



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

**Wednesday,
October 21, 2026
6:00 pm**

CenCal Health Office
4050 Calle Real
Santa Barbara, CA
Hart Auditorium



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

October 21, 2026

6:00 pm

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4050 Calle Real
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Hart Auditorium

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, October 21, 2026, 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 (*Ms. Andersen*)
2. **Consent Agenda** (*Action to accept reports*) (*Ms. Andersen*) Action
 - 2.1 Approve Minutes of September 16, 2026, Board of Directors Regular Meeting
 - 2.2 Accept Administrative Reports
 - 2.2.1 CEO Executive Summary
 - 2.2.2 Chief Medical Officer and Health Services Report
 - 2.2.3 Population Health Report
 - 2.2.4 Performance Report
 - 2.2.5 Strategic Engagement Report
 - 2.2.6 Customer Experience Report
 - 2.2.7 Operations and D-SNP Report
 - 2.3 Accept Program Reports and Contracts
 - 2.3.1 Medi-Cal Capacity Grant Program Report
 - 2.4 Accept Committee Reports
 - 2.4.1 Family Advisory Committee (FAC) Report
 - 2.4.2 Family Advisory Committee (FAC) Meeting Minutes of May 21, 2026
 - 2.4.3 Pediatric Clinical Advisory Committee (PCAC) Report
 - 2.4.4 Pediatric Clinical Advisory Committee (PCAC) Agenda September 2, 2026
 - 2.4.5 Pediatric Clinical Advisory Committee (PCAC) Minutes of June 3, 2026

3. Regular Agenda

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| 3.1 Report from the Chief Executive Officer (<i>Ms. Owen</i>) | Information |
| 3.2 Approve Board of Directors 2027 Schedule of Meetings
(<i>Ms. Owen and Ms. Bottiani</i>) | Action |
| 3.3 Presentation of Supporting the Safety-Net Recognition from
Association for Community Affiliated Plans (ACAP) to Lompoc Valley
Medical Center (<i>Ms. Owen</i>) | Information |
| 3.4 Report from Chief Health Equity Officer on Member Navigation Hub
(<i>Dr. Do-Reynoso</i>) | Information |
| 3.5 Accept Report from Chief Financial Officer/Treasurer, Approve the
Unaudited Financial Statements ending August 31, 2026, and Adopt
CenCal Health Investment Policy (<i>Ms. Bishop</i>) | Action |
| 3.6 Accept Report from Chief Performance Officer on Medi-Cal Workforce
Strategy and Adopt 2027 CalPERS Salary Structure Resolution (<i>Mr. Morris</i>) | Action |
| 3.7 Report from Sr. Medical Director and Behavioral Health and Community
Integration Officer on Community Supports and Behavioral Health
Pilot (<i>Dr. Phares and Dr. Denering</i>) | Information |
| 3.8 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



CEO Report and Executive Summary

Date: October 21, 2026

To: CenCal Health Board of Directors

From: Marina Owen, Chief Executive Officer

2026 Strategic Priorities. As we approach 2027, CenCal Health is translating our strategic commitment into coordinated action to protect coverage, preserve and advance affordable access, and strengthen our local delivery system. State and federal policy changes are creating substantial uncertainty for members and providers. Our immediate focus has been on preparing members for coverage changes, supporting safety-net providers, and strengthening CareConnect operations. These priorities require disciplined execution throughout the rest of the year.

Quality and Regulatory Accountability. The final Department of Health Care Services (DHCS) Medical Audit report confirmed no findings for the review period. CenCal Health also earned a 4-Star National Committee for Quality Assurance (NCQA) rating and was recognized among the higher-performing plans within the Association for Community Affiliated Plans (ACAP). These results provide evidence of our quality and compliance performance as federal scrutiny of Medicaid financing and program integrity increases. We are also strengthening oversight of delegated functions, including completion of the first annual audit of our pharmacy benefit manager. Additional details are in the CMO and Health Services Report, from Dr. Maya Heinert.

Membership Dashboard and Coverage Retention. CenCal Health has observed a 6.3% year-to-date Medi-Cal membership decline and projects an additional decline of approximately 26% or more through year-end 2027, with roughly two-thirds attributable to the planned UIS transition and the balance to H.R. 1 impacts. These are planning assumptions requiring continued reassessment. The October Membership Dashboard shows declines across immigration-status populations, although recent monthly losses have moderated. Among the May renewal-related disenrollments, failure to respond accounted for 78% in Santa Barbara County and 64% in San Luis Obispo County. These lagged county data include both managed care and fee-for-service and reinforce the importance of preventing procedural coverage losses through member outreach. Additional details are in the October Membership Dashboard.

Regional Member Navigation Hub Launches. Medi-Cal membership totaled 223,731 as of October 2026, continuing a downward trend. On October 1, CenCal Health launched the Regional Member Navigation Hub and [Central Coast Coverage](#) with over 20 community partners to help members maintain coverage through coordinated, culturally and linguistically responsive outreach, education, and navigation. The initiative is designed to support an estimated 44,000 members at risk from upcoming renewal and community engagement requirements. Separately, an internal task force is preparing approximately 36,000 members with unsatisfactory immigration status for the state's planned January 1, 2027, transition to fee-for-service. Planning includes



member and provider communication and continuity of care for children receiving California Children's Services (CCS). Additional details are in the Member Navigation and Customer Experience Report from Dr. Van Do-Reynoso, CHEO.

Financial Position and Fiscal Stewardship. Through August 31, 2026, CenCal Health remains in a strong financial position, with Tangible Net Equity of \$350.3 million, representing 795% of the regulatory minimum and 105% of the Board-designated reserve target. Operating and short-term investments total \$354.8 million, or 139 days cash on hand. The consolidated year-to-date operating gain of \$18.8 million is \$7.9 million above budget. CareConnect's \$2.1 million operating loss is \$1.6 million favorable to budget, although revenue timing, claims lag, and limited experience constrain any full assessment. Rising professional services, Enhanced Care Management, and behavioral health costs require attention. Leadership's fiscal action plan addresses cost of care, rate adequacy, payment integrity, encounter data, and administrative resources. Additional details are in the CFO Report from Kashina Bishop, CPA.

Strengthening Provider Partnerships and Sustainability. The second round of the Medi-Cal Capacity Grant Program prioritizes preserving essential services and provider stability in response to H.R. 1, with expansion a secondary goal. Staff approved 20 applications totaling \$7,234,985 from \$7.4 million available, following review of 41 applications requesting \$26.6 million. Funding includes \$3,089,380 for safety-net clinics, \$1,849,671 for primary care practices, \$1,803,345 for hospitals, \$356,425 for women's and reproductive health services, and \$136,164 for other community organizations. Selection considered prevention of lost services, sites, providers, or patient access; provider vulnerability to H.R. 1; implementation feasibility and speed; and sustainability over the next one to two years. Additional details are in the Medi-Cal Capacity Grant Program report from Jordan Turetsky, MPH, CSEO.

2027 Workforce Strategy. Chief Performance Officer Chris Morris's workforce strategy builds on the organizational design and integrated planning work begun in 2022. Over five years, CenCal Health added 77 business functions to meet regulatory, strategic, and CareConnect requirements and current staffing is 100.2% of the normalized peer average. Aggregate Operating Plan health is reported at 95% against scope, schedule, and resource expectations. Workforce stability supports execution, with a 5% vacancy rate and 4.5% rolling annual turnover, compared with an 11.5% prior three-year average. The new Medi-Cal workforce model classifies positions by membership, workforce, or administrative-capacity drivers, maps peer positions to departments, and models staffing needs against projected enrollment. Senior leaders are evaluating best- and worst-case membership scenarios for a 10–14% overall workforce contraction while supporting CareConnect growth. The strategy emphasizes adaptation and redeployment to CareConnect and other priorities while avoiding reductions in force. This agenda item will guide conservative 2027 budget planning, with Finance Committee in November and Board adoption anticipated in January. Additional details are in the Performance and Workforce Reports from Chris Morris, MSOD.

State and Federal Government Affairs. The November Governor's race between Xavier Becerra and Steve Hilton will shape California's health policy and budget priorities. A PPIC poll shows Becerra at 60% and Hilton at 38% among likely voters, with healthcare



access central to Becerra's platform. Our local legislators advanced important health measures. Assemblymember Gregg Hart's AB 1682, supported by CenCal Health and signed by the Governor, addresses service coverage during chemotherapy. Assemblymember Dawn Addis's AB 1907, also signed, supports transitions to Covered California beginning July 2027. Proposition 40, the proposed billionaire tax, would impose a one-time 5% wealth tax on Californians. A recent NBCUniversal/Telemundo poll shows 48% support and 38% opposition. Litigation challenging the revised MCO tax under Proposition 35 is well underway from the California Medical Association (CMA) and CenCal Health's state-wide association (CAHP). Federal policy has shifted from anticipated action to active implementation. The Centers for Medicare and Medicaid Policy (CMS) incorporated October 1 federal eligibility and financing restrictions into California's CalAIM demonstration, while the five-year renewal remains pending ahead of the current demonstration's December 31st expiration. Congress is funded through December 11th, creating a potential vehicle for year-end health legislation. Additional details can be found in reports from Parker Poe and Public Policy Advocates.

National Board Leadership. CenCal Health remains an active voice in national Medicaid policy through the Association for Community Affiliated Plans (ACAP), where CenCal Health was recognized among the member plans earning an NCQA rating of 4 Stars or higher. At the recent Membership Council meeting in Washington, D.C., I was elected Secretary of the ACAP Board of Directors with a press release that followed.

Community Supports and Behavioral Health. The Board's Community Supports discussion will address January 1, 2027, changes informed by evaluation of clinical impact, member benefit, utilization, operational sustainability, and DHCS guidance. Proposed discontinuations include Asthma Remediation and Community Transitions to Home, based on utilization, operational considerations, and available or duplicate services. Medically Tailored Meals would be redesigned as a medically necessary, short-term intervention for high-acuity, nutrition-related needs, with physician-supported referrals, prior authorization, defined limits, and transition planning. Members needing food access will receive other nutrition and community resources, locally funded by CenCal Health. The state-funded \$5 million behavioral health pilot addressing severe schizophrenia and anosognosia represents an opportunity to strengthen care for community members with complex needs. Behavioral Health has begun developing the pilot model and Ambassador Council. Additional details are in the Community Supports Report from Loretta Denering, DrPH, MS.

CareConnect Growth and Operations. As of October 9th, CareConnect had 975 enrollments, comprising 902 members effective October 1st and 73 with future effective dates. Approximately 17,000 marketing materials have been distributed, with additional outreach planned. The marketing period began October 1st and Annual Enrollment runs October 15–December 7, with eligible enrollments also available outside that period under CareConnect's exclusively aligned enrollment model. Interdisciplinary Care Team meetings have launched, and utilization management has been integrated into the broader operational structure. A cross-department forum addresses grievances and operational priorities include claims payment, reporting, audit readiness, Medicare Stars, risk adjustment, and automation. Additional details are in the Operations and DSNP Report from COO Kaliki Kantheti and Communications Report.



MINUTES
CenCal Health
BOARD OF DIRECTORS REGULAR MEETING
September 16, 2026

The regular meeting of the Board of Directors of CenCal Health was called to order by Sue Andersen, Chair, on September 16, 2026, at 6:02 PM at the Santa Maria Inn, Santa Maria, CA, Santa Maria Room.

MEMBERS PRESENT: Daniel Herlinger, Edward “Ned” Bentley, MD, Supervisor Joan Hartmann, Joel Diringer, Kieran Shah, Lisa Moore, Mouhanad Hammami, René Bravo, MD, Sara Macdonald, and Sue Andersen

MEMBERS EXCUSED: Antonette “Toni” Navarro and Supervisor Dawn Ortiz-Legg

STAFF PRESENT: Andrew Hansen, Brandon Roberts, Cammie Flores, Cathy Slaughter, Chris Morris, Citlaly Santos, Darin Moore, Eric Buben, Jai Raisinghani, Jodi Wittelsbach, Joel Gluzman, John Roszkowiak, Jordan Turetsky, Kaliki Kantheti, Karen Kim, Kashina Bishop, Lauren Geeb, Loretta Denering, Luis Somoza, Marina Owen, Maya Heinert, MD, Michele Farnsworth, Nicole Wilson, Nicolette Worley Marselian, Paul Velasco, Rachel Lambert, Stuart Warren, Tanya Phares, DO and Paula M. Bottiani (Clerk)

GUESTS PRESENT: Ken Preede (Parker Poe Federal Strategies), Shannon Hill (A.T. Still University) and Suzanne “Suzy” Jed (San Luis Obispo County Public Health Department)

1. Public Comment: There was no public comment.

2. Consent Agenda

- 2.1 Approve Minutes of June 17, 2026, Board of Directors Regular Meeting and July 31, 2026, Board of Directors Special Meeting
- 2.2 Approve Minutes of August 25, 2026, Board Compliance & Oversight Committee Meeting
- 2.3 Accept Administrative Reports
 - 2.3.1 CEO Executive Summary
 - 2.3.2 Quality Report
 - 2.3.3 Performance Report
 - 2.3.4 Chief Medical Officer and Health Services Report
 - 2.3.5 Customer Experience Report
 - 2.3.6 Operations and D-SNP Report
 - 2.3.7 Strategic Engagement Report
- 2.4 Accept Program Reports and Contracts
 - 2.4.1 Conflict of Interest Code
 - 2.4.2 Coverage Program Report from Health Management Associates (HMA)
- 2.5 Accept Committee Reports
 - 2.5.1 Community Advisory Board (CAB) Report
 - 2.5.2 Community Advisory Board (CAB) Meeting Minutes of April 9, 2026
 - 2.5.3 Provider Advisory Board (PAB) Report

- 2.5.4 Provider Advisory Board (PAB) Meeting Minutes of January 12, 2026, and April 12, 2026
- 2.5.5 Family Advisory Committee (FAC) Report
- 2.5.6 Family Advisory Committee (FAC) Meeting Minutes of May 21, 2026
- 2.5.7 Pediatric Clinical Advisory Committee (PCAC) Report
- 2.5.8 Pediatric Clinical Advisory Committee (PCAC) Meeting Minutes of March 4, 2026

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

3. Regular Agenda

3.1 Report from Chief Executive Officer

Ms. Owen reported:

- Reviewed Board Agenda
- Highlights from Executive Policy Committee meeting (9/11/26)
 - o **Areas of Initial Focus...**
 - State and Federal Policy Tracking
 - Aligned Medi-Cal Retention Efforts
 - Local Uninsured Program Learning, Exploration and Planning
- State Policy Updates and Reflections
 - o Medi-Cal is entering a **new political, fiscal and policy cycle** in California, under pressure from the federal government
 - o The 2026-27 state budget **preserved most coverage** and core health funding (e.g. FQHCs), relying on delays and stopgaps
 - o Immediate issues include transition of **UIS members** to fee-for-service and **county indigent care** program funding shortfalls and solutions
 - o HR-1 creates a **coverage retention challenge** requiring member outreach and focus on stabilizing the **provider safety-net**
 - o CenCal Health needs to show with increasing clarity that local plans **produces value, is a public steward and innovates locally**
- CenCal Health Top 3 Can't Miss Priorities in 2026
 - o Preserve and Advance Access to Coverage
 - o Stabilize D-SNP Towards Optimization
 - o Adapt the Organization to Enable Strategy
- Member Navigation HUB: Launches October 1st, 2026; kudos to Dr. Do-Reynoso and our community partners in both counties for many months of work to see this through.
- Members with Unsatisfactory Immigration Status (UIS) (Local Impact)(Fact Sheet available)
 - o **38,000 Members** transitioning from CenCal Health to State-Administered Fee For Service on January 1st; will lose health plan supports (member communication, care coordination, provider network)
 - o **Continuity of care** to support transition to minimize disruption
 - o **Communication** and education for members and providers, including identification of members in portal
- Activities Aligned with Key Policy Milestones
 - o Build & Prepare Infrastructure: Establish workflows, tools, and partner alignment (Now – summer 2026)
 - o Activate & Prepare Members: Launch outreach, train partners, and support

- members (Fall 2026)
 - Implement, Sustain & Expand: Expand navigation, support compliance, support early renewals, and scale engagement through partners (2027 Ongoing)
- Looking Ahead
 - Friday, November 6th: Medi-Cal Executive Policy Committee meeting
 - Friday, November 13th: Board Finance Committee meeting
- Introductions:
 - Welcome Prospective Board Member, Suzy Jed, MSN, RN, Director of Public Health, San Luis Obispo County
 - Welcome CenCal Health leader, Loretta Denering, DrPH, MS, Behavioral Health and Community Integration Officer
 - Introduction of guest, Ken Preede, Principal, Parker Poe Federal Strategies

Mr. Preede gave a PowerPoint presentation on the Federal landscape with the following highlights:

- **Midterm History and Health Policy:**
 - For CenCal Health, divided government narrows the path for major legislation, increases committee oversight and raises the importance of CMS rulemaking, waivers and must-pass health packages
- **Federal Election Scenarios:** There are three possible post-election policy environments:
 - Continued Republican control would likely accelerate HR-1 implementation and fraud, waste, and abuse initiatives
 - A Democratic House with a Republican Senate could produce House bills delaying or reversing provisions that would stall in the Senate
 - Democratic control of both chambers could increase oversight and bipartisan efforts, although the presidential veto and the Senate's 60-vote threshold would limit major changes.

Discussion:

Mr. Shah asked if there is any legislation, whether it's in the House or in the Senate, that we could be supporting right now?

Mr. Preede explained that immediate legislative lobbying is constrained because the House has adjourned until after Election Day, but CenCal Health should continue educating Senators Schmidt and Padilla about local impacts; especially the technology rules restricting health plan calls and texts that plans can use to reach out to members about their eligibility.

Dr. Bravo asked if Mr. Preede had any insights regarding the MCO tax.

Mr. Preede stated that he believes that hospitals and advocates understand the impact of the HR-1 and MCO cuts if they were to go into full effect. If he had to bet, there will be an effort to delay those cuts, if not get rid of them altogether.

3.2 Accept Quality Program Report

Ms. Geeb gave a PowerPoint presentation and reported that CenCal Health met all DHCS minimum quality levels, earned a four-star NCQA Medicaid rating, distributed \$4.39 million through its quality incentive program, and is strengthening its new Medicare D-SNP Stars infrastructure.

- o **Medi-Cal Quality Results:** The external quality review completed by Health Services Advisory Group in June 2026 found CenCal Health met 100% of DHCS minimum performance levels across Santa Barbara and San Luis Obispo counties. Several measures exceeded the Medicaid 50th percentile, with four of San Luis Obispo's six highlighted measures ranking in the national top 5%; potential recognition was expected at the DHCS quality conference in November.
- o **NCQA Rating:** CenCal Health received a four-star NCQA rating for its Medicaid line of business after an independent audit. The rating reflects clinical performance, member experience, and health-plan processes; it is separate from county-level DHCS results and from CMS Medicare Stars.
- o **Medicare Stars:** CenCal Health's Medicare Advantage and prescription drug plan performance will be rated through approximately 40 Part C and Part D measures covering clinical quality, medication safety, member experience, access, and operations. The team implemented Stars software for monthly monitoring, integrated selected Stars measures into provider pay-for-performance, completed a mid-year review, and identified areas requiring focused improvement before the 2026 measurement year closes.

Discussion:

Dr. Bentley recognized the challenges the Quality Improvement & Health Equity Committee (QIHEC) has faced this past year, and he commended the committee for their outstanding and diligent work, and for identifying areas that we can improve in the future.

Ms. Macdonald and **Ms. Andersen** shared in Dr. Bentley's sentiments of the committee.

Ms. Owen commended **Dr. Bentley** for his commitment to QIHEC and **Ms. Geeb** for piloting all three-star programs (Provider Quality, NCQA and CMS). She noted that with Dr. Bentley's guidance, achieving four stars was our multi-year target and this is our first year. For plans like CenCal Health, the highest given in the nation is 4.5 stars, so this is a very strong start.

Ms. Geeb thanked our community providers, committee members, and staff for their dedication and work to accomplish these incredible achievements.

ACTION: On motion of Ms. Moore and seconded by Director Hammami, the Board of Directors Accepted the Quality Program Report without objection.

3.3 Accept Finance Report from CFO/Treasurer and Approve Financial Statements

Ms. Bishop reported strong reserves, liquidity, and year-to-date operating performance while preparing for tighter margins, responding to 2027 draft rates, and launching the 2027 budget process. CenCal Health recognized \$11 million in revenue after earning back 100% of the state's 1% 2025 quality withhold. Without that recognition, revenue would have been below budget, demonstrating the financial effect of quality performance by CenCal Health and its provider partners.

2027 Rate Advocacy: CenCal Health submitted a detailed advocacy letter supporting its expected 2027 medical and administrative costs, then received draft rates that reflected an approximately 5% increase rather than the roughly 3% increase initially projected. The team planned to respond by Friday and continue advocating for rates that cover the cost of care.

Budget Process: CenCal Health is refreshing its forecast using the draft rates and current utilization data, aligning staffing and administrative costs with the forecast, and formally beginning the 2027 budget process at the end of September. An initial draft will go to the Finance Committee in November for feedback before the final budget is presented to the board in January.

