



CenCalHEALTH®
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**CenCal Health
Board of Directors
Meeting Packet**

**Wednesday,
September 17, 2025
6:00 pm**

**Santa Maria Inn
801 South Broadway
Santa Maria, CA
Santa Maria Room**



**Notice of Regular Meeting
CenCal Health Board of Directors**

September 17, 2025

6:00 pm

The Historic Santa Maria Inn
801 South Broadway
Santa Maria, CA
Santa Maria Room

Members of the public wishing to provide public comment on items within the jurisdiction of the Board of Directors may do so during the public comment period or by emailing comments before 10:00 am, September 16, 2025 to the Clerk of the Board at pbottiani@cencalhealth.org with "Public Comment" in the subject line. Comments received will be read during the meeting.

If you require any special disability-related accommodations, please contact the CenCal Health Board Clerk's Office at (805) 562-1020 or via email at pbottiani@cencalhealth.org at least twenty-four (24) hours prior to the scheduled board meeting to request disability related accommodations.

Agenda

Action/Information

1. Public Comment (*Mr. Shah*)
2. **Consent Agenda** (*Action to accept reports*) (*Mr. Shah*) Action
 - 2.1 Approve Minutes of June 27, 2025, Board of Directors Meeting
 - 2.2 Approve Minutes of August 7, 2025, Board Compliance & Oversight Committee Meeting
 - 2.3 Approve Minutes of April 11, 2025, Finance Committee Meeting
 - 2.4 Accept Administrative Reports
 - 2.4.1 Executive Summary
 - 2.4.2 Chief Medical Officer Report
 - 2.4.3 Quality Report
 - 2.4.4 Health Services Report
 - 2.4.5 Performance Division Report
 - 2.4.6 Strategic Engagement Report
 - 2.4.7 Customer Experience Report
 - 2.4.8 Operations Report
 - 2.4.9 Compliance Report
 - 2.4.10 Information Technology Report
 - 2.5 Accept Program Reports
 - 2.5.1 QIHEC Program Report

2.6 Accept Committee Reports

- 2.6.1 Community Advisory Board (CAB) Report and Minutes of 01/09/25 and 04/10/25 Meetings
- 2.6.2 Provider Advisory Board (PAB) Report and Minutes of 01/13/25 and 04/14/25 Meetings
- 2.6.3 Family Advisory Committee (FAC) Report and Minutes of 06/12/25 Meeting
- 2.6.4 Pediatric Clinical Advisory Committee (PCAC) Report and Minutes of 03/05/25 Meeting

3. Regular Agenda

1. Report from the Chief Executive Officer (*Ms. Owen*) Information
2. Report on CenCal Health Strategic Planning (*Ms. Owen and Mr. Gomez*) Information
3. Report from the Treasurer and Chief Financial Officer (*Ms. Bishop*) Action
 - a. Accept Financial Report
 - b. Approve Unaudited Financial Statements as of August 31, 2025
 - c. Adopt Finance Committee Charter
 - d. Approve Advance for Lompoc Valley Medical Center
4. Report from General Counsel (*Mr. Chan, Esq.*)
 - a. Update On Conflict of Interest Code Policy Amendment Implementation Information
 - b. Approve revision of Approval and Signature Authority Policy Action
5. Report from the Chief Performance Officer (*Mr. Morris*) Information
 - a. 2025 CenCal Health Employee Engagement Results
6. Report from the Chief Customer Experience Officer (*Dr. Do-Reynoso*) Information
 - a. 2025 Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey
 - b. 2025 CenCal Health Incentive Payment Program (IPP) Update
7. Report on Dual Special Needs Program (D-SNP) (*Ms. Worley Marselian, Ms. Moscaritolo, and Ms. Faulhaber*) Information
 - a. D-SNP Sales Strategy
 - b. D-SNP Program Readiness
8. Report on Strategic Engagement (*Ms. Owen and Ms. Turetsky*) Action
 - a. Adopt Board Resolutions for Champions in Advocacy-Congressman Salud Carbajal and State Senator Monique Limón
9. Items for Immediate Action Action

Items for which the need to take immediate action arose subsequent to the posting of the agenda (requires determination of this fact by vote of two-thirds of the Directors present or, if fewer than nine Directors are present, unanimous vote)

Note: The meeting room is accessible to the disabled. Additional information can be found at the CenCal Health website: www.cencalhealth.org



Executive Summary

Date: September 17, 2025

To: CenCal Health Board of Directors

From: Marina Owen, Chief Executive Officer

Dual Special Needs Program Development – *CenCal Care Connect*

Over the summer, staff continued preparation for the launch of "CenCal Care Connect" in advance of open enrollment for members in October and program go-live in January 2026. Readiness activities included meeting regulatory milestones, significant advancement of operational efforts to prepare our people, process and technology, and successful completion of fiscal deliverables.

People Operations completed the hiring of 2/3 of key staff to support new members, Provider Relations achieved the goal to contract with 100% of providers necessary to achieve adequacy expectations, and staff launched a robust provider education campaign. Your Board held its first D-SNP Oversight Committees (of two) on September 10th and will receive a high-level overview at your September Board of Directors Meeting on sales readiness and a program overview from Health Management Associations (HMA), CenCal Health's implementation partner on this three-year journey.

For additional details, please reference the Operations Report and progress against the D-SNP Roadmap from Kaliki Kantheti, Chief Operating Officer.

Medicaid Policy Landscape – *Local Engagement and Resources*

In August, staff completed a **Medicaid Advocacy Summary** detailing the local, statewide, and national efforts in which we and our partners engaged over the last six (6) months. Included are the local resources which have been created and shared, social media and article placements throughout our service area, and snapshots of the various collaborative letters which have been shared with Congress to elevate our collective voices. Key updates will be provided at your September Board of Director's Meeting and reference materials include the Strategic Engagement Report from Jordan Turetsky, MPH, Chief Strategic Engagement Officer, and updates from CenCal Health's state and federal lobbyists Public Policy Associates and Parker Poe Federal Strategies, from Ken Preede. Additional details can be found at www.cencalhealth.org/policypulse.com.

Employee Engagement – *2025 Results*

Staff is pleased to report on the results from the third consecutive annual CenCal Health Employee Engagement Survey. By way of background, CenCal Health's 2023 Employee Engagement Survey demonstrated significant improvement over 2017, with



15-point and 17-point increases in overall engagement and satisfaction. The 2024 Employee Engagement Survey demonstrated a 3.4-point improvement over 2023.

Results from the **2025 Employee Engagement Survey** indicated broad satisfaction and engagement, with an overall survey score of 82. These results continue to show the positive year-over-year trend, with a 4.7-point improvement over 2024. In sum, employee engagement has improved 8-points (or 9.3%) over two years, with the following key findings:

- Core Engagement: 3 points above benchmark in 2023, increased 8 points in 2024 and 4 points in 2025, now well above benchmark.
- Job Satisfaction: *All in all, I'm very satisfied with my job* previously was 4 points above benchmark, slipped 6 points in 2024, and rebounded 10 points in 2025, now sitting above benchmark once again.
- Growth and Development: *I have the opportunity and time in my schedule to grow and develop in my role* was 15 points below benchmark in 2023, improved by 4 points in 2024 and 1 point in 2025, and continues to be a focus area for staff.
- Well-Being: Identified as an *Opportunity* and missing benchmark by 6 points in 2023, increased 3 points in 2024 and 4 points in 2025, now is at benchmark overall, with *I have a manageable workload* improving but remaining below benchmark and continuing to be a watch item for staff.
- Senior Leadership: Above benchmark in 2023, increased 5 points in 2023 and 7 points in 2025, with *I believe in the direction that our senior leadership is taking us* now scores 21 points above benchmark.
- Psychological Safety: Identified as an *Opportunity* and missing benchmark by 2 points in 2023, increased 5 points in 2024 and 8 points in 2025, now sits well above benchmark.
- Alignment: The theme with the highest absolute value in 2023, increased 3 points in 2024 and settling 2 points above baseline in 2025, with 94% of respondents indicating they *Understand how my work contributes to company goals*.

CenCal Health employee experience is broadly stable and improving. As CenCal Health continues to adapt to emerging business needs, workforce capacity and development will continue to be key factors in our organizational planning activities. Additional details can be found in the Performance Report from Chris Morris, MSOD, Chief Performance Officer.

Community Relations

On September 6th, I attended Rendezvous at the Rock in support of SLO CASA, and on September 11th I will join a panel with Ms. Toni Navarro with DHCS, the County Behavioral Health Association, and Housing California to keynote together on Transitional Rent. On September 13th, it is an honor to attend and sponsor the Santa Barbara Regatta in support of VNA Health. Lastly, CenCal Health has been honored by Hospice of Santa Barbara as one of this year's **2025 Hospice Heros** and I will join Dr. Do-Reynoso, a previous awardee, by accepting the award on behalf of CenCal Health at the September 14th event in Santa Barbara. Additional details can be found in the Strategic Engagement and Communications Reports.



**DRAFT
MINUTES
CenCal Health
BOARD OF DIRECTORS REGULAR MEETING
Strategic Retreat
June 27, 2025**

The Regular Meeting of the Board of Directors of CenCal Health was called to order by Kieran Shah, Chair, on June 27, 2025, at 8:30 AM at the Landsby Hotel, 1576 Mission Drive, Solvang, CA

MEMBERS PRESENT: Antonette Navarro, Daniel Herlinger, Edward Bentley, MD, Supervisor Joan Hartmann, Kieran Shah, Lisa Moore, Mouhanad Hammami, Nicholas Drews, Sara Macdonald, and Sue Andersen

MEMBERS EXCUSED: Supervisor Dawn Ortiz-Legg and René Bravo, MD

STAFF PRESENT: Chris Morris, Marina Owen, Hon Chan, (General Counsel), and Paula M. Bottiani (Clerk)

1. Public Comment: There was no public comment.
2. Consent Agenda
 - 2.1 Approve Minutes of April 16, 2025, Board of Directors Meeting
 - 2.2 Approve Minutes of May 8, 2025, Board Compliance & Oversight Committee Meeting
 - 2.3 Accept Administrative Reports
 - 2.3.1 Executive Summary
 - 2.3.2 Finance Report
 - 2.4 Accept Program Reports
 - 2.4.1 Information Technology solutions for QNXT Interfaces and Integrations, Fraud, Waste, and Abuse File Creation, and DSNP Transaction Splitting
 - 2.4.2 Dual Special Needs (D-SNP) Program Update
 - 2.4.3 Board Compliance & Oversight Committee (BCOC) Report, Compliance Annual Audit Work Plan, and Board Compliance Resolution

ACTION: *On motion of Ms. Macdonald, seconded by Ms. Moore, the Board of Directors Unanimously Accepted the Consent Agenda without objection.*

3. Regular Agenda
Adjourned to Closed Session at 8:35 am

Closed Session:

1. Public Employee Performance Evaluation/Appraisal Pursuant to Government Code §54957(b)(1) and Compensation Adjustment Pursuant to Government Code §54957.6(a) Position: CEO

Closed Session Adjourned at 9:00 am

Open Session:

Director Shah reported: No reportable actions were taken during closed session.

Action Item: Discussion and Action to Approve CEO Compensation Adjustment

CenCal Health General Counsel Chan read the following statement:

Pursuant to Government Code Section 54953 (c)(3), prior to taking final action, the legislative body must orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive. Here is the summary report required by this section: The CEO's proposed annual compensation is proposed to be increased to \$561,330 plus a \$35,000 education stipend. The Board may now take action on this item.

ACTION: On motion of Mr. Herlinger, seconded by Ms. Moore, the Board of Directors Unanimously Approved the CEO's annual compensation increase to \$561,330 plus a \$35,000 Education Stipend without objection.

2. Welcome, Introductions and Strategic Planning Agenda Review.
3. Board Strategic Planning Session.
4. Board Reflections, Next Steps and Adjournment.

As there was no further business to come before the Board, Mr. Shah adjourned the Regular meeting of the Board at 4:30 pm.

Respectfully submitted,

Paula M. Michal

Paula Marie Bottiani, Clerk of the Board



**CenCal Health
BOARD OF DIRECTORS
COMPLIANCE AND OVERSIGHT COMMITTEE MEETING MINUTES
August 7, 2025**

The quarterly meeting of the Board of Directors Compliance and Oversight Committee Meeting called to order by Daniel Herlinger, Chair, on August 7, 2025, at 12:30 PM at the Landsby Hotel 1576 Mission Drive, Solvang, CA.

MEMBERS PRESENT: Daniel Herlinger, Nicholas Drews, Karen Kim, and Marina Owen

Members Excused: Antonette Navarro

STAFF PRESENT: Paula Bottiani (Recorder)

GUESTS: Nicole Wilson

1. Public Comment-There was no public comment.
2. D-SNP Program and CMS Readiness Checklist

Ms. Owen presented the D-SNP Program and CMS Readiness Checklist with the following highlights:

- The role of Ms. Kim and Compliance, particularly in preparing for CMS audits
- Developing a requirements inventory and audit checklist
- Hiring a compliance strategist to strengthen the team
- Consultant engagement for IT interface and implementation support
- Phasing out some consultants as staff builds their own expertise
- Formation of an oversight committee to review the sales process and technology platform before going live.
- Mr. Herlinger and Mr. Drews expressed interest in joining the oversight committee.

3. CIA Annual Report

Ms. Kim presented the CIA Annual Report with the following highlights:

- Medical Loss Ratio review
 - Positive results with no deficiencies or corrective actions needed.
- CIA second annual report
 - Due August 29, 2025 and deliverables are on track

4. Cybersecurity Update

Ms. Kim presented the Cybersecurity update with the following highlights:

- Development of a security training program

- Monthly newsletters
- Training videos, and phishing tests
- Annual penetration test and retesting of remediated items
- Optimization of Microsoft Azure for security
- Incident Response Plan developed and mock exercise
- Procurement of Security Operations Center (SOC) in process
- Annual risk assessment and 2026 road map development in Q3 and Q4

As there was no further business to come before the committee, Mr. Herlinger adjourned the meeting at 1:25 pm.

Respectfully submitted,

Paula M. Bottiani

Paula Marie Bottiani, Clerk of the Board

**CenCal Health
Finance Committee Meeting
Solvang, CA
The Landsby Hotel
April 11, 2025**

The Finance Committee Meeting of the Board of Directors of CenCal Health was called to order by Ms. Andersen, on April 11, 2025, 12:11 pm, at The Landsby Hotel, Solvang, CA

MEMBERS PRESENT: Sue Andersen (Chair), Daniel Herlinger, Kieran Shah, and Nicholas Drews

STAFF PRESENT: Marina Owen, Kashina Bishop, Paula Bottiani (Board Clerk), and Nicole Wilson, (Assistant Clerk)

1. Public Comment-There was no public comment.
2. Adopt Finance Committee Charter

Finance Committee Charter Formalization: Ms. Bishop led a discussion with the group regarding the formalization of the Finance Committee Charter, confirming legal language, Brown Act requirements, and the committee's structure, with input from Ms. Owen and Ms. Andersen on membership and voting procedures.

- **Legal Review and Brown Act Compliance:** Ms. Bishop confirmed with legal counsel that the language in the draft committee charter is appropriate, particularly regarding the board's authority to establish the committee and the process for appointing members through the nominating committee and board approval. The committee discussed that, due to the committee's ongoing subject matter, it must comply with Brown Act requirements and be a public meeting unless restructured as an executive committee outside the board's purview.
- **Committee Structure and Membership:** The charter specifies that the Finance Committee will have between two and six members, appointed by the board via the Nominating Committee. Ms. Bishop and Ms. Andersen discussed the merits of having at least three members to avoid tie votes, and the group agreed to adjust the minimum membership to three.

- **Roles and Responsibilities:** The Finance Committee's responsibilities include reviewing financial statements, the annual operating and capital budget, significant vendor contracts, and long-term financial strategies. The committee will serve as an advisor to the board and may approve items for the consent agenda, streamlining board meetings.
- **Procedural Changes and Efficiency:** **Mr. Herlinger** led the discussion on how formalizing the committee and utilizing the consent agenda can make board meetings more efficient by allowing the committee to approve items in detail, reducing the need for repetitive discussions at the full board level.

ACTION: On motion of Mr. Shah, seconded by Mr. Herlinger and carried unanimously, the Finance Committee recommended that the Board of Directors Adopt the Proposed Finance Committee Charter.

3. CY 2024 Financial Audit Results

CY 2024 Financial Audit Results: **Ms. Bishop** reported the completion of the year-end audit with no findings, described the volatility in CalPERS pension expenses over recent years, and explained the impact of market changes on financial statements.

- **Audit Results and Internal Controls:** The year-end audit was completed with no findings, indicating strong internal controls. The audit report and presentation from Bartlett Pringle and Wolf will be included in the board packet.
- **Pension Expense Fluctuations:** **Ms. Bishop** reviewed the history of CalPERS pension expense adjustments, noting significant volatility: a \$10 million reduction in 2022, followed by increases of \$6 million and \$4 million in subsequent years, and a decrease this year. These changes are attributed to market performance.
- **Impact on Financial Statements:** The volatility in pension expenses has led to corresponding fluctuations in financial statements, with prior years showing smaller adjustments and recent years experiencing larger swings due to market conditions.
- **Financial Performance and State Comparisons:** **Ms. Bishop** provided an update on financial performance, including a \$17.5 million year-end gain, administrative cost ratios, and comparisons with other health plans, addressing questions about state oversight and reserve requirements.
 - **Year-End Financial Results:** The final year-end gain was \$17.5 million after positive net adjustments, with the medical loss ratio remaining stable and the administrative cost ratio decreasing slightly due to pension adjustments. Tangible net equity increased modestly.
 - **Medical Loss Ratio Guidelines:** The medical loss ratio is a guideline, with a threshold of 85% for certain populations. Falling below this could trigger requirements to return funds, but the plan is currently within acceptable ranges.

ACTION: On motion of Mr. Herlinger, seconded by Mr. Drews and carried unanimously, the Finance Committee recommended that the Board of Directors accept the CY 2024 Financial Audit Results.

4. March 2025 Financial Statements

- **Rate Setting, Budget Amendments, and State Policy Impacts: Ms. Bishop** discussed the ongoing monitoring of 2025 rates, the process for state amendments, the impact of Proposition 35, and the outlook for 2026 rate setting, including the use of updated financial data and the effects of state and federal policy changes.
 - **2025 Rate Monitoring and Amendments:** The 2025 rates remain open for potential amendments due to Proposition 35, with the state expected to review and possibly adjust rates by October. No substantial amendments are anticipated unless significant program changes occur.
 - **Retroactive Adjustments and State Communication:** The state may retroactively adjust rates in response to extraordinary circumstances, such as population acuity changes.
 - **2026 Rate Setting and Data Use:** For 2026, the state is using more current financial data, including quarterly statements, to inform rate setting. The plan's medical loss ratio is stable, and no major red flags are anticipated for 2026.
 - **Policy and Administrative Changes: Ms. Owen** described recent administrative changes in state and federal offices affecting duals and Medicare Advantage plans, including staff reductions and office closures, but indicated that funding and advocacy for D-SNP remain strong.
- **Medical Cost Trends and Claims Processing: Ms. Bishop** reviewed trends in medical expenses, the impact of retroactive rate increases, and the challenges of estimating costs due to claims processing lags to ensure accurate provider payments.
 - **Claims Payment Volatility:** Weekly claims payments have shown volatility, with a recent stabilization after spikes caused by the expansion of the undocumented population coverage and retroactive rate increases. The average weekly payment has been over \$16 million, with recent weeks showing stabilization.
 - **Budgeting and Expense Recognition:** The plan does not budget based on average weekly claims payments but estimates medical costs, including claims and capitation. Retroactive payments are recognized in prior periods, requiring ongoing reconciliation to ensure accuracy.
 - **Provider Payment Systems: Ms. Bishop** led the TRI team to set up system codes for new rate increases, ensuring that payments to providers are processed correctly and that throughput is monitored.
 - **Long-Term Care Rate Adjustments:** Long-term care rates for 2024 were received later than usual but were in line with accruals. The estimated increase for 2025 is higher than expected, prompting ongoing monitoring and communication with the state.
- **Enhanced Care Management and Provider Support: Ms. Bishop** detailed the rising costs and utilization of Enhanced Care Management (ECM), the challenges providers face with billing and encounter data, and efforts to support less sophisticated providers through centralized administrative solutions.

- **ECM Cost and Utilization Trends:** ECM costs have increased from \$1 million to \$1.3–1.4 million per month, driven by expanded services and increased utilization, particularly among foster youth and homeless populations.
- **Provider Billing and Encounter Data:** Providers, especially those with grant-based funding, often do not submit complete encounter data after initial service, which could negatively impact future rate calculations. The plan is working to educate providers on the importance of encounter data submission.
- **Risk Corridor and Revenue Offset:** A risk corridor is in place for 2025 to offset ECM costs, with the state potentially reimbursing the plan if costs exceed revenue. This protection will not continue in 2026, increasing the need for accurate forecasting.
- **Centralized Administrative Support:** The plan has created an online portal to simplify claims submission for less sophisticated providers and is exploring centralized back-office solutions, such as a hub model, to support administrative functions and ensure compliance. **Mr. Drews** recommended that a community base organization (CBO), such as CommUnify, could serve as an umbrella for other ECM providers to collect the funding, distribute funds, and provide recordkeeping. **Ms. Owen** said she would follow up on this recommendation with the CSC steering committee.
- **Membership Trends and Regional Variations:** **Ms. Bishop** provided an update on membership trends. Membership has remained stable at just under 242,000, with minor regional variations. Santa Barbara County has seen increases, while San Luis Obispo County has experienced slight declines, largely attributed to the undocumented population's distribution and administrative cost management.

Financial Highlights

- **Net Operating Gain** of \$9.3 million which is \$1.4 million more than the budgeted gain.
- **Net Revenue** is at \$307.1 million; over budget by \$7.6 million and 2.6%.
- **Medical Expenses** are at \$280.1 million; over budget by \$10.4 million and 3.9%.
- **Administrative Expenses** are at \$17.4 million; under budget by \$3.8 million and 17.8%.
- **Strategic Investments** are at \$1.5 million; under budget by \$2.3 million and 60.4%.
- **Community Reinvestments** are at \$651,679; over budget by \$199,329 and 44.1%.
- **Tangible Net Equity (TNE)** is at \$311.9 million; representing 769% of the minimum regulatory requirement and 99% of the minimum Board-Designated reserve target.
- **Total Cash and Short-Term Investments** are at \$436.3 million. Cash and Short-Term Investments available for operating the health plan is at \$395.6 million, representing 155 Days Cash on Hand.
- **Member Enrollment** is at 241,868 for the month of March 2025.

ACTION: On motion of Mr. Herlinger and seconded by Mr. Drews, and carried unanimously, the Finance Committee recommended that the Board of Directors Accept the Financial Statements for the period ended March 31, 2025.

As there was no further business to come before the committee, Ms. Andersen adjourned the meeting at 1:30 pm.

Respectfully submitted,

Paula M. Bottiani

Paula Marie Bottiani, Clerk of the Board

DRAFT

Chief Medical Officer Report

Date: September 17, 2025

From: Maya Heinert, MD, MBA, FAAP, Chief Medical Officer

Through: Marina Owen, Chief Executive Officer

Executive Summary

The Chief Medical Officer (CMO) Report to the Board contains a high-level summary of the priorities and activities of the Chief Medical Officer and the activities and accomplishments of the Medical Directors. The CMO's activities support CenCal Health's Vision and Mission in three broad areas of focus:

- *Community Physician Liaison,*
- *Community Health & Education Advocate*
- *CenCal Health Clinical and Health Services Representative*

Background

This report is submitted in conjunction with 2 additional Board reports that detail the other areas of focus that fall under the supervision and direction of the CMO:

1. The **Health Services Medical Management Board Report**, submitted by the Chief Medical Officer and detailing the operations and major accomplishments of CenCal Health's medical management departments: Utilization Management, Care Management, Behavioral Health, Pharmacy, and the Dual Special Needs Program Clinical program. The report now also contains information regarding the division's regulatory activities, compliance, and personnel training.
2. The monthly **Quality Report to the Board**, submitted by the Chief Quality Officer and the Senior Director for Quality and Population Health, and detailing the operations and major accomplishments of the quality and population health departments.

Activities of the Chief Medical Officer

Summary:

Increased individual collaboration with clinical staff, oversight of CenCal's Community Supports Program, and intensified collaboration with HS senior leadership were the primary focus of the CMO during August.

Senior leaders worked to assess efficiencies and opportunities within HS operations in every corner of our workflows. Increased regulatory requirements and the winding up of D-SNP activities naturally increased individual workloads, and the division was able to move forward by creating opportunities for shared goals and increasing cross-training to address the heightened responsibilities. Individuals demonstrating consistently high performance have been promoted from within, lending stability and leadership to our division.

The CMO continues to elevate staff wellness awareness, and in August the Division sponsored two motivational speakers to provide intensive training on self-care and the power of humor and connection to our staff, in collaboration with the UM in-person annual retreat. Over half of our staff attended the speaker sessions either in person or virtually, and feedback was extremely positive.

Community Physician Liaison:

As community physician liaison, the CMO meets with our **local partners** to understand their priorities and challenges.

In August, the CMO continued to meet with providers and clinics to elicit feedback about how our DSNP Model of Care, Prior Authorization process, and guiding principles would impact the care they provide to these special members.

Dr. Ali Javanbakht and Emily Bingle from Santa Barbara Neighborhood Clinics, and Dr. Michael Bordofsky and Dr. Eric Trautwein from Palliative Care Consultants provided particularly useable feedback to improve our DSNP workflows for all of our providers. Dr. Heinert participated in an ongoing discussion on Women's Health with Dr. Josephine Preciado and Lindsay Walter of SBCPHD to assess the needs of patients and available options for patients in SB and SLO counties.

The CMO engaged with providers at our August Provider Advisory Board (PAB) meeting, and the questions of our providers provide important material for our FAQs. Collaboration with our partners at Lompoc Valley Health Center and Dignity Health is a critical part of the CMO's activities at our quarterly Joint Operating Committee (JOC) meetings.

Community Health & Education Advocate:

The CMO participates in and advocates activities that **promote education and community collaboration** to improve the lives of our members, providers, community partners, and other members of the community at large.

Dr. Heinert attended CMA's Medical Group Advocacy Symposium in Sacramento that brought together physicians from around the state. The focus of the conference this

year revolved around how physicians in California can protect the care they provide to all members of our community.

Dr. Heinert was present to support the A.T. Still University-College for Healthy Communities at its annual Founders & Friends Reception where many local partners were honored. The University trains Physicians Assistants who are increasingly important to serve the needs of our communities. Dr. Heinert also attended an event to support the activities of Visiting Nurse and Hospice Association (VNA) of Santa Barbara, which provides subsidized hospice and palliative care to vulnerable people and sponsors educational programs like *We Honor Veterans*, Music Therapy, Pet Therapy, and Integrative Therapies for community members.

The CMO has also engaged with DSNP experts from other health plans in California, to gain insight, best practices, and perspective to bring back to our local provider partners regarding our DSNP initiative.

CenCal Health Clinical and Health Services Representative:

The CMO serves as a champion for organizational priorities that involve **clinical services** and quality. In August, the CMO participated in our Pharmacy & Therapeutics Committee, our Customer Experience Committee (CEC), and chaired our quarterly Quality Improvement and Health Equity Committee (QIHEC) meeting.

HS Leadership and Staffing Updates

CenCal Health's Sr. Medical Director Dr. Patty Auchard resigned from her position to enter a master's program in legal medicine. A full-time physician has been hired and will be announced in September 2025.

Medical Affairs (Activities of the Medical Directors): August 2025

Medical Directors are currently focused on examining and updating our library of utilization management policies, templates, and prior authorization requirements. This process will take place over the next several months and will result in a stronger and more cohesive and logical process, as well as providing deeper understanding of our processes for our newer physicians.

Weekly Clinical Quality Case Rounds that include all physicians are conducted to discuss complex or educational cases and to assess case assignments.

Recommendation

No action is needed. This report is submitted for board awareness and approval as part of the consent agenda.

