eligibility, and benefit changes that the Governing Board previously approved in March and May 2026, subject to required public hearings and final Board action.

The proposed changes would suspend the Connect to Care Program effective January 1, 2027; reduce CMSP eligibility from 300 percent to 200 percent of the Federal Poverty Level; reinstate the full monthly share of cost without the current reduction; require no share of cost for applicants with incomes up to 100 percent of the Federal Poverty Level; reinstate the requirement that applicants who may be eligible for Covered California apply during open enrollment; and establish asset limits of \$10,000 for an individual and \$20,000 for a couple, applicable to all applicants.

The proposed benefit changes would reinstate Emergency Services Only coverage for undocumented immigrants; reinstate monthly share-of-cost requirements for primary care services; discontinue chiropractic services; discontinue outpatient substance use disorder treatment and expanded mental health services; and discontinue vision, audiology, and specified dental services.

Ms. Brownstein reviewed the statutory public notice and hearing requirements and presented a proposed public notice. Staff proposed public hearings in Sacramento County on Friday,

ACTION MSC: Governing Board approve the proposed public notice and the September 18, 2026 and October 5, 2026 public hearing dates and authorize the Executive Director and CMSP staff to proceed with planning and administration of the public hearings.

APPROVED Votes: Aye - 9
 Nay - 0

Institute for High Quality Care Report

Chair De Moss introduced the item and invited Grants Administrator Laura Moyer to present the final report concerning the Institute for High Quality Care's (IHQC) technical assistance services for the Local Indigent Care Needs (LICN) grant program. Ms. Moyer reported that the Governing Board selected IHQC in December 2019 to support planning and implementation grantees through project development, launch, implementation, and sustainability planning.

The LICN program awarded approximately \$47.3 million across 29 CMSP counties, including 23 planning projects and 31 implementation projects, and provided approximately \$1.9 million for technical assistance. All 23 planning projects have concluded. Of the 31 implementation projects, one ended prematurely, 18 concluded activities in April 2026, eight concluded activities in June 2026, and four remain active.

Ms. Moyer reported that IHQC provided individualized onboarding and work plans, a planning toolkit, five grantee convenings, 28 webinars, 27 virtual coffee talks, site visits, and sustainability planning resources. Survey respondents reported strong satisfaction with the convenings and tools. Of the first 17 concluded projects for which final reports had been submitted, 77 percent reported that project infrastructure and sustainable funding were in place and that services were continuing beyond the grant term.

A Board member commented that the sustainability results demonstrated the value of investing in initial capacity and program development. Board Member Deborah Martinez departed the meeting during this item. The item was presented for informational purposes only; no action was taken.

CMSP Financial Reports

CMSP Balance Sheet

Finance Director Nino Celentano presented the CMSP Balance Sheet as of May 31, 2026 and June 30, 2026. He noted that the June financial statements reflected a soft close because the current incurred-but-not-paid claims amount was not yet available and June accruals would continue to be processed through the end of July. Final June financial statements will be presented as part of the annual audit.

ITEM	May 2026	June 2026
Total CMSP Funds	\$308,881,945	\$306,789,339
Total Assets	\$308,890,477	\$306,797,958
Total Liabilities and Equity	\$308,890,477	\$306,797,958

The item 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 May 31, 2026 and June 30, 2026. As of May 31, total

revenues were \$9,195,184 and total expenditures were \$14,715,144 on a cash basis, representing approximately 53 percent of the approved FY 2025-26 Program Budget of \$27,933,000. As of June 30, total revenues were \$9,711,060 and total expenditures were \$17,323,626 on a cash basis, representing approximately 62 percent of the approved Program Budget.

Board Member Johnson requested a future projection of the June 30, 2027 cash balance that accounts for the State Budget, program design changes, and new county participation.

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

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 May 31, 2026 and June 30, 2026. As of May 31, Administrative Office expenditures totaled \$3,510,735 on an accrual basis, representing approximately 65 percent of the approved FY 2025-26 Administrative Office Budget of \$5,369,000. As of June 30, expenditures totaled \$3,737,578 on an accrual basis, representing approximately 70 percent of the approved budget.

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

Executive Director's Report

Executive Director Brownstein provided updates regarding staffing, the CMSP budget, H.R. 1 stakeholder meetings, new county expansion, and eligibility system changes. She reported that Program Analyst Sarah Lewis would begin leave in October and that Grants Administrator Laura Moyer would assist with selected program responsibilities as grant activity has declined. Staff have begun a knowledge-transfer process in preparation for the leave.

Ms. Brownstein stated that staff would return in October with a revised CMSP budget reflecting new county participation and other updated State and federal assumptions. She reported that H.R. 1-related stakeholder meetings and advocacy efforts were continuing and that CMSP would need to pursue future revenue options as individuals lose Medi-Cal coverage because of work requirements. She also noted the ongoing implementation work for Merced and Placer Counties and the potential addition of San Luis Obispo County.

Senior Program Director Alison Kellen reported that staff were working with CalSAWS to scope the eligibility changes that may be implemented following the public hearings, including required system forms and reports. Staff were also working with AMM and MedImpact to scope potential benefit changes and planning for related mCase system updates if the Connect to Care Program is suspended.

In response to a question, Ms. Brownstein confirmed that there would not be an additional regular meeting in October. The October 5 public hearing would be followed by a closed session and the regular Governing Board meeting. She encouraged Board members to attend the public hearings in person when feasible, particularly the October 5 hearing, at which final action on the proposed program changes was anticipated. The item was presented for informational purposes only; no action was taken.

Adjournment

Chair De Moss adjourned the meeting at 11:05 a.m. The first public hearing regarding the proposed program, eligibility, and benefit changes is scheduled for September 18, 2026, at 9:30 a.m. The second public hearing and the next regular CMSP Governing Board meeting are scheduled for October 5, 2026, beginning at 9:30 a.m.