Financial Highlights

- **Consolidated Net Operating Gain** of \$20.2 million, which is \$10.4 million more than the budgeted gain.
 - o **Medi-Cal Net Operating Gain** of \$22.2 million, which is \$9.1 million more than the budgeted gain.
 - o **CareConnect Net Operating Loss** of \$2.0 million, which is \$1.3 million less than the budgeted loss.
- **Net Revenue** is at \$756.4 million; over budget by \$7.2 million and 1.0%.
- **Medical Expenses** are at \$671.3 million; under budget by \$2.8 million and 0.4%.
- **Internal Costs**, inclusive of Administrative Expenses and Healthcare Quality Improvement, are at \$69.2 million; under budget by \$2 million and 2.9%.
- **Community Reinvestments** are at \$5.5 million; under budget by \$2.0 and 27.0%
- **Tangible Net Equity (TNE)** is \$351.7 million, representing 778% of the minimum regulatory requirement and 105% of the minimum Board-Designated reserve target.
- **Total Cash and Short-Term Investments** are \$347.8 million. Cash and Short-Term Investments available for operating the health plan is \$323.6 million, representing 127 Days Cash on Hand.
- **Member Enrollment** consolidated is at 224,874 for the month of July 2026.
 - **Medi-Cal-** 224,246
 - **CareConnect-** 628

Discussion:

Mr. Diringer inquired about the upcoming draft rates.

Ms. Bishop responded by saying they are better than expected for a first draft and are still open for discussion/negotiation.

ACTION: *On motion of Mr. Shah and seconded by Mr. Herlinger, the Board of Directors Accepted the Finance Report from CFO/Treasurer and Approved the July 2026 Financial Statements without objection.*

3.4 Report from Operating Officer on Advancing Affordable Access and Approve Indigent Care Program

Ms. Owen introduced the presentation by sharing that CenCal Health leaders and county representatives discussed how Santa Barbara and San Luis Obispo counties could respond to anticipated uninsured residents, with CenCal Health considering a third-party administrator role and requesting funding to develop the option. This is an opportunity in line with our vision of being a trusted leader in advancing health equity so our communities thrive and achieve optimal health, and to support our county partners as they navigate developing programs that are unfunded by the state and with no state-wide solution

offered for the rising uninsured. CenCal Health has the infrastructure to provide an option should the counties elect such an option.

Ms. Kantheti gave a PowerPoint presentation with the following highlights:

County Responsibility: Indigent care is a longstanding statutory county responsibility for uninsured residents who cannot afford necessary services and generally do not qualify for other coverage. Counties have broad discretion over eligibility, benefits, administration, and provider arrangements; Santa Barbara and San Luis Obispo currently operate customized programs rather than participating in the standardized County Medi-Cal Services Program (CMSP) model.

Coverage Need: The expiration of Covered California premium subsidies, Medi-Cal disenrollment associated with HR-1, and upcoming work or community-engagement requirements are expected to increase the uninsured population, with losses expected to accelerate beginning in March.

Director Hammami explained that these programs, while they are state mandated, there is a broad variation between what counties should or can offer. There is no standard model that counties follow. He described the existing programs as largely dormant or operated on a case-by-case basis following the Affordable Care Act (ACA) expansion and said they may need to be rebuilt as structured programs. Moving it into a structured parallel program that is specifically targeting those that are going to be losing coverage or are going to be faced with challenges is a great plus for our community and our residents. While counties are mandated to have an Indigent Care Program (ICP), there are some counties, such as San Diego, who utilize a third-party administrator (TPA) to administer their program. Our counties are very excited about the possibility that CenCal Health brings to the table to take this program from a case-by-case model and to now structure it in a way that people are not going to be left with no option if they lose their coverage and they specifically qualify as an individual.

Ms. Owen thanked Director Hammami for the comprehensive background and his expertise and described next steps adding that County Health and the County Board of Supervisors will ultimately assess the options, determine the approach, and make the final decision. Our Board of Directors will assess and make a recommendation for what CenCal Health's role would be in offering such a solution in November.

Program Options: Counties are considering three approaches:

- Rebuilding and administering the programs themselves,
- Joining a possible CMSP pilot with standardized eligibility and benefits, or
- Contracting with CenCal Health as an administrative services organization or third-party administrator.

Program Design: Potential design choices include eligibility and target population, whether the program is a temporary bridge or ongoing coverage, medical and administrative financing, service scope ranging from catastrophic care to preventive, emergency, pharmacy, and selected specialty services, and provider-network and payment models. The program would not be licensed insurance; under a county contract, CenCal Health

could administer eligibility, claims, provider payments, and related infrastructure while the counties retain responsibility for funding and policy decisions.

County Coordination: Board members encouraged the counties to harmonize program designs where practical to gain economies of scale and avoid duplicating administrative systems. Participants also emphasized that the two counties have different histories, provider infrastructure, and local needs, so each may require a customized design even if shared administrative processes are used.

Implementation Considerations:

- CenCal Health partnered with Health Management Associates (HMA), to make educated assumptions on program enrollment, covered services, and member acuity.
- Estimated costs will be formalized via our annual budget process with oversight from our Finance Committee, including review of any cost variances.
- Program administration is expected to be multi-year contract and a long-term commitment in partnership with our counties to ensure stability.
- CenCal Health's contribution is for administrative costs, and responsibility for medical costs remains with the counties.
- CenCal Health is committed to offering customization to meet the unique needs of each county, as program design may vary.

Next Steps:

- Seek Board approval on CenCal Health's proposal to support the operationalization of Indigent Care programs for Santa Barbara and San Luis Obispo counties.
- Support Santa Barbara & San Luis Obispo counties as they present their proposals to their Board of Supervisors respectively and determine final approach.
- Present Finance Committee with detailed Indigent Care projections and associated costs for review and approval.
- Seek Board approval on CenCal Health's CY 2027 budget, incorporating indigent care costs reviewed and approved by Finance Committee and aligned with County decisions.

Recommendation:

- Allocation of \$4M to support the operationalization of indigent care programs for Santa Barbara and San Luis Obispo Counties.
- Direct CenCal Health to take the associated next steps described to prioritize program implementation activities.

Discussion:

Ms. Moore I noticed that the San Luis Obispo and Santa Barbara are quite different on their criteria.

Director Hammami explained that these are the programs as they previously existed or as they are now; however, these are not what they are going to be in the future.

Dr. Bravo added that there is a unique opportunity for shared collaboration where there is synergy. It is important to harmonize between both counties at this point and share in

economies of scale.

Dr. Bentley asked if we have the capacity within the organization to operate an additional line of business within our current licensing.

Ms. Owen clarified that this is a coverage program. It is not licensed. There is no statewide standard or policies. It's an indigent care program responsibility. And so, this is very much a customized design and could be administered by CenCal Health as an ASO or a TPA through a contract with the county.

Mr. Diring added that CenCal Health's role with this could be similar to its role when it served as the administrator of the Healthy Kids program in the past.

Ms. Owen agreed and shared that CenCal Health is here as a humble partner in service to our counties to use the infrastructure we have in order to support the time period we're in and to help the clients and to help our providers to the greatest extent we can.

Ms. Andersen explained that from a provider perspective dealing with the CMPS program was extremely difficult and almost not worth billing for services provided because it took too long to get paid and they were not set up as a standardized payment system. We have an opportunity here to get the two counties to develop a similar plan that is easy for providers to navigate and utilize the infrastructure available through CenCal Health without reinventing the wheel and putting more resources into a new set up.

Mr. Shah asked if there was a role of the CenCal Health Foundation as an affiliate to assist in funding and any restrictions of the funds.

Ms. Owen appreciated Mr. Shah's question and agreed that staff would look into it.

Supervisor Hartmann asked who would assist the uninsured individuals in navigating this new process.

Ms. Owen explained that CenCal Health would utilize its current Member Services department resources of the call center and outreach through our trusted partners through the HUB. The counties will be doing eligibility.

Supervisor Hartmann appreciated this as a great benefit for local residents.

Director Hammami added that the county's role through DSS would determine those eligible for Medi-Cal and those who do not and this new indigent program would be an option for uninsured residents. They would immediately be enrolled and know of the program.

Mr. Shah asked if there was an off set to the \$4 million.

Ms. Owen said no. The proposed \$4 million allocation would come from reserves, supported by the organization's projected \$10 million gain for the year. She noted that there is currently no program revenue, but philanthropy through the foundation could potentially offset costs associated with participation.

Ms. Andersen asked staff to provide a clear breakdown of startup costs versus ongoing costs before the November Finance Committee meeting.

Ms. Owen thanked Ms. Andersen and agreed that details will be provided in November.

Ms. Moore asked if this funding is currently being provided by the counties.

Director Hammami said there used to be funding for administrative services that is no longer there due to the ACA transition. The counties will be responsible for the total cost of care services for members.

Mr. Diring asked if CenCal Health would underwrite all the Administrative costs for the program.

Ms. Owen answered that under this proposal the counties would be responsible for the administrative costs associated with eligibility and enrollment and CenCal Health would be providing the key services of utilization management, claims payments, and member services, so this will be a shared responsibility. Yes, CenCal Health will underwrite administration for the CenCal Health responsibilities.

Mr. Herlinger asked how much of this proposal would increase staffing.

Ms. Owen explained that CenCal Health expects a 17% membership reduction in January, with a possible additional 9% decline during the following year. The organization does not plan to increase staffing for the indigent program; instead, it would redeploy staff whose work is affected by membership losses while preserving local jobs where useful activities remain.

Mr. Shah expressed support for this approach, with an emphasis on retaining local jobs.

Dr. Bentley expressed his support for the proposal with reservations if it would negatively impact on our ability to fully support our current lines of business.

Director Hammami shared that the estimates that are currently being used to model this program are based upon historical data from the pre-ACA MIA program with projections from CMSP and HMA, using the most conservative approach.

Ms. Owen added that CenCal Health leadership team is developing an implementation approach intended to protect Medi-Cal and Care Connect, while comparable arrangements appear to share costs between the counties and health plan. This proposal is not expected to negatively impact CenCal Health's operations.

Dr. Bravo voiced his full support of this proposal and noted that Managed Care plans have healthy reserves that need to be allocated towards worthy programs now before claw back funds to fill budget deficit gaps. This will demonstrate our honorable intentions to serve our community members.

Ms. Moore shared that reserves can be a vulnerability, and noted that providers, including hospitals, have received payments below cost and argued that reserves should support local care delivery. She emphasized that any effort intended to establish benchmarks or improve provider support should account fairly for the financial pressures placed on hospitals and other providers.

Ms. Owen agreed and identified potential reserve-funded initiatives in primary care spending, hospital quality, and primary care quality incentives. One example was a hospital quality incentive program being discussed in collaboration with the Hospital Association of Southern California to align incentives, reward quality, and support enhanced payments. Any reserve strategy should consider the needs of county partners, local navigators, primary care providers, and hospitals and should be considered in budget and allocation decisions.

Mr. Shah asked that leadership be sensitive to CenCal Health staff and allocate the staff appropriately so as not to burn out employees.

Ms. Andersen read the following statement at the conclusion of the presentation and discussion: Based on advice of counsel, any Board Member who also holds an official title or position with the County of Santa Barbara or the County of San Luis Obispo will be requested to abstain from voting on this matter due to the existence of an actual or potential conflict of interest.

ACTION: On motion of Mr. Diring and seconded by Dr. Bravo, the Board of Directors Accepted the Report on Advancing Affordable Access and Approved the Indigent Care Program without objection. (Supervisor Hartmann and Director Hammami recused themselves from the vote; Directors Antonette Navarro and Supervisor Dawn Ortiz-Legg were absent from the meeting)

3.5 Report from Chief Performance Officer on Adapting Organization to Advance Strategy and Integrated Planning

Mr. Morris gave a PowerPoint presentation providing the following summary:

Strategic Adaptation and Membership Planning: CenCal Health is adapting its strategic plan, workforce, operating plan, and 2027 planning process in response to membership and revenue changes, supported by a new membership dashboard.

Membership Dashboard: Staff developed a dashboard to provide current insight into membership trends, potential churn, demographics, and renewal status. The dashboard supplements historical membership data with information about current renewals and likely disenrollment and will be presented monthly to the board and Executive Policy Committee.

Disenrollment Patterns: Staff reported that approximately 12% to 15% of members subject to renewal were affected by basic administrative nonrenewal, while other disenrollments reflected factors such as asset testing.

County Data Differences: Santa Barbara showed roughly 30% pending renewal decisions compared with approximately 5% in San Luis Obispo, and why county response and over-income rates differed. Staff explained that the Santa Barbara figure likely reflected an approval or processing backlog and expected the month-over-month outcomes to converge toward approximately 18% disenrollment as the backlog cleared. Staff will review the differences with the Department of Social Services and will return to the board with additional analysis.

Operating Plan Recalibration: CenCal Health reorganized its operating plan around three top priorities. The revised plan reduced the number of cross-functional projects by approximately 14% to 15% and reduced strategic objectives from 13 to 10. Remaining projects were retained because they were nearly complete or required by regulatory or contractual obligations.

2027 Planning: The 2027 planning process will begin with membership projections, revenue implications, and reassessed strategic commitments. Staff will revise the budget and operating plan, adapt organizational design as needed, redistribute workforce capacity across at least two lines of business and potentially a third, and use process improvement and technology enablement to support the changes. Budget and workforce effects will be brought back as part of the Finance budget package in January.

3.6 Report from Chief Compliance and Fraud Prevention Officer

Ms. Kim gave a PowerPoint presentation outlining Central's multi-year program integrity roadmap, including stronger governance, additional investigators, data analytics, cost-avoidance reporting, and continued compliance evaluation.

Program Components: The program integrity framework includes governance and oversight, integrated data and analytics, cost avoidance, provider enrollment controls, prepayment controls, and organizational training and education.

Security Incidents and Regulatory Audits: The security and compliance updates covered two external Microsoft Teams phishing incidents, the controls implemented afterward, CenCal Health's zero-finding DHCS audit, and preparation for a CMS data validation audit.

Industry Enforcement Trends: Major enforcement areas included data and system errors, vendor oversight, cost sharing, and member access to medication, with increasing scrutiny of data accuracy and completeness.

Discussion:

Mr. Herlinger acknowledged the complexity of organizational compliance and commended the Compliance staff for their diligent work.

Ms. Owen thanked the Board Compliance Committee for their oversight.

3.6 Items for Immediate Action

Ms. Andersen called for any additional items requiring immediate action.

Ms. Owen responded that staff wishes to add the MCG Contract Renewal to the agenda which was received subsequent to the posting and distribution of meeting materials.

ACTION: On motion of Ms. Macdonald and seconded by Dr. Bravo, the Board of Directors Added the MCG Contract Renewal to the Agenda.

Dr. Heinert presented a budgeted renewal of the MCG evidence-based medical decision-support contract. The tool is used across both lines of business and supports industry review and utilization decision-making. Although the budget included a one-year renewal, staff requested approval for a five-year renewal because the pricing analysis showed that five years was more favorable than one or three-year terms. The total five-year contract cost will not exceed \$7.4 million. The current annual cost is approximately \$1.2 million, with annual increases of slightly less than \$100,000; the longer-term agreement provides discount pricing, and the organization will remain within the budgeted amount. The renewal also incorporates interoperability software, which makes the upcoming October contract period more expensive than the current period but remains within the approved budget.

ACTION: On motion of Dr. Bravo and seconded by Director Hammami, the Board of Directors Approved the MCG Contract Renewal without objection.

As there was no further business to come before the Board, Ms. Andersen adjourned the Regular meeting of the Board at 8:14 pm.

Respectfully submitted,

Paula M. Bottiani

Paula Marie Bottiani, Clerk of the Board

Chief Medical Officer and Health Services Report

Date: October 21, 2026

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

Through: Marina Owen, Chief Executive Officer

Contributors: Tanya Phares, DO, MPH, CPE, FACPM, Sr. Medical Director
Cammie Flores, RN, BSN, MBA, CCM, Health Services Operations Officer
Loretta Denering, DrPH, MS, Behavioral Health Community Integration Officer
Ana Stenersen, RN, Director, Utilization Management
Blanca Zuniga, LCSW, Director, Community Case Management
Rachel Lambert, LMFT, MBA-HCM, Behavioral Health Director
Tina Lama, PharmD, Pharmacy Director

Executive Summary

This report contains a high-level summary of activities within the Health Services Division as well as the activities of the CMO, Sr. Medical Director, and Medical Directors. In September 2026, the Division of Health Services amplified collaboration with D-SNP community providers to strengthen the Medicare Stars Program through preventive care efforts. CareConnect member care was reinforced by the initiation of Interdisciplinary Care Team meetings. The Division also finalized planning for the orderly and compassionate transfer of our California Children's Services (CCS) Unsatisfactory Immigration Status (UIS) population from Medi-Cal managed care to State Medi-Cal Fee for Service.

Chief Medical Officer

In September, the Chief Medical Officer participated in collaborative meetings between CenCal Health and community partners at the **Pediatric Clinical Advisory Meeting (PCAP)**, the **Partners for Kids** Leadership Meeting, and our quarterly **Joint Operating Committee (JOC) meeting** with **Dignity Health**.

Dr. Heinert presented remarks at the **Central California Medical Association (CCMA)** Annual Membership Celebration dinners in Santa Barbara and San Luis Obispo. Dr. Heinert provided an overview of CenCal Health's programs and services, including impending changes to our population, to **Cottage Hospital's Department of Pediatrics** on September 29th.

Dr. Heinert represented CenCal Health at the September 23rd **CFO and CMO UM Forum hosted by DHCS** to strengthen DHCS and MCP's (Managed Care Plans) movement towards value-based models of payment. The cost and utilization of the Community Supports program was discussed and best practices shared among health plans.

The CMO continues to collaborate with the **American Cancer Society** to bring

community awareness to cancer prevention and early detection efforts; Dr. Heinert will chair a community panel event in November.

Dr. Heinert presented an update to the Board of Directors to amend and update CenCal Health's contract for medical necessity review services with **Milliman Care Guidelines (MCG)**; a five-year contract was approved.

Medical Affairs

Dr. Tanya Phares, Senior Medical Director, oversees the activities of the Medical Directors including the oversight and improvement of utilization management activities and provides leadership and support across the Health Services Division. In September, Dr. Phares provided clinical guidance on the development of the Medicare STARS Program, HR-1 Continuity of Care Planning, and assessment of Community Supports programs and model of care. Dr. Phares attended the **Central Coast Medical Associations 2026 Membership Celebration** in Santa Barbara on 9/17/2026.

Dr. Neal Adams, Behavioral Health Medical Director, contributed to ongoing strategic evaluation of **medically necessary behavioral health services** and assessment of utilization patterns.

Dr. Dianna Myers, Pediatric Medical Director, provided a pediatrics presentation given at **Cottage Hospital** and a vaccine town hall at **CHCC** Paso Robles on vaccines.

Medical Management

Dual Special Needs (D-SNP) Clinical Team

The first **Interdisciplinary Care Team (ICT) meetings** were successfully launched in partnership with providers and will continue on an ongoing basis. D-SNP Utilization Management also transitioned under the overarching Utilization Management structure, supporting greater alignment and consistency across UM operations.

Care Management

Operational efforts remain focused on DHCS' **Short-Term Post Hospitalization Housing (STPHH)** sunset effective January 1, 2027, including transition planning and required communications to ensure continuity of care. CenCal Health also continues coordinating with **Santa Barbara County Justice-Involved** partners in support of the October 1, 2026, implementation.

Utilization Management

The submission of the **Transition Plan to DHCS for the California Children Services (CCS)** members with Unsatisfactory Immigration Status (UIS) was finalized; the plan provides a comprehensive strategy to ensure continuity of care, continuity of provider access, member communication and care coordination as members transition from CenCal Health managed care to UIS Fee-for-Service effective January 1, 2027.

Pharmacy Department

In September, Pharmacy, in partnership with the Compliance Audit, Monitoring & Oversight team, conducted the first **annual delegation audit of MedImpact**, CenCal Health's pharmacy benefit manager (PBM) for CareConnect. This represented a key milestone in strengthening oversight and accountability for delegated pharmacy benefit functions.

Behavioral Health

Loretta Denering, DrPH, MS, Behavioral Health Community Integration Officer, joined CenCal Health, and led the assessment of the value drivers of **Community Supports**. Rachel Lambert, LMFT, MBA-HCM completed her **California Healthcare Foundation Fellowship**, and the Behavioral Health Department completed the **Dyadic Care Outreach Guide and Documentation** manual, which provides resources and clarifications for providers who support child / parent dyadic care assessments and treatment plans.

Regulatory Team

Health Services recently received the Plan's DHCS Medical Audit final report, which confirmed **no audit findings** for the review period.

Recommendation

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

Population Health Management Report

Date: October 21, 2026

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

Through: Marina Owen, Chief Executive Officer
Maya Heinert, MD, MBA, FAAP, Chief Medical Officer
Tanya Phares, DO, MPH, CPE, FACPM, Senior Medical Director

Executive Summary

This report provides an update on CenCal Health's Population Health Management (PHM) Program, highlighting progress toward implementing new Department of Health Care Services (DHCS) requirements and upcoming deliverables supporting regulatory compliance and accreditation activities.

CenCal Health completed and submitted its implementation plan to support the adoption of DHCS' standardized Risk Stratification, Segmentation, and tiering (RSST) methodology, effective January 1, 2027. The plan outlines enhancements to existing PHM infrastructure, care management and transitional care workflows, and member outreach and engagement processes. These efforts will strengthen identification of members with higher clinical and social needs, prioritize interventions, and connect members to appropriate services across the continuum of care. DHCS' RSST methodology will serve as CenCal Health's primary approach to risk stratification, supplemented by existing clinical, utilization, and social needs data to support a more comprehensive understanding of member needs and opportunities for earlier intervention.

In addition, CenCal Health is advancing its PHM performance monitoring capabilities in alignment with DHCS' updated key performance indicator technical specifications to strengthen the evaluation of program effectiveness and identification of opportunities for improvement.