Quality Report

Date: September 17, 2025

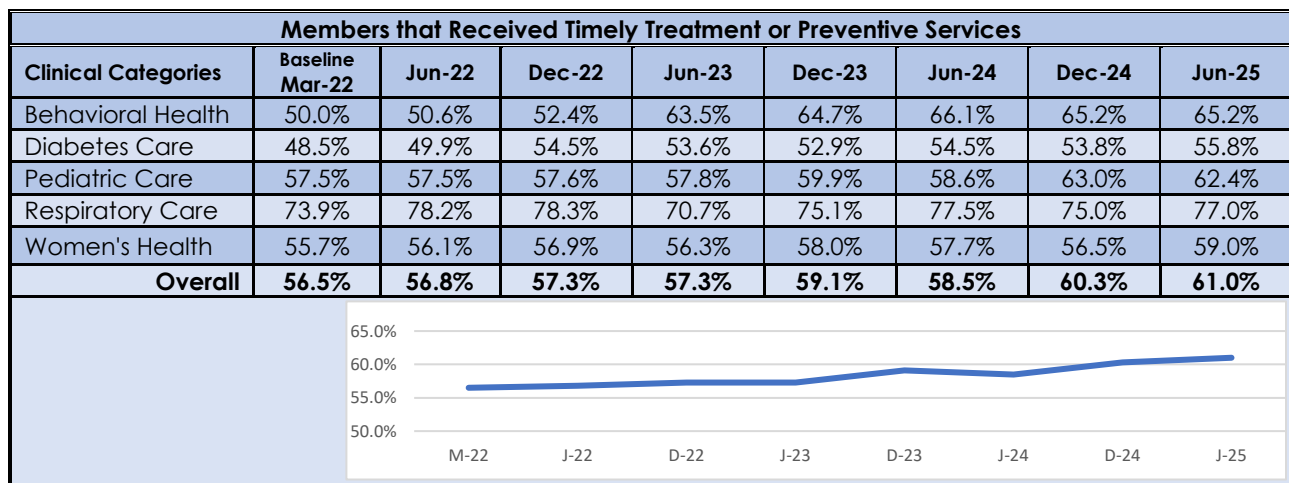
From: Carlos Hernandez, Chief Quality Officer
 Lauren Geeb, MBA, Senior Director, Quality & Population Health

Through: Maya Heinert, MD, MBA, FAAP, Chief Medical Officer

Executive Summary

CenCal Health's Quality Care Incentive Program (QCIP) is a pay-for-performance system used to motivate primary care practice transformation to consistently provide high quality, evidence-based, preventive care and treatment. QCIP satisfies an important NCQA standard for accreditation, and Department of Health Care Services (DHCS) requirements.

In July 2025, CenCal Health distributed \$4.1 million in QCIP incentive payments to 87 Primary Care Providers (PCPs). Since the program's inception in March 2022, \$51.9 million has been distributed to PCPs. QCIP encompasses five clinical categories of care -- *Behavioral Health, Diabetes Care, Pediatric Care, Respiratory Care, and Women's Health*. Compliance with established clinical guidelines has improved as follows:



Note: Includes all QCIP-eligible PCPs and aspects of care evaluated for incentive payment calculations. Only includes measures that are comparable since QCIP baseline.

Background

In January, \$4.1 million in QCIP payments were distributed to 87 eligible PCPs. This marks the thirteenth quarterly payment for CenCal Health's innovative pay-for-performance program launched in March 2022. PCPs eligible for QCIP participation earn payment based on their delivery of services aligned with well-established, evidence-based, standards of care. Incentives are earned according to a 5-star methodology.

The program encompasses five clinical care categories -- Behavioral Health, Diabetes Care, Pediatric Care, Respiratory Care, and Women's Health. *Individual aspects of care have improved significantly within all five care domains since the QCIP program was launched.* The most noteworthy achievements include antidepressant medication management, well-child visits for infants, lead testing in children, and chlamydia screening for women. Many of these aspects of care have been longstanding challenges for CenCal Health. The table below provides details:

QCIP Categories of Care	Baseline	Jun-25	Change	Statistically Meaningful
Behavioral Health				
Antidepressant Medication Management Effective Acute Phase Treatment	57.3%	72.7%	15.4%	Yes
Antidepressant Medication Management Effective Continuation Phase Treatment	42.8%	57.7%	14.9%	Yes
Diabetes Care				
Comprehensive Diabetes Care - Eye Exam	48.5%	55.8%	7.3%	Yes
Pediatric Care				
Child and Adolescent Well-Care Visits	56.6%	60.1%	3.5%	
Childhood Immunization Status -- Influenza*	53.2%	48.4%	-4.8%	
Adolescent Immunization Status - HPV*	45.5%	47.9%	2.4%	
Topical Fluoride for Children*	45.6%	46.9%	1.3%	
Lead Screening in Children	59.1%	77.4%	18.3%	Yes
Well Child Visits - 2+ visits before 30th month of age	78.7%	83.8%	5.1%	Yes
Well Child Visits - 6+ visits before 15th month of age	50.6%	70.3%	19.7%	Yes
Respiratory Care				
Asthma Medication Ratio	73.9%	77.0%	3.1%	Yes
Women's Health				
Breast Cancer Screening	60.5%	63.7%	3.2%	
Cervical Cancer Screening	54.4%	56.7%	2.3%	
Chlamydia Screening in Women	57.3%	67.4%	10.1%	Yes
* Baseline timeframes were later when these aspects of care transitioned to incentivized measures.				

To promote PCP engagement, CenCal Health distributes monthly QCIP performance reports and actionable member-level detail to PCPs via CenCal Health's secure Provider Portal. Through the Provider Portal, PCPs may access helpful analytical tools to maximize QCIP performance.

Sustainable systems change is supported by meaningful financial incentives. Of greatest importance is CenCal Health's in-person connection with PCPs to nurture deep and meaningful relationships to maintain QCIP engagement, commitment, and share best networkwide practices.

Detailed QCIP program information and resources are available on CenCal Health's website at www.cencalhealth.org/providers/quality-of-care/quality-care-incentive-program/.

Next Steps

The most recent QCIP performance measurement period that ended June 2024 incorporated two clinically important aspects of care that warrant significant improvement, including pediatric developmental screenings and topical fluoride applications. The latest measurements for these aspects of care indicate improved compliance with [American Academy of Pediatrics/Bright Futures preventive guidelines](#). The next quarterly measurement and update will verify whether these promising preliminary indications are sustained.

Recommendation

This Quality Report is presented for your Board's acceptance.

Health Services Medical Management Report

Date: September 17, 2025

From: Maya Heinert, MD, Chief Medical Officer

Contributors: Jeff Januska, PharmD, Director of Pharmacy Services
Heather Te, ECM Program Manager
Ariel Land, Community Supports Program Manager
Ana Stenersen, Director, Utilization Management
Rita Washington, Health Operations Program Manager
Jamie Funderburk, Master Clinical Trainer
Rachel Lambert, Director, Behavioral Health
Cammie Flores, Dual Special Needs Clinical Programs (D-SNP) Director

Executive Summary

The information contained in this report provides the status of operations for the Utilization Management, Case Management, Pharmacy, Behavioral Health, and Dual Special Needs Program departments. Health Services Compliance and Health Services Training Program Operations reports are now a regular part of this division summary.

In August, the Health Services Division continued to finesse clinical pathways and letters, and began preliminary training on our new technology platform, MHK, in preparation for the launch of our D-SNP Line of Business. Other focus in the division involved addressing Health Risk Assessment (HRA) submission backlog and addressing changes in the Community Supports program.

Division Compliance

For August 2025 Utilization Management met turnaround times for all authorization categories: Pre- Service Standard, Pre-Service Urgent, Inpatient, SNF, and Post-Service. All met or exceeded the 95% threshold. The Pharmacy Department processed all authorization requests meeting regulatory time standards every month year-to-date as we enter the 3rd quarter. The Behavioral Health Department achieved 100% compliance for both prior and post-service authorizations, meeting all regulatory timelines and clinical standards while ensuring timely review and accurate documentation. The Behavioral Health Call Center exceeded performance goals with a 92% average speed to answer (goal: 85%) and a 97% first-call resolution rate, minimizing the need for follow-up.

Health Services Regulatory Compliance

The Health Services Regulatory Unit priority in August has been management of the Health Services Policies and Procedures Library. Critical tasks include:

1. Annual review for Medi-Cal operations
2. Revisions and required updates for D-SNP operations
3. The inclusion of new NCQA requirements

Policies are expected to be completed with full execution by Q4 2025 through the Utilization Management Committee (UMC) and then finalized by the Compliance Committee (CC).

Health Services Training

The focus of the HS training team in August was audit and survey readiness. To ensure compliance with regulations around notice of action letters, UM staff received training in the best practices to meet readability standards. A training series for care management staff was initiated to ensure continued training and support of NCQA standards ahead of the 2026 lookback period. In preparation for CenCal's new LMS, the training team built out a health services training library with 4 training courses ready to be assigned to staff.

Utilization Management

The top 3 areas of focus and achievements in Utilization Management (UM) during August include:

- Correction of the calculations of Urgent Pre-Service authorizations through the UM team's collaboration with the IT department.
- Successful in-person meeting attended by Adult UM and Pediatric Team which featured team development activities, presentations on core values, complex case study highlighting team collaboration and motivational speakers who inspired staff with tips on handling stress, change and work life balance.
- Training on Care Web QI in MCG to assist UM reviewers with new updates on medical necessity guidelines and process enhancements.

Enhanced Care Management

Enhanced Care Management (ECM) in August 2025 included continuing to refine Closed Loop Referrals processes with the ECMO team, focusing on the notification of referring entities regarding referral status updates. This will ensure continuity of care for members and the ability for providers to coordinate with each other as best practice to address members' needs. Working alongside Provider Relations, the ECM team continued to expand network capacity with providers who specialize in ECM populations of focus. The current focus has been to expand our network of providers with experience in California Children's Services (CCS) and other child-related populations.

Community Supports

DHCS is collecting information on how health plans and providers assess the impact of Community Supports. This data will help strengthen Centers for Medicare and Medicaid

Services (CMS) reporting and materials shared with stakeholders. We are currently working with a non-biased third party entity (UC Merced) to conduct a deeper analysis of CalAIM data, the results of which will help us better understand whether (and how) CS utilization had an impact on member engagement, utilization, health outcomes, chronic disease management, or other measures of utilization or clinical outcomes.

In August 2025, CenCal Health received and processed authorization requests for 15,267 unique members.

The top three most requested Community Supports services based on approved authorization requested received in August are:

1. Medically Tailored meals: 4186 total, 2093 unique members
2. Housing Deposit: 223 total, 85 unique members
3. Housing Transition: 246 total, 246 unique members

Enhanced Care Management (ECM) Justice Involved Initiatives

The focus in August was to coordinate successful linkages with members leaving from the California Department of Corrections and Rehabilitation (CDCR). We have successfully assigned ECM Providers for 84 members since May 2025 from CDCR facilities. DHCS is working on an MOU template to improve coordination across carceral settings and the Manage Care Plans. ECM Providers continued attending warm handoffs with the Pre-Release Care Manager and each member virtually to develop rapport. They have also continued developing re-entry care plans to ensure members' needs are met upon release from the facility. The ECM team has been meeting with Santa Barbara County and San Luis Obispo County to continue to develop streamlined communication and workflows for the pilot projects in preparation for going live in 2026.

Transitional Rent

DHCS requires MCPs to demonstrate readiness to provide up to six months of Transitional Rent for members experiencing or at risk of homelessness. CenCal Health is finalizing its Transitional Rent Model of Care submission, with operations focused on meeting DHCS guidance, ensuring program readiness, and strengthening partnerships with County Behavioral Health and community-based organizations.

Behavioral Health

In August, the Behavioral Health Department held its annual in-person retreat in Santa Barbara. Dr. Neil Adams spoke on Unintended Consequences in Mental Health and Meghann Torres presented on Empathetic Listening and Motivational Interviewing. The retreat was well attended and fostered team building and the enjoyment of collaboration with peers.

The BH Department's focus in August was continuing to strengthen partnerships County Mental Health Plans, schools, and community providers through regular meetings, daily engagement by Community Integration Specialists, and coordination with the Case

Management team. A consistent community presence and dedicated resources improves integration and support for justice-involved members, youth, and those with complex needs. Leadership continues to identify process improvements, expand youth mental health supports, and enable real-time provider updates to ensure faster, more accurate member connections to care.

Pharmacy

The Pharmacy team's focus in August was continued preparation for the launch of our D-SNP line of business. The pharmacy DSNP tactic has begun building out the website content for the Pharmacy webpages and the PBM implementation is on track.

Physician Administered Drugs (PADs) authorization volume has been flat after the initial decline in March 2025 following the removal of the prior authorization (PA) requirements for 2-classes of medications.

Dual Special Needs Program (D-SNP) Clinical Program

The D-SNP Clinical Program team's focus during August was advancement in the completion of user interfaces, User Acceptance Testing (UAT), and train-the-trainer sessions for Grievances and Quality of Care (QOC). The team also focused on the Prior Authorization program and continued provider engagement to receive feedback for our D-SNP Model of Care (MOC). Recruitment for additional specialized team members is underway.

- All user interface (UI) configurations for Grievance, Quality of Care (QOC), and Global modules (Member360 and Provider360) have been completed in MHK platform. Grievance and QOC letter configurations are finalized, and CenCal has completed UI QA and configuration validation. MHK UAT training and train-the-trainer sessions have also been successfully completed.
- Our Prior Authorization (PA) and Auto-Approval (AA) lists were developed by our clinical teams to incorporate both Medi-Cal and Medicare requirements and were benchmarked against several other health plans. We are now in the process of mapping and validating codes to ensure alignment across multiple system platforms.
- The team is collaborating with our D-SNP community providers to strengthen our care management strategy by gathering feedback on the Model of Care and incorporating it into our workflows, policies, and procedures. This collaboration is essential to implementation and program growth. The D-SNP education webinar series has launched and will run through the remainder of 2025, continuing into 2026.
- D-SNP hybrid and stand-alone policies have been completed and are currently under review by Foley Writing and HMA, with revisions in progress for finalization.

Recommendation

No action is needed at this time, and this report is submitted for board awareness and approval as part of the consent agenda.

Performance Division Report

Date: September 17, 2025

From: Chris Morris, MSOD, Chief Performance Officer

Contributors: Andrew Hansen, MBA, Operational Excellence Director
Katrina Delevati, MBA, People Operations Director

Executive Summary

The following report provides updates surrounding the development and execution of Performance Division functions where applicable, including talent acquisition and retention, employee engagement, strategy execution and process management.

People Operations

Talent Acquisition and Retention Update

Total vacancy, spanning all Medi-Cal and D-SNP FTE, now sits at 9.8%. Talent acquisition for D-SNP specifically is progressing well, with 78% of all D-SNP roles hired to date. Highlights surrounding key senior leadership team recruitments include:

- Dr. Tanya Phares, joining CenCal Health as Medical Director in September 2025
- Brandon Roberts, joining CenCal Health as Government Relations Director in September 2025
- Recruitment is underway for the Medical Director and Legal Officer positions.

All cause turnover remains healthy at a 12-month rolling average of 8.2%, below the prior 3-year average (11.5%) and more than 20-points below the industry average (Bureau of Labor Statistics). CenCal Health is committed to remaining an employer of choice for mission-driven professionals, through a thoughtful and competitive hybrid workforce strategy that meets the needs of our members, providers and community partners, and supports the collaboration and belonging needs of our team members.

Employee Engagement

Staff is pleased to report the results from the third consecutive annual CenCal Health Employee Engagement Survey. As previously shared with your Board, Staff conducted Employee Engagement Surveys in November 2023 and September 2024.

Prior to 2023, CenCal Health last administered an Employee Engagement Survey in 2017. Overall, CenCal Health's 2023 Employee Engagement Survey results demonstrated significant improvement over 2017, with 15-point and 17-point increases

in overall engagement and satisfaction, respectively. Furthermore, the 2024 Employee Engagement Survey demonstrated a 3.4-point improvement over 2023.

Results from the 2025 Employee Engagement Survey indicated broad satisfaction and engagement, with an overall survey score of 82. These results continue to the positive year-over-year trend, with a 4.7-point improvement over 2024. In sum, employee engagement has improved 8-points (or 9.3%) over two years, with the following key findings:

- Core Engagement: Sitting 3 points above benchmark in 2023, increased 8 points in 2024 and 4 points in 2025, now sitting well above benchmark.
- Job Satisfaction: *All in all, I'm very satisfied with my job* previously sat 4 points above benchmark, slipped 6 points in 2024, and rebounded 10 points in 2025, now sitting above benchmark once again.
- Growth and Development: *I have the opportunity and time in my schedule to grow and develop in my role* sat 15 points below benchmark in 2023, improved by 4 points in 2024 and 1 point in 2025, and continues to be a focus area for staff.
- Well-Being: Identified as an *Opportunity* and missing benchmark by 6 points in 2023, increased 3 points in 2024 and 4 points in 2025, now sits at benchmark overall, with *I have a manageable workload* improving but remaining below benchmark and continuing to be a watch item for staff.
- Management: Identified as an *Opportunity* and missing benchmark by 2 points in 2023, increased 6 points in 2024 and 4 points in 2025, and now sits well above benchmark.
- Senior Leadership: Sitting above benchmark in 2023, increased 5 points in 2023 and 7 points in 2025, with *I believe in the direction that our senior leadership is taking us* now sitting 21 points above benchmark.
- Psychological Safety: Identified as an *Opportunity* and missing benchmark by 2 points in 2023, increased 5 points in 2024 and 8 points in 2025, now sits well above benchmark.
- Alignment: The theme with the highest absolute value in 2023, increased 3 points in 2024 and settling 2 points above baseline in 2025, with 94% of respondents indicating they *Understand how my work contributes to company goals*.

In conclusion, CenCal Health employee experience is broadly stable and improving. With meaningful survey-over-survey improvements in every area, the primary remaining focus area is *Well-Being* – notwithstanding the 11.6% improvement since 2023 – including its adjacent impact on *Growth and Development*. As CenCal Health continues to adapt to emerging business needs, workforce capacity and development will continue to be key factors in our organizational planning activities.

Operational Excellence

The Executive View Dashboard indicates healthy organizational performance with seven (7) of nine (9) Level 1 processes meeting or exceeding 95% of target in Q125 and

Q225. Aggregate organizational performance exceeded 95% of target in both quarters. Notable performance highlights are as follows:

- Engage and Support Members. This Level 1 core process is meeting target for the fourth quarter in a row after missing target in Q224 and missing threshold in Q124. It contains three subprocesses, known as Level 2 processes, shown on the right-hand side of the Dashboard. Performance within the *Help Members Engage* Level 2 process is now meeting threshold after missing threshold in Q125. It remains primarily impacted by the rate of live welcome calls to new members, which improved 22% over Q125 and is now meeting threshold. Importantly, 100% of new members receive an automated new member welcome call within their first 7 days of enrollment, which achieves contractual requirements. Reflected within the *Improve Member Experience* Level 2 is the updated measurement year 2023 (MY2023) CAHPS results. Adult CAHPS Dashboard performance decreased with zero (0) of five (5) Dashboard measures meeting the national 50th percentile for MY2023 compared to MY2022 where three (3) of five (5) were met. Child CAHPS Dashboard performance improved with three (3) of five (5) Dashboard measures meeting the national 50th percentile for MY2023 compared to MY2022 where one (1) of five (5) were met.
- Support and Develop the Provider Network. This Level 1 core process missed threshold in Q125 and missed target in Q225. It contains three subprocesses, known as Level 2 processes, shown on the right-hand side of the Dashboard. Performance within the *Support the Provider Network* Level 2 was impacted by re-credentialing delays in Q1, which was driven by challenges in meeting the increased volume from the first Behavioral Health recredentialing cycle since the function was insourced. *Develop the Provider Network* Level 2 process remains primarily impacted by timely access performance. Improvement efforts remain a priority through advancing the Access Plan. Additionally, metrics within this Level 2 process have been, and continue to be, evaluated and refined to ensure they provide the most representative depiction of actual performance.
- Improve Member Health. This Level 1 core process remains below target. It contains two subprocesses, known as Level 2 processes, shown on the right-hand side of the Dashboard. Performance within the *Improve Effectiveness of Care Delivery* Level 2 remains impacted by Child and Adolescence immunization and developmental screening MCAS measures missing the Minimum Performance Level in San Luis Obispo County. As part of continued metric development on the Organizational Dashboard, aggregate results for the *Manage Population Health* Level 2 are now published for the first time, reflecting performance meeting target.
- Enhance Organizational Effectiveness. This Level 1 process is now meeting target in Q1 and Q2 after missing target but meeting threshold in previous quarters. The change in performance is attributable to improved Operating Plan execution

within the new 2025 Operating Plan, as well as measurement methodology improvements to ensure an enhanced depiction of actual performance.

Project Portfolio Management Roadmap

Enterprise Project Management Office (EPMO) leadership recently developed a Project Portfolio Management (PPM) Roadmap as a mechanism to systematically advance maturity and better meet business needs over time. The PPM Roadmap was informed by departmental and sponsor feedback, survey results from Portfolio Governance Committee (PGC), and executive leadership.

The PPM Roadmap spans 2025–2026 and includes twenty-one (21) activities across four domains: PPM Standards, PPM Software, PPM Performance, and PPM R&Rs. Feedback emphasized PPM Standards as a key area, and this focus is reflected in the PPM Roadmap with 48% of all activities falling under this domain. PGC is kept actively informed of PPM Roadmap progress through monthly updates.

2025 Operating Plan Update

Organizational leadership conducted a mid-year prioritization assessment based on the emergent need to create more capacity in order to execute well against the Operating Plan's number one priority: D-SNP readiness. Prioritization reduced the number of active tactics on the 2025 Operating Plan by 22% (from 41 to 32); this was achieved through the determination of:

- Six (6) tactics established as “complete” in meeting business need, and closed
- Five (5) tactics with discretion on scope and timing were cancelled or deferred
- + Two (2) new tactics required to meet obligations and D-SNP readiness

The revised 2025 Operating Plan is now comprised of forty-one (41) tactics, nine (9) of which have been completed to date. Tracked progress on the thirty-two (32) active tactics is as follows:

- 6 (15%) are between 1-25% complete,
- 11 (27%) are between 25-50% complete,
- 15 (37%) are between 50-75% complete, and
- 9 (22%) are between 75-99%.

Additionally, 97% of the Operating Plan is in good health, and three (3) tactics are at-risk of becoming off-track with planned mitigations as follow:

- Core System (QNXT) Implementation – This tactic is intended to prepare to serve new D-SNP members through the implementation of the Cognizant QNXT Core System. Notably, the Core System includes modules for Claims, Enrollment Administration Management, and Financial Reconciliation Management. This tactic

is reported as at-risk due to high complexity and compressed timeframes particularly in areas of QNXT integrations and User Acceptance Testing (UAT). Active mitigations are in place through enhanced coordination internally and with vendor, expediting timeframes where achievable, and establishing contingency plans where necessary.

- D-SNP Model of Care (MOC) – This tactic is intended to prepare to serve new D-SNP members through the development and implementation of a Model of Care. This tactic is reporting at-risk due to complexities and compressed timeframes in developing and executing vendor supported Health Risk Assessment (HRA) processes and activities. Active mitigation is in place through enhanced collaboration with vendor.
- Payment Integrity Program Implementation – This tactic is intended to ensure financial performance to support sustainability through the implementation of a Payment Integrity vendor solution. This tactic is reporting at-risk due to schedule. The tactic's scope was recently revised, and work is ensuing to reassess the technical approach along with resource estimates to create and adopt a recast schedule. Tactic is anticipated to return to on-track following.

Recommendation

This material is informational with no action being requested at this time.

Enclosures

1. Q125 Executive View Dashboard
2. Q225 Executive View Dashboard
3. Project Portfolio Management Roadmap
4. August 2025 Operating Plan

Purpose: To provide oversight of health plan performance across all organizational processes, to enable timely and targeted intervention and celebration.

Context and Limitations: Target and Threshold values are informed by contractual requirements and best practices, where available. This dashboard is structured by core processes (which deliver values directly to members, providers and the community) and managerial and support processes (which guide and support the organization). Results are produced using composites, meaning the performance of subprocesses is combined for aggregate performance scores. All metrics are normalized to a 100 point scale, so Target performance is always 100%.

Core Processes



	Q124	Q224	Q324	Q424	Q125
Subprocesses					
Help Members Engage	86.5	88.0	89.4	90.4	88.9
Help Members Navigate	91.0	95.3	98.6	98.3	98.2
Improve Member Experience	99.1	98.0	99.4	99.4	99.5
Subprocesses					
Support the Provider Network	97.8	95.8	94.9	96.0	92.9
Develop the Provider Network	92.4	90.4	92.8	92.8	90.5
Pay Providers	100	100	98.8	100	99.2
Subprocesses					
Manage Utilization	99.2	98.8	98.3	99.6	98.4
Coordinate Member Care	100	100	100	100	100
Subprocesses					
Improve Effectiveness of Care Delivery	100	100	100	92.5	91.5
Manage Population Health	—	—	—	—	—

Support and Managerial Processes



performance threshold

performance target

● ≥ to 95% of target and > threshold

● < 95% of target and ≥ threshold

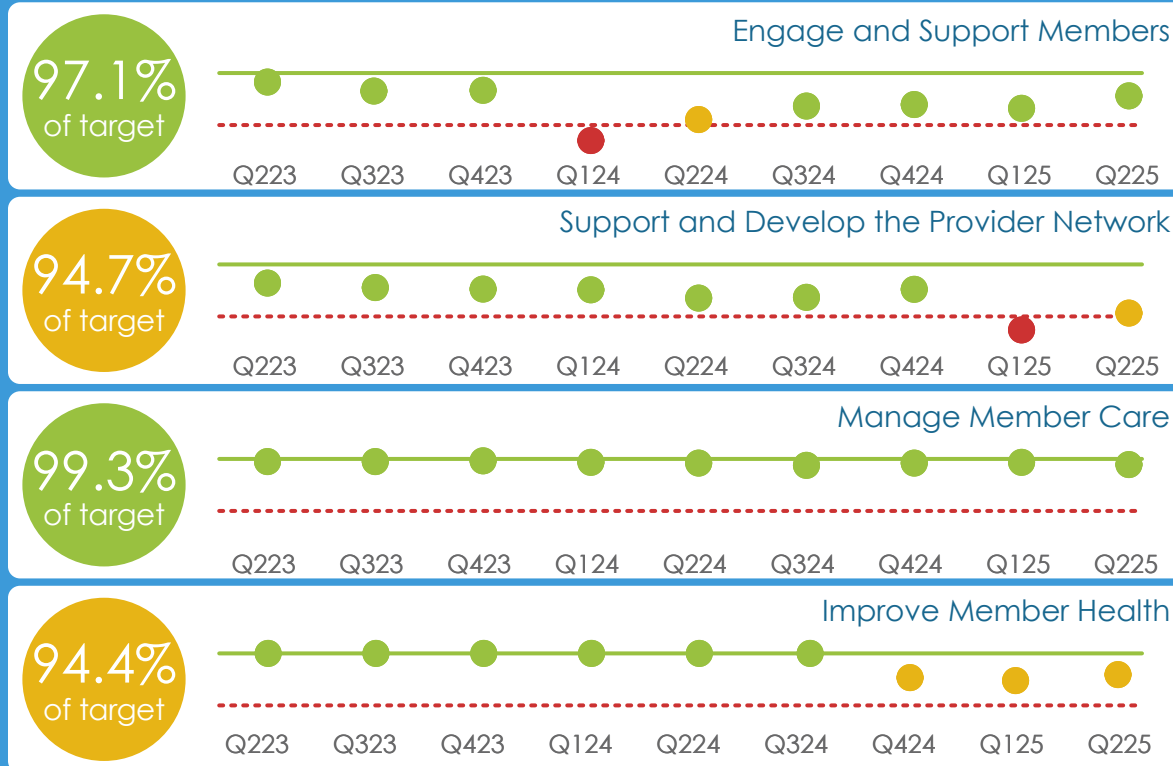
● < threshold

Legend

Purpose: To provide oversight of health plan performance across all organizational processes, to enable timely and targeted intervention and celebration.

Context and Limitations: Target and Threshold values are informed by contractual requirements and best practices, where available. This dashboard is structured by core processes (which deliver values directly to members, providers and the community) and managerial and support processes (which guide and support the organization). Results are produced using composites, meaning the performance of subprocesses is combined for aggregate performance scores. All metrics are normalized to a 100 point scale, so Target performance is always 100%.