To maintain alignment with accreditation requirements, CenCal Health is preparing its annual Population Needs Assessment and PHM Strategy. These documents will incorporate applicable DHCS policy updates and guide the development of population health priorities and interventions for the coming year. Both documents will be presented for review, input, and approval to CenCal Health's Quality Improvement and Health Equity Committee (QIHEC) during the fourth quarter of 2026.

Background

DHCS PHM Requirements: In July 2026, DHCS updated its PHM Policy Guide, requiring managed care plans to implement a standardized RSST methodology beginning January 1, 2027. Supported by *Medi-Cal Connect*, DHCS' statewide PHM Service, the methodology uses multiple data sources to identify member needs and guide care coordination, outreach, and population health interventions. DHCS will monitor implementation during 2027, including CenCal Health's ability to receive risk tier information and engage high-risk members. CenCal Health will integrate RSST into existing PHM processes and supplement it with clinical, utilization, pharmacy, social needs, and member engagement data.

DHCS also updated its PHM key performance indicator technical specifications for managed care plans to assess program effectiveness and member outcomes. These results will be used to identify opportunities for improvement, inform targeted interventions, and evaluate their effectiveness in improving care coordination and access to services. This performance monitoring will support CenCal Health's continuous quality improvement efforts and guide enhancements to its PHM Program.

Accreditation Requirements: To maintain accreditation, CenCal Health must annually assess the needs and characteristics of its membership and maintain a PHM Strategy addressing those needs. CenCal Health's Population Needs Assessment identifies member characteristics, health needs, and priority subpopulations to inform targeted interventions and resource allocation. The PHM Strategy builds upon these findings to establish priorities for improving member health outcomes, addressing health disparities, and strengthening care coordination. Applicable DHCS updates will be incorporated into CenCal Health's 2027 PHM Strategy.

Next Steps

CenCal Health will coordinate activities to support RSST implementation and PHM compliance. Key milestones include:

- **October 29, 2026:** Present Population Needs Assessment to QIHEC.
- **December 10, 2026:** Present the updated PHM Strategy to QIHEC.
- **January 1, 2027:** Implement DHCS' standardized RSST methodology.
- **Throughout 2027:** Monitor RSST implementation, member engagement, and PHM key performance indicators to support continuous improvement.

Recommendation

This Population Health Management Report is submitted for the Board's acceptance.

Performance Division Report

Date: October 21, 2026

From: Chris Morris, MSOD, Chief Performance Officer

Contributors: Andrew Hansen, MBA, Operational Excellence Director
Dina Miranda, People Operations Manager

Executive Summary

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

Talent Acquisition and Retention Update

Total vacancy, spanning all Medi-Cal and D-SNP FTE, now sits at 5.0%, stable month over month. All cause turnover remains healthy at a 12-month rolling average of 4.5%, significantly below the prior 3-year average (11.5%) and more than 25-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.

Organizational Dashboard

Departmental submissions for Q3 2026 Organizational Dashboard metric results are currently in process. Following receipt of all results, the Q3 2026 Organizational Dashboard will be produced for your Board's consideration in January 2027.

2026 Operating Plan Update

The 2026 Operating Plan is comprised of thirty-two (32) tactics, with progress as follows:

- 8 (25%) are between 1-25% complete
- 8 (25%) are between 25-50% complete
- 6 (19%) are between 50-75% complete
- 6 (19%) are between 75-99% complete
- 4 (12%) have closed at 100% complete

Aggregate Operating Plan health (scope, schedule, resources) is meeting target, with performance at 95%. Four (4) tactics are at-risk of becoming or off-track with planned mitigations as follows:

- D-SNP Model of Care (MOC) – This tactic is intended to optimize the Dual Special Needs Program through the development and implementation of a Model of Care. This tactic is reported as at-risk due to delays in implementing the updated end-to-end Health Risk Assessment process. Mitigations are in place to ensure all requirements continue to be met through interim processes.
- Enhance the Provider Portal – This tactic is intended to optimize the Dual Special Needs Program through the enhancement of the Provider Portal. This tactic experienced delays in technology supported activities by vendors. A schedule extension was recently assessed as acceptable, and approved, and the tactic will return to being on-track once the schedule is revised and implemented.
- Implement Risk Adjustment Program – This tactic is intended to optimize the Dual Special Needs Program through the implementation of a Risk Adjustment Program. This tactic experienced delays in the delivery and test of data with a technology vendor. Once the data files are received and processed as planned, the tactic will be back on-track.
- Reports for D-SNP – This tactic is intended to optimize the Dual Special Needs Program through the development and delivery of D-SNP reports. This tactic is reporting at-risk as some originally scheduled D-SNP reports have been delayed due to prioritization of more urgent reporting requests. The tactic is being rescoped to encompass all required D-SNP reports and to improve organization and oversight. It will return to on-track status once the revised scope and timeline are approved and implemented.

Recommendation

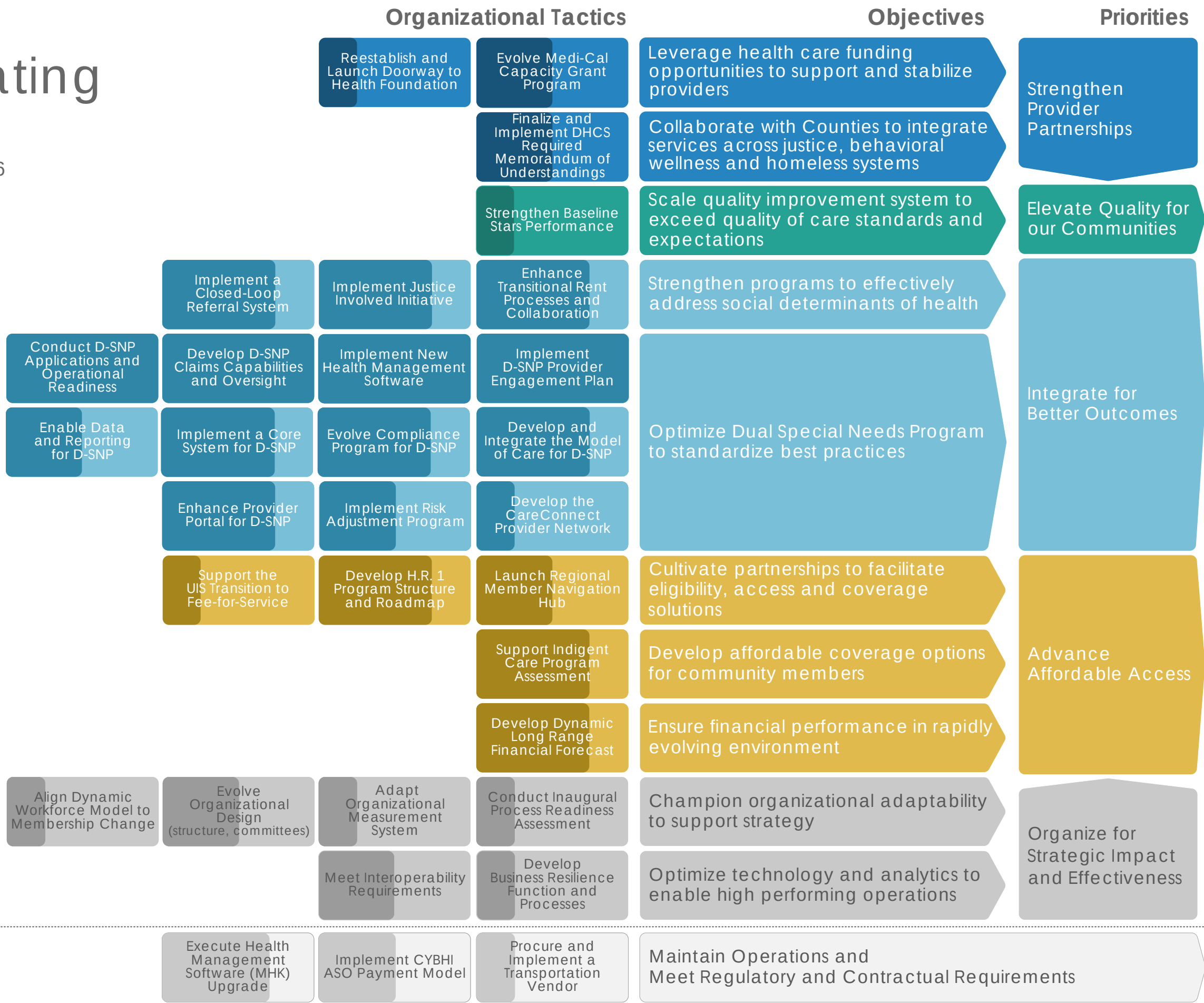
This material is informational with no action being requested at this time.

Enclosures

1. September 2026 Operating Plan

2026 Operating Plan

September 2026



Mission

To improve the health and well-being of the communities we serve by providing access to high quality health services, along with education and outreach, for our membership

Vision

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

Advance the Organization

Maintain the Organization

Progress Legend

25% complete

50% complete

75% complete

100% complete

Strategic Engagement Report

Date: October 21, 2026

From: Jordan Turetsky, MPH, Chief Strategic Engagement Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Cathy Slaughter, Provider Relations Director
Brandon Roberts, Government Relations Director
Citlaly Santos, Strategic Engagement Director

Executive Summary

The Strategic Engagement Division includes Government Relations, Strategic Engagement, and Provider Relations functions, as well as CenCal Health's Capacity Grant Program. 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 engagements.

Government Relations

State Policy Landscape

On September 1, 2026, the California State Legislature adjourned the 2025–26 Legislative Session. With the session now concluded, attention turns to election results and the swearing-in of a new Legislature. Looking ahead, CenCal Health will continue partnering with our local lawmakers while building relationships with the incoming Governor's administration to elevate the health policy priorities of the Central Coast.

Unsatisfactory Immigration Status Transition from Managed Care to Fee-for-Service

The 2026 Budget Act transitions Medi-Cal members with Unsatisfactory Immigration Status (UIS) from managed care to the state's fee-for-service (FFS) delivery system effective January 1, 2027. In response, CenCal Health has established an internal task force to prepare the approximately 36,000 affected members and support providers through this transition. Key priorities include ensuring timely access to care through 2026, proactively communicating with members before the change, developing comprehensive transition plans for members enrolled in the California Children's Services program, and creating provider education and outreach materials. CenCal Health's overarching goal is to minimize disruptions in care and support a seamless transition to FFS coverage in January 2027.

Legal Challenge to California's Managed Care Organization (MCO) Tax

The California Medical Association and the California Association of Health Plans have filed a lawsuit challenging SB 125, legislation that established California's new MCO tax structure to comply with updated federal requirements. The plaintiffs argue that SB 125 conflicts with Proposition 35's voter-approved restrictions on Medi-Cal financing and funding dedicated to improving access to care. The litigation creates uncertainty around a major source of Medi-Cal funding as the state works to comply with new federal requirements and faces a December 31, 2026, deadline for federal authorization of the current tax arrangement. If the court invalidates SB 125, Medi-Cal could face funding disruptions while placing pressure on the Legislature and incoming Governor's administration to quickly develop a replacement MCO tax that complies with both Proposition 35 and federal requirements.

Additional information can be found in the supplemental report prepared by Mr. Armand Feliciano and Mr. Obed Franco of Public Policy Advocates.

Federal Policy Landscape

Association for Community Affiliated Plans (ACAP) Membership Council Participation

CenCal Health remains an active voice in national Medicaid policy through its service on the ACAP Board of Directors and participation in the association's recent Membership Council meeting in Washington, D.C. where CEO Marina Owen was elected Secretary of the ACAP Board, reflecting CenCal Health's growing leadership within the Medicaid managed care community. Additionally, CenCal Health was recognized as one of a small number of ACAP member plans to earn an NCQA rating of 4 Stars or higher, highlighting our continued focus on quality and performance excellence.

Additional information can be found in the supplemental report prepared by Mr. Ken Preede of Parker Poe and ACAP Press Release on Board Membership.

Provider and Community Engagement Activities

Community Engagement

In September, CEO Marina Owen spoke to CenCal Health's efforts to raise awareness of eligibility changes and connect individuals and families with available support through an interview the *San Luis Obispo Tribune*. Additional media coverage included three media placements highlighting CenCal Health's 4-Star Rating for Quality Care from the National Committee for Quality Assurance (NCQA).

CenCal Health remained active in communities across the region, participating in 24 community engagement activities during the month including the Central Coast

Medicine Nights hosted by the Central Coast Medical Association and the Paso Robles Hispanic Heritage Month Festival.

Community Town Halls

CenCal Health is coordinating a cross-sector coalition of public, education, health, and community-based organizations to coordinate a series of community town halls across San Luis Obispo County this Fall. Leaders of these efforts include County Supervisor and CenCal Health Board member Dawn Ortiz-Legg, the County of San Luis Obispo Department of Social Services, the County of San Luis Obispo Public Health Department, the San Luis Obispo County Office of Education, Family Service Agency, and the Center for Family Strengthening.

Through this collaborative effort, partners are aligning outreach and community engagement strategies to ensure residents are informed about upcoming Medi-Cal eligibility changes, understand how those changes may affect their coverage, and know where to access trusted support through Central Coast Coverage. Building on the San Luis Obispo County model, CenCal Health will establish a Santa Barbara County planning committee to support a similar series of community town halls projected for early 2027.

Additional details are available in the Strategic Engagement Department Supplemental Report.

Provider Engagement

CenCal Health hosted four (4) provider training and engagement activities in September, reaching 221 providers and community partners, with participant satisfaction averaging 94.5% across sessions. Topics included introduction of the Findhelp platform, best practices for CenCal Health's Quality Improvement and Incentive Program, CareConnect Office Hours, and CalAIM spotlight presentations. Post-provider visit surveys conducted during September demonstrated that 100% of respondents would recommend CenCal Health to other providers.

Recommendation

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

Attachments

- Federal Report from Parker Poe
- State Report from Public Policy Associates
- Strategic Engagement Department Supplemental Report
- Press Release on Board Appointees from ACAP



Memorandum

To: Marina Owen, Chief Executive Officer
CenCal Health

From: Ken Preede, Principal
Parker Poe Federal Strategies

Date: October 7, 2026

Re: Federal Update - October 2026

Executive Summary

Since the August 20 federal update, the most significant developments for CenCal Health have shifted from anticipated federal actions to active implementation. Congress enacted a government-wide continuing resolution through December 11; CMS formally incorporated the new October 1 federal Medicaid eligibility and financing restrictions into California's CalAIM Section 1115 demonstration; the federal review of California's CalAIM renewal remains pending; and federal scrutiny of Medicaid financing and program integrity has continued to intensify.

On September 25, CMS issued a new CalAIM 'Working Families Tax Cut' overlay letter. The action confirms that, effective October 1, federal Medicaid and CHIP matching funds under the demonstration are generally limited to U.S. citizens and nationals, lawful permanent residents, Cuban/Haitian entrants, and Compact of Free Association migrants, subject to statutory exceptions. The letter also expressly reminds California that CMS can use corrective action plans, withholdings, deferrals, disallowances, or termination of demonstration authority when program-integrity requirements are not met. For CenCal Health, this makes the October 1 eligibility/financing change an immediate operational issue rather than a future policy risk.

California's five-year CalAIM Section 1115 renewal remains listed by CMS as pending, with the current demonstration expiring December 31. The September 25 overlay also reiterates CMS's position that CalAIM's Designated State Health Programs expenditure authority is not expected to continue beyond the current demonstration period. Medicaid financing remains another major exposure. The comment period on CMS's proposed rule implementing new statutory limits on health care-related taxes closed September 21, and the first statutory changes took effect October 1. The proposal would significantly tighten federal oversight of provider and managed-care taxes, including reporting and indirect hold-harmless requirements. California's ability to secure federal acceptance of a compliant successor MCO tax structure for 2027 remains important to the state budget and provider payment initiatives financed with MCO tax revenue.

Federal program-integrity pressure has also increased. In September, HHS-OIG reported that California did not timely and fully report and return the federal share of certain Medicaid Fraud Control Unit overpayments, identifying \$231.2 million in overpayments across 26 cases, including \$99.3 million in federal share. Separately, the House Energy and Commerce Committee released a September 29 majority staff report calling for stronger Medicare and Medicaid fraud controls. Neither action is specific to CenCal, but together they reinforce the likelihood of continued federal emphasis on documentation, provider screening, payment integrity, and state oversight of managed care expenditures.

Congress is now largely out of session until after the November 3 midterm elections. The September 2 continuing resolution funds HHS, CMS, and other federal agencies through December 11 at generally current-law rates. That deadline creates the opportunity for a lame-duck legislative vehicle for final FY 2027 appropriations and potentially for a broader year-end health package.

CalAIM Renewal and October 1 Federal Eligibility Changes

The current demonstration expires December 31, 2026. The compressed timeline matters because the renewal governs a wide range of authorities supporting California's delivery-system reforms, including health-related social needs services, justice-involved initiatives, behavioral health programs, and other demonstration expenditures.

The most important development since the August report is CMS's September 25 CalAIM overlay letter. The letter applies the new federal restrictions enacted in Public Law 119-21 directly to the existing demonstration for the period October 1 through December 31, 2026. Beginning October 1, federal financial participation is generally unavailable for Medicaid and CHIP expenditures for individuals outside the federally specified immigration categories, except for limited statutory exceptions such as emergency Medicaid and certain lawfully residing children and pregnant women. The overlay is particularly relevant because CMS states that the same limitation applies to Designated State Health Programs expenditures claimed through CalAIM. CMS also reiterates that it does not expect to renew CalAIM's existing DSHP expenditure authority beyond the current demonstration period. This creates a financing issue for the state even where underlying Medi-Cal services or state-funded programs continue.

For CenCal Health, the near-term focus should remain on DHCS implementation instructions, member transitions, eligibility files, capitation treatment, encounter and claiming rules, and any changes to care coordination for individuals whose coverage or federal match status changes. The federal rule does not itself resolve how California will operationalize those transitions within Medi-Cal managed care.

Medicaid Community Engagement Implementation

The core federal community-engagement requirement is unchanged from the August report: states generally must implement the new requirement by January 1, 2027, for certain adults in the Medicaid expansion population. Covered individuals generally

must demonstrate 80 hours or an earned amount of qualifying work, education, community service, or other permitted activity, unless an exemption applies. CMS continues to make implementation support available to states for eligibility-system design, data sourcing and integration, notices, training, analytics, testing, and verification. The operational risk for CenCal Health remains coverage disruption caused by a new eligibility condition being layered onto California's existing renewal and redetermination processes on a short timeline.

California's enacted budget continues to project a material coverage effect over time, including approximately 43,000 Medi-Cal disenrollments in 2026-27 attributable to the community-engagement requirement and approximately 1.1 million by 2029-30. The practical impact on CenCal will depend heavily on DHCS, county decisions concerning automated verification, exemptions, member outreach, plan responsibilities, and support for individuals who lose eligibility.

Medicaid Financing and California's MCO Tax

CMS's July proposed rule on health care-related taxes remains pending. The public comment period closed September 21. The rule would implement the financing restrictions enacted in Public Law 119-21, including new indirect hold-harmless standards, tighter limits on new or increased taxes, and expanded state reporting requirements. The first statutory changes took effect October 1, 2026, with additional reductions in permissible tax thresholds for expansion states beginning October 1, 2027. This remains particularly important for California because the MCO tax is a major financing source for Medi-Cal and for targeted provider payment increases. California's 2026-27 budget assumes a redesigned, federally compliant MCO tax beginning January 1, 2027.

As of October 7, the federal regulatory framework is still being finalized, which leaves uncertainty around the design and federal treatment of the successor tax. For CenCal, the direct concern is less the tax mechanics than the downstream effect on the Medi-Cal financing base and provider payments. Any reduction in available MCO tax revenue, delay in federal approval, or required restructuring could affect state budget assumptions and the sustainability or timing of provider-payment initiatives that flow through managed care plans.

Federal Program Integrity and Congressional Oversight

Federal scrutiny of California Medicaid financing and program integrity has continued since the August report. HHS's July deferral of approximately \$867.5 million in federal Medicaid payments associated with certain California in-home care claims remains emblematic of the Administration's willingness to use payment deferrals while documentation is reviewed.

In September, HHS-OIG released a separate audit finding that California should have reported Medicaid Fraud Control Unit overpayments totaling \$231.2 million, representing \$99.3 million in federal share, for 26 cases during the audit period. OIG found both failures to report certain overpayments and failures to return federal funds within required timeframes. The findings were directed at state processes rather than

CenCal, but they add to the federal record supporting closer oversight of California Medicaid claiming and recovery practices.

Congress is reinforcing that focus. On September 29, the House Energy and Commerce Committee's Oversight and Investigations Subcommittee released a majority staff report on fraud in Medicare and Medicaid. The report includes 13 investigative findings and 37 recommendations and highlights variation in state Medicaid program-integrity enforcement. The report does not impose new requirements by itself, but it is likely to inform future oversight hearings and legislation.

For managed care plans, the practical takeaway remains consistent: federal reviewers are placing greater weight on auditable documentation, provider enrollment and screening, encounter-data reliability, payment recovery, utilization controls, and demonstrable coordination between plans and state program-integrity functions.

Election and Lame-Duck Preview

The November 3 midterm election will determine control of the House and Senate for the 120th Congress, beginning in January 2027. Nonpartisan race ratings continue to show a broad House battlefield and a closely contested Senate map. As of October 6, the Cook Political Report classified seven Senate races as Toss Ups; its late-September House ratings also identify multiple competitive California districts. The election outcome will determine committee leadership and the direction of Medicaid oversight, financing, and implementation policy in 2027.

Regardless of the election result, the outgoing Congress will return with at least one must-pass issue: federal funding expires December 11. That deadline is the most likely legislative vehicle for a year-end package. Health policy items that could be considered include final Labor-HHS appropriations, extensions of Medicare provisions scheduled to expire December 31 (including the Medicare-dependent hospital program and temporary low-volume hospital payment adjustments), and other bipartisan health provisions that have been discussed for a year-end package, such as physician payment, pharmacy benefit manager transparency, and broader price-transparency measures. The scope of any health package will depend on the election result, leadership negotiations, and the amount of floor time available; none of these additional policies should be viewed as assured.

For CenCal Health, the most important federal milestones through year end are therefore: completion of the CalAIM Section 1115 renewal before December 31; implementation of the October 1 eligibility and financing restrictions; California's transition toward a federally compliant 2027 MCO tax; January 1 implementation of Medicaid community engagement requirements; continued federal program-integrity scrutiny; and the December 11 congressional funding deadline.



To: Marina Owen, Chief Executive Officer
Jordan Turetsky, Chief Strategic Engagement Officer
Brandon Roberts, Director Government Relations
Adam Butler, Public Policy Analyst

From: Armand Feliciano and Obed Franco

Date: October 21, 2026

Subject: October Board Report

California General Election Preview

California is likely to remain a true-blue state as many voters are expected to vote for Democrats in the upcoming November 3, 2026, general election. On the Governor's race, a recent poll by the Public Policy Institute of California showed Xavier Becerra (D) at 60% while Steve Hilton (R) at 38% among likely voters. Becerra is running on expanding health care access, lowering cost for working families and defending California's policies at the federal level. He has strong support from the California Latino Caucus, labor groups and notable federal leaders including Congressmembers Salud Carbajal and Ted Lieu.

On the Republican side, Hilton is a former policy advisor to U.K. Prime Minister David Cameron and a media commentator. He has built a national profile as a conservative voice focused on government reform and economic policy. He is running on reducing the cost of living, cutting regulations, and downsizing state government. His campaign emphasizes affordability, business growth, and pushing back on what he characterizes as Sacramento-driven overregulation. He is endorsed by the Howard Jarvis Taxpayers Association and President Trump.

On initiatives, voters remain split on Proposition 40 (Billionaire Tax), which proposes to impose a one-time five percent wealth tax on Californians making over \$1 billion. Proposition 40 is intended to generate billions of funds for health care programs, according to supporters such as SEIU. Conversely, opponents of Proposition 40 argue that it will do the opposite because it will create a wealth flight out of California, which could adversely impact health care funding. A recent poll by NBC Universal/Telemundo Station Group showed 48% of voters are likely to support, and 38% are likely to vote NO on Proposition 40.

For the Lieutenant Governor's race, State Treasurer Fiona Ma (D) faces former State Senator Gloria Romero (R) in the November General Election. Fiona Ma (D) is the current California State Treasurer and previously served on the Board of Equalization and in the State Assembly. She is the only current statewide constitutional officer in the race, giving her a significant name recognition advantage. Ma is running on economic development, fiscal oversight, and housing affordability. Her campaign emphasizes



responsible financial management, supporting small businesses, and expanding access to affordable housing. Gloria Romero (R) is a former State Senator and Assemblymember who served as Senate Majority Leader from 2005 to 2008, becoming the first woman to hold the position. Romero served in the Legislature as a Democrat but changed her party registration to Republican in 2024 after breaking with Democrats on issues including education, COVID-era policies, and gender identity. Her campaign emphasizes school choice and education reform, reducing government spending and regulations, affordability, public safety, protecting Title IX in women's sports, and changes to state water and land-use policies. Romero has also aligned herself politically with Republican gubernatorial candidate Steve Hilton and has the support of the California Republican Party and Reform California.

On other statewide elections, the following are all expected to win as they do not have viable opponents for the general election.

- For California Attorney General (AG), incumbent Rob Bonta (D) was first appointed in 2021 and elected to a full term in 2022 as AG. He previously served in the State Assembly representing Alameda County and has built a statewide profile through high-profile legal actions and enforcement efforts. Bonta is running on protecting civil rights, defending California's laws from federal challenges, and holding corporations accountable. His campaign emphasizes safeguarding democracy, consumer protection, and continuing the state's aggressive legal posture on issues ranging from environmental protection to public safety.
- Dr. Shirley Weber (D) is the current California Secretary of State (SOS), first appointed in 2021 and elected to a full term in 2022. She previously served in the State Assembly and spent decades as a professor at San Diego State University, building a long career focused on civil rights and public service. Dr. Weber is benefitting from incumbency, strong name recognition, and a broad base of support among Democratic and voting rights constituencies. Her tenure as SOS and longstanding record on civil rights positions her well among California voters.
- Malia Cohen (D) is the current California State Controller (SCO) and previously served on the State Board of Equalization, including as Chair. She also served on the San Francisco Board of Supervisors, where she focused on fiscal oversight and economic policy. Cohen has a significant advantage, leveraging statewide name recognition, an established fundraising network, and a broad coalition of Democratic and Labor support. Her role as the current Controller positions her as the candidate most closely aligned with continuity in managing the state's finances.
- Eleni Kounalakis (D) is the current Lieutenant Governor and is running for State Treasurer. She has a background in business and infrastructure development, with experience in housing and public finance. Kounalakis is running on strengthening California's financial position through disciplined fiscal



management, investing in affordable housing, and protecting pensions. Her campaign emphasizes supporting working families, expanding economic opportunity, and leveraging public finance to address long-term challenges.

- Richard Barrera (D) is a candidate for California's Superintendent of Public Instruction (SPI) and is the President of the San Diego Unified School Board and a longtime labor leader, with nearly two decades of experience in public education governance. He has played a key role in shaping policy in one of the largest school districts in the state. Barrera is running on strengthening public education systems, increasing teacher pay, and expanding community school models. He has strong support from the California Teachers Association (CTA).

CMA and CAHP Challenge MCO Tax Structure

The California Medical Association (CMA) and California Association of Health Plans (CAHP) filed a lawsuit with the California Supreme Court challenging the state's proposed Managed Care Organization (MCO) tax under SB 125. CAHP argues that the measure conflicts with Proposition 35 by imposing an \$8.85 monthly tax per commercial enrollee, exceeding the initiative's \$2.50 limit, and directing revenues toward General Fund relief rather than dedicated Medi-Cal investments. They also contend that SB 125 did not receive the three-fourths legislative vote required to amend Proposition 35.

While acknowledging that H.R. 1 requires changes to California's MCO tax, CMA and CAHP maintain that the revised structure must also comply with state law. The lawsuit asks the court to invalidate SB 125, require a compliant tax structure by December 31, 2026, and enforce Proposition 35's funding requirements.

Governor Newsom's Final Legislative Bill Actions

Governor Newsom's deadline to sign or veto bills was September 30, 2026. During his eight years as governor of California, 7,803 bills reached his desk; he signed 6,752 into law and vetoed 1,051. Below are updates on the health care-related legislation he acted on:

AB 1682 (Hart, Scalp Cooling) proposes to require a health care service plan contract or health insurance policy to provide coverage for scalp cooling as prescribed by a health care provider in connection with chemotherapy for persons with cancer, and it further requires expanding Medi-Cal's schedule of benefits to include scalp cooling provided federal financial assistance is available and necessary federal approvals have been obtained. **Status:** Signed by the Governor (*supported by CenCal*).

AB 173 (Gabriel, Omnibus Health Budget Trailer Bill) beginning October 1, 2026, requires coverage of state-only outpatient dialysis services for individuals in restricted scope Medi-Cal, expands the authority for the Department of Health Care Services (DHCS) to deny or suspend provider enrollment in the Medi-Cal program based on a provider affiliation disclosure that poses an undue risk of fraud, waste, or abuse, requires Medi-Cal providers to continuously maintain compliance with all federal, state, and local



requirements, and authorizes DHCS to request evidence and conduct site verification activities and inspections for compliance with established place of business requirements. **Status:** Signed by the Governor.

AB 1979 (Bonta, Artificial Intelligence Health Care) requires a health facility, clinic, physician's office, or office of a group practice to take reasonable steps to ensure that a licensed health care professional retains the ability to exercise independent professional judgment in their care of a patient whenever that care is informed by the output of a clinical decision support system, and clarifies, for the purposes of the Confidentiality of Medical Information Act (CMIA) that a business that offers a health care chatbot to a consumer is a provider of health care subject to the requirements of the CMIA. **Status:** Signed by the Governor.

AB 1907 (Addis, Health Benefits Exchange) beginning on July 1, 2027, authorizes Covered California to enroll a person in the plan where other members of the person's household are enrolled in, and requires Covered California to enroll the person either before coverage through the insurance affordability program is terminated or upon the receipt of a complete application for an insurance affordability program through the Statewide Automated Welfare System. **Status:** Signed by the Governor.

AB 539 (Schiavo, Prior Authorization) proposes to require an approved prior authorization to remain valid for an entire year. **Status:** Vetoed by the Governor.

Key Legislative Dates:

- November 3, 2026, General Election
- January 1, 2027, Statute takes effect

Strategic Engagement Department Supplemental Report September & Early October Look-Back



Date: October 21, 2026
From: Citlaly Santos, Strategic Engagement Director
Through: Jordan Turetsky, Chief Strategic Engagement Officer

PUBLIC RELATIONS

The October 1 launch of Central Coast Coverage generated strong early visibility for the region's coordinated effort to help residents maintain health coverage during upcoming Medi-Cal eligibility, enrollment, and renewal changes. CenCal Health strategically amplified the launch through a bilingual press release that has secured broad coverage across television, print, digital, and community outlets throughout Santa Barbara and San Luis Obispo counties, including an on-camera interview with KSBY, and articles by *Santa Maria Times*, *Paso Robles Daily News*, *Noozhawk*, *Amigos805*, and the *Santa Barbara News-Press*.



Coverage consistently reinforced the significance of CenCal Health's \$2 million investment in the Regional Member Navigation Hub and highlighted the cross-sector partnership supporting the initiative. Media reporting also amplified estimates from our counties' departments of social services that approximately 44,000 local community members across our region may be at risk of losing coverage without navigation assistance, expanding community awareness and positioning CenCal Health as a leading partner in protecting access to care across the Central Coast.

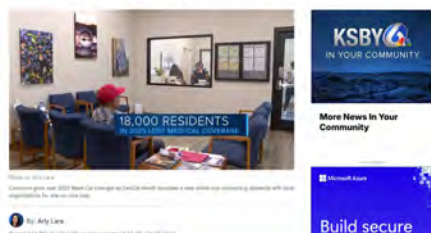
Beyond Central Coast Coverage, CenCal Health secured additional earned and stakeholder media placements during the reporting period of September 1 through October 12, 2026, further elevating the organization's visibility, community impact, and leadership across the Central Coast. Coverage included recognition of CenCal Health's 4-Star Rating for Quality Care from the National Committee for Quality Assurance (NCQA) in the Central Coast Medical Association's *Local Rounds* newsletter, as well as features in *Edhat*, *KEYT News Channel 3-12*, and the *Santa Barbara Independent*.

News Clipping Samples

Highlighted below are three notable examples of CenCal Health's earned media coverage.

New hub helps residents navigate Medi-Cal changes

Concerns grow over 2027 Medi-Cal changes as CenCal Health launches a new online hub connecting residents with local organizations for one-on-one help.



1 October 7, 2026 KSBY

New Hub Helps Residents
Navigate Medi-Cal Changes

Paso Robles Daily News

CenCal Health launches hub to help residents keep Medi-Cal coverage



2 October 6, 2026 Paso Robles Daily News

CenCal Health Launches Hub to
Help Residents Keep Medi-Cal
Coverage



3 September 24, 2026 CCMA Local Rounds

CenCal Health Earns 4 Out of 5
Stars for Quality Care

Media Coverage Summary

During the reporting period of September 1 through October 12, 2026, CenCal Health secured 12 earned media placements across regional television, print, digital, and community news outlets.

Media Coverage		
Date	Name	Headline
10/9/2026	KEYT News Channel 3-12	Santa Barbara Neighborhood Clinics Health Fair Brings Free Resources to Local Families
10/8/2026	Amigos805	Bilingual Report: CenCal Health Launches Member Navigation Hub to Help At-Risk Residents Keep Medi-Cal Coverage
10/8/2026	Santa Barbara Independent	Wellness Fair Featuring DJ Darla, Aztec Dancers, and Hourly Games
10/7/2026	KSBY	New Hub Helps Residents Navigate Medi-Cal Changes
10/7/2026	Santa Maria Times	CenCal Health Launches Medi-Cal Navigation Hub
10/6/2026	Paso Robles Daily News	CenCal Health Launches Hub to Help Residents Keep Medi-Cal Coverage
10/6/2026	Santa Barbara News-Press	County Notebook: Supervisors Talk Sidewalk Vendor Crackdown, Abandoned Boats and Immigration
10/6/2026	Edhat	Santa Barbara Neighborhood Clinics Health & Wellness Fair on Oct. 10
10/5/2026	Noozhawk	CenCal Navigation Hub Helps At-Risk Residents Keep Medi-Cal Coverage
9/24/2026	CCMA Local Rounds	CenCal Health Earns 4 Out of 5 Stars for Quality Care
9/14/2026	Edhat	Foodbank of Santa Barbara County Revives Dine Out for Hunger During September Campaign
9/9/2026	Santa Barbara Independent	A Labor Day Question: Is Elon Musk Really Worse

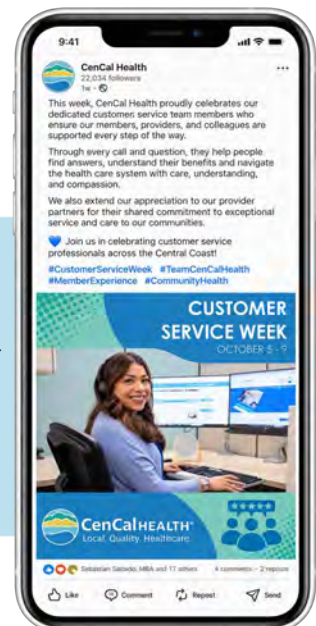
SOCIAL MEDIA EXAMPLES



September 1 through October 12, 2026

National Customer Service Week

CenCal Health recognized Customer Service Week through a social media post highlighting the contributions of its customer service team and provider partners. The post reinforced the organization's commitment to member experience, access to care, and compassionate service by recognizing employees who help members navigate benefits and the health care system.



SOCIAL MEDIA EXAMPLES



(Continued)



NCQA 4-Star Rating

CenCal Health highlighted its achievement of a 4-Star rating for Quality Care from the NCQA, recognizing the organization's commitment to delivering high-quality care in partnership with its provider network. The post also acknowledged the contributions of provider partners and staff in advancing health outcomes and access to care across the communities CenCal Health serves.

COMMUNITY ENGAGEMENT

Outreach and Events Spotlight

Paso Robles Hispanic Heritage Month Festival

In September, the CenCal Health team joined community partners at Paso Robles' 4th Annual Hispanic Heritage Month Festival, hosted by Mujeres de Acción. The event provided an opportunity to connect with community members, share health and wellness resources, and celebrate the rich cultural contributions of the Latino community. Through its participation, CenCal Health reinforced its commitment to advancing health equity and strengthening partnerships with trusted community organizations that support education, advocacy, and access to care.



CCMA Annual Membership Celebrations

CenCal Health sponsored and participated in CCMA's Central Coast Medicine Nights in Santa Barbara and San Luis Obispo, convening physicians, healthcare leaders, and community partners to recognize the collaborations that advance healthcare across the Central Coast. Chief Medical Officer Dr. Heinert delivered opening remarks at both events, reinforcing CenCal Health's commitment to strengthening provider partnerships and improving regional health outcomes.

FOR IMMEDIATE RELEASE: October 5, 2025

FOR MORE INFORMATION: Marty Johnson, (202) 420-7424

mjohnson@communityplans.net

ACAP ELECTS NEW SLATE OF DIRECTORS

WASHINGTON — The Association for Community Affiliated Plans (ACAP) announced the election of several health plan leaders to its Board of Directors.

The board election took place in advance of ACAP's annual CEO Summit. Board members are elected by ACAP's Membership Council, which comprises representatives from each of its member Safety Net Health Plans. Although not all positions were subject to election in this cycle, the organization elected several new leaders to its Board.

Leanne Berge, CEO of Community Health Plan of Washington, was re-elected to a second term as Board chair.

Sylvia Kelly, CEO of Community Health Network of Connecticut, was elected vice-chair of the organization; she has previously served on the Board in several roles, most recently Secretary and Treasurer.

Marina Owen, CEO of CenCal Health (Calif.), was elected Secretary; she maintains her role as chair of ACAP's Quality and Operations Committee.

Theresa Scepanski, CEO of Community First Health Plans was elected Treasurer.

The Membership Council also installed four new chairs of its operating committees: Brendan Harris, president of UMPC *for You* (Pa.) as chair of its Medicaid Policy Committee; David Wagner, president and CEO of Elderplan/Homefirst (N.Y.), as chair of its Medicare and MLTSS Committee; Annie Lee, CEO of Colorado Access, as chair of its Marketplace Committee; and Rob Robinson, CEO of Alliance Health (N.C.) as President of its Strategic Communications Committee.

"We're thrilled to welcome these accomplished health care leaders to our Board," said ACAP CEO Margaret A. Murray. "At a time when technological advancement and policy changes have come together to change the shape of publicly-supported health coverage programs, their decades of experience and innovative thinking will be invaluable as we shape the

Association's strategic direction for the years to come."

As it stands, ACAP's Board of Directors includes:

- Leanne Berge, CEO, Community Health Plan of Washington, Chair;
- Sylvia Kelly, CEO, Community Health Network of Connecticut, Vice Chair;
- Marina Owen, CEO, CenCal Health, Treasurer;
- Theresa Scepanski, CEO, Community First Health Plans, Treasurer;
- Brendan Harris, President, UPMC *for You*, Medicaid Policy Committee Chair;
- David Wagner, President and CEO, Elderplan/Homefirst, Medicare and MLTSS Committee Chair;
- Annie Lee, CEO, Colorado Access, Marketplace Policy Committee Chair;
- Rob Robinson, CEO, Alliance Health, Strategic Communications Committee Chair;
- Marina Owen, CEO, CenCal Health, Quality and Operations Committee Chair;
- Adam Beam, President, Florida Market, CareSource
- Sonya Nelson, Regional President, AmeriHealth Caritas (Pa.)
- Sarah Spiekermeier, CEO, Banner Health (Ariz.)

About ACAP

ACAP represents 92 health plans, which collectively provide health coverage to more than 30 million people. Safety Net Health Plans serve their members through Medicaid, Medicare, the Children's Health Insurance Program (CHIP), the Marketplace and other publicly-sponsored health programs. For more information, visit communityplans.net.

Customer Experience and Health Equity Report

Date: October 21, 2026

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, Communications and Marketing Director
Bao Xiong, Program Development Director

Executive Summary

This report summarizes key metrics and activities of the Member Services, Health Equity and Program Development, and Communications and Marketing departments for September 2026. This month's highlights include successful enrollment members in CareConnect, the launch of the Regional Members Navigation Hub, and creation of communication collaterals to support the Annual Enrollment Period for CareConnect.

Member Services

Member Services Functions to Support CenCal Care Connect

CareConnect Call Center

- Average of 29 calls per day, with 877 calls total in September.
- 62% of Total Call Volume is related to CareConnect.

CareConnect Enrollment & Eligibility

- 902 members enrolled as of October 1, 2026.
- 10 disenrollments effective 9/30/26
- 100% of applications are processed timely and all member notifications are occurring as required.

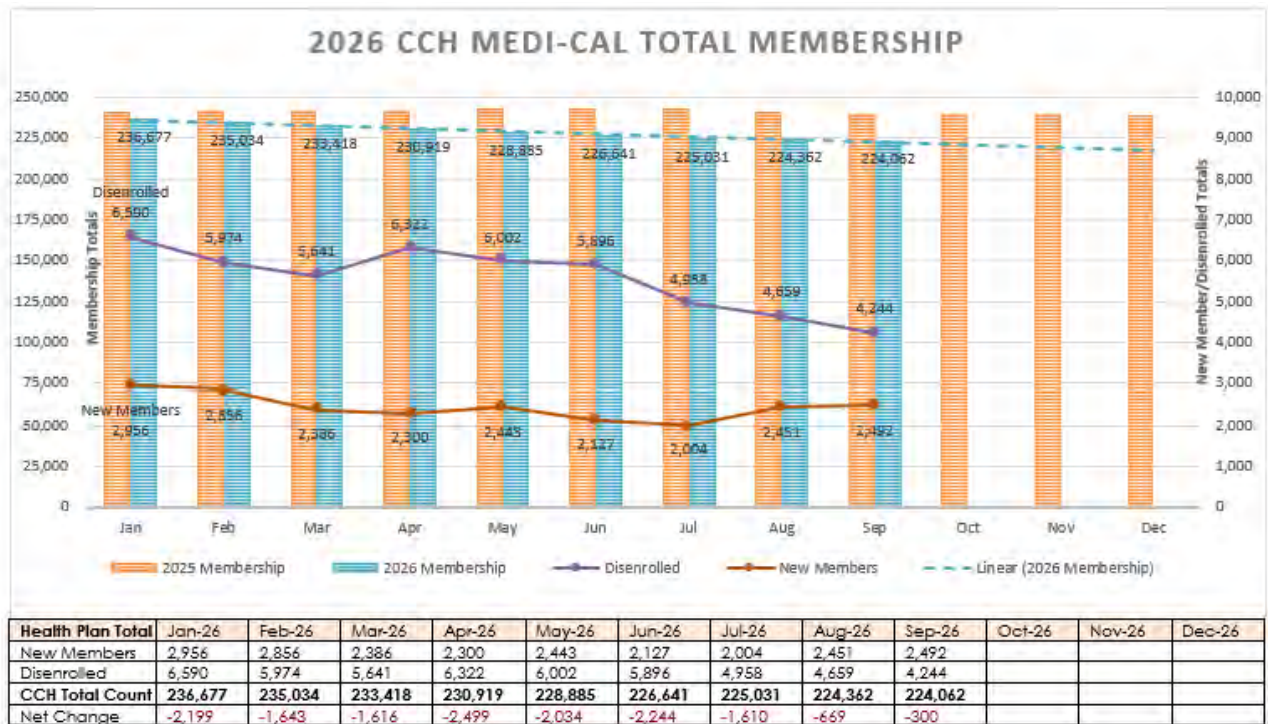
CareConnect Grievance & Appeals

During September, 33 grievances were filed concerning issues with provider billing, access to care, authorization, supplemental benefits, and transportation.