Core Processes



		Q224	Q324	Q424	Q125	Q225
Subprocesses	Engage and Support Members					
	Help Members Engage	88.0	89.4	90.4	88.9	94.0
	Help Members Navigate	95.3	98.6	98.3	98.2	98.9
Subprocesses	Support and Develop the Provider Network					
	Improve Member Experience	98.0	99.4	99.4	99.5	98.3
	Support the Provider Network	95.8	94.9	96.0	92.9	95.7
Subprocesses	Manage Member Care					
	Develop the Provider Network	90.4	92.8	92.8	90.5	89.7
	Pay Providers	100	98.8	100	99.2	98.6
Subprocesses	Improve Member Health					
	Manage Utilization	98.8	98.3	99.6	98.4	98.6
	Coordinate Member Care	100	100	100	100	100
Subprocesses	Manage Population Health					
	Improve Effectiveness of Care Delivery	100	100	92.5	91.5	92.7
	Manage Population Health	—	—	—	—	96.1

Support and Managerial Processes



last revised 8/28/2025



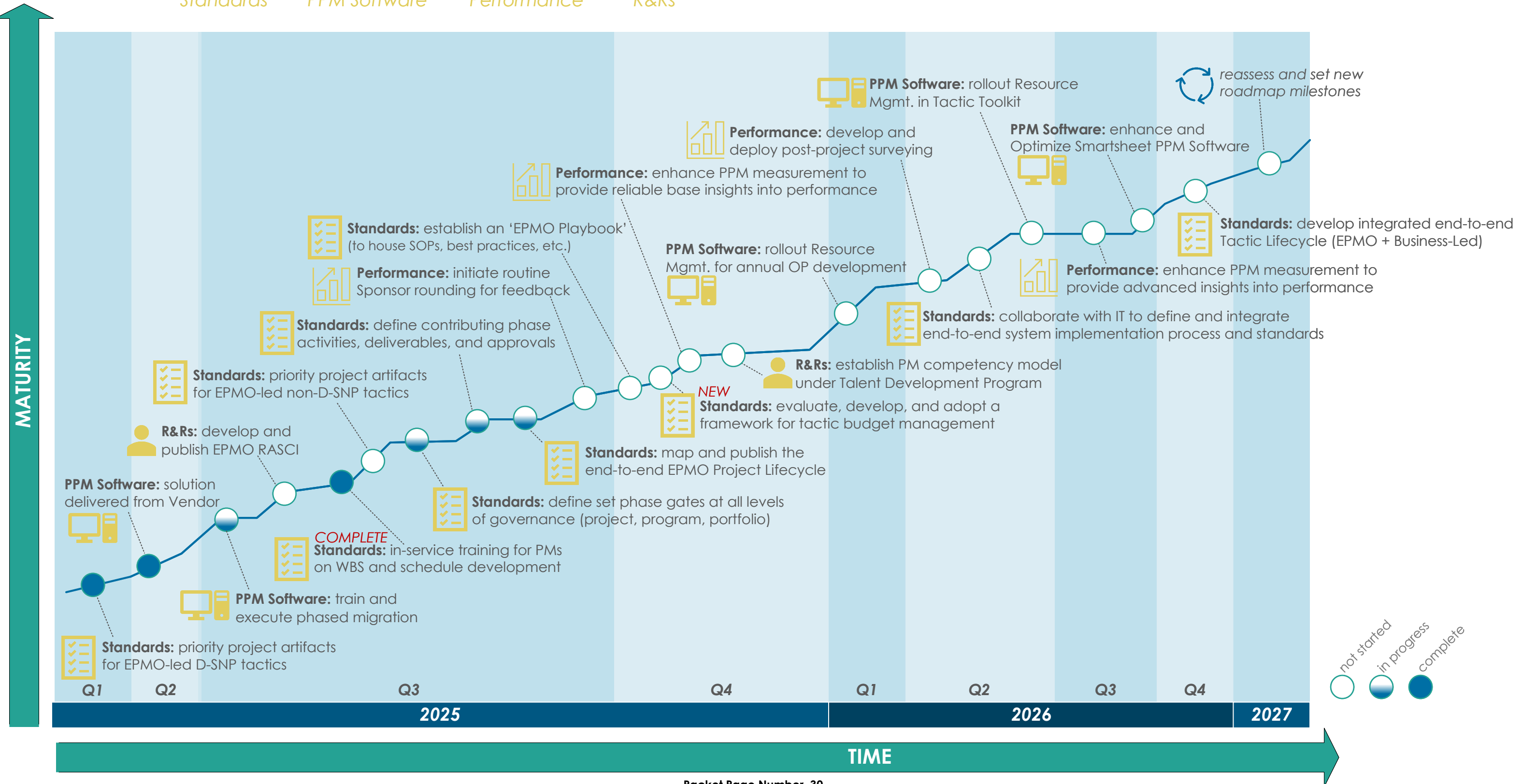
Standards



Performance

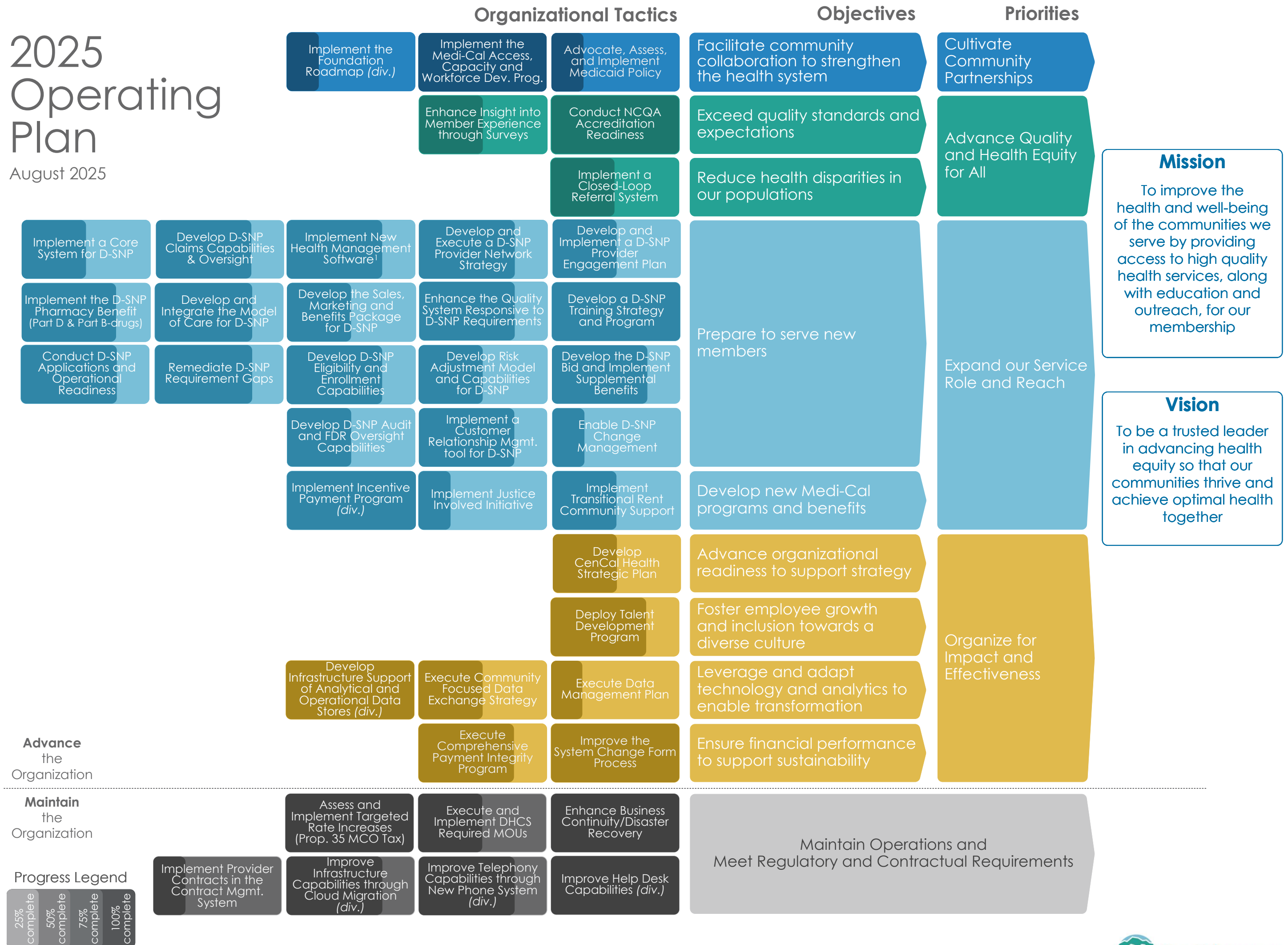


R&Rs



2025 Operating Plan

August 2025



Progress Legend

25% complete

50% complete

75% complete

100% complete

¹ Tactic also maps to the Leverage and adapt technology and analytics to enable transformation Objective

Strategic Engagement Division Report

Date: September 17, 2025

From: Jordan Turetsky, MPH, Chief Strategic Engagement Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Cathy Slaughter, Provider Relations Director
Luis Somoza, Provider Services Director
Kylie Schmidt, Strategic Engagement Manager
Adam Butler, Public Policy Analyst

Executive Summary

The Strategic Engagement Division includes Strategic Engagement, Government Relations, and Provider Relations functions, as well as CenCal Health's Foundation and Grant programs. Within this Strategic Engagement Division Report are updates on key areas of Government Relations developments, public relations items specific to CenCal Health, and a summary of community and provider engagement events hosted within the month of August.

Government Relations

Federal Policy Landscape

Following passage of H.R. 1, Congress adjourned for its traditional August Recess, with little occurring in Washington DC over the last month. On August 20, 2025, the California Assembly Budget Subcommittee on Accountability and Oversight published an Overview of Major Impacts of H.R. 1, completed by the Legislative Analyst's Office. This document provides a useful overview of H.R. 1 provisions and is included as an attachment to this report.

Recent efforts have focused on understanding and planning for the potential implementation of several executive orders and/or administrative actions, including a Health and Human Services (HHS) notice which is under consideration by several community organizations.

In July, HHS released a notice changing the definition of "federal public benefits" within the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The new definition of "federal public benefits" adds 13 additional federal programs from which people without a qualified immigration status are restricted. The impact on programs and services is under review, and CenCal Health is supporting analysis and planning efforts should changes be required in the future.

The included report from Mr. Ken Preede of Parker Poe Federal Strategies provides detail on what we can expect in the coming month as Congress concludes their recess. Key areas to watch include: government funding and appropriations activities, HHS-related testimony, and continued discussion specific to Medicaid and Medicare.

State Policy Landscape

In mid-July of this year, President Trump asked Texas to redraw its Congressional district lines with the goal of increasing the Republican Party Congressional representation and thereby maintaining control of Congress in 2026. When the California Legislature reconvened for its final month of regular session, first on its list was to address the Congressional redistricting issue. Governor Newsom worked with the Legislature to put an initiative before the voters on November 5, 2025 that would allow for a partisan redraw of California's Congressional district lines. The initiative is Proposition 50, the Use of Legislative Congressional Redistricting Map Amendment, also known as the Election Rigging Response Act.

Republican legislators have sued to block Proposition 50, but the California Supreme Court rejected their legal challenge. Given what is at stake for Democrats and Republicans nationwide, Proposition 50 is anticipated to be a highly contested measure.

While a special election is certain in the fall, a California special legislative session remains uncertain. The Legislature is aware that H.R. 1 has significant ramifications in healthcare, education, energy, and taxes for Californians. However, the Legislature is awaiting federal guidance from the HHS before responding. Additional information on California State policy can be found in the included report from Mr. Armand Feliciano and Mr. Obed Franco of Public Policy Advocates.

Provider and Community Engagement Activities

Strategic Engagement

In August, CenCal Health garnered significant print, digital, and online media through distribution of a new press release titled "Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast." Throughout the month, CenCal Health earned a total of 22 media placements, resulting in an estimated 300,000 impressions by consumers of media. Additionally, CenCal Health attended 8 community events and resource fairs in Santa Barbara and San Luis Obispo counties. Additional information on public relations and community engagement activities can be found in the included Strategic Engagement Department Supplemental Report.

Provider Engagement

CenCal Health's monthly CalAIM Provider Engagement Session, held August 6th, was attended by 48 partners and achieved a 100% satisfaction rating. Additionally, CenCal Health hosted the third segment of the CenCal CareConnect Provider Training and Engagement Series: *Billing, Coding, and Risk Adjustment*. Fourteen provider partners attended, and the training received a 100% satisfaction rating.

Despite consistently high satisfaction with CenCal CareConnect trainings, overall attendance by providers and their teams has been lower than anticipated. During the Provider Advisory Board meeting on August 25th, provider advisors shared that attendance will likely remain limited until providers begin to have CareConnect patients enrolled in the program. In response, staff will plan to offer the CenCal CareConnect training series again in early 2026 and will also provide practices with opportunities for individualized training as needed.

Specific to provider visits, 100% of providers who completed a post-visit satisfaction survey in August indicated that they would recommend CenCal Health to their peers. Provider Relations will continue to encourage broader participation in satisfaction surveys to ensure a more comprehensive understanding of provider needs and to identify additional opportunities to strengthen provider engagement and support.

Provider-focused customer service metrics are within trend, with attention to timely phone-based support continuing to be an area of needed focus and improvement.

Recommendation

This Strategic Engagement Division Report is informational only and no action is requested.

Attachments

- Federal Legislative Report from Parker Poe Federal Strategies
- State Legislative Report from Public Policy Advocates, LLC
- LAO Analysis: Overview of Major Impacts of H.R. 1 – One Big Beautiful Bill Act
- Strategic Engagement Department Supplemental Report
- Provider Customer Service Metrics



Memorandum

To: Marina Owen, Chief Executive Officer
CenCal Health

From: Ken Preede, Principal
Parker Poe Federal Strategies

Date: September 3, 2025

Re: Federal Update - August 2025

Federal Update

Following passage of H.R. 1, Congress adjourned for its traditional August Recess and little has occurred in Washington, DC after a monumental effort on the bill during the first 6 months of the Trump Administration's second term in office. What follows below is a look ahead at what we are expecting on Capitol Hill which will guide our advocacy efforts for CenCal Health.

September is a high-stakes month for Congress, with government funding expiring on **September 30, 2025**. Health care policy will be central to negotiations, alongside broader fiscal and political considerations.

Immediate Legislative Priorities

1. Government Funding & Appropriations

- **Deadline:** September 30, 2025.
- Congress must either pass a **continuing resolution (CR)** to extend current funding levels or enact final appropriations bills.
- **Key health-related disputes:**
 - **ACA Premium Subsidies:** Extended under COVID-era relief, these subsidies are set to lapse. Without renewal, premiums will rise sharply in 2026, impacting millions of enrollees.
 - **Medicaid Funding & OBBBA Changes:** H.R. 1 introduced major Medicaid restructuring, including **work requirements** and **cost-sharing provisions**. Democrats are demanding rollbacks in the funding package.
 - **Medicare Payment Reforms:** Lawmakers must address physician payment cuts and decide on policy changes such as **site-neutral payments** (equalizing reimbursement between hospital outpatient departments and physician offices) and **pharmacy benefit manager (PBM) transparency reforms**.

- **Public Health Infrastructure:** Questions remain around CDC restructuring proposals and emergency preparedness funding.
- 2. **HHS Secretary Testimony (September 4)**
 - **Robert F. Kennedy Jr.** will appear before the Senate Finance Committee to outline the administration's "**Make America Healthy Again**" (**MAHA**) **initiative**.
 - Topics expected to dominate questioning:
 - Organizational upheaval at CDC following leadership changes.
 - The proposed—but currently excluded—plan to consolidate HHS into the "Administration for a Healthy America."
 - Priorities for public health funding and prevention efforts amid reduced discretionary budgets.
- 3. **NIH and Research Funding**
 - The House Appropriations bill currently **maintains NIH funding at ~\$48 billion** despite earlier White House proposals for steep cuts.
 - Debate continues over:
 - NIH's 27-institute structure (targeted for consolidation).
 - Research priorities and funding allocations for cancer, pandemic preparedness, and rare diseases.
 - Whether to impose tighter restrictions on research involving reproductive health and gender-affirming care.
- 4. **Medicare & Medicaid "Extenders"**
 - Several expiring provisions must be addressed in September to avoid disruption:
 - **Medicare telehealth flexibilities** carried over from the pandemic era.
 - **Medicare physician payment adjustments** to stabilize reimbursement.
 - **Rural hospital support programs** (e.g., Medicare-dependent hospital and low-volume hospital adjustments).
 - **Medicaid Disproportionate Share Hospital (DSH) cuts** scheduled to take effect unless delayed again.



To: Marina Owen, Chief Executive Officer
Jordan Turetsky, Chief Strategy Engagement Officer
Adam Butler, Public Policy Analyst

From: Armand Feliciano and Obed Franco, Public Policy Advocates

Date: September 2, 2025

Subject: CenCal Health Board Report

California Legislature

On August 18, 2025, the California Legislature reconvened for its final month of regular legislative session. First on its list was to address the nationwide Congressional redistricting issue that has recently dominated the news. As it stands today, the California Citizens Redistricting Commission (Commission) draws the State Assembly, Senate, Board of Equalization, and Congressional district lines in a non-partisan manner every ten years. In 2021, the Commission drew up the existing California Congressional districts and they are not supposed to change until 2031, when new U.S. Census data becomes available.

In mid-July of this year, President Trump asked Texas to redraw its Congressional district lines with the goal of increasing the Republican Party Congressional representation and thereby maintaining control of Congress in 2026. Texas Republicans agreed and passed a law to redistrict their Congressional districts, despite spirited opposition from Texas Democrats who fled the state in protest, preventing a quorum for several weeks.

In response, Governor Newsom worked with the California Legislature to put an initiative before the voters in November 2025 that would allow for a partisan redraw of California's Congressional district lines. This effort aims to give Democrats five more Congressional seats in California to counter Texas' anticipated gains in Congressional seats. The initiative is Proposition 50, the Use of Legislative Congressional Redistricting Map Amendment, also known as the Election Rigging Response Act.

On November 5, 2025, California will have a special election to vote on Proposition 50, which will ask voters to use the new maps developed by the Legislature for the 2026, 2028, and 2030 elections, instead of the maps developed by the Commission.

Republican legislators have sued to block Proposition 50, but the California Supreme Court rejected their legal challenge. Based on an early poll conducted by the University of California, Berkeley, Proposition 50 is polling at 48% Support, and 32% Oppose. Given what is at stake for Democrats and Republicans nationwide, Proposition 50 is anticipated to be a highly contested measure.



While a special election is certain in the fall, a California special legislative session remains uncertain. The Legislature is aware that HR 1 (President Trump's "big, beautiful bill") has significant ramifications in health care, education, energy, and taxes for Californians. However, absent federal guidelines, the Legislature is in a wait and see mode at this point.

On behalf of CenCal Health, PPA continues to provide critical information to the Legislature on the impact of federal health care policy changes. This includes the U.S. Department of Health and Human Services decision to change the definition of "federal public benefits" within the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The new definition of "federal public benefits" adds other programs restricted to people with a qualified immigration status. This means many immigrants and undocumented immigrants stand to lose access to health care, educational, and social services. With many significant federal policy changes, keeping California policy makers informed on how those changes affect their constituents.

With Eleni Kounalakis, Lieutenant Governor of California, dropping out of the 2026 Governor's race, a recent poll conducted by the University of California, Berkeley, Institute of Government Studies showed that the early front runners for the Governor's race in 2026 are former Congress woman Katie Porter (D) 17%, Chad Bianco, Riverside Sheriff, (R) 10%, and former California Attorney General Xavier Becerra (D) 9%. With the gubernatorial election a little more than a year away, and with a number of other declared and potential candidates, including U.S. Senator Padilla, running for Governor, Californians are likely to stay undecided for a while on the 2026 gubernatorial race.

On legislative bill proposals, in late August, the Assembly and Senate Appropriations Committees considered all bill proposals with fiscal impact. Below is an update on various health legislative bill proposals:

- SB 32 (Pierson) requires the Department of Managed Health Care and Insurance (DMHC and CDI) to develop and adopt standards for the geographic accessibility of perinatal units to ensure timely access for patients, and the standards must not be longer in time or distance than what is currently implemented for Medi-Cal managed care plans by county type under existing law. Recent amendments require the DMHC and CDI to consult with stakeholders representing the American College of Obstetricians and Gynecologists, the California Hospital Association, consumers, health plans, labor, and other health care professionals who provide pediatric and pregnancy-related services, including, but not limited to, registered nurses, nurse midwives, and licensed midwives. (The Assembly Appropriations Committee held SB 32.)
- SB 530 (Richardson) proposes that a Medi-Cal plan shall ensure that each subcontractor network complies with the appointment times required under



Health and Safety Code 1367.03 (e.g., urgent care appointments within 48 hours if no prior authorization is required). It would also authorize the Department of Health Care Services (DHCS) to require enhanced time or distance standards that are more stringent than the time or distance standards in Medi-Cal managed care plans. Recent amendments would additionally require DHCS to convene a stakeholder workgroup, to provide a 30-day public comment period, and to seek federal approval of evidence-based network adequacy standards. (The Assembly Appropriations Committee passed SB 530.)

- AB 1018 (Bauer-Kahan) proposes to regulate the use of automated decision making (ADS), which means systems that use algorithms and data analytics to make decision without human intervention. Users of ADS are required to disclose actions that have consequential decision and provide the right to opt out and authorize the California Attorney General to bring civil actions. This bill could impact day to day operations of various industries such as housing, health care, lodging, legal services and other businesses who use ADS. (The Senate Appropriations Committee passed AB 1018.)
- AB 280 (Aguiar-Curry) requires health plans and insurers to annually verify and correct inaccurate provider information from its directories, and that such provider directories be 60% accurate by July 1, 2026, with the overall goal of reaching 95% accuracy on or before July 1, 2029. It further provides for administrative penalties for non-compliance. Recent amendments would authorize a health care service plan or insurer to include a specified statement in the provider listing before removing the provider from the directory if the provider does not respond within 5 calendar days of the plan or insurer's annual notification. A similar bill was introduced last year that stalled in the Senate. (The Senate Appropriations Committee passed AB 280.)

Key Legislative Dates:

- September 12, 2025, Legislative fall recess begins
- October 12, 2025, Last day for the Governor to sign or veto bills
- January 5, 2026, Legislature reconvenes

AUGUST 20, 2025

Overview of Major Impacts of H.R. 1 – One Big Beautiful Bill Act

PRESENTED TO:

Assembly Budget Subcommittee No. 7 on
Accountability and Oversight
Hon. Gregg Hart, Chair



LEGISLATIVE ANALYST'S OFFICE

Presentation's Focus

- Highlights major impacts to state activities.
- Reflects early understanding of the legislation's changes.
- Describes first order effects and actions for the legislature.
- Does not outline possible state responses to mitigate impacts.



What Are the Major Areas of Focus?

- **Health Care Coverage and Financing.** Limits states' ability to tax Medicaid services in order to draw down federal funding. Limits certain payments to Medicaid providers. Requires many able-bodied adults in Medicaid to work, study, or complete community service. Increases frequency of eligibility redeterminations for childless adults.
- **Food Assistance.** Limits CalFresh eligibility, increases states' share of cost for administration, and shifts a portion of benefit costs to states (depending on error rate).
- **Higher Education.** Expands Pell Grant eligibility to students enrolled in accredited short-term workforce training programs. Places new caps on annual and aggregate federal student loans for all borrowers but undergraduate students. Replaces several existing student loan repayment plans with two new plans. Establishes new accountability earnings test for academic programs to retain federal loan eligibility.
- **Personal and Corporation Taxes.** Extends the provisions of the Tax Cuts and Jobs Act (TCJA, 2017), which largely reduced taxes for most individuals and businesses. Creates several new temporary deductions for seniors, overtime pay, tips, and auto loan interest, as well as increases the State and Local Tax (SALT) deduction. Makes permanent a number of business provisions, including bonus depreciation and full expensing for short-lived Research and Development (R&D) investment permanent.
- **Clean Energy and Electric Vehicle Credits.** Phases out various renewable energy, energy efficiency, and electric vehicle-related tax credits. Rescinds unobligated Inflation Reduction Act funding for various energy and natural resources-related programs.



When Do the Impacts Occur?

Health Care Coverage and Financing

Summary of Major Health Changes

Topic	Description	Starting Date
Medi-Cal Providers		
Provider tax rates	Limits states' ability to disproportionately tax Medicaid services and draw down federal funding.	July 2025 ^a
Abortion providers	Prohibits federal Medicaid payments for family planning services to certain abortion providers.	July 2025
Rural Health Transformation Program	Provides funds (\$50 billion over five years) to states to support rural hospitals and providers.	October 2025
Provider payment limit	Reduces payment limit to providers in managed care system.	January 2028
Provider tax revenue limit	Reduces revenue limit over time.	October 2028
Adults in Medi-Cal		
Community engagement	Requires most able-bodied adults to work, study, or complete community service.	End of 2026 ^b
Redetermination frequency	Increases frequency of eligibility redeterminations for childless adults.	End of 2026
Cost Sharing	Requires states to impose cost sharing on higher-income childless adults.	October 2028
People With Unsatisfactory Immigration Status in Medi-Cal		
Medicaid eligibility	Narrows eligibility for noncitizens.	October 2026
Federal match	Reduces federal match on emergency services.	October 2026
People in Covered California		
Premium tax credits	Narrows eligibility for noncitizens.	January 2027
Automatic re-enrollment	Eliminates automatic re-enrollment for premium and cost-sharing subsidies.	January 2028

^a Secretary of Health and Human Services can grant states up to three years.

^b Secretary of Health and Human Services can grant states option to delay up to two years.

Food Assistance

- **Upon Enactment (Immediate, Pending Federal Guidance):**
 - Expands work requirements for able-bodied adults with dependents.
 - Limits eligibility for non-citizens.
 - Limits allowable utility and internet deductions.
- **October 1, 2026:** Increases the state and county shares of administrative costs.
- **October 1, 2027:** Increases the state share of benefit costs (depending on error rate).



When Do the Impacts Occur?

(Continued)

Higher Education

- **July 1, 2026.** Changes implemented relating to short-term workforce Pell Grants, student loan caps, and loan repayments for new borrowers.
- **2028.** Existing borrowers with certain types of federal student loans have until 2028 to switch into other plans, including the two new plans. Schools can lose eligibility for federal student loans as a result of failing the accountability earnings test beginning in 2028.

Personal and Corporation Taxes

- **2025:** Increases in the SALT, other new individual deductions, and full expensing for R&D are effective this tax year.
- **2026:** Most other provisions (including making TCJA provisions permanent) effective next tax year.

Clean Energy and Electric Vehicle Credits

- **September 30, 2025:** Elimination of electric vehicle tax credit.
- **December 31, 2025:** Elimination of residential solar and energy efficiency improvement tax credits.
- **June 30, 2026:** Elimination of electric vehicle charger tax credit.
- **July 4, 2026:** Utility-scale wind and solar projects must either begin construction by July 4, 2026 or be placed in service by December 31, 2027 to be eligible for tax credits.



Which Changes Require Further Federal Guidance?

Health Care Coverage and Financing

- Several of the major changes impacting Medi-Cal will require additional federal guidance before implementation. For example, the Secretary of Health and Human Services will be required to promulgate guidelines for the implementation of community engagement requirements by June 2026. Additionally, the new rural health transformation program will require federal guidance on how funds will be distributed and specific requirements on program eligibility.

Food Assistance

- Changes to work requirements and eligibility (which likely cannot be implemented until guidance is issued).
- Federal government likely to issue further guidance on the remaining changes, although the impacts of those changes are relatively clear based on the legislation.

Higher Education

- Nearly all changes require further federal guidance. Beginning in July 2025, the federal government began rolling out new guidance, with further guidance expected over the next year or two.

Personal and Corporation Taxes

- Several provisions, especially the new deductions, will require additional Internal Revenue Service (IRS) guidance and regulations. In particular, guidance is needed to clarify eligibility requirements and lay out claiming instructions. The IRS anticipates releasing guidance starting in the fall.

Clean Energy and Electric Vehicle Credits

- Limited, but guidance is expected on the definition of “beginning construction” as well as restrictions around the amount of assistance provided by certain foreign entities.



Which Changes Could Require Implementing State Legislation?

Health Care Coverage and Financing

- ***Extent of Statutory Changes Needed Unclear at This Time.*** Until the state receives further federal guidance, the extent of statutory changes is unknown. We anticipate at least some changes will be required.
- ***Many Administrative Actions Likely.*** The Department of Health Care Services (DHCS) and counties—who administer Medi-Cal—will need to take a variety of steps to implement the federal changes. For example, DHCS likely will need to update regulations and could need to submit Medicaid State Plan Amendments. Counties will need to implement conforming changes and update processes for changes to redeterminations and eligibility.

Food Assistance

- ***Potential Changes Related to Eligibility.*** Possible that some changes related to eligibility will require statutory changes to facilitate implementation, pending federal guidance.
- ***Potential Impacts to the California Food Assistance Program (CFAP).*** The CFAP provides benefits to certain individuals not eligible for CalFresh due to their immigration status. The changes to federal CalFresh eligibility may mean the Legislature will want to consider how the rules of CFAP compare to the new federal rules.



What Changes Could Require State Action in the Current Year?

Health Care Coverage and Financing

- ***Potentially Restructuring the Managed Care Organization (MCO) Tax and Addressing Financing Shortfall.***
 - While changes to provider taxes take effect immediately, the Secretary of Health and Human Services has discretion to grant three-year extensions. If the state is unable to secure an extension, DHCS would need to restructure the tax to comply with the new rules. Due to the constraints under Proposition 35 (2024), the new tax could be significantly smaller than the current version, effectively eliminating budgeted state savings.
 - The most recent spending plan includes General Fund savings of \$4.2 billion in 2025-26 and \$2.8 billion in 2026-27 from the existing version of the MCO tax. Absent this financing mechanism, the state would need to identify ways to backfill these funds or reduce costs.
- ***Potentially Restructuring the Hospital Quality Assurance Fee (HQAF).*** If the federal government does not approve the state's recently submitted HQAF, DHCS would need to restructure the fee to comply with the new rules. The fiscal impact to the state would depend on how the state restructures the fee.

Food Assistance

- ***Eligibility Changes.*** Once federal guidance is issued, the state will have greater clarity as to whether statutory changes or other actions are required to effectuate the new requirements. The Legislature also may wish to consider implications for CFAP.
- ***Others.*** While not immediately required, the Legislature likely will want to start considering approaches for mitigating state costs in CalFresh due to federal changes (such as reducing the error rate).



What Changes Could Require Action in the Budget Year?

Based on our current understanding of the bill and its implementation, there are a few steps the Legislature likely will want to consider. As additional guidance and information is released, there may be additional steps the state will be required to take. We also recommend the Legislature ask the administration for regular updates on new guidance as it is released, as well as any initial steps departments may be taking.

Health Care Coverage and Financing

- *Prepare for Implementation of Eligibility Rules.*

Food Assistance

- *Develop Approaches for Reducing Error Rate.*
- *Consider Options for Improving Efficiency in Program Administration.*



Strategic Engagement Department Supplemental Report August Look-Back

Date: September 17, 2025

From: Kylie Schmidt, Strategic Engagement Manager

Through: Jordan Turetsky, Chief Strategic Engagement Officer



PUBLIC RELATIONS & MEDIA

In June, CenCal Health released a press release titled "Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast". The press release earned over a dozen media placements highlighting the Medi-Cal Capacity, Access and Workforce Development Grant Program. Print, broadcast, and online media included KCBX Public Radio, KSBY-TV News, *Santa Barbara Independent*, *Noozhawk*, *Edhat*, LHPC's e-newsletter, and *Payers & Providers*.

As part of this media outreach, CenCal Health's Chief Executive Officer, Marina Owen, and Chief Strategic Engagement Officer, Jordan Turetsky, participated in on-air interviews with radio and television stations. Their insights helped underscore the significance of the grant program and its potential to positively impact thousands of residents on the Central Coast.



Photo Caption: CenCal Health presented Community Health Centers of the Central Coast (CHCCC) with Capacity Grant funding to help support the healthcare clinic's recruitment and retention.

Additional media exposure in August was prompted by Hospice of Santa Barbara honoring CenCal Health at a Heroes of Hospice benefit event being held in September, CenCal Health's sponsorship of the Santa Barbara Chamber of Commerce State of the County annual event, and CenCal Health's provider news (Santa Barbara Neighborhood Clinics). Media coverage appeared in *The Voice*, *Noozhawk*, *Santa Barbara Independent*, and more.

CenCal Health Chief Medical Officer Honored as Champion in Healthcare



Congratulations to All Champions in Health Care

CenCal Health congratulates our Chief Medical Officer, Dr. Maya Heinert and our Board Vice Chair Sue Andersen, President & CEO of Marian Regional and French Hospital Medical Centers, Arroyo Grande Community Hospital.

We also extend congratulations to the other honorees representing our esteemed provider partners: Cottage Health, Sutter Health, VNA Health, UCLA Health, Common Spirit, and Care Connection Transport & Home.

Thank you for your unwavering commitment to improving the health and well-being of our communities.

CenCal Health is the local Medi-Cal Managed Care health plan serving Santa Barbara and San Luis Obispo counties. Our vision is to be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together.

[Learn more at CenCal2025.org](#)



Maya Heinert, MD, MBA
CenCal Health Chief Medical Officer

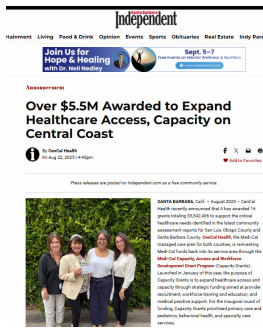
The *Pacific Coast Business Times* recently released its annual "2025 Champions in Healthcare" issue, which highlights individuals and organizations making a significant impact in the region's health care landscape.

This year's publication featured a full-page spotlight on CenCal Health's Chief Medical Officer, Dr. Maya Heinert, recognizing her leadership and commitment to advancing quality care for our members.

The issue also honored CenCal Health Board Vice Chair Sue Andersen, President & CEO of Dignity Health's Marian Regional Medical Center, French Hospital, and Arroyo Grande Community Hospital, for her contributions to strengthening healthcare access across the Central Coast.

CenCal Health was proud to sponsor this special edition with an advertisement (shown above) congratulating all of the 2025 Champions in Health Care honorees. Their dedication, innovation, and tireless efforts continue to inspire progress toward healthier communities.

News Clipping Samples



- 1 **8/22/25**
Santa Barbara Independent
Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast
- 2 **8/14/25**
KSBY-TV News Channel 6 (NBC affiliate)
CenCal Health Awards Over \$5.5M to Expand Local Healthcare Access
- 3 **8/12/25**
KCBX Central Coast Public Radio
CenCal Health Awards Over \$5.5 Million to Local Healthcare Organizations

Media Coverage Report

In August 2025, CenCal Health earned a total of 22 media placements, resulting in an estimated **300,000 impressions** by consumers of media. 12 notable media placements are listed below.

August 2025		
Date	Name	Headline
8/27/2025	LHPC Message from the CEO newsletter	CenCal Health Awards Over \$5.5M to Expand HealthCare Access on the Central Coast
8/26/2025	Payers & Providers	Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast
8/23/2025	Edhat	Hospice of Santa Barbara Announces 2025 Heroes of Hospice Award Recipients
8/22/2025	Santa Barbara Independent	Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast
8/19/2025	Santa Barbara Independent	Hospice of Santa Barbara Announces 2025 Heroes of Hospice Award Recipients
8/17/2025	Daily Santa Barbara	Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast
8/16/2025	Edhat	Over \$5.5M Awarded to Expand Healthcare Access, Capacity on Central Coast
8/14/2025	KSBY-TV News Channel 6 (NBC affiliate)	CenCal Health Awards Over \$5.5M to Expand Local Health Care Access
8/14/2025	Central Coast Medical Association e-newsletter (The Pulse)	Over \$5.5M Awarded to Expand Healthcare Access, Capacity
8/13/2025	Noozhawk	\$5.5 Million in Grants to Help Expand Local Healthcare Access
8/12/2025	KCBX Central Coast Public Radio	CenCal Health Awards Over \$5.5 Million to Local Healthcare Organizations
8/8/2025	Pacific Coast Business Times	Champions in Healthcare (Featuring Dr. Maya Heinert and Sue Andersen)

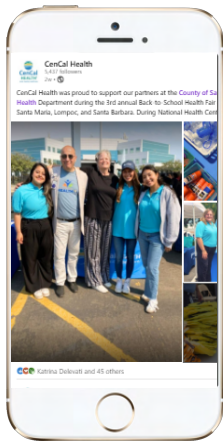
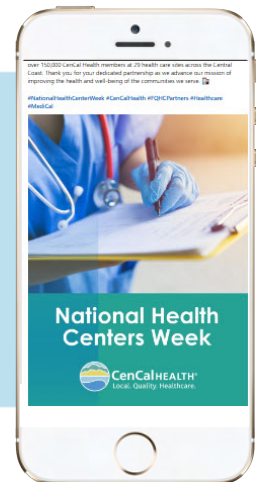
SOCIAL MEDIA



August Social Examples

National Health Centers Week

During National Health Centers Week (August 3–9), CenCal Health proudly recognized our community clinic partners at Santa Barbara Neighborhood Clinics, Community Health Centers of the Central Coast, American Indian Health & Services, Santa Ynez Tribal Health Clinic, and the County of Santa Barbara Health Department. Together, these dedicated providers deliver compassionate care to more than 150,000 CenCal Health members at 29 healthcare sites across the Central Coast every day.



Santa Barbara County Back-to-School Health Fairs

In August, CenCal Health was honored to support our partners at the County of Santa Barbara Health Department during the 3rd annual Back-to-School Health Fair events in Santa Maria, Lompoc, and Santa Barbara. During National Health Centers Week, these events provided our communities with school immunizations, sports physicals, backpacks and school supplies, and access to health and wellness resources.

COMMUNITY ENGAGEMENT

Outreach and Events Spotlight



Healthy Lompoc Nights

CenCal Health's Engagement Liaisons attended the Lompoc Healthy Night community event, hosted by the Lompoc Valley Chamber of Commerce, to help promote community wellness. Our team provided valuable health resources for both members and non-members, and engaged local youth with a fun, health-focused activity.

Santa Barbara State of the County Event

We were proud to represent CenCal Health at the Santa Barbara State of the County event, hosted by the Santa Barbara Chamber of Commerce. The gathering brought together leaders from across the county to share key updates and insights on Santa Barbara's future. Our team appreciated the opportunity to take part in this important event and gain valuable perspective on the economic changes shaping our community.



Customer Experience and Health Equity Report

Date: September 17, 2025

From: Van Do-Reynoso, MPH, PhD,
Chief Customer Experience Officer/Chief Health Equity Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Eric Buben, Member Services Director
Nicolette Worley Marselian
Bao Xiong, Program Development Director

Executive Summary

This report summarizes the activities of the Member Services, Health Equity and Program Development, and Communications and Marketing departments for August 2025. Key highlights for the three departments include meeting milestones in their D-SNP tactics as well as successful engagement of the CalAIM Steering Committee on the last distribution of IPP funds. In addition, three attachments are included in this report to summarize local impact from implementation of the Housing & Homelessness Incentive Program (HHIP), Incentive Payment Program (IPP), and CalAIM.

Member Services

Membership

CenCal Health's aggregate membership as of September 5, 2025, reached 240,028, reflecting a net decrease of 1,476 members from August's final total of 241,504. September's final enrollment is expected to increase, following historical trends where members reinstated during the 90-day cure period are added back after responding to DHCS regarding coverage loss. The final September 2025 enrollment total will be available on October 3, 2025.

New member enrollment in August was 1,679 for Santa Barbara County and 880 for San Luis Obispo County, for a total of 2,559. Most are in Aid Code M1 – ACA Adult Expansion.

Call Center

The call center averaged 441 calls per day (9,251 total) in August, slightly below the 2024 daily average of 472. A continued influx of new members received automated outreach for new member orientation and HRA reminders. Several VDI systems issues

lead to multiple days near or exceeding 600 calls, with extended wait times, dropped calls, and connection errors. The ASA goal of 85% was not met in August, with a score of 71%. The abandon rate exceeds the goal at 4.3%, below the 5% goal.

Member Services had three open MSR positions and one staff member on LOA reducing workforce capability to answer as timely as desired. Management successfully filled the three open positions in late August, with training underway to have agents handling calls by October. Despite these challenges, the goal to track 95% of queue calls was met, with 96% tracked. Staff worked diligently to manage demand and maintain service quality amid ongoing enrollment growth.

Grievance & appeal volume remained in control with usual volume and all turnaround times for G&A were all met for standard, expedited and exempt grievances and/or appeals.

Adapting Member Services Functions to Support D-SNP Members: Enrollment & Eligibility

All four new system builds for CareConnect Readiness for Member Services operations are in user-acceptance testing (UAT) during September. These systems include QNXT, MyQNXT, Elements (EAM) and MedHok (MHK). Policies and Procedures and Standard Operating Procedures are in development. Member Services leadership and trainers received the "Train-the-Trainer" trainings in August. A transition to Ring Central, a brand-new phone system, is set to complete on September 26, 2025.

Member Services has completed recruitment and onboarded six (6) CareConnect Call Center staff, three (3) CareConnect Enrollment and Eligibility staff, and one (1) of two Grievances and Appeal positions for CareConnect.

Health Equity & Program Development

Incentive Payment Program (IPP)

CenCal Health earned a total of \$26.2M in Incentive Payment Program (IPP) funding from January 2022 through September 2024. Since 2022, CenCal Health has awarded \$19.8M in IPP funding to 35 community partners across Santa Barbara and San Luis Obispo counties to support the implementation and expansion of Enhanced Care Management (ECM), Community Supports (CS), Community Health Worker (CHW), and Birthing Center services. Through these strategic investments, CenCal Health has been able to expand its provider network to increase access to essential services to help address members' health-related needs and connect them to the quality care they need. CenCal Health received support from the CalAIM Community Steering Committees in utilizing the majority of remaining IPP funding to support behavioral

health integration and D-SNP readiness. Additional details about the IPP program are included in the IPP Program presentation material.

Communications and Marketing

Communications and Marketing's work in August focused on finalizing English documents for Sales and New Members, tracking over 100 vendor-supplied letters, and training the new sales team. Both D-SNP tactics, implementing a Customer Relationship Management (CRM) system and creating a Sales Unit, are on schedule to be operational by the go-live date of October 15, 2025. The CRM is currently undergoing Phase II testing and will begin interface testing in September.

Attachments

- Housing & Homelessness Incentive Program (HHIP) Housing Investments
- 2022-2025 Incentive Payment Program Funding Awards
- CalAIM Local Impact / July 2022 - June 2025

Recommendation

The Customer Experience Division report is informational, and no action is requested.

Housing & Homelessness Incentive Program (HHIP) Housing Investments

in Santa Barbara & San Luis Obispo Counties

Number of units supported by HHIP funding. One unit is an individual living space. One bed is in a congregate shelter.

People's Self-Help Housing

San Luis Obispo, CA

Permanent Supportive Housing

 **75 Units**

ECHO

Atascadero, CA

Family Emergency Shelter

 **20 Shelter Beds**

5Cities Homeless Coalition

Grover Beach, CA

Interim Recuperative Care

 **10 Units**

CAPSLO

San Luis Obispo, CA

Family Emergency Shelter

 **25 Shelter Beds**

Lumina Alliance

Grover Beach, CA

Interim Housing

 **1 Unit**

Restorative Partners

San Luis Obispo, CA

Permanent Supportive Housing

 **33 Units**

Hope Village

Santa Maria, CA

Interim Housing

 **94 Rooms**

Welcome Home Village

San Luis Obispo, CA

Permanent Supportive Housing
& Interim Housing

 **54 Units**

La Posada

Santa Barbara, CA

Interim Housing

 **80 Units**

PATH

Santa Barbara, CA

Emergency Shelter

 **12 Shelter Beds**

Casa Caritas

Santa Barbara, CA

Permanent Supportive Housing
& Interim Housing

 **66 Units**

Map of interim, temporary,
and permanent housing
locations supported by
HHIP housing investments.

-  San Luis Obispo County
-  Santa Barbara County

2022-2025 Incentive Payment Program Funding Awards

**\$19.8M
Awarded**

**35
Funded
Organizations**

**46,986
CenCal Health
estimated
members
impacted per
year**

Under the Department of Health Care Services (DHCS) CalAIM Initiative (California Advancing and Innovating Medi-Cal), health plans are poised to work closely with health care partners to ensure that Medi-Cal members have the tools and support needed to achieve optimal health outcomes.

To support providers and community partners in building, launching, and expanding Enhanced Care Management and Community Supports (ECM and CS) services, DHCS has made available a provider incentive program, called the Incentive Payment Program (IPP). IPP funds are issued from DHCS to health plans, and from health plans to providers.

CenCal Health has IPP incentive funds available for distribution to current and potential ECM and CS providers to support the development and expansion of ECM and CS services.

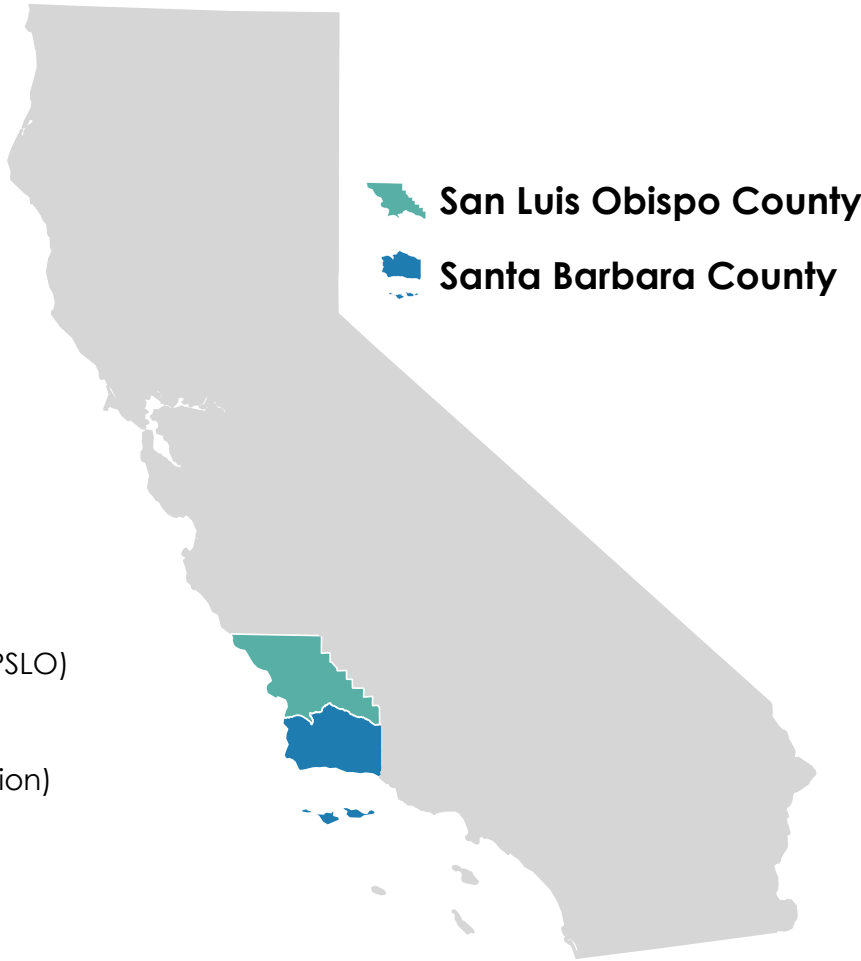


- Santa Barbara County**
- Among Friends Care Management
 - CityNet
 - CommUnify
 - County of Santa Barbara, Behavioral Wellness
 - County of Santa Barbara, Public Health Department
 - Doctors Without Walls
 - Family Services Agency
 - Fighting Back Santa Maria Valley
 - Hearts Aligned
 - New Beginnings Counseling Center
 - Organic Soup Kitchen
 - Partners in Housing Solutions
 - Sanctuary Centers
 - Santa Barbara Birth Center
 - Santa Barbara Neighborhood Clinics
 - Santa Ynez Valley People Helping People
 - Savie Health

- San Luis Obispo County**
- 5Cities Homeless Coalition
 - Children and Family Resource Services
 - Community Action Partnership of San Luis Obispo County (CAPSLO)
 - County of San Luis Obispo, Behavioral Health Department
 - County of San Luis Obispo, Health Agency
 - County of San Luis Obispo, Sheriff's Office (Jail Healthcare Division)
 - Morro Bay Recovery
 - Restorative Partners

- Both Counties**
- Dignity Health-Marian Regional Center
 - Esteem Health
 - Good Samaritan Shelter
 - Mixteco Indigena Community Organizing Project (MICOP)
 - Oxnard Family Circle

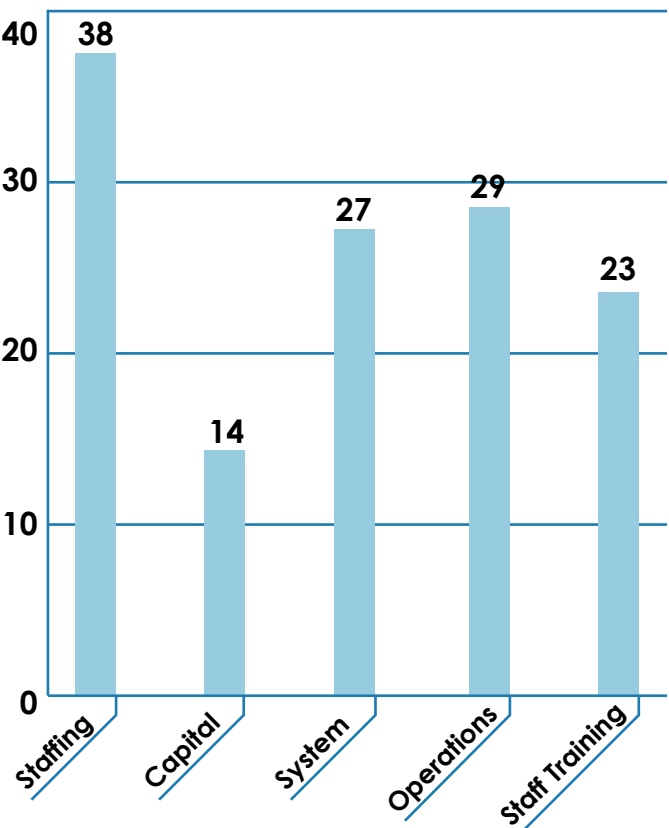
**Total Awarded
\$19,780,049**



- PathPoint
- Pathway Family Services
- Peoples Self-Help Housing
- The Wisdom Center
- Titanium Healthcare

Activities for which IPP funds will be utilized

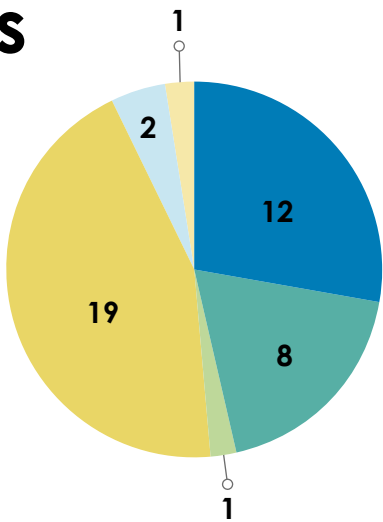
of approved applications



G-PD-25-190-0825 E

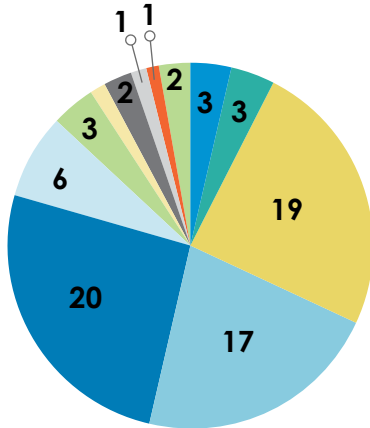
Number of organizations providing services

- Enhanced Care Management (ECM)
- Community Supports (CS)
- Community Health Worker/Promotores (CHW/P)
- ECM & CS
- ECM, CS, & CHW/P
- Midwifery



Community Supports (CS) include:

- Medically Tailored Meals
- Recuperative Care
- Housing Transition Navigation Services
- Housing Deposits
- Housing Tenancy & Sustaining Services
- Sobering Centers
- Day Habilitation
- Short-Term Post Hospitalization
- Respite Services
- Community Transition Services/Nursing Facility Transition to Home
- Environmental Accessibility Adaption (Home Modifications)
- Nursing Facility Transition/Diversion to Assisted Living Facility



*Organizations may provide more than one service

CalAIM Local Impact / July 2022 - June 2025



Housing Deposits

Members Served: 1,022
Dollars Distributed: \$2,850,412



Housing Tenancy and Sustaining Services

Members Served: 1,238
Months of Care Provided: 8,797



Medically Tailored Meals

Members Served: 20,219
Meals/Grocery Boxes/Shelf Stable Food Provided: 1,785,072



Recuperative Care

Members Served: 316
Days of Care Provided: 20,825



Day Habilitation

Members Served: 1,100
Days of Care Provided: 20,843



Short-Term Post-Hospitalization Housing

Members Served: 345
Days of Care Provided: 25,701



Sobering Centers

Members Served: 1,517
Days of Care Provided: 9,898



Personal Care and Homemaker Services

Members Served: 202
Hours of Care Provided: 34,840



Housing Transition Navigation Services

Members Served: 2,943
Months of Care Provided: 13,829



Respite Services

Members Served: 157
Hours of Care Provided: 14,050



Asthma Remediation

Members Served: 7
Months of Care Provided: 8



Environmental Accessibility Adaptations (Home Modifications)

Members Served: 21
Months of Care Provided: 8



Nursing Facility Transition/Diversion to ALF/RCFE

Members Served: 9
Months of Care Provided: 8



Community Transition Services/Nursing Facility Transition to a Home

Members Served: 5
Months of Care Provided: 8



Enhanced Care Management (ECM) Services

Members Served: 4,991
Hours of Care Provided: 70,805

24,207

Unique Members
Receiving
Community
Supports

29,059

Total
Community
Supports Services
Provided

Housing and Homelessness Incentive Program

Dollars Distributed: \$10,538,989
Members Housed: 3,034

Incentive Payment Program

Dollars Distributed: \$15,613,869
Members Impacted: 16,330*
*per year

Student Behavioral Health Incentive Program

Dollars Distributed: \$4,617,149
Students Served: 47,407



CenCalHEALTH®
Local. Quality. Healthcare.

Compliance Report

Date: September 17, 2025

From: Karen S. Kim, JD, MPH, Chief Compliance and Fraud Prevention Officer

Contributors: Krisza Vitocruz, Privacy Officer and Security Director
Puja Shah, Audits, Monitoring, and Oversight Director
Kimberly Wallem, Audits, Monitoring, and Oversight Manager
Allison Barteel, Regulatory Compliance Director

Executive Summary

The purpose of this memo is to provide the CenCal Health Board of Directors with an overview of current compliance activities for the organization. The memo highlights certain compliance activities and includes the Department of Health Care Services (DHCS) All Plan Letters, audits and monitoring, delegation oversight, risk assessment, privacy office, security office, and other Compliance Division updates.

Compliance Program Update

The Compliance Division is responsible for three D-SNP program tactics, which include:

1. D-SNP Knox-Keene License Tactic: Submission and approval of application to materially modify the Plan's Knox-Keene license to include a Medicare line of business.
2. D-SNP Application and Operational Readiness Tactic: Establish D-SNP operational readiness requirements and include the following:
 - a. Develop a policy library and requirements crosswalk reflecting Medi-Cal, D-SNP, and NCQA requirements;
 - b. Ensure timely and complete submission of CMS applications for CenCal Health to operate a Medicare line of business;
 - c. Ensure timely and complete submission of the State Medicaid Agency Contract (SMAC);
 - d. Conduct an operational gap analysis of D-SNP requirements; and
 - e. Ensure timely and complete submission of DHCS operational readiness checklists.
3. D-SNP Compliance Program Tactic: Ensure CenCal Health's Compliance Program meets federal regulatory requirements and addresses any gaps in compliance.
4. D-SNP Audits & First Tier, Downstream, and Related Entities (FDR) Tactic: Ensure CenCal Health's D-SNP audit and monitoring readiness and expand CenCal Health's delegation oversight program to support oversight of first-tier, downstream, and related entities performing delegated health plan functions.