A new "Grievance Forum" was created with cross-department representation to address concerns and improve provider network education and member experience. The group will address internal communication improvements and material updates to assist in member education as well.

Medi-Cal Membership

CenCal Health's aggregate membership as of October 5, 2026, is 223,731, reflecting a net **decrease** of 331 members from September's final total of 224,062. As shown in the table below, September's new member enrollment totaled 2,492, including 1,546 members in Santa Barbara County (SBC) and 946 members in San Luis Obispo County (SLOC). Continuing a downward trend, SBC experienced 2,735 disenrollments and SLOC experienced 1,505 disenrollments in September.



*Net Change: CCH Total comparison to prior month

Grievance & Appeal

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.

Health Equity & Program Development

On October 1, 2026, CenCal Health launched the Regional Member Navigation Hub to help members maintain their health coverage. The Regional Member Navigation Hub will reduce avoidable coverage losses and disruptions in care among an estimated 44,000 members at risk of losing coverage due to six-month renewal and work and community engagement requirements that take effect in January 2027. Additional information is provided in a separate memo and presentation.

Recommendation

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

CENCAL HEALTH - CALENDAR 2026

CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM

MEMBER ENROLLMENT BY MONTH: SEPTEMBER 2026 – SBHI & SLOHI

Reporting period:

September 2026 – Calendar 2026

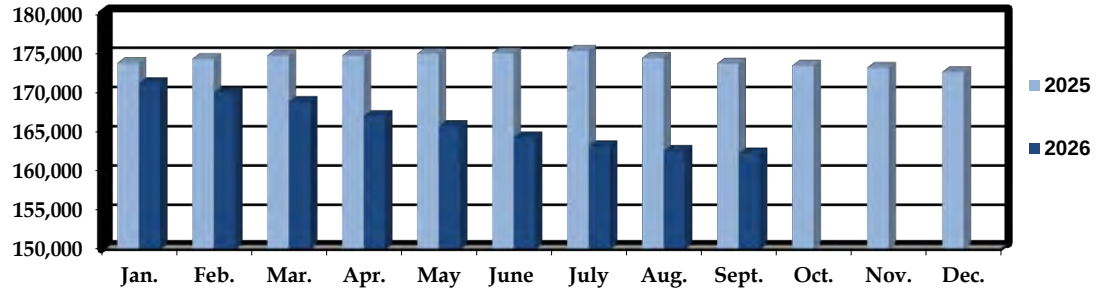
SBHI Monthly Enrollment 2026

September 2026 = **162,283**

Membership decreased by a net **-327** members when compared to last month.
Change over the last 6 months: **-6,561** (March)

New members for September = **1,546**

SBHI Member Enrollment by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025 Members	173,790	174,314	174,749	174,741	174,966	175,049	175,366	174,432	173,715	173,452	173,189	172,637
2026 Members	171,236	170,005	168,844	167,036	165,759	164,331	163,191	162,610	162,283			

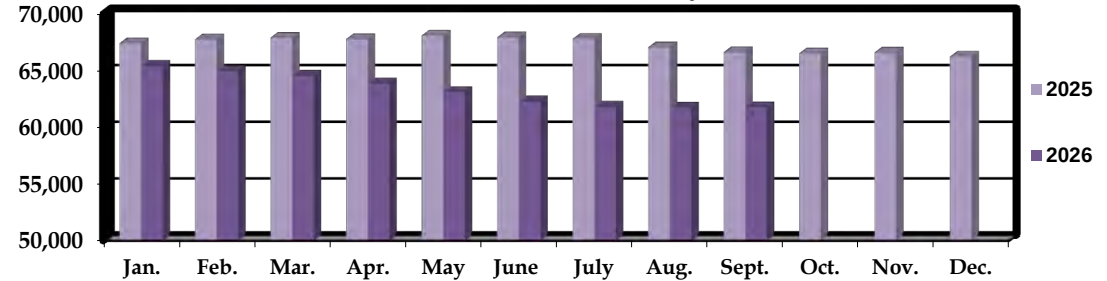
SLOHI Monthly Enrollment 2026

September 2026 = **61,779**

Membership decreased by a net **+27** members when compared to last month.
Change over the last 6 months: **-2,795** (March)

New members for September = **946**

SLOHI Member Enrollment by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025 Members	67,420	67,766	67,918	67,788	68,102	67,950	67,814	67,072	66,638	66,530	66,611	66,239
2026 Members	65,441	65,029	64,574	63,883	63,117	62,310	61,840	61,752	61,779			

CENCAL HEALTH - CALENDAR 2026

CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM

SANTA BARBARA NEW MEMBER ENROLLMENT BY MONTH: SEPTEMBER 2026

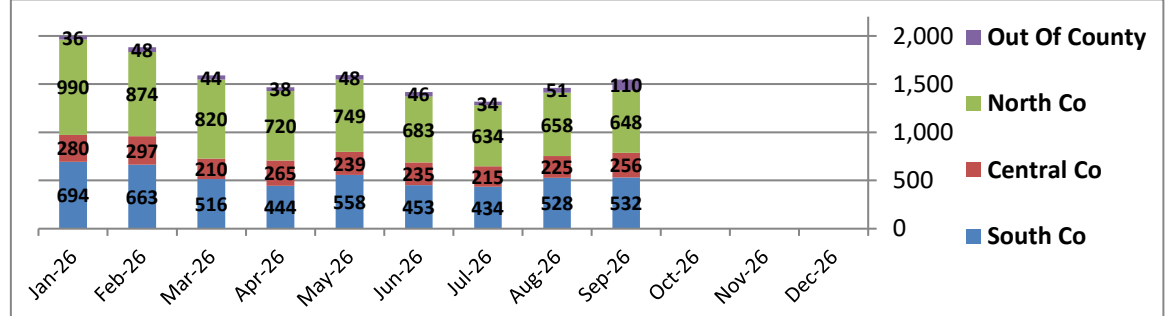
Reporting period:

September 2026 – Calendar 2026

Santa Barbara County New Member Enrollment by Area

September 2026 = 1,546

Most growth in:
Santa Maria (North): 600
Santa Barbara (South):
336



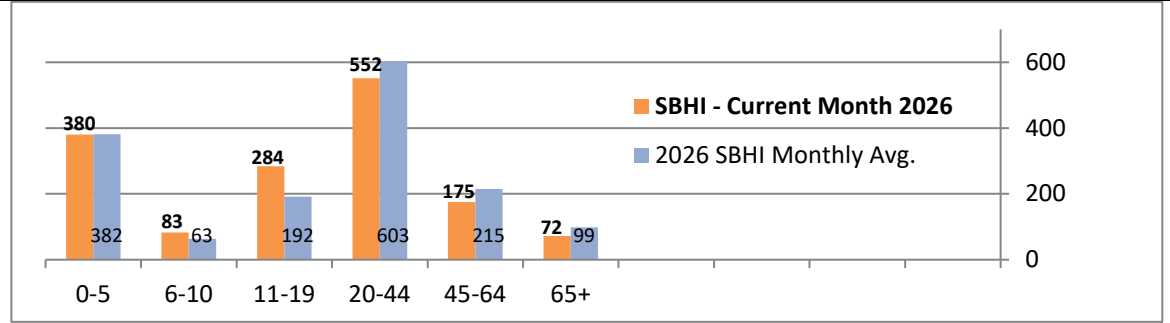
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025 New Members	1,884	2,300	2,110	2,298	2,064	1,774	1,712	1,679	1,500	1,742	1,936	1,608
2026 New Members	2,000	1,882	1,590	1,467	1,594	1,417	1,317	1,462	1,546			

SANTA BARBARA NEW MEMBER ENROLLMENT BY AGE: SEPTEMBER 2026

Santa Barbara County New Members by Age

September 2026 = 1,546

Most growth came from the
age group of 20-44 with 552
new members.



New Members by Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0-5	400	419	375	415	464	387	140	400	380			
6-10	62	54	65	65	76	58	42	51	83			
11-19	209	245	218	177	167	166	68	157	284			
20-44	864	778	635	534	560	520	264	567	552			
45-64	315	263	205	190	229	191	116	197	175			
65+	150	123	92	86	98	95	57	90	72			

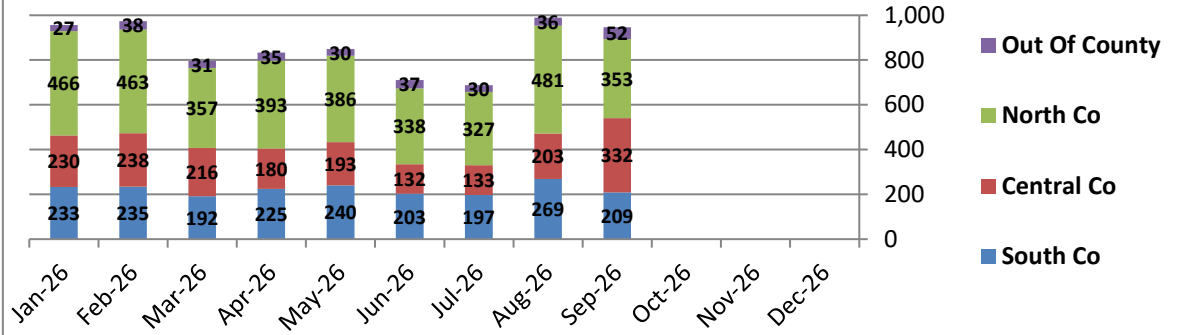
CENCAL HEALTH - CALENDAR 2026 **CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM**

SAN LUIS OBISPO NEW MEMBER ENROLLMENT BY MONTH: SEPTEMBER 2026

San Luis Obispo County New Member Enrollment by Area

September 2026 = 946

Most growth in:
San Luis Obispo
(Central): 331
Paso Robles (North): 156



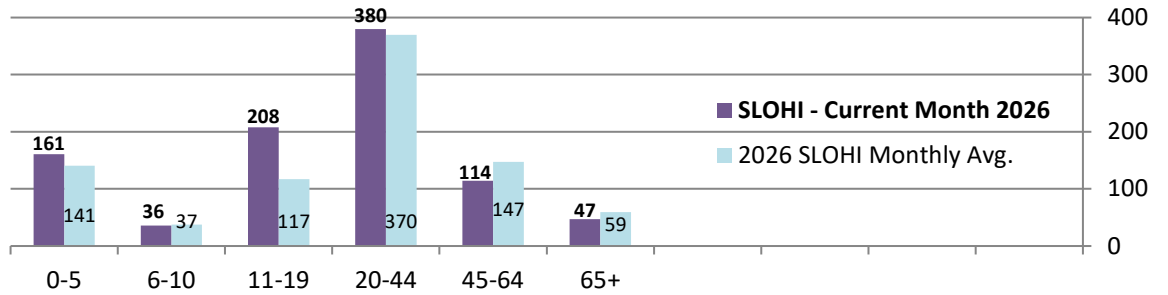
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025 New Members	1,116	1,323	929	961	1,027	850	842	880	856	899	1,079	857
2026 New Members	956	974	796	833	849	710	687	989	946			

SAN LUIS OBISPO NEW MEMBER ENROLLMENT BY MONTH: SEPTEMBER 2026

San Luis Obispo County New Members by Age

September 2026 = 946

Most growth came from the age group of 20-44 with 380 new members.



New Members by Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0-5	145	116	108	158	157	118	140	145	161			
6-10	41	32	29	31	33	46	42	37	36			
11-19	99	144	125	99	117	74	68	104	208			
20-44	421	420	345	372	355	294	264	441	380			
45-64	188	187	138	124	135	123	116	187	114			
65+	62	75	51	49	52	55	57	75	47			

Communications September 2026 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Marketing

Through: Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer

Date: October 21, 2026



CenCalHEALTH®
Local. Quality. Healthcare.

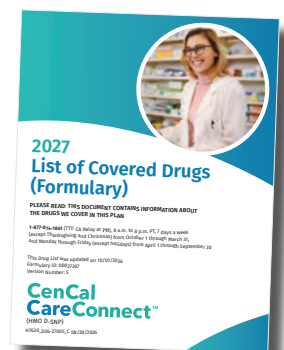
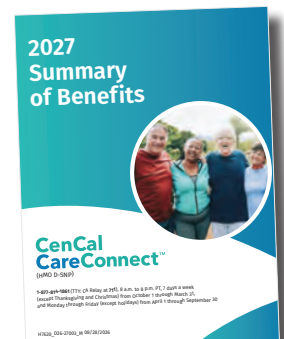
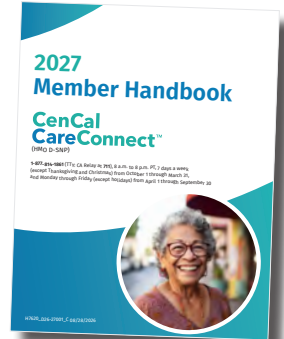
CenCal CareConnect Enters Second Year with Comprehensive AEP Outreach Strategy

September was one of the busiest months of the year for the Communications & Marketing team as preparations ramped up for the 2027 Annual Enrollment Period (AEP), which officially began Oct. 1. As CenCal CareConnect enters its second year, the team collaborated across departments to develop and launch a comprehensive suite of marketing, sales, and member communication materials designed to support enrollment growth and member retention.

To support outreach efforts, more than 40,000 direct mail pieces are scheduled to be sent to duals members starting in October. The Sales team has also planned a robust schedule of community-based sales events where Medicare Sales Navigators will provide education, answer questions, and assist with enrollment. Eligible beneficiaries can enroll during AEP for coverage beginning Jan. 1, 2027, or for the remainder of the 2026 plan year.

The team also posted all required member-facing plan materials, including the Summary of Benefits, Member Handbook, Formulary, and Provider and Pharmacy Directory, which are now available on the CenCal CareConnect website. In addition, current members received the plan's first Annual Notice of Change, outlining 2027 benefit and coverage updates and reinforcing that existing members will remain enrolled unless they choose otherwise.

By providing clear information, personalized enrollment support, and proactive communication about plan benefits, CenCal CareConnect is helping members navigate Medicare with greater confidence and connect to the care and services they need.





¿Por qué inscribirse en CenCal CareConnect?

Usted ya nos conoce como su plan de salud de Medi-Cal. Pero ahora CenCal Health puede coordinar sus beneficios y servicios de Medi-Cal y Medicare.

¡un plan diseñado para aquellas personas con Medi-Cal y Medicare!

- Una tarjeta de identificación (ID) para ambos programas
- Un coordinador de atención dedicado
- Personal bilingüe
- Una red grande de doctores y todos los hospitales locales
- Beneficios adicionales como visión y audición, y artículos de venta sin receta médica y de bienestar

¡Soloamente CenCal CareConnect puede coordinar sus beneficios de Medicare y Medi-Cal en un plan de salud!

BENEFICIOS INCLUIDOS

\$0 Prima mensual del plan

\$0 Copago para visitas al doctor y especialistas y hospitalización

\$0 Copago para medicamentos recetados* (planes para el 2027)

\$0 Copago para pruebas diagnósticas, radiografías, servicios de laboratorio

\$0 Copago para cuidado de salud conductual ¡Y más!

Con una simple llamada, combine sus beneficios de Medicare y Medi-Cal.

Si usted tiene estas dos tarjetas, es posible que califique.

¡Inscríbese hoy!

¡Lláme al número gratuito de CenCal CareConnect al 1-877-227-3168

¡Lláme al número gratuito de CenCal CareConnect al 1-877-227-3168

¡Lláme al número gratuito de CenCal CareConnect al 1-877-227-3168

CenCal CareConnect

Call 1-877-227-3168 to reserve your spot!

¡Lláme al 1-877-227-3168 para reservar su lugar!

Are you getting everything you can from your Medicare? Learn how to get MORE.

¿Está usted aprovechando al máximo su Medicare? Aprenda cómo aprovecharlo MÁS.

CenCal CareConnect

Call 1-877-227-3168 to reserve your spot!

¡Lláme al 1-877-227-3168 para reservar su lugar!

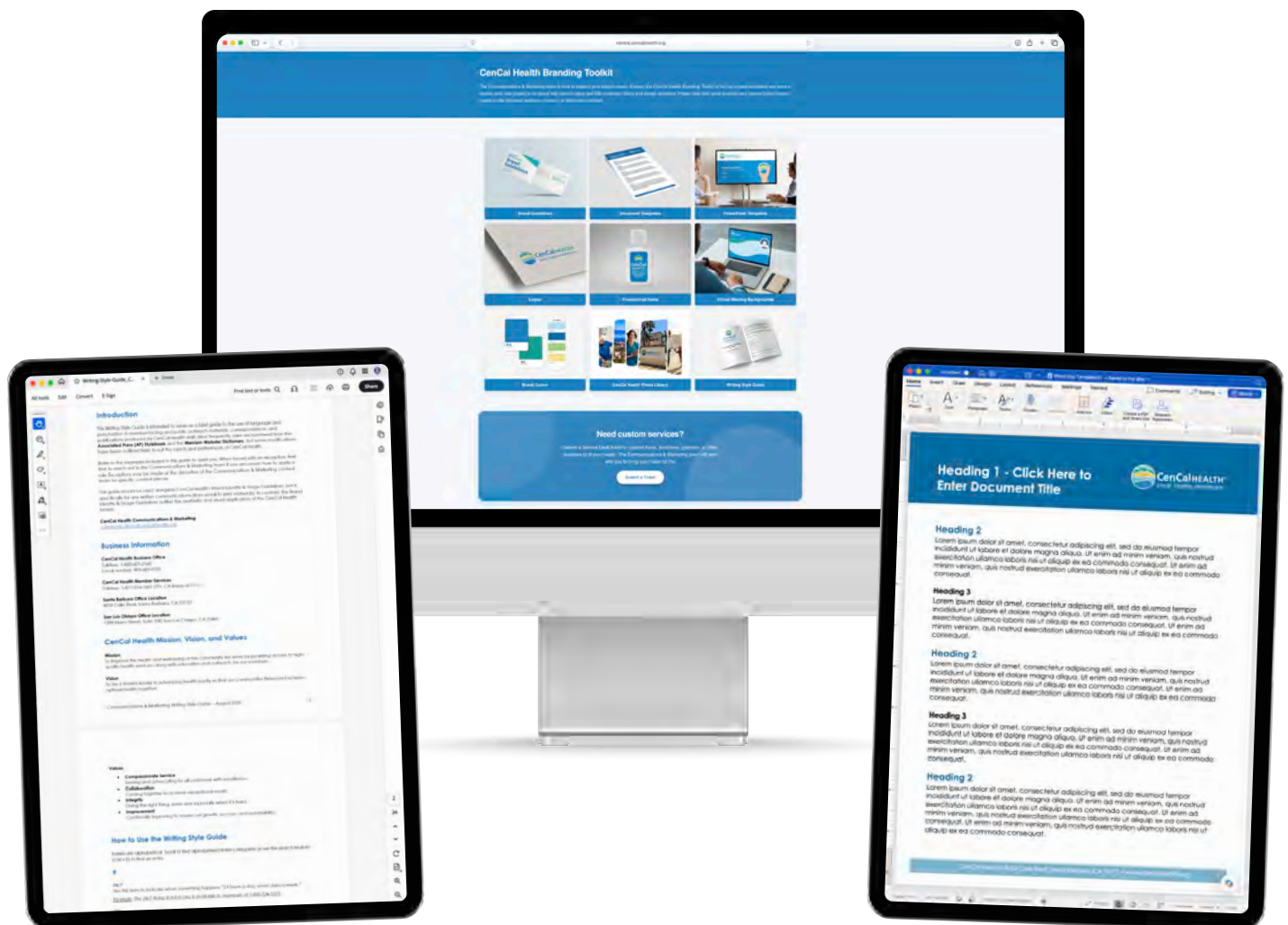
Strengthening Brand Consistency Across the Organization

To support clear, consistent, and professional communications, the Communications & Marketing Department recently launched a new CenCal Health Branding Toolkit on CenCal Central, the company intranet. The centralized resource gives employees convenient access to approved brand assets and communication tools, helping ensure presentation and other materials across the organization reflect a unified CenCal Health identity.

The toolkit includes brand guidelines, current CenCal Health and CenCal CareConnect logos, Word and PowerPoint templates, virtual backgrounds, a photo library, promotional item resources, and a writing style guide. By bringing these resources together in one location, the toolkit makes it easier for staff to create high-quality materials that align with organizational standards.