D-SNP Application and Operational Readiness Tactic

CenCal Health continues D-SNP policy development work to ensure D-SNP policies are drafted or updated by January 1, 2026. In addition, the CMS Medicare contracts were signed and submitted to CMS for countersignature.

D-SNP Compliance Program Tactic

Under the D-SNP Compliance Program Tactic, required regulatory reports are being developed in collaboration with IT Analytics. In addition, the Medicare Compliance Manager continued to support work around reviewing D-SNP Member Informing Materials and D-SNP Integrated Materials for submission to DHCS and CMS. The Member Handbook and Summary of Benefits were approved by DHCS.

D-SNP Audits & First Tier, Downstream, and Related Entities (FDR) Tactic

The D-SNP Audits & FDR Tactic is leading a D-SNP program readiness assessment with support from a Medicare consulting group specializing in both readiness assessments and CMS mock audits. The readiness assessment will focus on whether plan operations meet Medicare requirements.

Corporate Integrity Agreement (CIA)

CenCal Health submitted the second annual report on August 29, 2025.

Department of Health Care Services: All Plan Letters (APLs)

For the month of August 2025, DHCS released two (2) APLs and revised two (2) APLs.

1. 25-012: Targeted Provider Rate Increases
 - Released: 08/19/2025
 - Supersedes: 24-007, 10-014 and 10-003
2. 21-008: Tribal Federally Qualified Health Center Providers
 - Revised: 08/22/2025
3. 17-020: American Indian Health Programs
 - Revised: 08/22/2025

Audits, Monitoring, and Oversight (AMO)

The Audits, Monitoring, and Oversight Department (AMO) is responsible for performing risk assessments and internal audits of CenCal Health's business units and processes, facilitating external audits with regulators, assisting business owners with audit remediation efforts, and conducting oversight of delegated providers. AMO is currently looking to fill one position for a Compliance Auditor (CMS).

External Audit – 2025 Network Adequacy Validation (NAV) Audit Update

CenCal Health is participating in the 2025 Network Adequacy Validation (NAV) Audit, conducted by HSAG on behalf of the Department of Health Care Services (DHCS), from June through September 2025. This is a reoccurring annual audit of CenCal Health to validate network adequacy by evaluating whether its provider networks are sufficient to provide timely and accessible care to Medicaid beneficiaries. A cross-functional team, with CenCal Health staff from Member Services, Provider Services, and Information Technology Departments, working with AMO, completed mock audit activities in August 2025, with the annual audit interviews scheduled for September 3, 2025.

External Audit – 2025 Department of Healthcare Services (DHCS) Medical Audit Update

In August, DHCS notified CenCal Health of proposed December dates for the annual medical audit. CenCal Health leadership requested a deferral, stating the organization's stellar audit results from past audits, dedication to implementing a high-quality D-SNP program, and overall commitment to compliance. In response, DHCS granted the deferral to June 2026, which allows CenCal Health to focus its efforts in D-SNP implementation.

Risk Assessment and Audit Workplan

At the Q12025 meeting on April 22, 2025, the Compliance Committee formally adopted the CY2025 Audit Workplan. The Audit Workplan was then presented to the Board Compliance and Oversight Committee in May and submitted to the CenCal Health Board of Directors in June. Of the seven (7) prioritized CY2025 Audit Workplan items, two (2) have been completed, resulting in risk levels reducing from high to moderate as a result of audit activities and subsequent mitigative actions. As of August, audit activities have commenced for the remaining five (5) workplan items. All workplan items are on track.

Delegation Oversight

New and Prospective Delegates. Following successful completion of a pre-delegation assessment in January and execution of a delegation agreement in July, nurse advice line for the Medi-Cal line of business was delegated to Carenet. AMO completed pre-delegation assessments of three (3) current Medi-Cal delegates for the D-SNP lines of business: Sutter Health (credentialing), UCLA Medical Group (credentialing), and Premier's Stanson Health (utilization management radiology).

Current Delegates. AMO is overseeing the 2025 annual delegate audits of Ventura Transit Systems (VTS) and issued a request for a corrective action plan (CAP) in late July 2025. AMO is also currently overseeing the annual delegate audit of Premier's Stanson Health.

Committee. The Delegation Oversight Committee met for Q22025 on July 21, 2025, and will next convene for Q32025 on October 20, 2025.

Security Office

The Security Office continues to make progress on the 2024-25 Security Work Plan and Roadmap. The Security Office, in collaboration with the IT Operations, is remediating gaps identified through the 2024 annual penetration test. Findings categorized as Critical and/or high have been closed and went through penetration retesting. A monthly working session has been established between the Security Office and IT Operations.

CenCal Health engaged a third-party vendor to conduct a security assessment of CenCal Health's Microsoft 365 (M356) and Azure environments to ensure responsible and secure adoption of the Microsoft E5 Suite of Products. Nineteen (19) action items have been closed and additional action items are in progress. This body of work is scheduled to be completed by the end of 2025.

The Security Office conducted its annual Security Risk Assessment to inform the 2026 Road Map. In September, the Security Office will develop its 2026 Security Road Map and will include the annual penetration test, annual incident response plan mock exercise, and other work to strengthen the Security Program at CenCal Health.

In addition, in the month of August, the Security Governance Committee met and discussed the following topics: 1) Projects in flight related to the 2024-25 Security Work Plan and Roadmap, 2) Security metrics- phishing test results from Q2 2025, and 3) Cybersecurity in the news. The next Security Governance Committee is scheduled for late November 2025.

Privacy Office

The Privacy Office completed its review and revision of the CenCal Health's Notice of Privacy Practices (NPP) in the month of June and engaged internal stakeholders to review the changes. The revision will ensure compliance with the HIPAA Privacy Final Rule amendment, requiring covered entities to update their NPPs by 2026 and the National Committee for Quality Assurance (NCQA) Health Equity Standards. The Privacy Office submitted its revised NPP to DHCS for approval prior to use in 2026. CenCal Health received DHCS approval late August 2025.

Recommendation

This memo is intended to be informational only and no action by the Board of Directors is requested.

Information Technology Report

Date: September 17, 2025
Through: Marina Owen, Chief Executive Officer
From: Darin Moore, Chief Information Officer

Executive Summary

The following information serves as an update to the Board on the ongoing operational and project-oriented priorities of the IT functions within The Plan.

Operational Statistics

Claims:

In August 2025, the Health Plan received a total of 331,113 claims. HIPAA Compliant 837I/837P was the source of 85.53% claims and CenCal Health's Provider Portal was used for 12.40% of claim submissions. Paper submissions accounted for 2.07 percent. Auto-adjudication rates for the month were at 96.1%.

Authorizations:

During August 2025, the Health Plan received a total of 30,237 authorization requests. 81.94% of total authorizations were entered using CenCal Health's Provider Portal, 4.37% of total requests were part of data transmission from that Plan's Radiology Benefit Manager (RBM). 12.60% of total authorization requests were received via Fax, 1.09% by other sources.

IT Help Desk:

August 2025:

The Service Desk received a total of 1,964 requests during August via the IT Service Desk system, related to various systems and services supported by the IT department. During the month, a total of 1,727 requests were closed.

Below are the average times measured during August 2025 for the Help Desk Team:

Average Response Time: 3.23 Hours

Average Resolution Time: 5.64 Hours

IT Portfolio Planning:

Since the last Board report, five items have been completed. Year-to-date, forty-one projects in the portfolio have been completed. In addition, two projects were cancelled in August. One due to a delayed compliance requirement and the other to a reduced technical requirement. Currently, the 2025 IT portfolio includes a total of sixty-one projects.

Twenty projects are underway, all initiated on the planned start date. Five projects are scheduled for completion in August and are all on track.

Phone System Replacement Update

In April, the Board approved contracting with RingCentral for a new cloud-based phone system. The contract has been executed, and CenCal and vendor staff have been assigned to the project. Transition planning and business requirement definition have been completed. The implementation of the new phone system will be done in two phases. The first phase will support the D-SNP Annual Enrollment Period and be implemented on October 1. The remainder of the phone system will be implemented on November 4.

Recommendation

This report is informational for the Board's awareness and no action is requested at this time.

Operations Report

Date: September 17, 2025

From: Kaliki Kantheti, Chief Operating Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Hector Garcia, Medicare Director
Gary Ashburn, Claims Director

Executive Summary

This Operations Report provides an overview of August 2025 activities specific to CenCal Health's Dual Special Needs Program (D-SNP) CareConnect implementation. Customer service metrics for Claims can be found in the included metric reports which are all at or above goal for the reporting period, and there are no notable deviations.

CenCal CareConnect Implementation Update

1. CenCal CareConnect Bid Update

CenCal Health has completed the Calendar Year 2026 bid process. Leadership has signed and submitted the Coordinated Care Plan (CCP) Medicare Advantage–Prescription Drug (MAPD) contract in the Centers for Medicare & Medicaid Services (CMS) Health Plan Management System (HPMS). Please note that while our submission is complete, final contract approval will not occur until CMS conducts and confirms successful system connectivity testing in October.

2. Annual Enrollment Period (AEP) Readiness Update

The Medicare Annual Election Period (AEP) starts October 15, 2025 for the 2026 plan year. During AEP, Medicare beneficiaries may enroll in, switch, or disenroll from Medicare Advantage, Original Medicare, or Part D plans. This will be the first opportunity for members to enroll in CenCal Health's CareConnect Dual Eligible Special Needs Plan (D-SNP).

To support AEP and Go-Live readiness, CenCal Health is launching a D-SNP Oversight Committee. This Board advisory committee is organized to oversee the successful implementation of CenCal Health's D-SNP line of business and report progress to CenCal Health's Board of Directors. The committee will meet at minimum twice between September 2025 and December 2025 to monitor readiness for the Annual Election Period in October 2025 and program go-live on

January 1, 2026.

3. Medicare Sales Update

A Customer Relationship Management (CRM) system is being implemented to support member sales, tracking, and enrollment workflows. Implementation is on track for October 1, 2025, ensuring the system is available prior to AEP activities. Similarly, the Medicare Sales unit is now fully staffed, and all new team members are currently undergoing Medicare Sales training. The team will be fully prepared and operational in advance of the AEP launch in October.

CenCal Health will employ a measured “slow and steady” sales approach for the first year of AEP, balancing growth with operational readiness to ensure a strong foundation and positive member experience.

4. D-SNP Roadmap Update

Lastly, the D-SNP Roadmap below provides a high-level view of program implementation, outlining key phases, major milestones, and critical activities necessary for a successful launch. This Roadmap serves as a strategic guide to ensure regulatory readiness, timely system readiness and operational readiness, and is included for reference.

Progress continued across key milestones in August. EvolveNXT, the system supporting sales and CareConnect application intake, is ready for go-live activities starting 9/2/2025, following successful user acceptance testing by the tactic team to validate business functionality.

For the Core System (QNXT), user acceptance testing of the MHK Care Prominence system is scheduled for September to support AEP readiness. Additionally, the IT Analytics team has finalized the scope of AEP reporting needs, with design and development activities already in progress. Overall, Regulatory, Operational, and System Readiness remains on track, and all August milestones have been successfully met.

Attachment

1. CenCal Health D-SNP Roadmap

Recommendation

This report is informational only, and no action is requested.

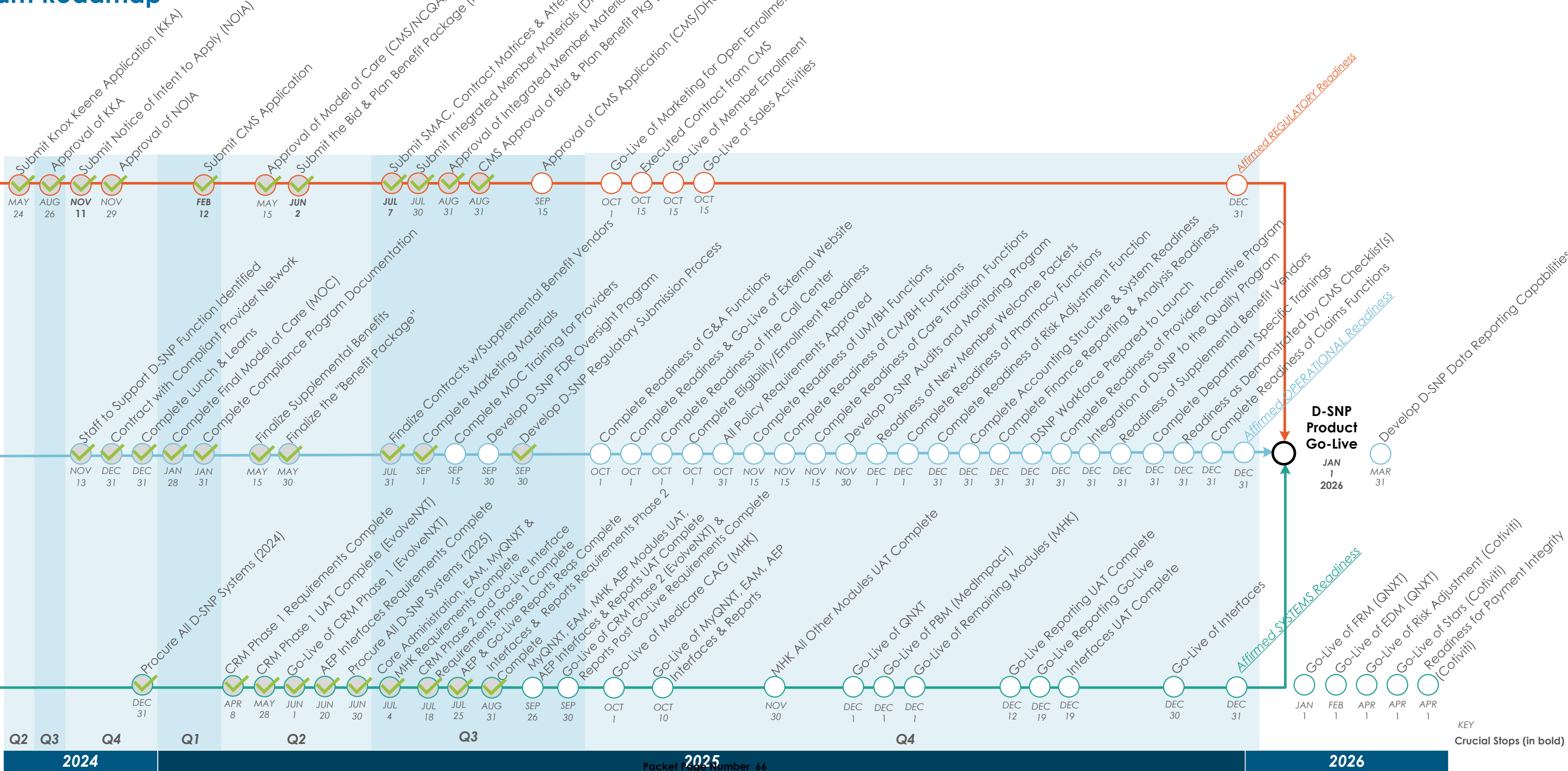
D-SNP Program Roadmap

Revised 9/4/2025

REGULATORY Readiness

OPERATIONAL Readiness

SYSTEMS Readiness



Quality Improvement Health Equity Committee (QIHEC) Report

Date: June 26, 2025

From: Lauren Geeb, MBA, Director, Quality and Population Health

Through: Marina Owen, Chief Executive Officer
Maya Heinert, MD, MBA, FAAP, Chief Medical Officer
Van Do-Reynoso, PhD, Chief Health Equity Officer
Carlos Hernandez, Chief Quality Officer

To simplify presentation of materials, the documents referenced herein are each hyperlinked for your convenience to supplement your Board's meeting materials.

Executive Summary

This is CenCal Health's QIHEC report to your Board, including information about the committee's proceedings for its 2nd quarterly meeting of 2025, completed on May 22nd, 2025. This report summarizes key topics reviewed by the QIHEC as your Board's appointed entity accountable to oversee the effectiveness of CenCal Health's QIHETP.

The QIHEC's recent proceedings included:

- Approval of the February 27th, 2025, QIHEC minutes.
- Approval of reports from the Pediatric Clinical Advisory Committee, Customer Experience Committee, Utilization Management Committee, and Credentialing Committee. Note that the Pharmacy & Therapeutics Committee meeting did not take place until May 29th, 2025.
- Approval of the following materials and reports:
 - Three QIHETP policies presented for annual review. ([Reference 1: Policies](#))
 - Annual review of CenCal Health's Quality Care Incentive Program (QCIP) and updates that will be launched in January 2026 in anticipation of CenCal Health's Medicare Dual Special Needs Plan (D-SNP) launch. Twelve additional performance metrics will be incorporated to QCIP that align with Medicare Stars measures. New is the addition of metrics to assess member experience. Feedback from CenCal Health's Provider Advisory Board was obtained, with a favorable overall response.
 - Sources for practice guidelines adoption, including but not limited to the United States Preventive Services Task Force, the Centers for Disease Control and Prevention, American Academy of Pediatrics, American

College of Obstetricians & Gynecologists, and American Diabetes Association.

- Adoption of Utilization Management (UM) Clinical Criteria to ensure that all authorization decisions are based on medical necessity and aligned with clinical criteria and/or evidence-based guidelines. These criteria support consistent, clinically appropriate decisions regarding members' care, grounded in sound medical principles and best practices.
- Key performance metrics that demonstrate cross-functional QIHETP integration of UM, Access and Availability, and Member Grievance operations. There are known gaps in compliance with time and distance standards in outlying rural areas of certain zip codes. Health plans are collaborating with DHCS to refine the time and distance assessment methodology to better estimate accessibility from the most distant boundaries of some zip codes. All other metrics met expectations.
- Behavioral Health update regarding collaboration efforts to improve member access to timely and appropriate mental health services as well as efforts to address the needs of members with both medical and behavioral health diagnoses.
- Routine quarterly updates of the QIHETP Work Plan and Quality Dashboard.

The QIHEC's approval of the work products listed above included consideration by contracted network physicians and other representatives that are required members of the QIHEC.

Background

DHCS requires that CenCal Health implement and maintain a QIHEC appointed by and accountable to your Board. Your Board's annual approval of the QIHETP Description affirms your Board's appointment of the QIHEC to oversee the effectiveness of the QIHETP. The QIHEC's quarterly review ensures that CenCal Health's QIHETP evolves and is implemented with meaningful contracted network practitioner involvement. The QIHECs recent review and approval was based upon their understanding that their action was undertaken as your Board's accountable entity to oversee CenCal Health's QIHETP.

Role of the Board

Your Board, as CenCal Health's governing body, is required to participate in CenCal Health's Quality Improvement System as follows:

1. *Annual approval of the overall QIHETP, annual QIHETP Work Plan, and Quality Program Evaluation.*

This responsibility was completed with your Board's March 2025 approval of CenCal Health's 2024 Quality Program Evaluation, the 2025 QIHETP Description, and the 2025 QIHETP Work Plan. These documents detail CenCal Health's achievements and goals for continued improvement during the coming year. They define the structure of CenCal Health's QIHETP and responsibilities of entities and individuals within CenCal Health that support improvement in quality of care, patient experience, and safety. They also demonstrate CenCal Health's investment of resources to assure continuous improvement and achieve population health excellence.

2. *Appointment of an accountable entity within CenCal Health to oversee the effectiveness of the QIHETP.*

This responsibility was affirmed by your Board's approval of CenCal Health's 2025 QIHETP Description. The QIHEC, chaired by the Chief Medical Officer in collaboration with the Chief Health Equity Officer as co-chair, is accountable for overseeing the QIHETP's effectiveness and evolution.

3. *Review of written progress reports from the QIHEC describing actions taken, progress in meeting QIHETP objectives, improvements made, and directing necessary modifications to QIHETP policies and procedures to ensure compliance with quality improvement and health equity standards.*

This report represents your Board's report on the QIHEC's recent proceedings for its 2nd quarterly meeting of 2025, including QIHETP policies for your consideration, direction, and approval. This report fulfills your Board's responsibility to review written progress reports from the QIHEC.

After each quarterly meeting of the QIHEC, staff present your Board with approved minutes of the QIHEC's proceedings to assure the full scope of QIHEC activities is available to inform your Board's governance. Additionally, each quarterly report includes policies reviewed and approved by the QIHEC, for your Board's further consideration, direction, and approval.

In total, this QIHEC report includes the summary of recent QIHEC proceedings detailed above, and the following documents referenced:

a) QIHETP and related program policies reviewed and approved by the QIHEC. The three policies reviewed by the QIHEC provide details about requirements to maintain an adequate oversight procedure to ensure delegation oversight of UM and QIHETP delegated activities, and oversight of CenCal Health's comprehensive Wellness and Prevention Program. CenCal Health staff confirmed that the policies reviewed by the QIHEC comply with all DHCS quality improvement and health equity standards. The QIHEC's engagement in policy review enables valuable feedback and direction from the QIHEC to meaningfully direct the effective administration of CenCal Health's QIHETP. [\(Reference 1: Policies\)](#)

b) The meeting agenda for the recent QIHEC meeting. [\(Reference 2: Agenda\)](#)

c) The meeting minutes of the prior meeting of the QIHEC, which were approved at the recent meeting of the QIHEC. [\(Reference 3: Minutes\)](#)

The QIHEC's approval of the referenced policies and work products serves as the QIHEC's recommendation for your Board's approval, as your Board's accountable entity to oversee the effectiveness of the QIHETP.

Next Steps

Subject to your Board's approval, staff will complete implementation of the approved documents and policies. The proceedings of future quarterly QIHEC meetings will be reported to your Board after each meeting of the QIHEC, to fulfill the progress reporting responsibilities described above.

Recommendation

Staff recommends your Board accept this progress report, and provide additional direction if warranted, based on the referenced policies and other content that was evaluated and approved by the QIHEC.

References:

- [Reference 1 - QIHETP Policies \(qty. 3\)](#)
- [Reference 2 – QIHEC Meeting Agenda - May 22, 2025](#)
- [Reference 3 – QIHEC Approved Minutes - February 27, 2025](#)

Financial Report for the eight (8) Month Period Ending August 31, 2025

Date: September 17, 2025

To: CenCal Health Board of Directors

From: Kashina Bishop, Chief Financial Officer/Treasurer

Contributors: Amy Sim, Accounting Director

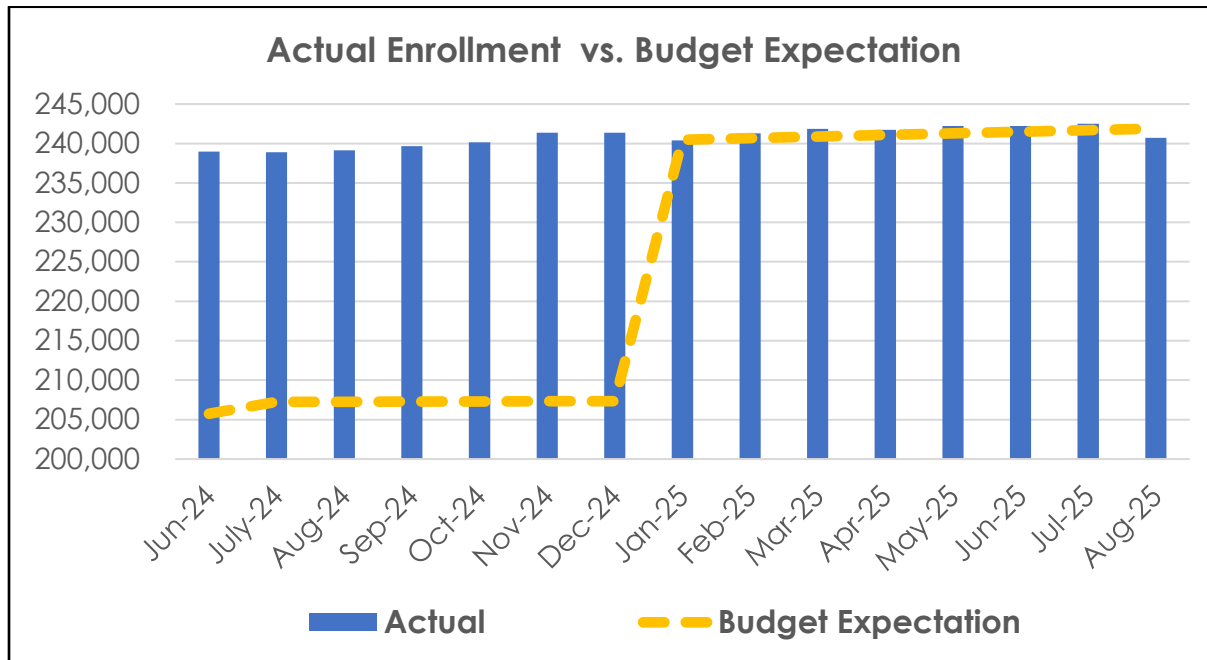
Executive Summary

This memo provides an overview of the health plan's financial performance for the calendar year-to-date (CYTD) through August 31, 2025, and assesses how the plan is aligning with budget expectations. As of the end of August 2025, medical expenses continue to exceed budget projections which is a key area to monitor as we move forward. Administrative costs, on the other hand, are below budget at this stage, though they are expected to rise as the year progresses.

Financial Highlights

- **Net Operating Gain** of \$18.0 million which is \$2.2 million less than the budgeted gain.
- **Net Revenue** is at \$820.8 million; over budget by \$18.1 million and 2.3%.
- **Medical Expenses** are at \$749.4 million; over budget by \$29.8 million and 4.1%.
- **Administrative Expenses** are at \$54.6 million; under budget by \$3.9 million and 6.7%.
- **Strategic Investments** are at \$4.4 million; under budget by \$5.7 million and 56.1%.
- **Community Reinvestments** are at \$1.0 million; under budget by \$174,025 and 14.4%
- **Tangible Net Equity (TNE)** is \$320.6 million, representing 753% of the minimum regulatory requirement and 97% of the minimum Board-Designated reserve target.
- **Total Cash and Short-Term Investments** are \$391.9 million. Cash and Short-Term Investments available for operating the health plan is \$358.7 million, representing 140 Days Cash on Hand.
- **Member Enrollment** is at 240,714 for the month of August 2025.

Enrollment Trend YTD



The health plan's enrollment count as of August 2025 is at 240,714 compared to a budget forecast of 241,889. January 1st –August 31st total member months are at 1,936,479 compared to budget expectations of 1,929,478; over budget 0.4%.

Capitation Revenue

Revenue Type	YTD Actual Dollars	FYTD Budget	YTD Variance	% Variance
Base Capitation Revenue	\$777,679,553	\$769,586,034	\$8,093,519	1.1%
Supplemental Revenue	\$37,099,490	\$33,111,516	\$3,987,974	12.0%
Budgeted Revenue Items	\$814,779,043	\$802,697,550	\$12,081,493	1.5%
Incentive Revenue	\$4,588,253		\$4,588,253	
Prior Year Revenue Adjustments	\$1,428,252		\$1,428,252	
TOTAL CAPITATION REVENUE	\$820,795,548	\$802,697,550	\$18,097,998	2.3%

Base capitation is over budget by 1.1% which is close to the budget expectation for August 2025.

Supplemental Revenue [Maternity Deliveries, and visits to American Indian Health Clinics] is over budget by 12.0% mainly due to estimates in expected utilization for maternity submissions.

Overall, actual budgeted revenue exceeds budget expectations by 2.3%.

Medical Expenses

Medical Expense Type	YTD Actual Dollars	FYTD Budget	YTD Variance	% Variance
Medical Costs + Incentives	\$763,926,138	\$718,890,956	\$45,035,182	6.3%
Reinsurance – net	\$840,410	\$702,127	\$138,283	19.7%
Budgeted Medical Items	\$764,766,548	\$719,593,083	\$45,173,465	6.3%
CalAim Incentive Programs	\$3,823,545	-	\$3,823,545	
Prior Year Expense Adjustments:	(\$19,165,784)	-	(\$19,165,784)	
TOTAL MEDICAL COSTS	\$749,424,309	\$719,593,083	\$29,831,226	4.1%

Fee for service medical expense is calculated through a predictive model which examines the timing of claims receipt and claims payments, referred to as “Incurred But Not Paid” (IBNP) and reported as a liability on the balance sheet. This is considered a significant estimate and actual experience may vary as claims are received.

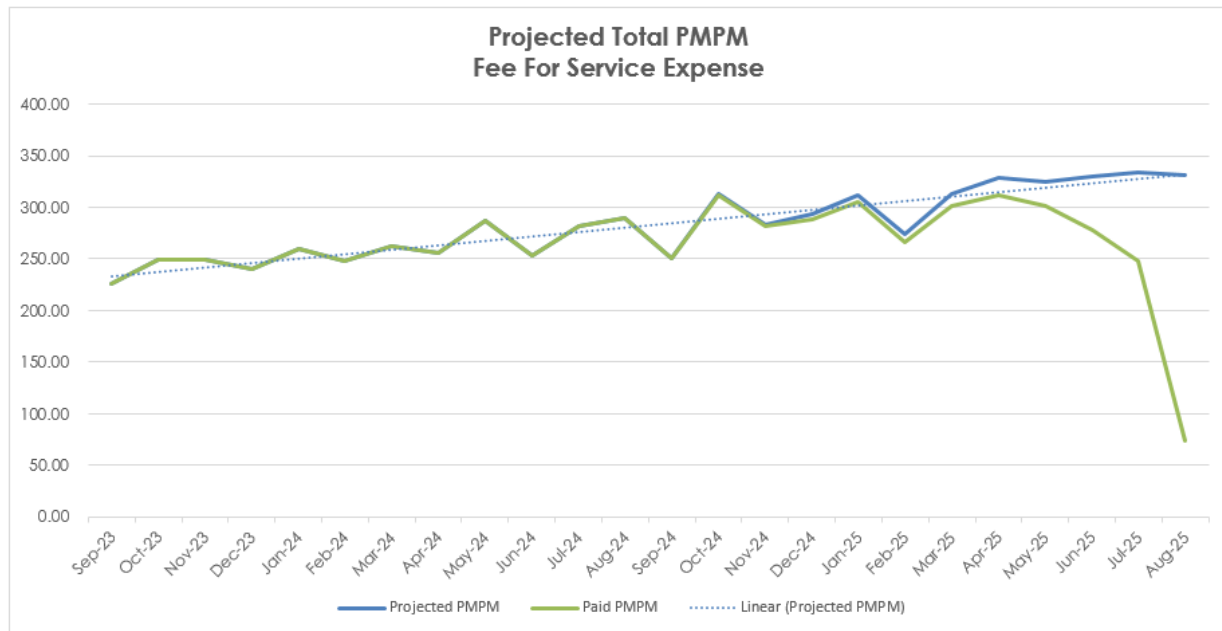
Medical costs, while above budget, have stabilized after months of challenges estimating the monthly cost with key initiatives impacting the IBNP model such as targeted rate increases (TRI) and claim projects. Many of the service categories budget variances are being driven by TRI costs that exceed budget estimates. Service categories in which have sustained budget variances, unrelated to TRI, are as follows:

- **Outpatient Facility** – the costs are being driven by contractual changes that carved out infusion drugs paid on a medical claim from a capitation arrangement. These costs were being reimbursed to a provider for a limited period of time through the State’s Pharmacy Rx program. As they were not contemplated in the capitation agreement, CenCal Health began paying claims for the costs at the end of 2024.
- **Long Term Care** – due to the annual State updates to facility rates.
- **Mental Health** – budget variances are due to increased utilization of services; there has been an almost 14% increase in visits per month.
- **Enhanced Care Management** - utilization of ECM continues to exceed the financial forecasts, which can also impact other categories as members get engaged in the health care system. CenCal Health is currently engaged with an

outside consultant to assess the impact of Enhanced Care Management (ECM). In addition, there is a risk corridor for ECM, so the financial risk is offset by estimated revenue.

The high-level trends, on a per member per month (PMPM) basis, based on the current IBNP estimate is as follows:

All Categories of Service



Administrative Expenses

Administrative Expenses are at \$54.6 million and under budget by \$3.9 million and 6.7% primarily driven by:

- Salaries and wages are over budget due to the timing of a non-recurring payroll accrual. In addition, the budgeted vacancy rate was 6% but the actual rate is currently around 9.8%.
- Fringe benefits are under budget mainly due to the timing of staff recruitment.
- Contract Services are under budget due to the timing of services needed.
- Rent and Occupancy is lower than budget expectations mainly due to building repairs and maintenance costs and other occupancy costs. Utilities also vary from month to month.
- Travel Costs are under budget due to the timing of actual conferences and seminars.
- Office Supplies & Equipment are under budget primarily due to timing of computer maintenance, printing expenses and software subscriptions.

- Member, provider, and community expenses are under budget due to the timing of marketing, member materials, and provider recruitment events.
- Other Expenses are under budget due to the timing of board fees, depreciation and meeting expenses.

Strategic Investments

Calendar year-to-date Strategic Investments, which include expenditures associated with start-up costs for launching a Medicare Dual Special Needs Program (D-SNP) and investments in technology infrastructure solutions, as of August 31, 2025, YTD actual is at \$4.4 million compared to the budget forecast of \$10.1 million. The budget variance is primarily due to timing of recruitment of new positions and vendor expenses occurring later in the year.

Community Reinvestment

Community Reinvestments support programs and initiatives administered by community partners to benefit our members and to demonstrate a commitment to the local community. As of August 31, 2025, YTD actual is \$1.0 million compared to the budget forecast of \$1.2 million. In addition to ongoing community commitments, CenCal Health includes an additional estimate of the regulatory required amount which fluctuates based on net income.

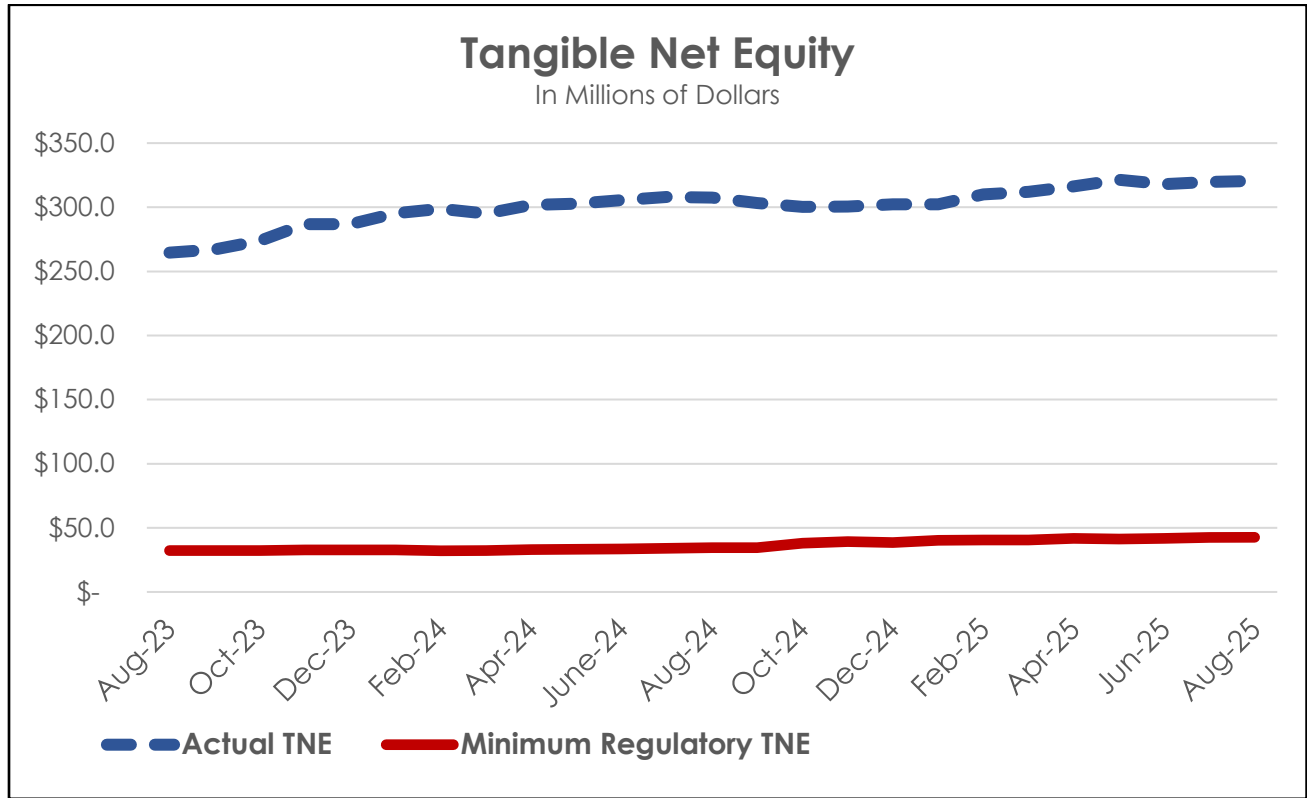
Interest Income

Calendar YTD Interest Income is exceeding budget expectations primarily due to current market interest rates being earned are greater than budget assumption.

Tangible Net Equity (TNE)

As of August 2025, TNE is \$320.6 million. This level represents 753% of the Regulatory Minimum TNE level (\$42.6 million) and 97% of the Board-Designated reserve target. The Board of Director's approved the Board-Designated Reserve policy which establishes a target at three times the monthly operating expense to ensure long-term solvency.

The following chart provides a visual representation of the health plan's TNE trend over the past two (2) years.



Treasury Activities for the Month of August 2025

Total Cash Received is at \$136.5 million.

Total Cash Disbursements is at \$119.6 million.

Accrued and Earned Interest Income is at \$934,703.

CenCal Health

Finance Statements and Other Information

For the eight (8) month period ending August 31, 2025

Primary Financial Statements:	Page
Balance Sheet	2
Calendar Year-to-Date (YTD) Income Statement	3
Current Month Income Statement	4
 Supplemental Financial Information:	
YTD Administrative Expenses by Category	5
Tangible Net Equity (TNE)	6
Notes to the Financial Statements	7

CenCal Health

Balance Sheet

As of August 31, 2025

Assets

Cash and cash equivalents	\$	391,909,235
Accounts receivable:		
DHCS capitation and other		776,949,991
Reinsurance and other recoveries		2,748,225
Interest and other		1,864,129
Total accounts receivable		781,562,345
Prepaid expenses		5,633,581
Capital assets-net		26,377,771
Certificate of deposit - DMHC assigned		300,000
Deposits and other assets		16,378,602
Total Assets	\$	1,222,161,534

Liabilities and Net Assets

Medical claims payable and incentives	\$	126,656,100
Accounts payable, accrued salaries and expenses		17,988,906
Accrued DHCS revenue recoups-MLRs		13,226,785
Accrued DHCS directed payments		640,843,418
Accrued MCO Tax		61,529,714
Unfunded pension liability - CalPERS		8,278,632
Other accrued liabilities		33,067,129
Net Assets - Tangible Net Equity		320,570,849
Less capital assets-net		(26,377,771)
Available reserves	\$	294,193,078
Board-Designated reserve target		303,310,854
Excess Reserves	\$	(9,117,776) *

Total Liabilities and Net Assets **\$ 1,222,161,534**

* Excess reserves up to \$25 million Board-designated for the D-SNP Program start up.

CenCal Health

Income Statement

For the eight (8) month period ending August 31, 2025

	Actual \$	Budget \$	Variance \$	%
Operating Revenues:				
Capitation	\$ 1,502,064,479	\$ 802,697,550	\$ 699,366,930	87.1%
Directed Payments/Pass-throughs	(311,866,086)	-	(311,866,086)	0.0%
MCO Tax Expense	(369,402,845)	-	(369,402,845)	0.0%
Total Net Income	\$ 820,795,548	\$ 802,697,550	\$ 18,097,999	2.3%
Medical Expenses:				
Provider capitation	\$ 116,787,584	\$ 118,224,969	\$ (1,437,385)	-1.2%
FFS-Inpatient Hospital	140,311,857	137,582,315	2,729,542	2.0%
FFS-Outpatient Facility	58,846,002	49,371,502	9,474,501	19.2%
FFS-Emergency Room	9,039,270	8,373,182	666,088	8.0%
FFS-Long Term Care	117,384,785	113,921,715	3,463,070	3.0%
FFS-Physician Primary Care	23,143,161	16,856,116	6,287,045	37.3%
FFS-Physician Specialty	89,716,397	91,947,908	(2,231,510)	-2.4%
FFS-FQHC/AIHC	20,236,481	18,791,533	1,444,948	7.7%
FFS-Other Medical Professional	21,119,554	17,464,965	3,654,589	20.9%
FFS-Mental Health (Outpatient)	27,546,028	24,078,875	3,467,154	14.4%
FFS-BHT Services	23,485,561	22,518,794	966,767	4.3%
FFS-Laboratory & Radiology	11,245,492	10,096,762	1,148,730	11.4%
FFS-Transportation	4,831,667	4,452,472	379,195	8.5%
FFS-CBAS	2,350,435	1,340,650	1,009,785	75.3%
FFS-Hospice	7,250,073	4,675,379	2,574,694	55.1%
FFS-Community Supports	29,484,568	30,375,465	(890,897)	-2.9%
FFS-ECM (Community-Based)	15,155,625	7,694,955	7,460,670	97.0%
FFS-HCBS Other	3,315,235	3,955,490	(640,255)	-16.2%
FFS All Other Health Care Services	13,496,891	13,207,447	289,444	2.2%
Incentives	15,219,267	11,477,279	3,741,989	32.6%
Prop 56 Add-Ons	9,092,338	5,320,122	3,772,215	70.9%
Healthcare Quality Improvement	8,867,845	9,685,140	(817,295)	-8.4%
Change to prior year estimate	(19,165,784)	-	(19,165,784)	
Other Health Care Related Expense	663,976	(1,819,950)	2,483,927	-136.5%
Total Cost of Healthcare	\$ 749,424,309	\$ 719,593,082	\$ 29,831,226	4.1%
Operating Expenses:				
Administrative expenses	\$ 54,589,580	\$ 58,525,878	\$ (3,936,298)	-6.7%
Community Reinvestment	1,032,575	1,206,600	(174,025)	-14.4%
Strategic investments	4,449,432	10,141,120	(5,691,688)	-56.1%
Total Operating Expense	\$ 60,071,587	\$ 69,873,598	\$ (9,802,011)	-14.0%
Interest income	6,377,976	4,246,852	2,131,124	50.2%
Realized gain (loss)	-	666,667	(666,667)	-100.0%
Non-Operating expense/income	28,719	2,000,000	(1,971,281)	
Unrealized gain (loss)	285,763	-	285,763	0.0%
Operating Gain (Loss)	\$ 17,992,111	\$ 20,144,388	\$ (2,152,277)	-10.7%
MLR	91.3%			
ACR	6.7%			

CenCal Health

Income Statement

For the month of August 2025

	Actual \$
Operating Revenues:	
Capitation	\$ 172,009,082
Directed Payments/Pass-throughs	(40,074,382)
MCO Tax Revenue	(30,764,857)
	<u>\$ 101,169,844</u>
Medical Expenses:	
PCP capitation	\$ 16,008,255
FFS-Inpatient Hospital	15,777,976
FFS-Outpatient Facility	7,123,246
FFS-Emergency Room	955,723
FFS-Long Term Care	14,590,791
FFS-Physician Primary Care	2,816,908
FFS-Physician Specialty	11,865,436
FFS-FQHC/AIHC	2,472,464
FFS-Other Medical Professional	2,945,912
FFS-Mental Health (Outpatient)	3,624,740
FFS-BHT Services	3,423,666
FFS-Laboratory & Radiology	1,616,529
FFS-Transportation	697,987
FFS-CBAS	438,270
FFS-Hospice	1,044,692
FFS-Community Supports	5,819,469
FFS-ECM (Community-Based)	2,330,264
FFS-HCBS Other	250,538
FFS All Other Health Care Services	1,352,054
Incentives	1,532,407
Prop 56 Add-Ons	1,205,827
Healthcare Quality Improvement	1,205,603
Change to prior year estimate	(5,079,127)
Other Health Care Related Expense	1,106,074
	<u>\$ 95,125,704</u>
Operating Expenses:	
Administrative expenses	\$ 6,009,680
Community Reinvestment	(602,836)
Strategic investments	944,456
	<u>\$ 6,351,301</u>
Interest income	765,809
Realized gain (loss)	-
Non-Operating Income (income/expense)	270
Unrealized gain (loss)	312,499
Operating Gain (Loss)	\$ 771,416

CenCal Health

Administrative Expenses by Category

For the eight (8) month period ending August 31, 2025

	Actual \$	Budget \$	Variance \$	%
Salaries & wages	\$ 34,036,345	\$ 32,881,569	\$ 1,154,776	3.5%
Fringe benefits	12,847,689	14,172,495	(1,324,806)	-9.3%
Contract services	6,656,657	7,748,670	(1,092,013)	-14.1%
Travel expenses	126,281	282,644	(156,363)	-55.3%
Rent & occupancy	874,726	1,393,360	(518,634)	-37.2%
Supplies & equipment	6,035,687	7,912,315	(1,876,628)	-23.7%
Insurance	938,195	1,244,600	(306,405)	-24.6%
Depreciation expense	1,417,758	1,797,600	(379,842)	-21.1%
Member/Provider/Community Expenses	78,071	267,200	(189,129)	-70.8%
Licenses/Dues/Subscriptions	334,164	336,810	(2,646)	-0.8%
All Other expenses	111,853	173,755	(61,902)	-35.6%
Admin to Medical Reclass	(8,867,845)	(9,685,140)	817,295	-8.4%
Total Administrative Expenses	\$ 54,589,580	\$ 58,525,878	\$ (3,936,298)	-6.7%

CenCal Health

Tangible Net Equity (TNE)

As of August 31, 2025

Actual TNE (from the Balance Sheet)	\$ 320,570,849
Tangible Net Equity - DMHC minimum regulatory	42,592,151
TNE - excess (deficiency)	\$ 277,978,698
Pct. Actual TNE of the Regulatory Minimum	753%

Tangible Net Equity calculation is based upon:
Title 10, CCR, Section 1300.76

CenCal Health

Notes to the Financials Statements

As of August 31, 2025

USE OF ESTIMATES The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. CenCal Health's principal areas of estimates include reinsurance, third-party recoveries, retroactive capitation receivables, and claims incurred but not yet reported. Actual results could differ from these estimates.

REVENUE RECOGNITION Under contracts with the State of California, Medi-Cal is based on the estimated number of eligible enrollees per month, times the contracted monthly capitation rate. Revenue is recorded in the month in which eligible enrollees are entitled to health care services. Revenue projections for Medi-Cal are based on draft capitation rates issued by the DHCS effective as of January 1, 2025, as well as prior year any retroactive rate adjustments issued by the DHCS.

GASB 68 requires the health plan to record the magnitude of the unfunded pension liability. Accrued CalPERS Pension Liability is reserved on the balance sheet in the amount of \$8,278,632 based on current estimates.

Finance Committee Charter

Date: September 17, 2025

To: CenCal Health Board of Directors

From: Kashina Bishop, Chief Financial Officer/Treasurer

Through: Marina Owen, Chief Executive Officer

Executive Summary

The Finance Committee plays a critical advisory role to the Board of Directors of CenCal Health, ensuring the effective management of the financial resources. Its primary responsibility is to provide oversight and strategic guidance on financial matters, ensuring CenCal Health's financial health and sustainability while supporting the achievement of its goals and objectives.

Background

Historically, the Finance Committee convened on an ad hoc basis to serve as the selection committee for banking and audit services. In more recent years, and consistent with the Board Guidance and Delegated Administrative Decision-Making policy, the committee has established a regular cadence of meetings to make recommendations to the Board on important financial matters. As such, this committee must transition from an ad hoc to a standing committee subject to Brown Act meeting requirements with a formalized structure.

Key responsibilities of the Finance Committee include:

1. **Financial Oversight:** The committee reviews and evaluates the financial performance, including budgets, forecasts, and financial statements. It monitors financial risks, ensures the proper use of public funds, and assesses compliance with relevant regulations and policies.
2. **Budget Review and Approval:** The Finance Committee plays a central role in reviewing and recommending the annual budget to the Board. It ensures that the budget is aligned with the organization's strategic priorities, operational needs, and financial capacity.
3. **Risk Management:** The committee identifies and assesses potential financial risks and recommends mitigation strategies to ensure financial sustainability.

4. **Policy and Governance:** The committee ensures that financial policies and practices are robust, transparent, and aligned with industry standards and best practices. It supports the Board in fulfilling its governance responsibilities related to financial stewardship.

By providing financial expertise and strategic guidance, the Finance Committee supports the Board in making informed decisions that enhance the organization's fiscal responsibility, transparency, and long-term success. To formalize the role and responsibilities, staff has drafted the Finance Committee Charter for review, input, and approval.

Recommendation

Staff recommends the Board approve the Finance Committee Charter.

Lompoc Valley Medical Center Advance Request

Date: September 17, 2025

From: Kashina Bishop, Chief Financial Officer/Treasurer

Through: Marina Owen, Chief Executive Officer

Executive Summary

Lompoc Valley Medical Center (LVMC) is requesting an \$8 million short-term advance against its Calendar Year 2024 Voluntary Rate Range Program (VRRP) allocation. LVMC is required to transfer approximately \$12 million to the State in October 2025 for the VRRP. CenCal Health will be reimbursed for this transfer, along with the federal matching funds, in December 2025.

Background

The Calendar Year 2024 VRRP, authorized under Welfare and Institutions (W&I) Code sections 14164, 14301.4, and 14301.5, establishes a mechanism to fund the non-federal share of the difference between the lower and upper bounds of a Managed Care Plan's (MCP) actuarially sound rate range, as determined by the Department of Health Care Services (DHCS).

Governmental entities eligible to provide the non-federal share include counties, cities, special purpose districts, state university teaching hospitals, and other political subdivisions, pursuant to W&I Code section 14164(a). These entities may voluntarily transfer funds to DHCS through intergovernmental transfers (IGTs). The IGTs, together with the corresponding Federal Financial Participation, are then used by DHCS to fund MCP capitation payments for the service period January 1, 2024 through December 31, 2024.

To ensure the advance is not considered a gift of public funds, CenCal Health will apply a nominal interest rate equal to the Local Agency Investment Fund's current investment return, approximately 4.3%. In addition, this agreement will be reviewed by Compliance and Legal to ensure it is sound.

Recommendation

Staff recommends that the Board approve the \$8 million advance with supporting documentation in consultation with Compliance and Legal.

A letter outlining this request from Lompoc Valley Medical Center is enclosed.



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Update on CenCal Health's Conflict-of-Interest Code Amendment

Hon Chan
General Counsel

September 17, 2025



Purpose of the Conflict-of-Interest Code

CenCal Health as a public agency and a political subdivision of the State of California is subject to the Political Reform Act (PRA) (Government Code Sections 81000 et seq.).

The PRA prohibits a public official such as CenCal Health's Board of Directors, Officers and Directors level positions from participating in governmental decisions in which he or she has a financial interest that may be materially affected.

To help identify potential conflicts of interest, the PRA requires such officials to file Statements of Economic Interests (Form 700).

The Conflict-of-Interest Code identifies those officials by position that need to file the Form 700 and their respective reporting categories.

Packet Page Number 88

1

The Conflict-of-Interest Code Amendment was presented to the Board and received the Board's approval at the April 2025 Board Meeting.

2

We have since complied with the 45-day posting requirement on CenCal Health's public website and CenCal Central (employee intranet).

3

In July of 2025, the FPPC approved a final official version of the Amendment.

Final FPFC Approved Conflict-of-Interest Code Amendment

CONFLICT OF INTEREST CODE OF THE
Santa Barbara San Luis Obispo Regional Health Authority
dba **CenCal Health**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of California Code of Regulations, Title 2, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the Conflict-of-Interest Code of the **Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (hereinafter "CenCal Health")**.

Individuals holding designated positions listed in Appendix A shall file their statements of economic interests with **CenCal Health**, which will make the statements available for public inspection and reproduction. (Gov. Code § 81008.). All original statements will be retained by **CenCal Health**.

Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health

CONFLICT OF INTEREST CODE APPENDIX "A"

Designated Positions	Disclosure Category
Governing Board Members	1, 2, 4
Chief Executive Officer	1, 2, 4
Chief Operations Officer	1, 2, 4
Chief Financial Officer/Treasurer	1, 2, 4
Chief Medical Officer	2, 4
Chief Health Equity Officer	2, 4
Chief Compliance & Fraud Prevention Officer	2, 4
Chief Information Officer	2, 3, 4
Chief Performance Officer	2, 4
Chief Quality Officer	2
Deputy Chief Information Officer	2, 3, 4
Administrative Services Director	1, 2
Accounting Director	2
Claims Director	2
Audits, Monitoring & Oversight Director	2, 4
Financial Analysis Director	2
Senior Medical Director	2
Medical Director	2
Member Services Director	2
People Operations Director	2
Pharmacy Director	2
Provider Relations Director	2
Provider Services Director	2
Claims Associate Director	2
Member Services Associate Director	2
IT Operations Director	2, 3
Compliance Director & Privacy Officer	2, 4
General Counsel	2, 4
Behavioral Health Director	2
Communications & Marketing Director	2
Data Analytics/Business Intelligence Director	2, 3
Dual Special Needs Clinical Programs Director	2
Medicare Director	2
Medical Management Director	2
Operational Excellence Director	2
Program Development Director	2
Strategic Engagement Director	2
Quality Director	2
IT Development Director	2, 3
Utilization Management Associate Director	2
Vice President of Product Integration	2
Medical Management Associate Director-CM	2
Consultants/New Positions	*

*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's or new position's duties and based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict-of-Interest Code.

Santa Barbara San Luis Obispo Regional Health Authority
dba **CenCal Health**

CONFLICT OF INTEREST CODE
APPENDIX "B"

DISCLOSURE CATEGORIES

CATEGORY 1: All interests in real property located within the jurisdiction of the **CenCal Health**. This includes all interests in real property within two miles of real property owned or used by CenCal Health.

CATEGORY 2: Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from sources of the type to provide services (including training or consulting services), supplies, equipment, or other property utilized or to be utilized by **CenCal Health**. Such sources include, but are not limited to: health care providers, hospitals, pharmacies, laboratories, medical care treatment facilities, insurance companies, ambulance companies, trainers, consultants, and sources that are subject to **CenCal Health's** regulatory, permit, or licensing authority.

CATEGORY 3: Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from sources of the type that provide information technology or telecommunications services (including training or consulting services), supplies, equipment or other property utilized or to be utilized by **CenCal Health**. Such sources include but are not limited to: manufacturers, distributors, suppliers, or installers of computer hardware (servers, hard drives, laptops, monitors, etc.) or software (programs, applications, databases, etc.).

CATEGORY 4: Investments, business positions in business entities, and sources of income (including receipt of gifts, loans and travel payments) from sources, that filed a legal claim or demand, or have a legal claim or demand pending, against **CenCal Health** made within two years prior to the date of disclosure.

On the Horizon

- There is a Conflict-of-Interest training planned for the Board of Directors at the October CenCal Health Board Meeting
- The training, which includes, but not limited to Form 700 filings, will be conducted by outside counsel
- Encourage all Board Members to attend the in-person training at the October Board Meeting, if possible
- CenCal Health will arrange for another training time for those Board Members who cannot attend the October Board Meeting



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Clarification to P&P FIN-AC-13: Approval and Signature Authorities

Hon Chan
General Counsel
September 17, 2025

CenCal Health would like to propose edits to the existing FIN-AC-13 (Approval and Signature Authority) to:

1. Allow CenCal CEO general authority to delegate her signature authority to a CenCal Officer or Director instead of the current allowance to temporarily delegate during periods of planned absences of the CEO.
2. Clarify that MCO tax payments and payments to DHCS for reconciliations are excluded from signature authority requirement; while payments under incentive programs, grant payments, and claims advances and settlements are included in signature authority requirement.
3. Remove language exception to legal review of statement of work/service order/schedule that does not conflict with the underlying master agreement. The Legal Department is best qualified to determine lack of conflict and therefore should review all such statement of work/service order/schedule.
4. Update to the most current 2025 format.

A redline copy of the policy showing these amendments is included in the Board package.

Recommendation

CenCal Health recommends that the Board approve of the proposed revisions to FIN-AC-13.