In addition to improving efficiency, the Branding Toolkit supports broader goals related to brand stewardship, accessibility, and communication quality. Consistent branding helps strengthen recognition and trust among members, providers, community partners, and other stakeholders while creating a more cohesive experience across all touchpoints.

The launch represents an important step in standardizing communication practices and equipping employees with the tools they need to effectively represent the CenCal Health brand.



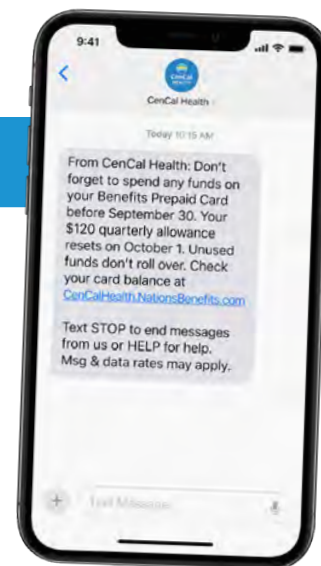
Communications Material Development

In September, Communications worked on more than 50 projects and tickets. Samples of collateral materials Communications produced for members, providers, and the community are included below.

MATERIALS: Member-focused

Benefits Prepaid Card Reminder Campaign

The Communications team sent a targeted text message reminder to CenCal CareConnect members, encouraging them to use their quarterly Benefits Prepaid Card allowance before Sept. 30 and avoid forfeiting unused funds before the Oct. 1 reset. This serves as another retention measure by reminding members about supplemental benefits.



Physician/Clinic Affiliation Marketing Letters

Below are two examples of physician-approved affiliation letters that were sent to the physician's duals membership, alerting them to the fact that the physicians are contracted to serve CenCal CareConnect members. The letters help members know that they can keep their primary provider while taking advantage of the benefits in the D-SNP plan.



Operations Report

Date: October 21, 2026

From: Kaliki Kantheti, Chief Operating Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Hector Garcia, Medicare Director

Executive Summary

This Operations Report provides an overview of September and early October activities specific to CenCal Health's Dual Special Needs Program (D-SNP) CareConnect.

CenCal Health CareConnect Update

CareConnect Membership

As of October 9, 2026, CenCal CareConnect has **975 enrolled members, including 902 members effective October 1, 2026**, with the remaining members scheduled for future effective dates. Membership continues to grow steadily as we enter Medicare's Annual Enrollment Period (AEP), positioning CareConnect for continued growth through the remainder of the enrollment season.

Annual Enrollment Period (AEP) Update

October 1, 2026, marked the start of the Medicare member communication period for the Annual Enrollment Period (AEP), allowing Medicare plans to begin approved outreach and marketing activities to prospective members. In support of AEP, CenCal has launched its planned marketing campaign and has already distributed approximately 17,000 marketing materials, with additional mailings and outreach activities continuing throughout the enrollment season.

The Annual Enrollment Period runs from October 15 through December 7 and is the primary Medicare enrollment season during which eligible beneficiaries may elect or change Medicare Advantage coverage, including enrollment in a Dual Eligible Special Needs Plan (D-SNP). While AEP remains an important driver of new enrollment, it is important to note that as an Exclusively Aligned Enrollment (EAE) D-SNP, CenCal CareConnect may continue to accept eligible enrollments outside of AEP, providing ongoing opportunities for membership growth throughout the year.

2026 CareConnect Priorities

As CareConnect continues to mature from implementation into a fully operational Medicare product, CenCal Health remains focused on strengthening core capabilities in data reporting, dashboard capabilities, audit readiness, Quality (Stars), and Risk Adjustment to support sustainable program performance and long-term success.

In support of this stabilization, CenCal Health is also actively pursuing opportunities to automate operational processes and optimize technology capabilities across various functional areas. These efforts are intended to reduce manual work, streamline workflows, improve operational efficiency, and enhance the experience of both members and providers.

CY 2028 Bid Development Update

CenCal officially began CY 2028 bid development on October 1, marking the launch of CareConnect's next Medicare bid cycle. As part of this effort, the organization is leveraging CMS' recently published CY 2027 Medicare Advantage and Part D Landscape file to conduct a comprehensive comparative benefit analysis. This analysis will evaluate how competitors are positioning their products, identify strategic market opportunities, and inform benefit strategies to support long-term growth and member value while ensuring CareConnect's benefit design remains competitive and responsive to member needs.

Recommendation

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

Medi-Cal Capacity Grant Program Report

Date: October 21, 2026

From: Jordan Turetsky, MPH, Chief Strategic Engagement Officer

Through: Marina Owen, Chief Executive Officer

Executive Summary

One mechanism by which CenCal Health supports and strengthens our provider partnerships is through the Medi-Cal Capacity, Access, and Workforce Grant Program (Capacity Grant Program). At the April 2026 meeting of the CenCal Health Board of Directors (Board), the Board approved \$6M in community reinvestment funding to be allocated to the second round of the Capacity Grant Program. With an additional \$1.4M in funding retained through CenCal Health's participation in the Voluntary Rate Range Program, a total of \$7.4M in funding is available for the 2026 Capacity Grant Program.

CenCal Health launched the second round of the Capacity Grant Program in June of 2026, and applications closed on July 31, 2026. 41 applications were received from providers and community organizations throughout Santa Barbara and San Luis Obispo Counties, totaling over \$26M in requested funding. This Report summarizes the Capacity Grant Program, the applications received in round two, and next steps to issue funding awards.

Background

Capacity Grant Program Lookback: 2025 (Round 1)

On September 18, 2024, the CenCal Health Board approved the implementation of the Capacity Grant Program. With input gained from the Access to Care Grant Program Board Subcommittee (Board Subcommittee), staff developed the Capacity Grant Program to provide 12-month grants to applicant organizations seeking to enhance access to care for CenCal Health members.

Based on the review of locally available data, through internal CenCal Health reports, and by studying similar programs initiated by peer health plans, *Access to Care* and the need for workforce development for ongoing recruitment of primary care and specialty providers to ensure a robust plan provider network was the highest need at the time of program inception. Focusing more closely, the most pressing areas of need for enhancing access to care were **Behavioral Health, Primary Care and Pediatrics, and Specialty Care**.

The Capacity Grant Program was initially designed to support the identified areas of focus, as well as the broader needs of our providers and members, and highlighted the following:

1. **Recruitment** of new providers through individual grants to provider and community organizations;
2. **Training and educational opportunities** for healthcare careers and in support of building healthcare workforce pathways; and
3. **Practice transformation and/or support** through investment in activities to strengthen, bolster and improve access to care, such as infrastructure, equipment, and capital expansion.

At the close of the Round 1 funding cycle, 32 applications from 31 unique organizations were received with requests totaling \$15,825,044. Using the above criteria, over \$5.5M in funding was awarded with \$2.4M serving Santa Barbara County and \$3.1M serving San Luis Obispo County. 34 new healthcare professionals were added through the approved round one awards, with over 19,000 CenCal Health members positively impacted. Grantees are now finalizing submission of the 6-month reports, with outcomes to be tracked and shared with the Board in the coming months.

Capacity Grant Program Design: 2026 (Round 2)

In January 2026, CenCal Health's Board of Directors allocated \$12M to be utilized for community reinvestments across state requirements, grant programs, and local initiatives. With feedback from the Board Subcommittee and the Board Finance Committee, staff developed and the Board subsequently adopted a proposed community investment framework for the \$12M allocation, with \$6M¹ to be allocated to the second round of the Capacity Grant Program.

At the time of the 2024 launch of the initial Capacity Grant Program, CenCal Health's strategic priorities included cultivating community partnerships, expanding our role and reach, and advancing quality and health equity for all. Those priorities were supported through round one Capacity Grant funding, which included significant investments in workforce expansions and innovative workforce development programs.

CenCal Health's 2026 Strategic Plan offers an evolving emphasis: one on strengthening provider partnerships in the context of House Resolution 1 (HR 1) and a drastically different healthcare environment than what was experienced in prior years. Accordingly, success through the second round of capacity grant funding means supporting long-term stability within the healthcare system.

¹ \$6M community investment funding is exclusive of earned Voluntary Rate Range Program (VRRP) funding of \$1.4M, which will be utilized for the Capacity Grant Program. Total Capacity Grant Program funding is \$7.4M for 2026.

In response, the Board reaffirmed the need to focus on provider recruitment and practice support through the next round of Capacity Grant funding, **but to consider these in the context of known or planned impacts to access due to changing Medi-Cal policy under HR 1.** Importantly, the Board emphasized that investments in 2026 should serve to sustain and maintain capacity, with capacity and workforce expansion serving as a secondary goal.

Guided by this strategy, the 2026 Capacity Grant Program focused on providers **most at risk** due to health policy changes under HR-1, including Hospitals, Safety-Net Clinics, Private Primary Care Practices, and Women's and Reproductive Health Services. Towards advancing our strategic priority to strengthen provider partnerships, the program in this second round will **support hospital sustainability, clinic access, provider availability and accessibility to women's health services.**

Towards these HR-1 related impacts, CenCal Health considered the following:

Criteria	Description
Impact on Access to Care	Extent to which the project prevents loss of services, sites, providers, or patient access.
Provider Vulnerability to HR 1 Impacts	Degree to which the applicant is at risk from H.R. 1 impacts. Protects hospitals, FQHCs, primary care, women's health, reproductive health, or other essential safety-net services.
Feasibility	Clear plan, realistic timeline, and ability to implement quickly.
Sustainability	Likelihood that the investment protects organizational stability over the next 1-2 years.

Given the above, each grant request was categorized as high, moderate, or low with respect to addressing HR 1 impacts, in addition to alignment with the priority areas of focus (*Behavioral Health, Primary Care and Pediatrics, and Specialty Care*).

Grant Awards

Following the April 2026 adoption of the Capacity Grant Program Round Two funding and areas of focus, staff began Capacity Grant Round Two implementation activities. CenCal Health's new grant management platform Foundant was utilized for the 2026 application cycle, and application information was shared with CenCal Health's provider network through a variety of channels. Applications opened at the end of June 2026 and closed on July 31, 2026. As of August 1, 2026, CenCal Health was in receipt of 41 applications represented by 37 unique organizations. Across all applicants, **\$26,644,316** in funding was requested, exceeding the available funding of \$7.4M.

The CenCal Health Funding Committee comprised of CenCal Health leadership from key functional areas subsequently met to review and discuss all submitted applications. After three meetings of the Committee in September 2026 and utilizing the health policy impact guidance offered by the Board, staff approved a total of **20** applications for funding, reflecting **\$7,234,985²** in approved grants.

Approval by amount and category were as follows:

Provider Category	Grant Funding Awarded
Safety Net Clinics	\$3,089,380
Primary Care Practices	\$1,849,671
Hospitals	\$1,803,345
Women's & Reproductive Health Services	\$356,425
Other Community Organizations	\$136,164
Total	\$7,234,985

Remaining funds in the Capacity Grant Program may be utilized for unmet urgent/emergent needs as identified by CenCal Health and in alignment with Capacity Grant Program Round Two funding priorities.

Next Steps

Staff are finalizing award announcements and will notify applicants of the disposition of their request in October, after which grant agreements and awards will be issued and process tracked through regular grantee reporting cycles.

Recommendation

This Capacity Grant Program Round Two Report is informational only, and no action is requested of the Board.

² One application was approved for funding through CenCal Health's Quality Program and is excluded from the total awarded amount.

2027 Board Meeting and Committee and Advisory Board Schedule

Date: October 21, 2026

From: Marina Owen, Chief Executive Officer
Paula Bottiani, Sr. Executive Assistant of Administration, Clerk of the Board

The following represents the CenCal Health Board of Director's meeting schedule from January 2027 through January 2028.

CenCal Health will hold six (6) regular meetings of the Board of Directors and one (1) special meeting, which is the annual strategic retreat on Friday, July 30, 2027.

For your convenience, the first meeting of the *next calendar year* is also included and will take place on January 19th, 2028, in Santa Maria.

2027 Board of Directors Meeting Schedule

Date	Location
January 20th, 2027	Santa Maria
March 17 th , 2027	San Luis Obispo
April 21 st , 2027	Santa Maria
June 16 th , 2027	Santa Maria
July 30 th , 2027 [<i>Special Meeting</i>]	Retreat, Santa Ynez
September 15 th , 2027	Santa Maria
October 20 th , 2027	Santa Barbara
January 19 th , 2028	Santa Maria

All Regular Board Meetings will begin at **6:00pm** with dinner being served at **5:30pm** prior to each meeting.

The annual Financial Independent Audit results will be presented in April 2027 for the 2026 Calendar Year.

Recommendation

Staff recommends the Board of Directors approve the CenCal Health 2027 Board of Directors Meeting Schedule through January 2028.

Enclosure

1. 2027 Committee and Advisory Board Committee Schedules

Board of Directors Committee and Advisory Board Schedule

For your convenience and planning purposes, following are CenCal Health's 2027 standing and ad hoc subcommittee schedule for the Board Finance, Board Governance and Nominating Committee. CenCal Health's Compliance, Advisory and Steering Committees, including those with Board Liaisons, will be issued separately through meeting invitations.

Finance Committee

Board Committee Date	Location
January 8 th , 2027, at 12:00pm (Lunch Meeting)	Solvang, CA
April 9 th , 2027, at 12:00pm (Lunch Meeting)	Solvang, CA
November 12 th , 2027, at 12:00pm (Lunch Meeting)	Solvang, CA

All Finance Committees are standing meetings and convene at **12:00 pm** including lunch at The Landsby Hotel, Solvang.

Board Governance Committee

Board Committee Date	Location
June 16 th , 2027, at 4:00pm	Santa Maria
September 15 th , 2027, at 4:00pm	Santa Maria

All Board Governance Committees are ad hoc and should they be necessary can convene at **4:00pm** prior to Regular Board of Director Meetings.

Nominating Committee

Board Committee Date	Location
November 3 rd , 2027, at 5:30pm	Virtual Meeting

Nominating Committee can convene at **5:30pm** in a virtual format, as an ad hoc meeting, to review and approve new Board Members.

Note: Standing and ad hoc meetings may be convened additionally on an ad hoc and as needed basis should new Board Members be identified and/or to support County Board of Supervisor nominations including appointments to the CenCal Health Board of Directors or to address business or board needs if/as they emerge.

Regional Member Navigation Hub Update

Date: October 21, 2026

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

Through: Marina Owen, Chief Executive Officer

Executive Summary

On October 1, 2026, CenCal Health launched the Regional Member Navigation Hub to help members maintain their health coverage. This initiative brings together more than 20 cross-sector partners across Santa Barbara and San Luis Obispo counties to provide coordinated outreach and navigation assistance to Medi-Cal members. The purpose of the Regional Member Navigation Hub is to reduce avoidable coverage losses and disruptions in care for members due to six-month renewal and work and community engagement requirements that take effect in January 2027.

Resources available through the Regional Member Navigation Hub include a call center that connects members to trusted local organizations for individualized navigation support, a dedicated website (CentralCoastCoverage.org) that serves as a centralized source of information and resources related to Medi-Cal renewal requirements, training and technical assistance for navigators and providers, and funded partners to conduct outreach and renewal navigation support.

Background

Changes to Medi-Cal renewal requirements under H.R. 1 increase the risk of coverage loss due to administrative or procedural reasons, including address changes, incomplete paperwork, and confusion about the new requirements. To help Medi-Cal members maintain continuous coverage, CenCal Health partnered with Family Services Agency (FSA), Center for Family Strengthening (CFS), Lompoc Valley Community Healthcare Organization, and the Department of Social Services (DSS) in Santa Barbara and San Luis Obispo counties to develop the Regional Member Navigation Hub. This cross-sector partnership is designed to help Medi-Cal members understand renewal requirements and receive direct support to renew their coverage. The Regional Member Navigation Hub launched in October 2026. To further strengthen these efforts, CenCal Health issued \$2.0 million in grant funding to 18 local organizations to provide culturally and linguistically responsive outreach, education, direct navigation assistance, and eligibility support for Medi-Cal members in Santa Barbara and San Luis Obispo counties. Funded organizations and scopes of work are detailed in the table below.

Regional Member Navigation Hub Details

CenCal Health has a cross-functional Grants Funding Committee (Committee) composed of leaders from across the organization who independently review and score each application and collectively make final award decisions. Funding decisions are based on an assessment of the communities and members served, project sustainability, the leveraging of other funding sources, and the proposed scope of work. Funded partners will receive continuous training, technical assistance, and support from the core partners, including CenCal Health, FSA, and the Departments of Social Services.

Medi-Cal Outreach and Navigation Grant Awards as of October 2026:

Organization	Scope of Work	
	Outreach	Navigation
CommUnify		X
Community Action Partnership of San Luis Obispo County		X
Center for Family Strengthening		X
United Way of San Luis Obispo County	X	
LEAP	X	
Corazon Latino	X	
Tolosa Children's Dental Center	X	
5 Cities Homeless Coalition		X
Tu Tiempo Digital	X	
Santa Ynez Valley People Helping People		X
Parents Helping Parents of San Luis Obispo		X
MICOP		X
El Camino Homeless Organization		X
SB ACT		X
The Link		X
San Luis Obispo County Public Health Dept		X
Children and Family Resource Services		X
Fighting Back Santa Maria Valley	X	X

The Regional Member Navigation Hub has also launched the [Central Coast Coverage](#) website, with information about upcoming Medi-Cal changes, frequently asked questions, local assistance, and a dedicated section for providers and Medi-Cal navigators. [Central Coast Coverage](#) also features our [Medi-Cal Member Navigation Toolkit](#) and [Volunteer Program Start-Up Toolkit](#), available in English and Spanish, with information to help organizations understand eligibility and renewal requirements and develop and support volunteer programs.



Next Steps

CenCal Health remains deeply committed to ensuring eligible Medi-Cal members maintain their health coverage. CenCal Health will continue to engage additional community partners to serve members and collaborate with stakeholders on metrics to demonstrate progress in reaching and assisting members in retaining their coverage. Additionally, CenCal Health would like to acknowledge FSA, Promotores Network, MICOP, CFS, San Luis Obispo County DSS, and Santa Barbara County DSS as Health Equity & Access Champions for their leadership and dedication to ensure access to Medi-Cal coverage for residents of San Luis Obispo and Santa Barbara counties. Their efforts help advance equitable access to care and coverage for vulnerable populations.

Recommendation

This report is for informational purposes only; no action is requested.



CenCalHEALTH[®]
Local. Quality. Healthcare.

Regional Member Navigation Hub

Van Do-Reynoso, MPH, PhD

Chief Customer Experience Officer, Chief Health Equity Officer
CenCal Health

October 21, 2026

Local Impact of Work Community Engagement Requirements & 6-Month Redetermination

Santa Barbara County & San Luis Obispo County

47K SB

22K SLO

County residents subjected to new requirements
(DSS estimate)

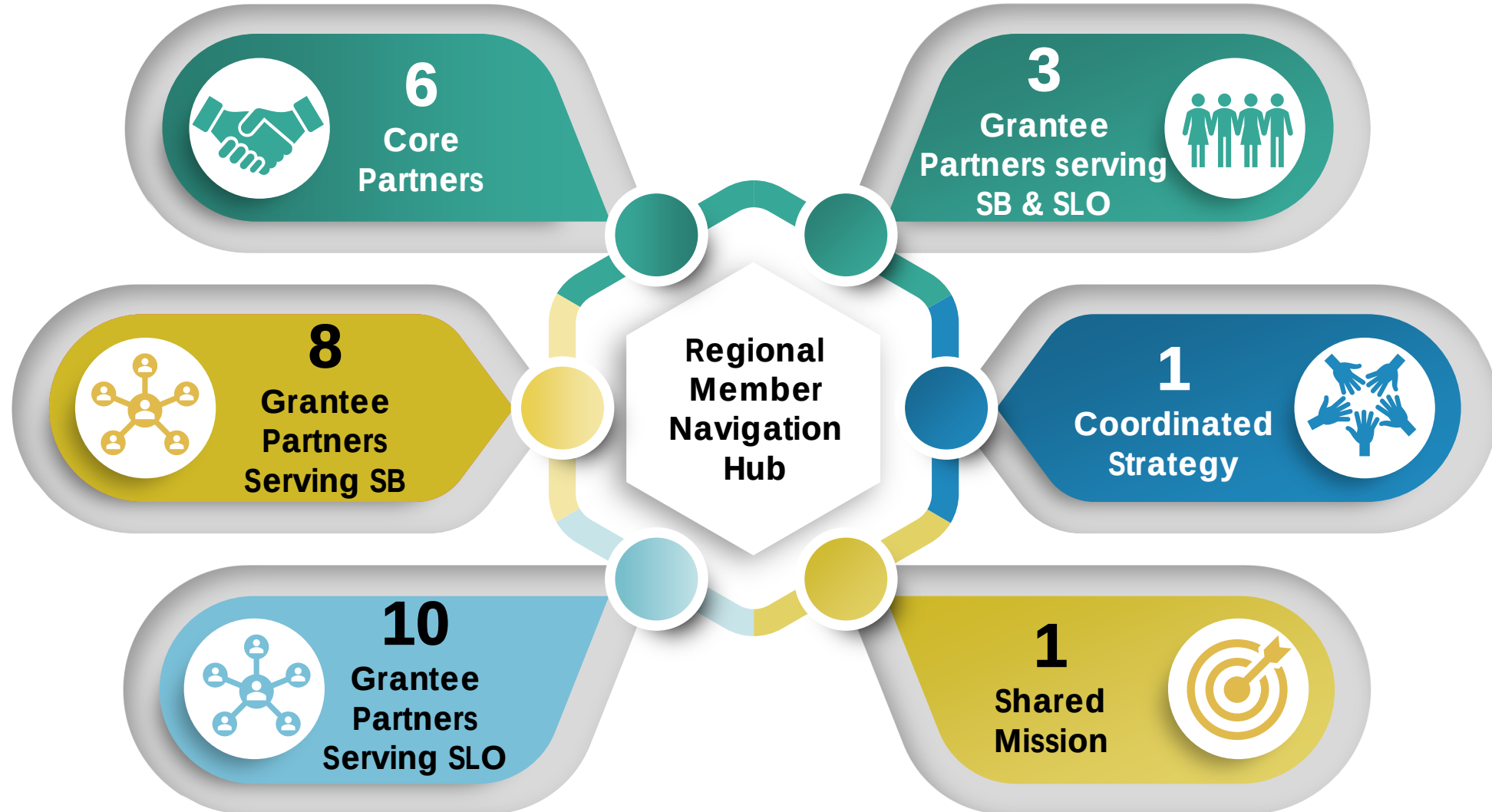
29K SB

15K SLO

County residents at risk of losing coverage without
navigation support (DSS estimate)