CENCAL HEALTH POLICY AND PROCEDURE (P&P)	
Title: Approval and Signature Authority	Policy No.: FIN-AC-13
Department: Accounting	
Cross Functional Departments: Administration	
Effective Date: 01/2024	Last Revised Date: 12/2024 02/2025
P&P Require DHCS Approval? Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	
Director/Officer Signature: Amy Sim Accounting Director	Officer Signature and Date: Kashina Bishop Chief Financial Officer & Treasurer

I. Purpose

- A. The purpose of this policy is to establish consistent company-wide control over accounts payable disbursements, wire transfers, purchases and contractual commitments made on behalf of CenCal Health that are generally not provider claim related. It is essential that potential transactions have all required approvals prior to CenCal Health making a commitment with the associated vendor or other outside party.
- ~~B.~~ CenCal Health grants specific levels of signature authority to certain employees to authorize and approve the commitment or expenditure of
- ~~C.B.~~ CenCal Health's funds ("Commitments"). This policy is intended to ensure that any of CenCal Health's Commitments is properly authorized prior to being made.

II. Policy:

- ~~A.~~ This policy applies to new transactions that will ultimately result in the use of
- A. CenCal Health's assets.
1. These transactions include, but are not limited to, payments under incentive programs, grant payments, claims advances and settlements, purchase requisitions, check requests, purchase orders, contracts, leases, and capital expenditures – regardless of such transactions were budgeted or unbudgeted.
 2. Transaction eExceptions include the following:
 - a. ~~C~~claims payments that are NOT processed and paid through CenCal Health's accounts payable system;
 - b. ~~P~~provider contracts and capitation contracts which are the responsibility of the associated Chief Officer to the extent they are routine and within budgetary expectations; ~~and~~
 - c. ~~P~~payments of pass-through items designated by DHCS as available for disbursement to providers through various government programs.

Invoice transactions that have been previously authorized by a requisition/PO do not require Signature approval;

d. MCO tax payments; and

e.e. Payment to DHCS for reconciliations.

B. All transactions are required to have the proper level of authorization prior to CenCal Health making a Commitment with a vendor or other outside party.

1. The proper level of authorization for transactions is defined as "The signature of at least one employee with authorization for the related cost center and an authorization limit greater than or equal to the total amount of the transaction."

1.2. The approver or his/her designee is responsible for ensuring that the transaction represents a proper use of CenCal Health's funds.

C. CenCal Health's Finance Department is responsible for administering this policy.

B.D. It is the responsibility of the requesting employee or business unit to obtain all necessary approvals prior to the issuance of a purchase order, signing of a contract, a capital expenditure, entering a lease agreement, etc. No purchase orders should be issued, or contractual documents signed, or funds disbursed, until the required approvals have been obtained.

III. Procedure:

A. Authorization Limits

1. The appropriate level is determined by the amount of the total transaction, regardless of whether the transaction is submitted using one purchase requisition/check request/purchase order or multiple smaller transactions.

B. General Authorization

1. Employees are identified with authorization limits up to a specified amount based on their job title within CenCal Health (e.g., director, chief, officer).
2. It is the responsibility of the approver to ensure expenditures are within the approved department budget.
3. General disbursement authorization limits are designated in Table 1, below:

Table 1: General Authorization

GENERAL AUTHORIZATION	
Job Level	Authorization Limit
Chief Executive Officer	\$100,000 and over
Chief Financial Officer	All transactions over \$50,000 and under \$100,000
Department Chief	All transactions over \$25,000 and up to \$50,000

Department Director	Up to \$25,000
---------------------	----------------

C. Delegation of Authority

1. Authority to approve check requests or requisitions/purchase orders under this Signature Authority Policy may be temporarily delegated to another employee during periods of planned absences.

a. Delegation must be to a direct report at a manager or above job level.

~~e.b.~~ Delegation of authority by using the ~~attached~~ Delegation of Authority ~~Letterform~~ (Attachment A).

D. Contracts and Authorized Agents

1. The Chief Executive Officer (CEO) or designee is CenCal Health's authorized agent to sign all contracts.

2. Properly authorized requisitions/purchase orders from originating departments serve as the internal authorization for the CEO to make external funding Commitments with vendors of administrative goods and services.

~~1.3.~~ The CEO may ~~only temporarily~~ delegate his/her authority to an Officer or Director ~~during periods of planned absences~~.

E. Legal Review of Contracts

1. Where practical, all contractual negotiations should be initiated from legally pre-approved standard agreements.

2. Circumstances may arise where standard contract templates are not applicable. In these situations, a standard contract template may be modified, or a different contract format may be used.

3. In every situation, if there are changes to a legally pre-approved contract, the Legal Department must review and approve of such changes.

~~1.4.~~ ~~If the contract is a statement of work/service order/schedule against a pre-approved master agreement, and the terms and conditions contained in the statement of work/service order/schedule do not conflict with the master agreement terms and conditions, the Legal Department does not need to review the statement of work/service order/schedule.~~

IV. Definitions:

Signature: written in the hand of the authorizing individual or an approved electronic signature format within CenCal Health's documents.

V. References: N/A

VI. Cross Reference:

A. Policy and Procedures (P&P):

1. ADM-01: Board Guidance and Delegated Administrative Decision-Making Controls
2. ~~FIN-15:ADS-01:~~ Procurement Policy

VII. Attachments:

- A. Attachment A: Delegation of Authority Letter

Administrative Management

<u>Internal and External Oversight</u>	
Line of Business (LOB): Medi-Cal <input checked="" type="checkbox"/> Dual Special Needs Plan (D-SNP) <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	
Regulatory Oversight: CMS <input type="checkbox"/> DHCS <input type="checkbox"/> DMHC <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	
Required for NCQA Accreditation: No <input checked="" type="checkbox"/> Yes <input type="checkbox"/>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <u>Committee Oversight:</u> <input type="checkbox"/> Anti-Fraud Committee (AFC) <input checked="" type="checkbox"/> Board of Directors (BOD) <input type="checkbox"/> Community Advisory Committee (CAC) <input type="checkbox"/> Customer Experience Committee (CEC) <input checked="" type="checkbox"/> Compliance Committee (CC) <input type="checkbox"/> Delegation Oversight Committee (DOC) <input type="checkbox"/> Member Services Committee (MSC) <input type="checkbox"/> Network Management Committee (NMC) </div> <div style="width: 48%;"> <input type="checkbox"/> Provider Credentialing and Peer Review Committee (PCC) <input type="checkbox"/> Pharmacy and Therapeutics Committee (P&TC) <input type="checkbox"/> Quality Improvement and Health Equity Committee (QIHEC) <input type="checkbox"/> Security Committee (SC) <input type="checkbox"/> Utilization Management Committee (UMC) <input type="checkbox"/> N/A </div> </div>	

<u>Revision History</u>					
<u>P&P Revision Date</u>	<u>Leader Review and Approval</u>	<u>Reason for Revisions</u>	<u>Revision Effective Date</u>	<u>Regulatory Approval Date</u>	<u>Compliance Committee Approval Date</u>
<u>02/2025</u>	<u>Hon Chan, General Counsel</u>	<u>CFO wanted to add clarifying language</u>	<u>TBD</u>	<u>TBD</u>	<u>MM/YYYY</u>
<u>12/2024</u>	<u>Amy Sim, Accounting Director</u>	<u>2024 Annual Review</u>	<u>01/2025</u>	<u>N/A</u>	<u>N/A</u>

10/2023	Amy Sim, Accounting Director	Revised number from FIN 21	01/2024	N/A	N/A
10/2023	Kashina Bishop, CFO/ Treasurer	P&P Established	01/2024	N/A	N/A

Revision History:

<u>P&P Revision Date</u>	<u>Leaders who Reviewed and Approved P&P Revisions</u>	<u>Reason for P&P Revisions</u>	<u>P&P Revision Effective Date</u>	<u>DHCS P&P Approval Date</u>
12/2024	Amy Sim, Accounting Director	2024 Annual Review	01/2025	N/A
12/2023	Amy Sim Accounting Director	Revised number from FIN 21	01/2024	N/A
10/2023	Kashina Bishop, CFO/Treasurer	P&P Established	01/2024	N/A

Attachment A**DELEGATION OF AUTHORITY LETTER**

By means of this letter, I, [name and title], hereby temporarily delegate my signature authority as described in the FIN-AC-13 Approval and Signature Authority Policy to [position title and name], on the following terms and conditions:

1. In accordance with the FIN-AC-13 Approval and Signature Authority Policy, [name and title] may review and sign, on my behalf, check requests, requisitions/purchase orders, contracts in an amount and duration not to exceed [insert dollar limit] from [starting date] until [end date].

2. The authority delegated in this document cannot be sub-delegated.

I hereby acknowledge and agree that the responsibility for all actions remains with the delegating party.

[signature]

_____Date:

Name

Title [delegating official]

Acknowledged and agreed:

[signature]

_____Date:

Name

Title [delegate]

** The signed form must be sent to Accounts Payable (A/P).

CY25 Employee Engagement Update

Chris Morris, MSOD, Chief Performance Officer

September 17, 2025

Strategic Commitment

Working Strategies

Develop a strategic HR function and capabilities

Enhance employee training and development

Develop comprehensive DEI-B program

Objective

Foster employee growth and inclusion towards a diverse culture

Priority

Organize for Impact and Effectiveness

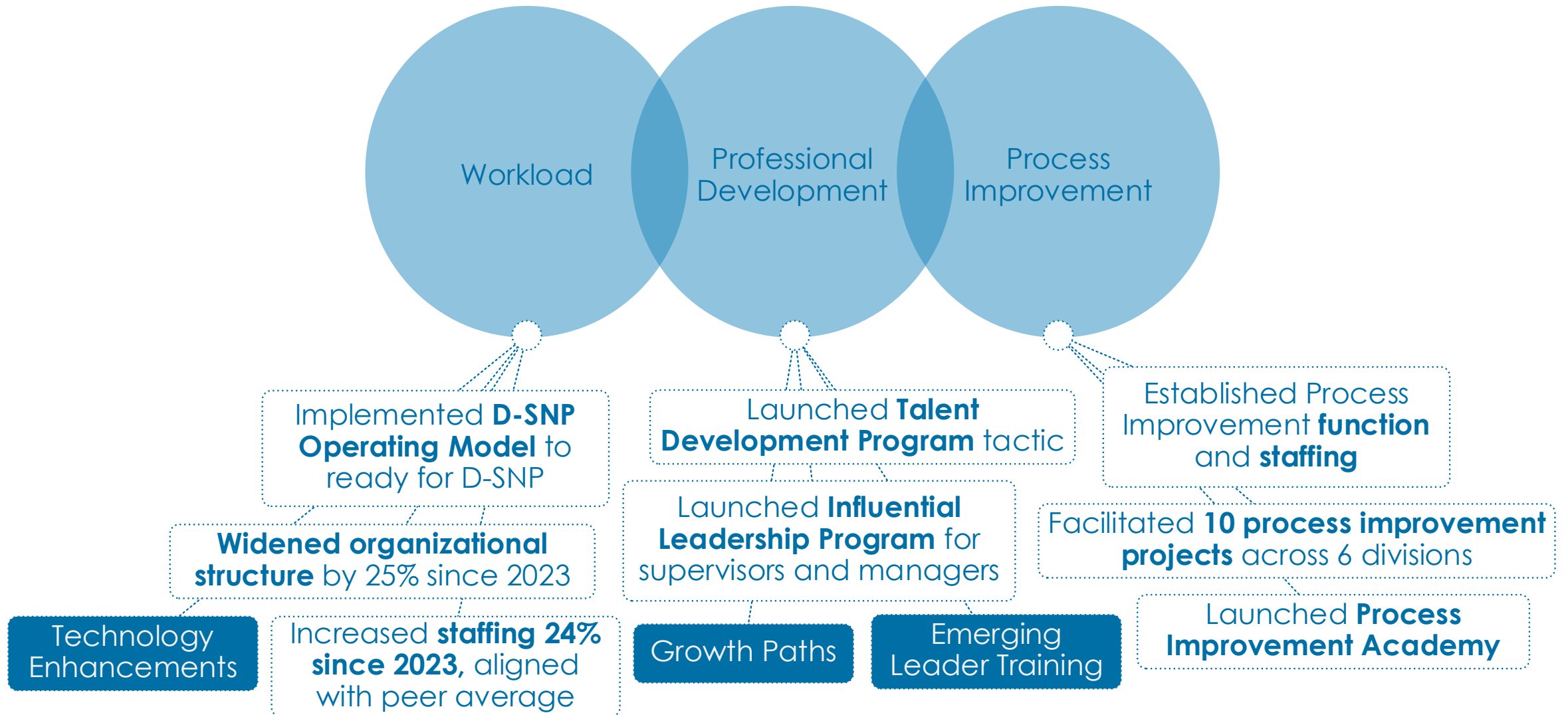
Vision

To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together

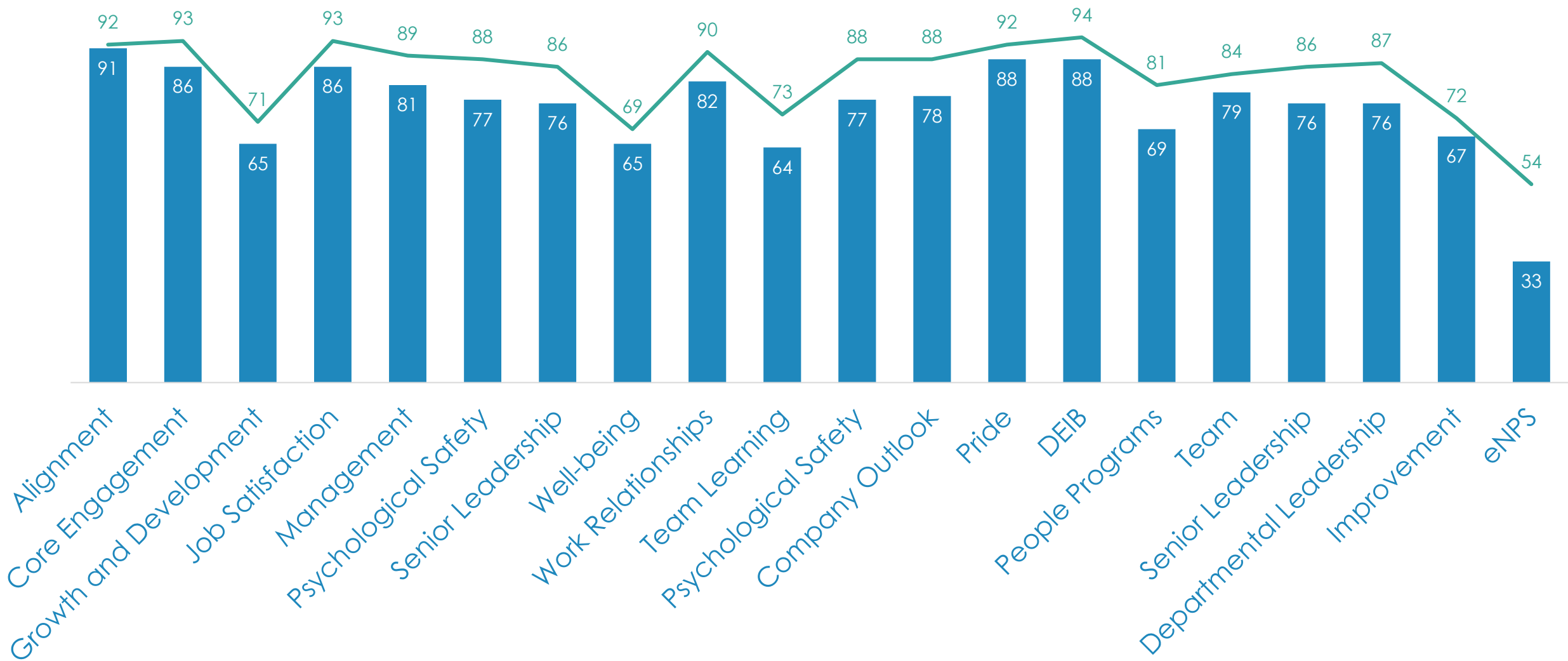
Employee Engagement Journey

	2023 Survey	2024 Survey	2025 Survey
Administration	November 2023	September 2024	June 2025
Scope	Full Survey 79 questions	Pulse Survey 12 questions	Full Survey 72 questions
Response	65% 213	74% 271	78% 309
Overall Result	75	79	82

Employee Engagement **Actions**



Score by Theme: 2023 to 2025



2025 “Three Words to Describe CenCal Health”



Global Themes + Focus Areas



Key Takeaways

- We are committed to **listening well** and **improvement**
- The Engagement Survey provides **valuable guidance and insight**
- Feedback and satisfaction is up year over year signaling our **workforce is engaged and committed** as we approach our D-SNP launch
- We will continue to **focus on well-being and development** as we pursue our incredible mission and vision



CenCal HEALTH[®]
Local. Quality. Healthcare.



CenCalHEALTH®
Local. Quality. Healthcare.

Incentive Payment Program

Update & Priorities

Van Do-Reynoso, MPH, PhD

Chief Customer Experience Officer, Chief Health Equity Officer

September 17, 2025

Incentive Payment Program: 2022 -2024

Background

- Opportunity for health plans to apply for and be awarded funds to support the uptake and expansion of Enhanced Care Management and Community Supports.
- Required rigorous reporting to retain and earned IPP fund.
- 5 Rounds of Earnings.
- Program ended Dec 2025.

DHCS Focus Areas

- Provider capacity and infrastructure
- Bridging siloes between services
- Reducing health disparities
- Promoting health equity
- Improving quality
- Encouraging up-take of services

IPP Financial Update

\$26.2M

**Total IPP Incentive
Funds Earned**

\$8M

SLO County

\$18.2M

SB County

\$19.8M

**Total Awarded to
Community Partners**

Funded 35 partners
to develop/
expand ECM,
CS, CHW, and
Birthing Center
Services.

\$6.4M

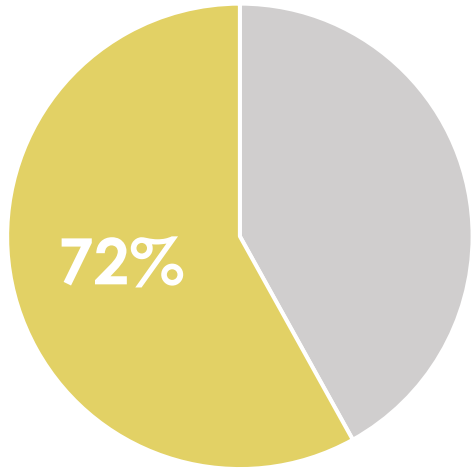
**Total Remaining for
Future Grant Awards**

Focused support
for County
Behavioral Health
Integration, EHR,
and D-SNP.



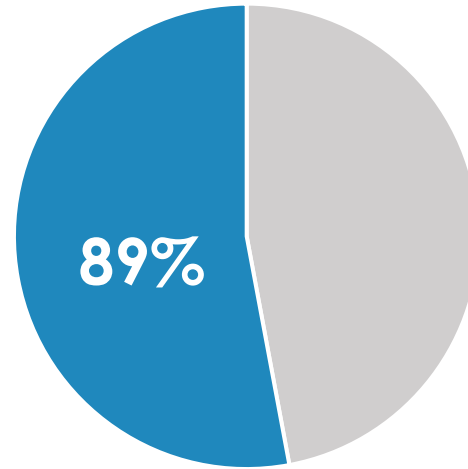
Investments to Date:
\$19.8M

Provider Network Expansion



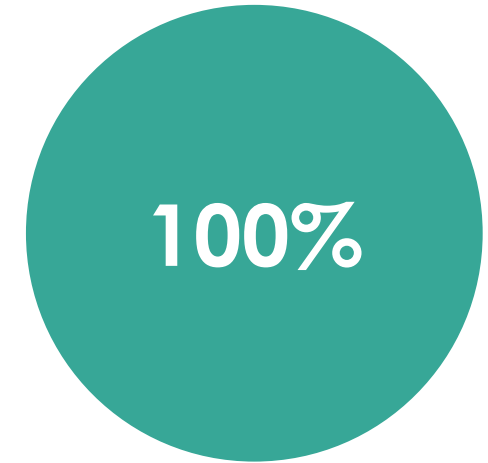
26 out of 35

IPP applicants contracted with CenCal Health as ECM/CS provider at time of application.



32 out of 35

IPP partners contracted with CenCal Health as ECM/CS provider as of 8/1/2025.



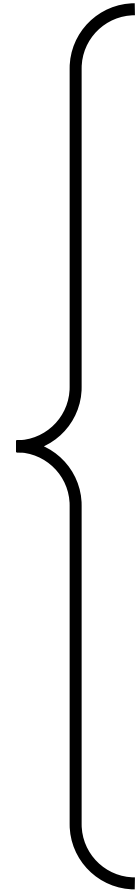
All 35

IPP partners are expected to be contracted with CenCal Health by September 2027.

Funding Strategy for IPP

\$6.4M

Remaining for
last round
of funding



\$4M

Support behavioral health integration

\$1.2M

Support EHR implementation

\$1M

Build D-SNP readiness activities

\$200K

Support the development and/or expansion of
ECM, CS, CHW, and Birthing Center services



CenCal **HEALTH**®
Local. Quality. Healthcare.

Update to The Board: D-SNP Sales Readiness

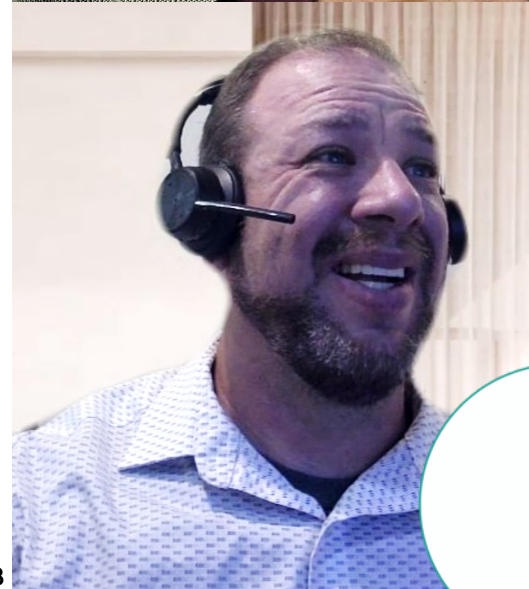
Nicolette Worley Marselian, MBA, License #0H00071
Director of Communications & Marketing

September 17, 2025



People

- **Licensed Staff Onboarded:**
Sales Manager & three Sales Navigators
- **Certifications:**
 - ✓ 2026 AHIP (America's Health Insurance Plans)
 - ✓ 2026 Product
- **Trainings:**
 - ✓ Medi-Cal
 - ✓ Medicare
 - ✓ D-SNP
 - ✓ Product
 - ✓ (Sept) New sales software system
 - ✓ (Sept) New phone system



**CenCal
CareConnect**

Process

- Call Center readying
- Unique phone numbers assigned
- Engaged in “mock” calling practice
- Developed call scripts
- Developed Desk Level Procedures (DLPs)
- Phone Hours: 8 a.m. – 8 p.m., Mon - Fri
Telesales only, for now;
Community sales meetings in January for “Age-Ins”
- Enrollments: Over the phone, in person, paper, online, 1-800-MEDICARE, medicare.gov
- Sales will be the first Health Risk Assessments “touch”



CenCal
CareConnect

Technology & Materials

- Sales software (EvolveNXT) go-live end of this month
- Established system with Compliance for tracking
- Sales Kits – Ready for 10/1
- New Member Kits – Ready for 12/15
- Programming:
 - ✓ Provider directories
 - ✓ Enrollment, Grievances/Appeals, Authorizations, etc.
 - ✓ ID Cards (ONE card for both!)
- Printing:
 - ✓ All Integrated Model documents
 - ✓ English and Spanish versions are separate
- Using texting vendor to assist in securing Health Risk Assessments post-sale



CenCal
CareConnect

Supplemental Benefits Overview

- **Over-the-Counter Debit Card**
 - Flex Spend Card focused on Over-The-Counter (OTC) items.
 - \$120 per quarter per member; **\$480 per year!**
 - Unspent amount does not rollover into the next quarter.
- **Vision Benefit**
 - One exam per year; \$0 Copay.
 - Frames and Lenses: \$400 allowance for every 2 calendar years OR up to \$400 for contact lenses.
- **Hearing Benefit**
 - One exam and fitting per year; \$0 Copay.
 - \$1,250 allowance every year.

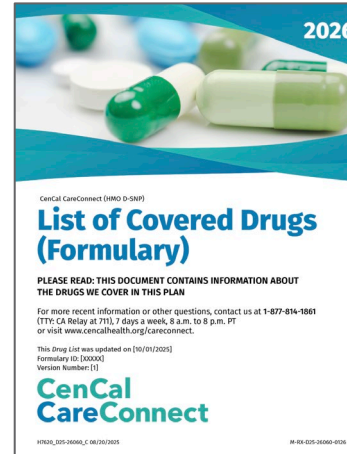
Mandated Materials: Books & Envelopes



PROVIDER DIRECTORY SB
H7620_D25-26017_C
M-PR-D25-26017-0126 ES SB
APPROVED/COMPLETED



PROVIDER DIRECTORY SLO
H7620_D25-26017_C
M-PR-D25-26017-0126 ES SB
APPROVED/COMPLETED



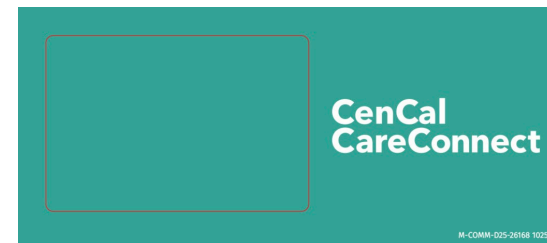
FORMULARY
H7620_D25-26060_C
M-RX-D25-26060-0126 E
APPROVED/COMPLETED



FORMULARY
H7620_D25-26060_C
M-RX-D25-26060-0126 S
In translations

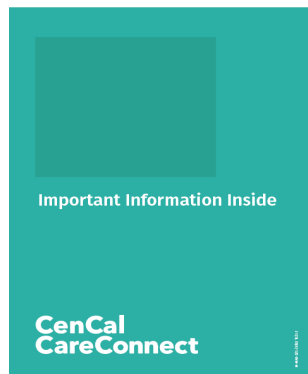


6x9 OVERSIZED WINDOW ENVLOEPE
M-COMM-D25-26169 1025 E/S
(being used for MHK letters with many pages)
APPROVED/COMPLETED

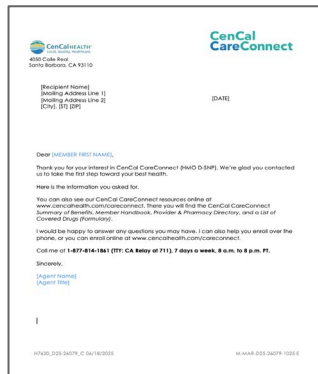


#10 Oversize Window Envelope
M-COMM-D-25-26168 1025 E/S
#10 oversized Window envelope E/S (being used for Smart Letters, ID card/Letter mailings)
APPROVED/COMPLETED

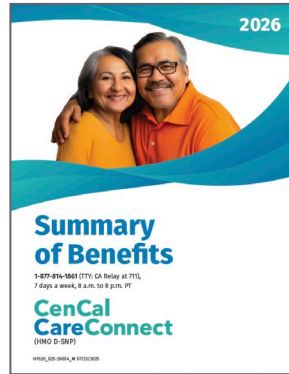
Prospect Materials: Sales Kit



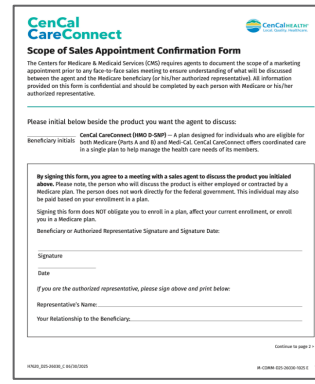
D-SNP EXTERIOR MAILING
WINDOW ENVELOPE
M-MAR-D25-26163 1025 E
DESIGN COMPLETED



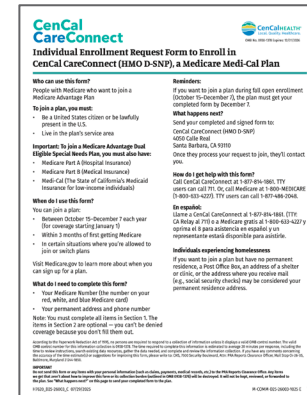
Cover Letter (w/Sales phone #)
M-MAR-D25-26079-1025 E
H7620_D25-26079_C
APPROVED/COMPLETED



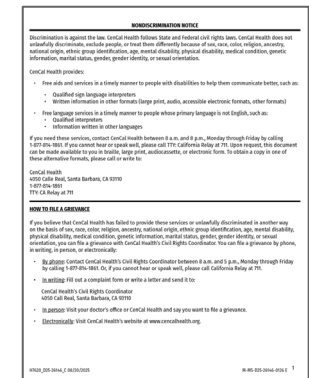
Summary of Benefits
M-COMM-D25-26054-1025 E
H7620_D25-26054_M
APPROVED/COMPLETED



Scope of Appointment
M-COMM-D25-26030-1025 E
H7620_D25-26030_C
APPROVED/COMPLETED



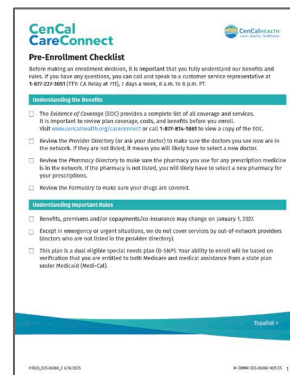
Enrollment Form
M-COMM-D25-26003-1025 E
H7620_D25-26003_C
APPROVED/COMPLETED



Non-Discrimination Notice
M-COMM-D25-26146-0126 E
H7620_D25-26146_C
APPROVED/COMPLETED



Sales Brochure
M-MAR-D25-26062-1025 ES
H7620_D25-26062_M
APPROVED/COMPLETED



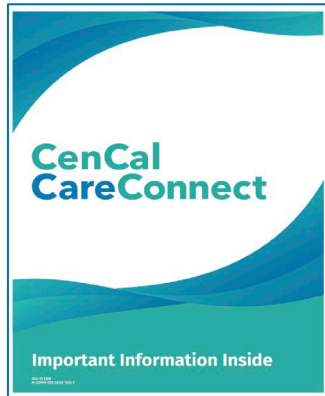
Pre-enrollment checklist (PECL)
M-COMM-D25-26080-1025 ES
H7620_D25-26080_C
APPROVED/COMPLETED



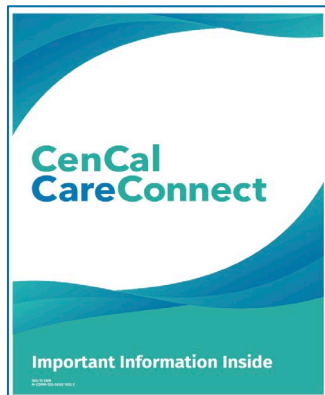
Business Reply Envelope
Using HRA 2023 CN (BRE)
Pre-printed (#10)
COMPLETED (using HRA stock)



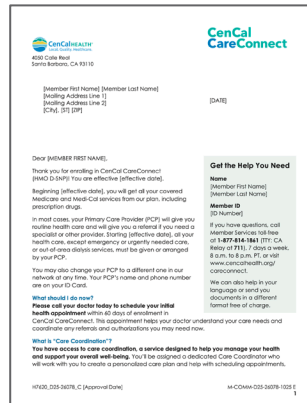
Member Materials: New Member Kit



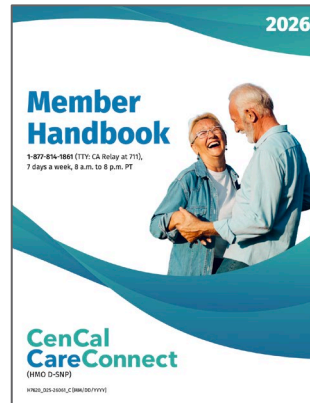
D-SNP EXTERIOR MAILING WINDOW ENVELOPE TYVEK E
TYVEK IS WHITE (label goes on back of Tyvek envelope)
M-COMM-D25-26162-1025 E
SKU 15 ENM
APPROVED/COMPLETE



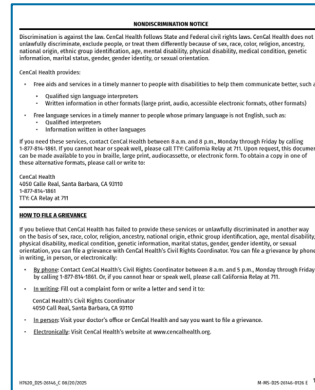
D-SNP Generic Folder
M-MAR-D25-26190 1025 E
APPROVED/COMPLETE



Welcome Letter
M-COMM-D25-26078-1025 S
H7620_D25-26078_C
APPROVED/COMPLETED



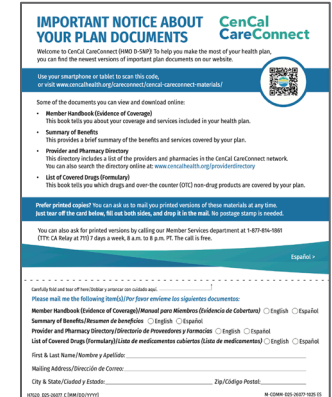
Member Handbook/EOC
M-COMM-D25-26061-1025 E
H7620_D25-26061_C
APPROVED/COMPLETED



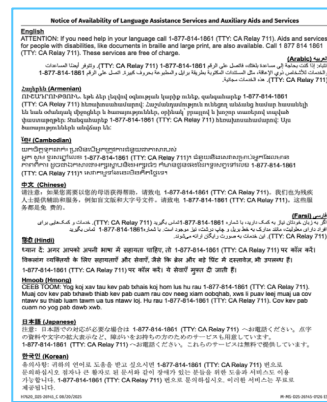
Non-Discrimination Notice
H7620_D25-26146_C
M-MS-D25-26146-0126 E
APPROVED/COMPLETED



Notice of Privacy Practices - E
H7620_D25-26178_C
M-COMP-D-25-26178 1025 E
12- or 8-page document
TO BE DESIGNED



Notice of Electronic Availability
H7620_D25-26077_C
M-COMM-D25-26077-1025 ES
DESIGNED COMPLETED



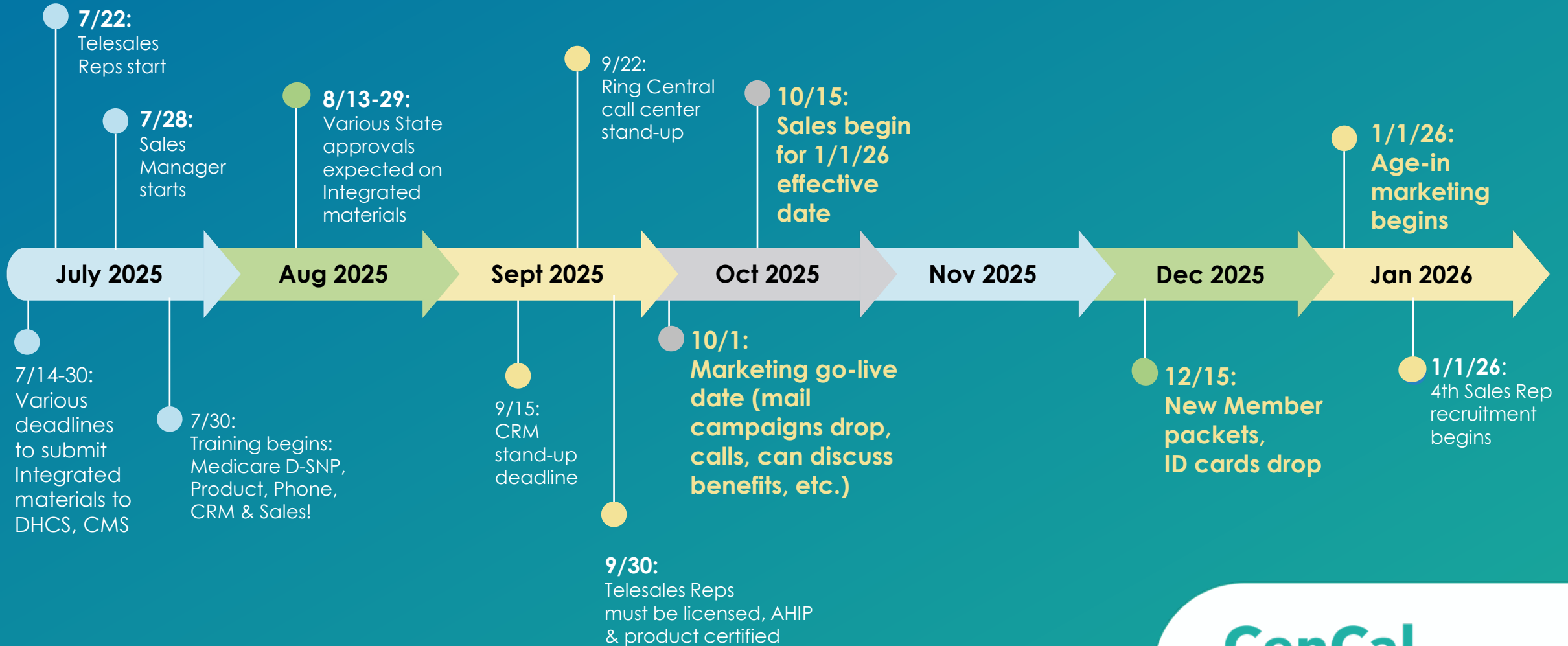
D-SNP Generic Folder
M-MAR-D25-26190 1025 E
APPROVED/COMPLETE

CenCal CareConnect

Sales Strategy

- Annual Enrollment Period (AEP) Goal: Balanced demand & capacity
- Strategy: “Push” campaigns
 - **NOT** announcing to all members immediately
 - Initial Targeting:
 - Current D-SNP/MAPD members
 - “Dual duals” households
 - Recent Part A recipients
 - Total approx. +5K
 - Staggered drops based on current volume
- Campaign letters are ready
- Year-round, monthly Age-In campaigns

D-SNP Launch Marketing & Sales Runway



CenCal CareConnect



CENCAL HEALTH - CALENDAR 2025
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM
MEMBER ENROLLMENT BY MONTH: AUGUST 2025 – SBHI & SLOHI

Reporting period:

August 2025 – Calendar 2025

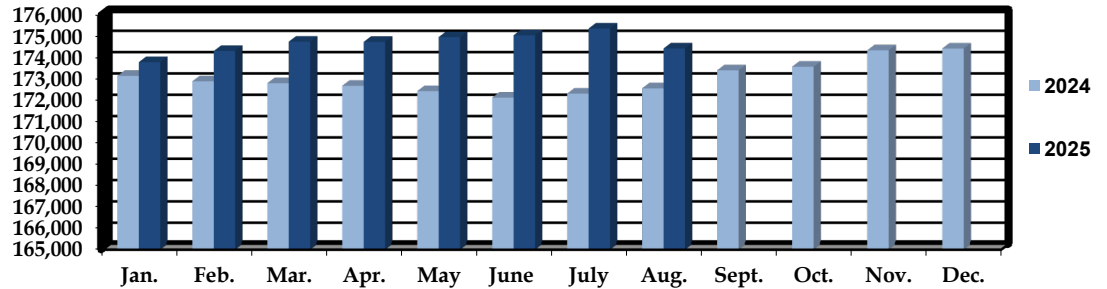
SBHI Monthly Enrollment 2025

August 2025 = **174,432**

Membership decreased by a net **-934** members when compared to last month.

New members for August = **1,679**

SBHI Member Enrollment by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024 Members	173,144	172,890	172,801	172,680	172,430	172,127	172,315	172,560	173,404	173,575	174,343	174,427
2025 Members	173,790	174,314	174,749	174,741	174,966	175,049	175,366	174,432				

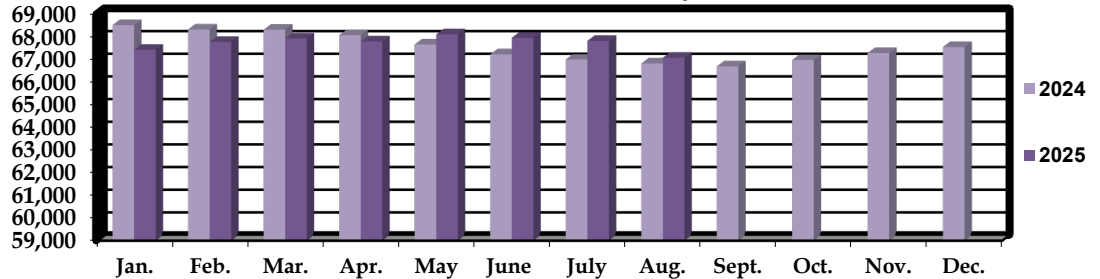
SLOHI Monthly Enrollment 2025

August 2025 = **67,072**

Membership decreased by a net **-742** members when compared to last month.

New members for August = **880**

SLOHI Member Enrollment by Month



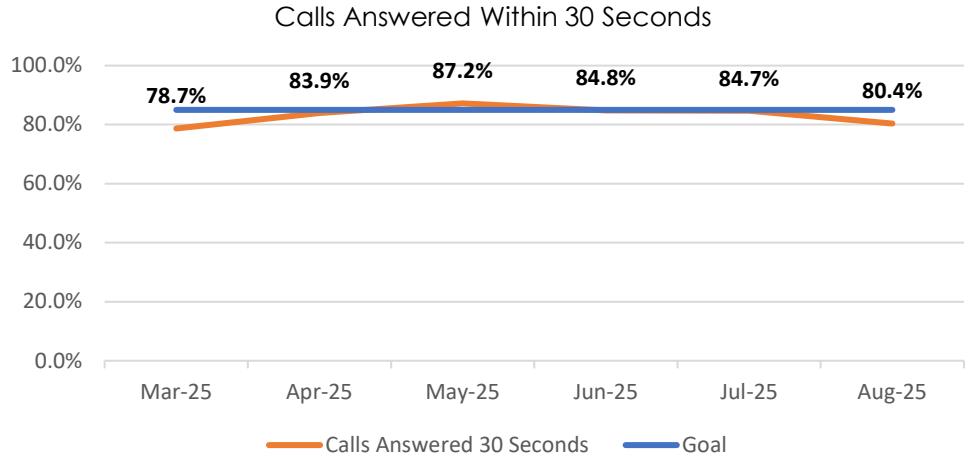
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024 Members	68,508	68,316	68,302	68,064	67,654	67,218	66,992	66,816	66,687	66,917	67,275	67,542
2025 Members	67,420	67,766	67,918	67,788	68,102	67,950	67,814	67,072				

CENCAL HEALTH

PROVIDER CUSTOMER SERVICE METRICS

Analysis:
Goal: 85%
Result: 80.4%

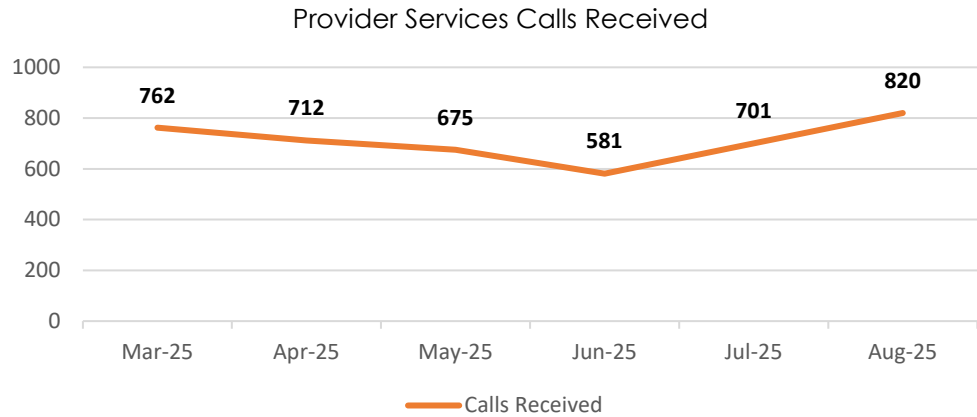
Performance continued slightly below goal. Staff shortages and field work to engage with providers in-person, as well as a 17% increase in call volume were the primary drivers of performance decreases for August.



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
78.7%	83.9%	87.2%	84.8%	84.7%	80.4%

Analysis:
August 2025 Calls Received: 820

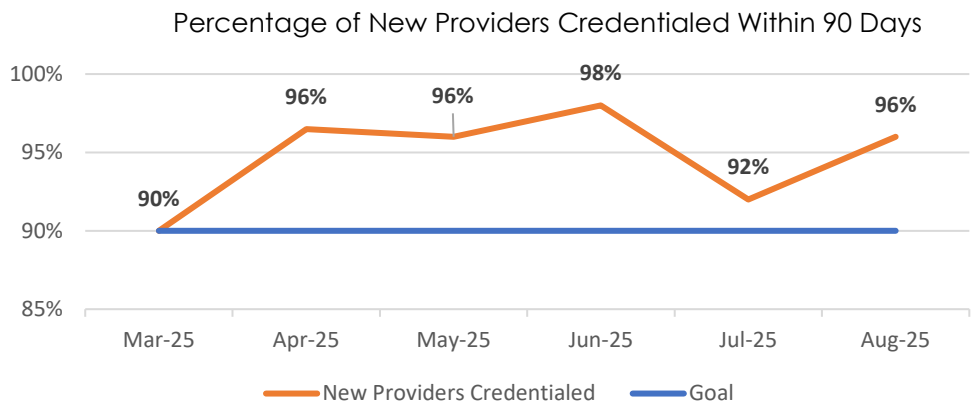
Call volume to Provider Services increased by 17% during the month of August.



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
762	712	675	581	701	820

Analysis:
Goal: 90%
Results: 96%

54 of 56 providers were credentialed in August within 90 days.



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
90%	96%	96%	98%	92%	96%

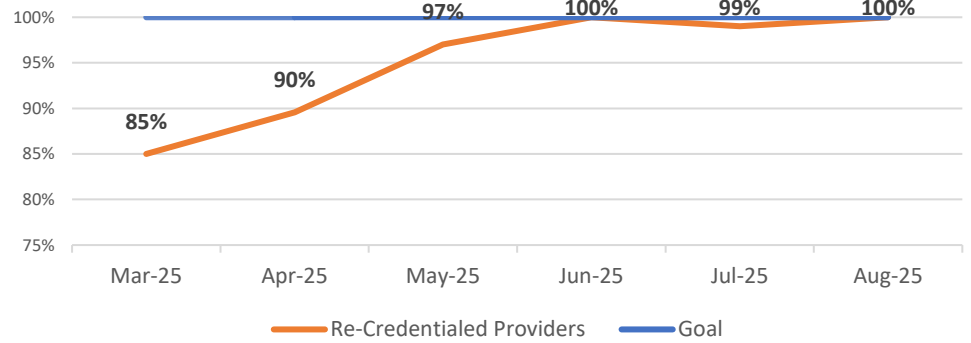
CENCAL HEALTH

PROVIDER SERVICES STATISTICS

Analysis:
Goal: 100%
Results: 100%

110 providers were due to be recredentialed in August. All providers were recredentialed timely to meet goal.

Percentage of Providers Recredentialed by Due Date (36 Months)

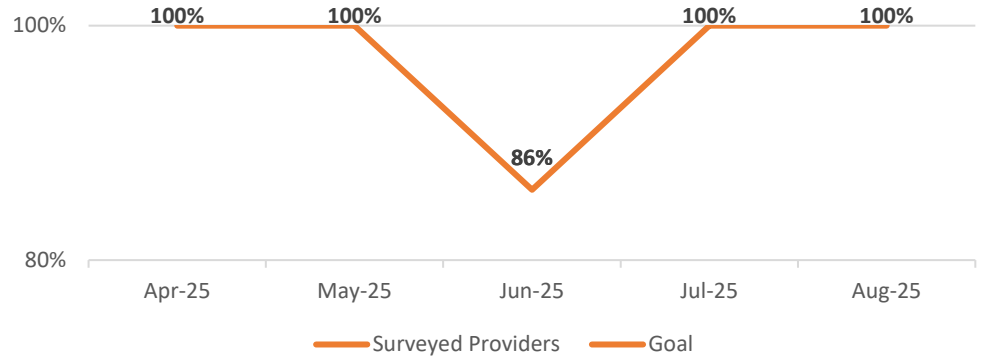


Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
85%	90%	97%	100%	99%	100%

Analysis:
Goal: 95%
Results: 100%

All providers who returned post visit satisfaction surveys in August stated that they would recommend CenCal Health to their peers.

Percentage of Providers Who Would Recommend CenCal Health



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
100%	100%	100%	86%	100%	100%

CENCAL HEALTH

CLAIMS OPERATIONS STATISTICS

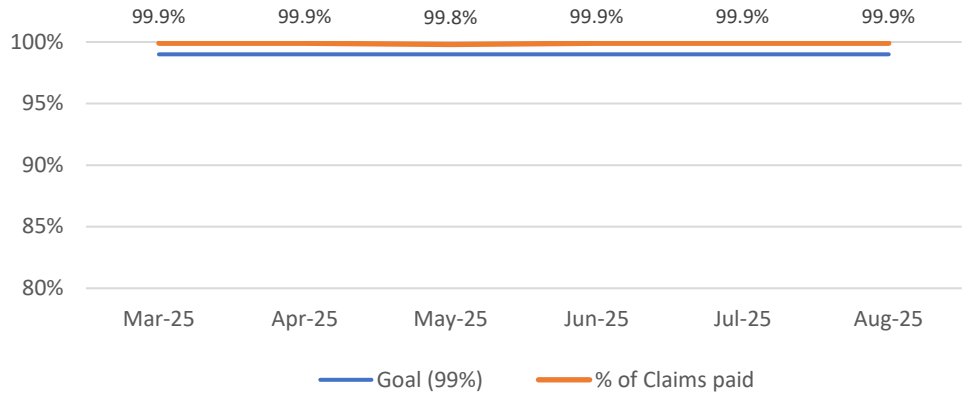
Analysis:

Goal: 99%
Result: **99.9%**

The Turn-Around-Time (Percentage of Claims Paid) is a regulatory requirement with a standard of 99%.

Results are consistently above this level.

Percentage of Claims Paid Within 90 Days



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
99.9%	99.9%	99.8%	99.9%	99.9%	99.9%

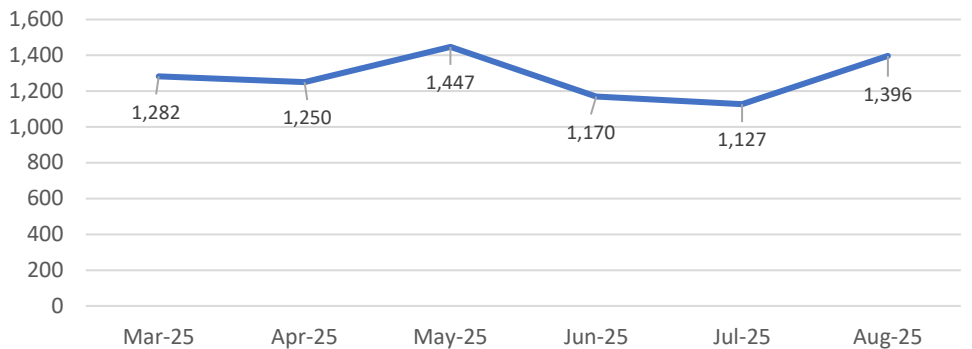
Analysis:

Claims Paid per 1,000 Members is to compare payments per month normalized with the total membership to account for claims and membership fluctuations.

Result: **1,396** claims paid per 1,000 members trends within the normal range.

The apparent elevated rate in May and August is due to 5 EOP cycles every 3rd month compared to 4 cycles the other months.

Claims Paid per 1,000 Members



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
1,282	1,250	1,447	1,170	1,127	1,396

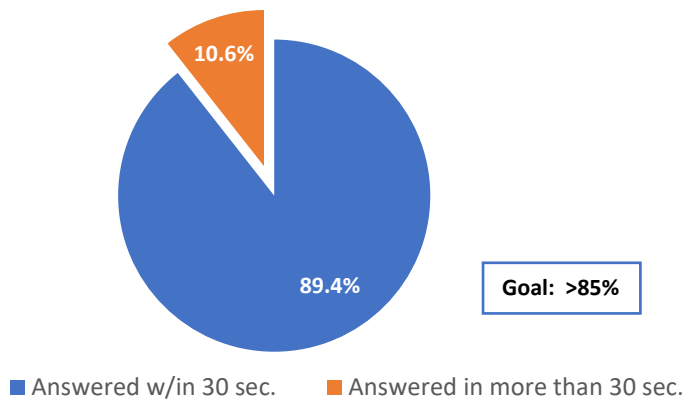
Analysis:

Goal: 85%
Result: **89.4%**

The current performance is above goal.

The calls not answered in 30 seconds were isolated during peak call times. These calls were eventually answered since Abandonment Rates remain low, even during this period.

Percentage of Calls Answered Within 30 Seconds



CENCAL HEALTH CLAIMS OPERATIONS STATISTICS

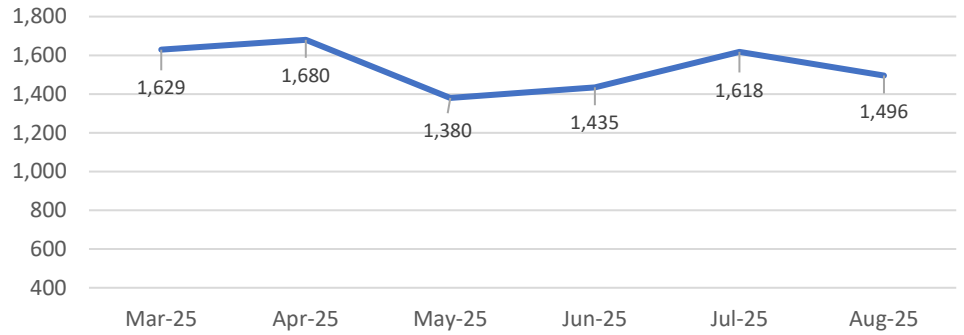
Analysis:

Calls Received: **1,496**

Total Calls received has trended within normal range.

Claim status remains the top reason for calls, though a variety of self service options are available providers prefer to call.

Total Calls Received



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
1,629	1,680	1,380	1,435	1,618	1,496

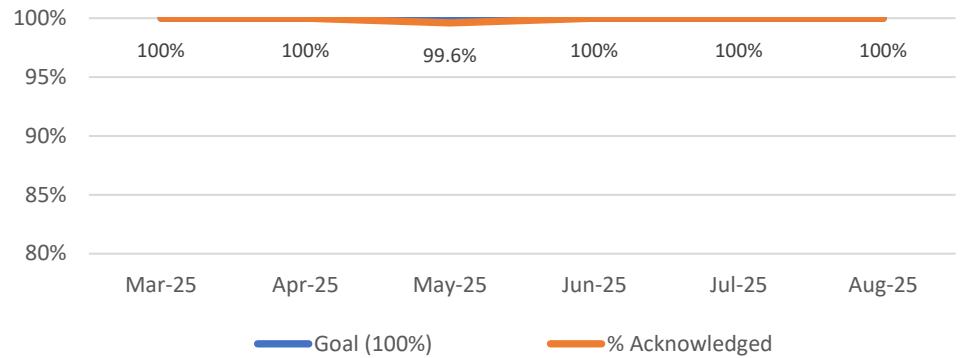
Analysis:

Goal: 100%

Result: **100%**

The disputes acknowledged in 15 working days is a regulatory requirement.

Disputes Acknowledged within 15 Working Days



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
100%	100%	99.6%	100%	100%	100%

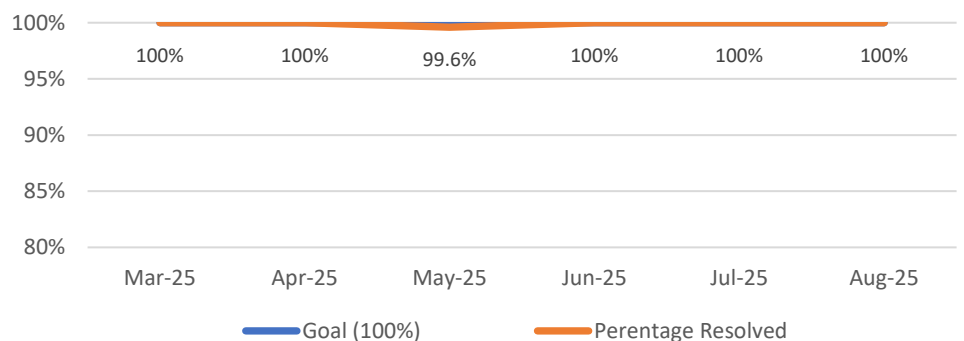
Analysis:

Goal: 100%

Result: **100%**

The disputes resolved in 45 working days is a regulatory requirement.

Disputes Resolved within 45 Working Days



Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
100%	100%	99.6%	100%	100%	100%