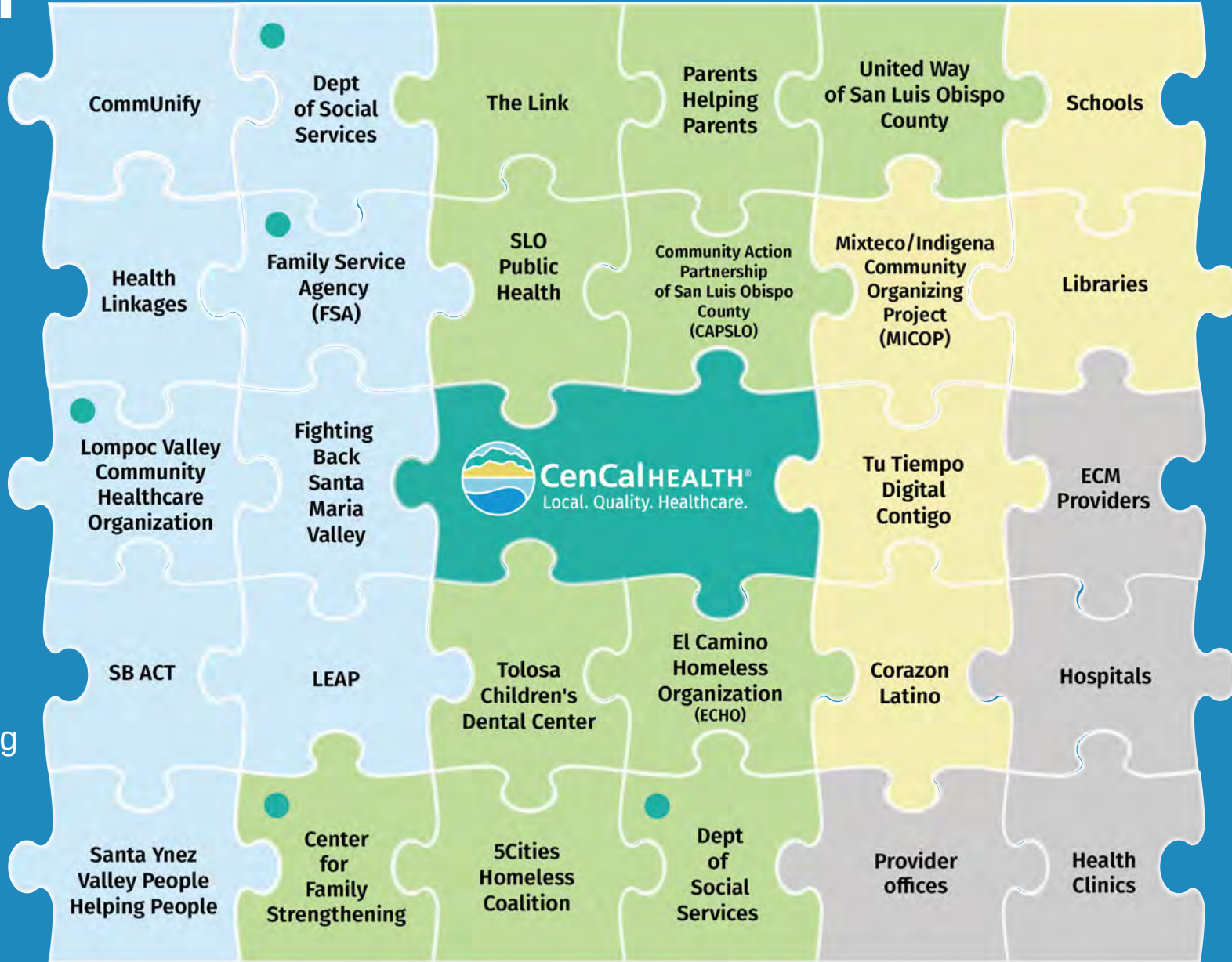
Estimates as of August 2026 based on data currently available in CalSAWS

Regional Member Navigation Hub

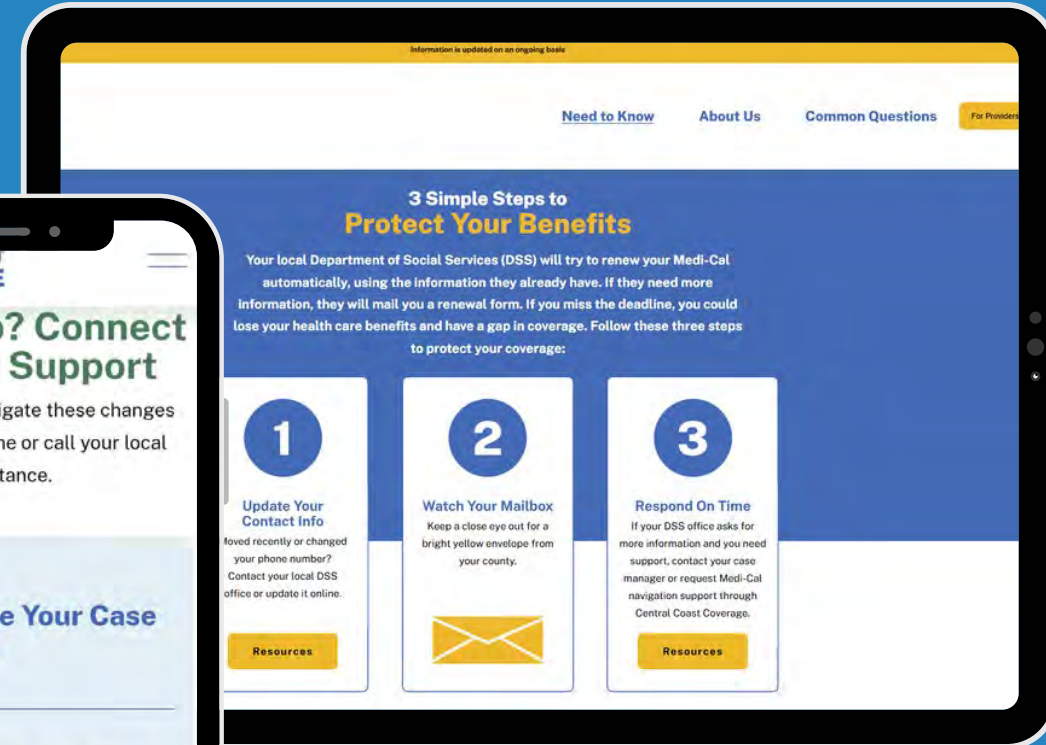
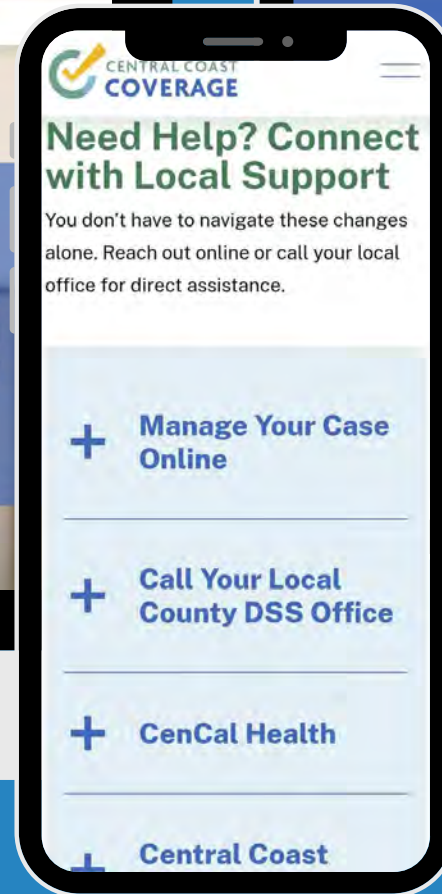
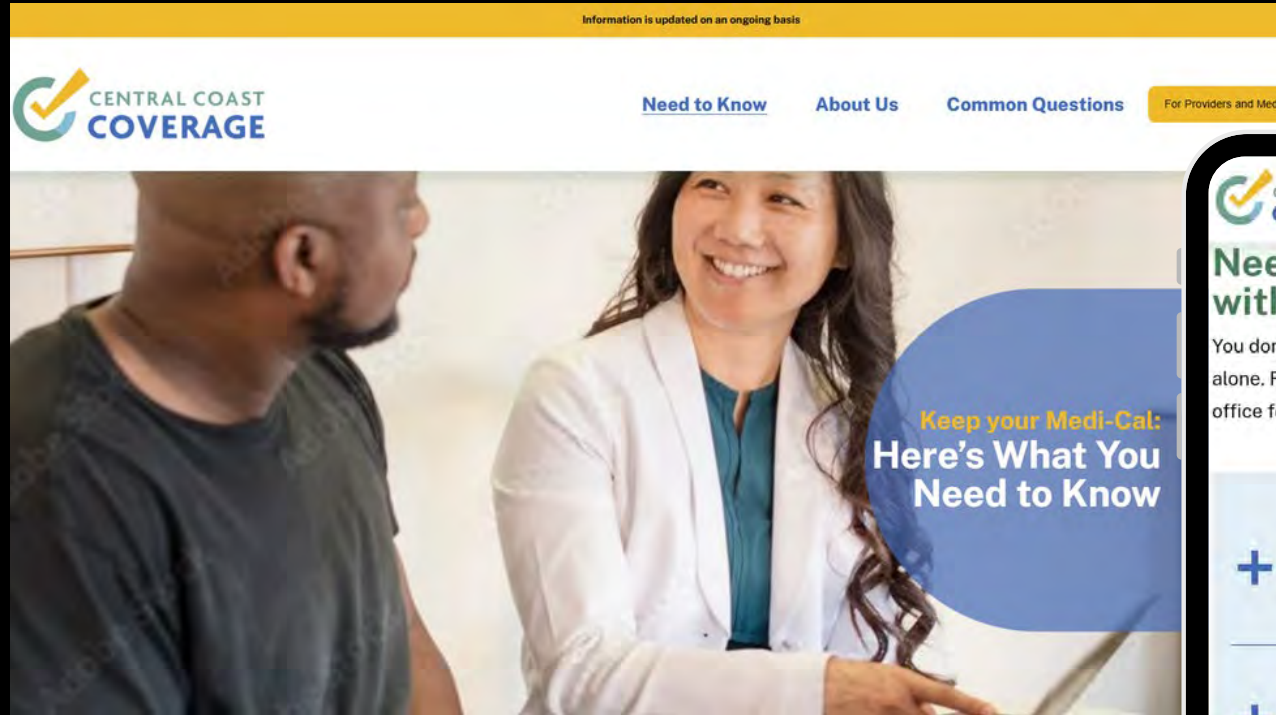


Regional Member Navigation Hub Partners

- Santa Barbara County
- San Luis Obispo County
- Regional Partners
- Providers
- **Core Partners:**
 - Family Service Agency (FSA)
 - Center for Family Strengthening
 - Dept of Social Services (SB)
 - Dept of Social Services (SLO)
 - Lompoc Valley Community Healthcare Organization



www.CentralCoastCoverage.org



Regional Member Navigation Hub

- **Direct Navigation Assistance:** One-on-one, personalized support for families navigating the Medi-Cal renewal process.
- **Proactive Community Outreach:** Focused resource deployment tailored for the unhoused and other underrepresented groups.
- **Minimized Coverage Gaps:** Rapid-response interventions to prevent eligible individuals from losing their coverage due to administrative barriers.

Health Equity & Access Champions

Honoring their leadership and dedication to ensuring access to Medi-Cal coverage for residents of San Luis Obispo and Santa Barbara counties.



Center for
Family
Strengthening



Helping families thrive.



SOCIAL SERVICES

HEALTH

SECURITY

SAFETY

one COUNTY | one FUTURE



FAMILY SERVICE AGENCY

Since 1899

Next Steps

- Present awards to Health Equity & Access Champions
- Continue Trainings and Technical Assistance for Funded Partners & Community Stakeholders
- Engage community via Townhalls & Community Forums

Financial Report for the eight (8) Month Period Ending August 31, 2026

Date: October 21, 2026

From: Kashina Bishop, Chief Financial Officer/Treasurer

Contributors: Amy Sim, Accounting Director

Executive Summary

As of August 2026, CenCal Health remains in a strong financial position. Tangible Net Equity is \$350.3 million, or 795% of the minimum regulatory requirement, and reserves remain above the Board-designated target. This financial strength provides flexibility to address emerging fiscal and policy risks while continuing to support member care and community priorities.

Year-to-date performance remains favorable to budget, with a consolidated net operating gain of \$18.8 million, \$7.9 million above budget. Net revenue is \$6.2 million above budget, while medical expenses are essentially on budget and internal costs are \$3.2 million below budget. Despite the favorable year-to-date results, recent experience indicates increasing cost pressure across professional services, Enhanced Care Management, mental health, and behavioral health, which management is evaluated through focused cost-of-care analysis and updated forecasting.

Enrollment remains a key area of focus, with August consolidated membership of 224,305 and Medi-Cal enrollment continuing to reflect redeterminations and eligibility changes. Management is updating enrollment assumptions and scenario planning to assess the effects of further enrollment shifts, federal and State policy changes, and related impacts on revenue, administrative capacity, and future budget cycles.

Management is advancing a coordinated fiscal action plan focused on the organization's most significant financial drivers. Priorities include cost-of-care strategies, rate adequacy and advocacy, payment integrity, encounter data quality, and disciplined management of staffing, consulting, and other administrative resources. accountability, and support timely, data-driven action.

CenCal CareConnect continues to be monitored closely as enrollment and claims experience develop. The program's \$2.1 million year-to-date operating loss is \$1.6 million favorable to budget; however, revenue timing, claims lag, and limited experience continue to constrain performance assessment. Management remains focused on enrollment, risk adjustment, provider and coding education, and financial monitoring as additional experience becomes available.

Financial Highlights

- **Consolidated Net Operating Gain** of \$18.8 million, which is \$7.9 million more than the budgeted gain.
 - o **Medi-Cal Net Operating Gain** of \$20.9 million, which is \$6.3 million more than the budgeted gain.
 - o **CareConnect Net Operating Loss** of \$2.1 million, which is \$1.6 million less than the budgeted loss.
- **Net Revenue** is \$860.1 million; over budget by \$6.2 million and 0.7%.
- **Medical Expenses** are \$768.0 million; under budget by \$352,510 and 0.0%.
- **Internal Costs**, inclusive of Administrative Expenses and Healthcare Quality Improvement, are at \$78.2 million; under budget by \$3.2 million and 4.09%.
- **Community Reinvestments** are \$6.4 million; under budget by \$2.3 million & 26.6%
- **Tangible Net Equity (TNE)** is \$350.3 million, representing 795% of the minimum regulatory requirement and 105% of minimum Board-Designated reserve target.
- **Total Cash and Short-Term Investments** are \$380.2 million. Cash and Short-Term Investments available for operating the health plan is \$354.8 million, representing 139 Days Cash on Hand.
- **Member Enrollment** consolidated is at 224,305 for the month of August 2026.
 - o **Medi-Cal-** 223,549
 - o **CareConnect-** 756

Recommendation

Staff recommend that the Board of Directors approve the unaudited financial statements as of August 31, 2026.

CenCal Health

Finance Statements and Other Information

For the eight (8) month period ending August 31, 2026

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

CenCal Health

Balance Sheet

As of August 31, 2026

Assets

Cash and cash equivalents	\$	380,221,015
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Accounts receivable:

DHCS capitation and other	811,438,271
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CMS capitation	44,101
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Reinsurance and other recoveries	2,438,918
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Interest and other	13,059,756
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Total accounts receivable	826,981,046
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Prepaid expenses	3,373,951
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Capital assets-net	25,803,579
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Certificate of deposit - DMHC assigned	300,000
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Deposits and other assets	25,426,015
---------------------------	------------

Total Assets	\$	1,262,105,606
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Liabilities and Net Assets

Medical claims payable and incentives	\$	106,981,297
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Accounts payable, accrued salaries and expenses	23,173,043
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Accrued DHCS revenue recoups-MLRs	11,449,001
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Accrued DHCS directed payments	661,597,759
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Accrued MCO Tax	61,529,714
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Accrued CMS liabilities	252,998
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Unfunded pension liability - CalPERS	3,535,208
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Other accrued liabilities	43,278,174
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Net Assets - Tangible Net Equity	350,308,412
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Less capital assets-net	(25,803,579)
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Available reserves	\$	324,504,833
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Board-Designated reserve target	310,130,815
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Excess Reserves	\$	14,374,018 *
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Total Liabilities and Net Assets	\$	1,262,105,606
----------------------------------	----	---------------

* Excess reserves Board-designated for Community reinvestment.

CenCal Health

Income Statement

For the eight (8) month period ending August 31, 2026

	Medi-Cal	CareConnect	Consolidated	Budget	Variance \$	%
Operating Revenues:						
Capitation	\$ 1,191,070,684	\$ -	\$ 1,191,070,684	\$ 846,878,073	\$ 344,192,611	40.6%
CMS Capitation	-	6,021,408	6,021,408	7,073,781	(1,052,373)	-14.9%
Directed Payments/Pass-throughs	(90,850,117)	-	(90,850,117)	-	(90,850,117)	0.0%
MCO Tax Expense	(246,118,856)	-	(246,118,856)	-	(246,118,856)	0.0%
Total Net Income	\$ 854,101,711	\$ 6,021,408	\$ 860,123,118	\$ 853,951,854	\$ 6,171,264	0.7%
Medical Expenses:						
Provider capitation	\$ 103,049,330	\$ -	\$ 103,049,330	\$ 114,533,379	\$ (11,484,049)	-10.0%
FFS-Inpatient Hospital	128,359,863	1,232,794	129,592,657	138,568,604	(8,975,947)	-6.5%
FFS-Outpatient Facility	65,783,531	834,323	66,617,855	62,207,605	4,410,250	7.1%
FFS-Emergency Room	10,845,020	139,394	10,984,415	9,043,569	1,940,846	21.5%
FFS-Long Term Care	115,083,163	342,613	115,425,776	116,189,940	(764,164)	-0.7%
FFS-Pharmacy	-	1,216,658	1,216,658	1,549,232	(332,574)	-21.5%
FFS-Physician Primary Care	21,641,498	229,105	21,870,604	20,226,761	1,643,843	8.1%
FFS-Physician Specialty	93,291,952	829,027	94,120,978	98,287,839	(4,166,861)	-4.2%
FFS-FQHC/AIHC	19,438,335	4,750	19,443,085	20,295,783	(852,698)	-4.2%
FFS-Other Medical Professional	28,534,584	192,891	28,727,475	19,794,723	8,932,752	45.1%
FFS-Mental Health (Outpatient)	33,435,301	40,364	33,475,666	27,093,504	6,382,162	23.6%
FFS-BHT Services	30,414,035	-	30,414,035	27,370,847	3,043,188	11.1%
FFS-Laboratory & Radiology	14,182,188	277,379	14,459,567	11,451,508	3,008,059	26.3%
FFS-Transportation	4,972,302	67,678	5,039,980	4,264,963	775,017	18.2%
FFS-CBAS	2,742,846	-	2,742,846	1,939,386	803,460	41.4%
FFS-Hospice	6,576,594	-	6,576,594	6,716,392	(139,798)	-2.1%
FFS-Community Supports	22,489,091	-	22,489,091	30,215,733	(7,726,642)	-25.6%
FFS-ECM (Community-Based)	26,871,197	-	26,871,197	17,898,738	8,972,459	50.1%
FFS-HCBS Other	4,251,831	180,366	4,432,197	3,756,064	676,133	18.0%
FFS All Other Health Care Services	14,811,355	146,501	14,957,856	11,096,258	3,861,598	34.8%
Incentives	11,804,359	19,843	11,824,202	10,996,029	828,173	7.5%
Prop 56 Add-Ons	7,693,523	-	7,693,523	4,936,269	2,757,254	55.9%
Healthcare Quality Improvement	6,711,470	46,837	6,758,307	9,333,328	(2,575,021)	-27.6%
Change to prior year estimate	(12,757,699)	-	(12,757,699)	-	(12,757,699)	0.0%
Other Health Care Related Expense	1,831,955	152,702	1,984,658	596,906	1,387,752	232.5%
Total Cost of Healthcare	\$ 762,057,624	\$ 5,953,226	\$ 768,010,850	\$ 768,363,360	\$ (352,510)	0.0%
Operating Expenses:						
Administrative expenses	\$ 69,296,314	\$ 2,146,523	\$ 71,442,837	\$ 72,068,746	\$ (625,908)	-0.9%
Community Reinvestment	6,364,529	-	6,364,529	8,666,264	(2,301,735)	-26.6%
Total Operating Expense	\$ 75,660,844	\$ 2,146,523	\$ 77,807,367	\$ 80,735,010	\$ (2,927,643)	-3.6%
Interest income	5,978,177	-	5,978,177	4,762,080	1,216,097	0.0%
Realized gain (loss)	-	-	-	-	-	0.0%
Non-Operating expense/income	63,718	-	63,718	1,333,336	(1,269,618)	0.0%
Unrealized gain (loss)	(1,541,052)	-	(1,541,052)	-	(1,541,052)	0.0%
Operating Gain (Loss)	\$ 20,884,086	\$ (2,078,341)	\$ 18,805,745	\$ 10,948,901	\$ 7,856,845	71.8%
MLR	89.2%	98.9%	89.3%			
ACR	8.1%	35.6%	8.3%			

CenCal Health

Income Statement

For the month of August 2026

	Medi-Cal	CareConnect	Consolidated
Operating Revenues:			
Capitation	\$ 159,124,164	\$ -	\$ 159,124,164
CMS Capitation	-	1,357,586	1,357,586
Directed Payments/Pass-throughs	(26,019,179)	-	(26,019,179)
MCO Tax Revenue	(30,764,857)	-	(30,764,857)
	<u>\$ 102,340,128</u>	<u>\$ 1,357,586</u>	<u>\$ 103,697,714</u>
Medical Expenses:			
PCP capitation	\$ 14,019,367	\$ -	\$ 14,019,367
FFS-Inpatient Hospital	15,994,129	219,926	16,214,055
FFS-Outpatient Facility	7,529,545	152,200	7,681,744
FFS-Emergency Room	1,318,168	25,482	1,343,650
FFS-Long Term Care	15,574,358	61,326	15,635,684
FFS-Pharmacy	-	278,819	278,819
FFS-Physician Primary Care	2,653,458	41,906	2,695,364
FFS-Physician Specialty	11,090,245	151,617	11,241,862
FFS-FQHC/AIHC	2,053,293	1,524	2,054,818
FFS-Other Medical Professional	3,114,002	35,225	3,149,228
FFS-Mental Health (Outpatient)	4,461,753	11,897	4,473,650
FFS-BHT Services	4,119,927	-	4,119,927
FFS-Laboratory & Radiology	2,015,473	50,622	2,066,095
FFS-Transportation	727,043	12,306	739,349
FFS-CBAS	9,130	-	9,130
FFS-Hospice	821,585	-	821,585
FFS-Community Supports	2,511,974	-	2,511,974
FFS-ECM (Community-Based)	2,781,764	-	2,781,764
FFS-HCBS Other	430,142	32,193	462,335
FFS All Other Health Care Services	1,783,709	32,869	1,816,578
Incentives	1,433,517	6,869	1,440,386
Prop 56 Add-Ons	812,449	-	812,449
Healthcare Quality Improvement	775,758	10,265	786,023
Change to prior year estimate	(633,538)	-	(633,538)
Other Health Care Related Expense	151,573	34,780	186,354
	<u>\$ 95,548,826</u>	<u>\$ 1,159,827</u>	<u>\$ 96,708,653</u>
Operating Expenses:			
Administrative expenses	\$ 7,945,321	\$ 304,409	\$ 8,249,730
Community Reinvestment	827,267	-	827,267
	<u>\$ 8,772,588</u>	<u>\$ 304,409</u>	<u>\$ 9,076,996</u>
Interest income	806,947	-	806,947
Realized gain (loss)	-	-	0
Non-Operating Income (income/expense)	285	-	285
Unrealized gain (loss)	(115,322)	-	(115,322)
Operating Gain (Loss)	\$ (1,289,376)	\$ (106,650)	\$ (1,396,026)

CenCal Health

Administrative Expenses by Category

For the eight (8) month period ending August 31, 2026

	Actual \$	Budget \$	Variance \$	%
Salaries & wages	\$ 36,752,537	\$ 36,647,177	\$ 105,360	0.3%
Fringe benefits	16,712,353	15,448,677	1,263,676	8.2%
Contract services	11,077,971	12,607,685	(1,529,714)	-12.1%
Travel expenses	219,358	391,823	(172,465)	-44.0%
Rent & occupancy	1,254,262	1,530,864	(276,602)	-18.1%
Supplies & equipment	6,286,975	7,904,038	(1,617,063)	-20.5%
Insurance	993,048	1,266,400	(273,352)	-21.6%
Depreciation expense	4,481,721	4,736,343	(254,622)	-5.4%
Member/Provider/Community Expenses	54,233	254,640	(200,407)	-78.7%
Licenses/Dues/Subscriptions	254,083	383,190	(129,107)	-33.7%
All Other expenses	114,604	231,237	(116,633)	-50.4%
Admin to Medical Reclass	(6,758,307)	(9,333,328)	2,575,021	-27.6%
Total Administrative Expenses	\$ 71,442,837	\$ 72,068,746	\$ (625,908)	-0.9%

CenCal Health

Tangible Net Equity (TNE)

As of August 31, 2026

Actual TNE (from the Balance Sheet)	\$	350,308,412
Tangible Net Equity - DMHC minimum regulatory		44,061,225
TNE - excess (deficiency)	\$	306,247,186
Pct. Actual TNE of the Regulatory Minimum		795%

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

CenCal Health

Notes to the Financials Statements

As of August 31, 2026

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, 2026, 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 \$3,535,208 based on current estimates.



CenCalHEALTH[®]
Local. Quality. Healthcare.

Finance Report

Kashina Bishop, CPA
Chief Financial Officer/Treasurer

October 21, 2026



Agenda for Today

- 1 Financial Highlights
- 2 CY 2026 Financial Overview
- 3 Financial Risk Mitigation Strategy Update



Financial Highlights



Tangible Net Equity of \$350.3M, at 795% of the minimum regulatory requirement



Well-positioned with a consolidated net operating gain of \$18.8M, \$7.9M above budget



Reserves of \$324.5M, at 105% of the Board-designated target

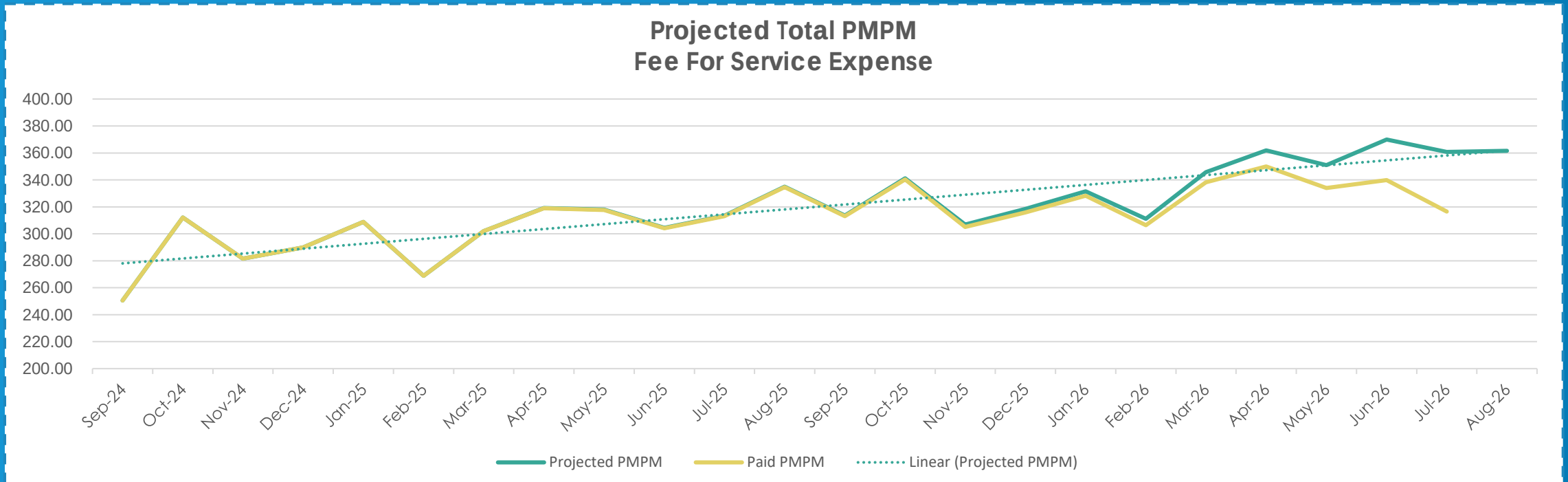


Strong liquidity with 139 days cash on hand

CenCal CareConnect

CareConnect loss of \$2.1M is \$1.6M better than budget; results still constrained by claims lag

Financial Highlights – Medical Trend



1. Total PMPM medical expenses show increasing cost pressure; focused cost-of-care analysis underway
2. Utilization increases continue in professional services, ECM, and mental/behavioral health

Financial Overview as of August 31, 2026

OPERATING GAIN YTD

\$18.8M

\$7.9M above budget

NET REVENUE YTD

\$860.1M

\$6.2M above budget

TANGIBLE NET EQUITY

\$350.3M

795% of minimum • 105% of Board target

Presented in Millions	August	YTD Medi-Cal	YTD CareC	YTD Budget	YTD Variance
Net Revenue	\$103.7	\$854.1	\$6.0	\$854.0	\$6.2
Total Cost of Healthcare	\$95.9	\$755.3	\$5.9	\$759.0	\$2.2
Healthcare Quality Improvement	\$0.8	\$6.7	\$0.0	\$9.3	(\$2.5)
Administrative Costs	\$8.2	\$69.3	\$2.1	\$72.1	(\$0.6)
Community Reinvestment	\$0.8	\$6.4	-	\$8.7	(\$2.3)
Non-Operating Income (Expense)	\$0.7	\$4.5	-	\$6.1	(\$1.6)
Operating Gain (Loss)	(\$1.4)	\$20.9	(\$2.1)	\$10.9	\$7.9
Medical Loss Ratio (MLR)		89.2%	98.9%	90.0%	
Administrative Cost Ratio (ACR)		8.1%	35.6%	8.4%	

Financial Risk Mitigation Strategy Update



Cost of Care

Cross-functional workgroup launched on the top cost drivers: professional services, ECM, and mental/behavioral health



Rate Adequacy

Response to draft CY 2027 rates submitted 9/18; continued DHCS advocacy on rates and the Clinical Efficiency Adjustment



Program Integrity

Encounter data quality and payment integrity reviews advanced, supporting the ECM risk corridor calculation



Admin Discipline

Internal costs \$3.2M under budget; staffing model aligned to membership as CY 2027 budget development kicked off

Next: Finance Committee reviews draft CY 2027 budget Nov 20 • Board adoption Jan 20

Questions?

STAFF RECOMMENDATION

Staff recommends that the Board approve the August 2026 financial statements and annually adopt CenCal Health Investment Policy with no suggested changes.



2027 Workforce Planning

Date: October 21, 2026

From: Chris Morris, MSOD, Chief Performance Officer

Through: Marina Owen, Chief Executive Officer

Background

In 2022 CenCal Health established an effort to *align organizational structure with business need* to enhance organizational readiness for the future. Responsive to this objective, staff began intentionally evaluating and evolving organizational structure, informed by a set of design principles.

In 2023 CenCal Health adopted a strategic objective to *Organize for Impact and Effectiveness*, which extended and expanded the commitment in CY 2022 into the future and enabled staff to initiate strategy execution planning. Foundational to effective strategy execution is the alignment and integration of all organizational planning processes, and an annual departmental assessment process was established to empower CenCal Health directors to evaluate and adapt departmental purpose, operations and structure in support of organizational objectives.

In 2024 CenCal Health began planning for the launch of a Dual-Special Needs Plan (CareConnect). In preparation for this launch, development of a CareConnect Operating Model was established, including (a) a CenCal Health functional organizational structure, incorporating and integrating CareConnect functions, as well as (b) a CenCal Health FTE model, informed by peer benchmarking and other identified best practices. This CareConnect Operating Model was subsequently adopted by your Board through the 2025 budget development process, enabling effective CareConnect readiness activities in 2025 and a successful launch in 2026.

As a result of these annual planning activities, evolution in organizational structure and staffing are responsive to administrative capacity needs, enhanced regulatory requirements, and strategic plan ambitions have been incrementally identified, adopted and implemented over the past five years. During this period, staff have established 77 new business functions (120% increase) and added 201 FTE (67% increase), achieving industry alignment beginning in 2024 relative to the normalized FTE average, stable at 100.2% in 2026.

	2022	2023	2024	2026	Net Change
Business Functions	64	101	105	141	120%
Departments	14	20	22	28	100%
People	302	405	423	503	67%
% of Peer FTE Average	91%	106%	101%	100%	10%

2027 Workforce Planning

As CenCal Health enters the planning cycle for 2027, workforce planning is occurring within a materially different operating environment. Following several years of organizational adaptation driven by enhanced regulatory requirements, strategic advancement, and preparation for the launch of CareConnect, the organization is preparing for significant Medi-Cal membership declines while continuing to support growth in CareConnect and other strategic priorities.

CenCal Health's Membership Dashboard (enclosed) demonstrates a 6.3% reduction in Medi-Cal membership year-to-date, and membership modeling through end-of-year 2027 forecasts upward of an additional 26% Medi-Cal membership loss, roughly two-thirds of which is attributable to the State's transition of unsatisfactory immigration status (UIS) members from managed care to fee-for-service, and the balance of which is the result of HR-1 impacts.

Consistent with CenCal Health's commitment to integrated organizational planning, workforce planning for 2027 is guided by an objective assessment of future business need, organizational capacity, and long-term financial sustainability. Staff is utilizing multiple sources of information, including membership projections, workload assessments, and peer health plan benchmarking, to evaluate workforce requirements and inform resource alignment.

Building upon the workforce modeling methodologies developed as part of CareConnect planning, staff established a comprehensive Medi-Cal workforce model to inform departmental staffing and organizational capacity proportional to evolving membership. To enhance rigor, the following analytical steps were taken:

- Aggregated workforce data from a comparative cohort of Medi-Cal plans.
- Classified each FTE by driver: membership, workforce, or administrative capacity.
- Mapped all peer plan positions to CenCal Health departments.
- Developed normalized peer staffing benchmarks.
- Assessed CenCal's current staffing position relative to peer benchmarks.
- Modeled workforce demand at projected 2027 membership levels.
- Produced 2027 workforce targets responsive to benchmarking and membership.

This analysis, as captured in the table above, indicates CenCal Health's overall workforce presently sits at 100.2% of the normalized peer average, with variation at the departmental level above and below that standard. As we plan for projected Medi-Cal membership declines, projected CareConnect membership increases, and other strategic priorities, staff are engaged in scenario planning for a 10 – 14% retraction in overall workforce. CenCal Health is well positioned to accomplish this evolution through a variety of workforce adaptation strategies, including redeployment of staff to CareConnect and other strategic priorities, while avoiding reduction-in-force tactics.

Next Steps The CenCal Health Senior Leadership Team is engaging in workforce scenario-planning, including best/worst-case scenarios informed by the above

membership forecasts. Scenario planning will directly inform a conservative 2027 budget development process for consideration by the Board Finance Committee in November, and subsequent Board adoption in January 2027.

Cumulative DSNP Full-Time Equivalent (FTE) Employees by Year

Cumulative D-SNP FTE by Year										
Division	Departments / Functions	2024	2025	2026	2027	2028	2029	2030	2031	2032
Administration	Administrative Services	0.0	1.0	1.5	1.5	1.5	1.5	2.0	2.0	2.0
	Legal									
	Strategic Engagement									
Compliance	Audits, Monitoring and Oversight	1.0	1	1	1	1	1	1	1	1
	Regulatory Compliance									
Customer Experience	Member Services	1.0	11.5	12.5	14.0	15.5	18.5	21.5	24.5	25.0
	Program Development									
	Communications									
	Sales and Marketing									
Finance	Accounting / AP / Payroll	1.0	2.5	3.0	4.0	5.0	6.0	6.5	7.0	7.5
	Financial Analysis / Risk Adjustment									
Health Services	Pharmacy	1.0	22.5	31.0	40.5	49.5	59.0	68.5	77.5	79.5
	Behavioral Health									
	Care Management									
	Utilization Management									
Information Technology	Infrastructure / App Development	7.0	9.0	9.0	9.5	9.5	10.0	10.5	11.0	11.0
	Data Analytics									
	HelpDesk									
Operations	Claims	2.0	4.0	5.5	6.5	8.0	9.0	10.5	12.0	12.5
	Product									
	Enrollment									
	Provider Relations / Services									
Performance	Operational Excellence	4.0	2.5	2.5	3.5	4.0	4.5	5.5	6.0	6.0
	People Operations									
Quality	Medical Affairs	1.0	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0
	Quality and Population Health									
Total DSNP FTE*		18.0	55.5	67.5	82.0	95.5	111.0	127.5	143.0	146.5
Total Medi-Cal FTE**		423.6	427.3	431.6	436.0	440.4	444.9	449.4	453.9	458.5
Total CenCal Health FTE		441.6	482.8	499.1	518.0	535.9	555.9	576.9	596.9	605.0
FTE Growth Rate		4.2%	9.3%	3.4%	3.8%	3.5%	3.7%	3.8%	3.5%	1.4%
* Based on internal preliminary enrollment expectations										
** Assumes 1% Medi-Cal membership growth annually										

Recommendation

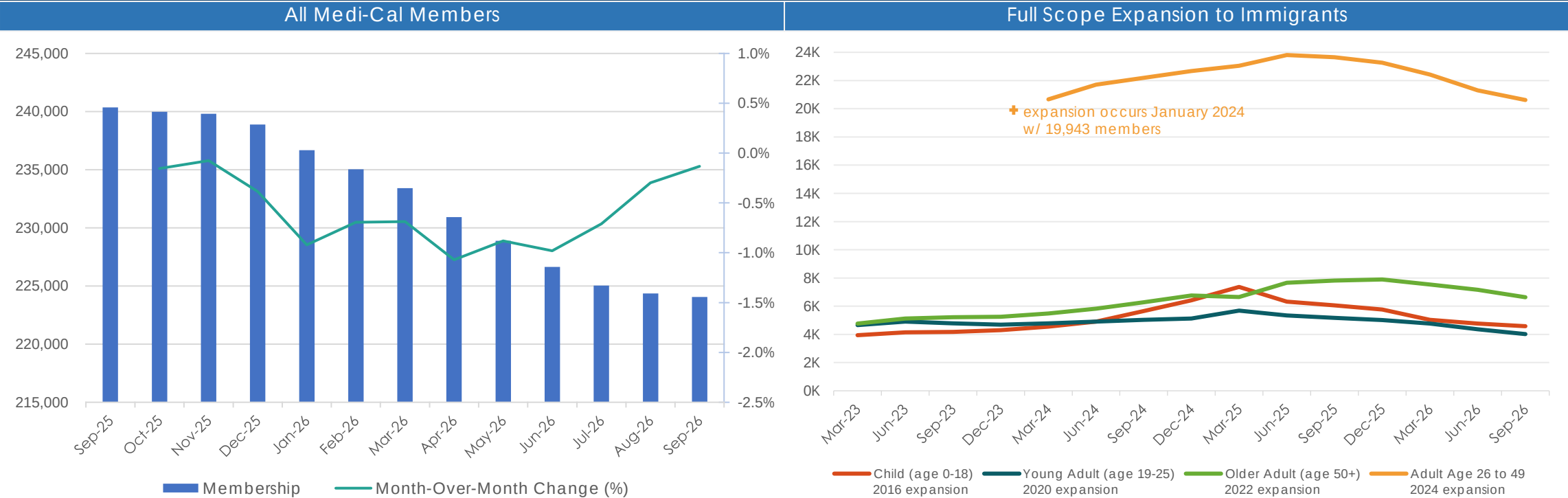
This material is informational with no action being requested at this time.

Enclosures

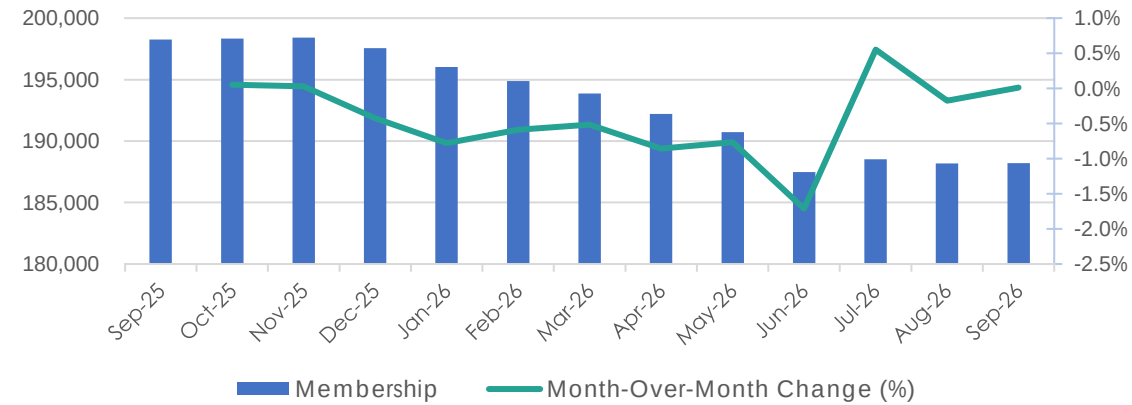
1. October 2026 Membership Dashboard

Purpose: The Membership Dashboard provides a concise, centralized, and comprehensive view of key Medi-Cal membership trends and insights across membership volume, member demographics, and renewal and redetermination dispositions. It is designed to support Board oversight by translating core membership data into actionable insight on enrollment stability, population changes, financial implications, and member retention dynamics.

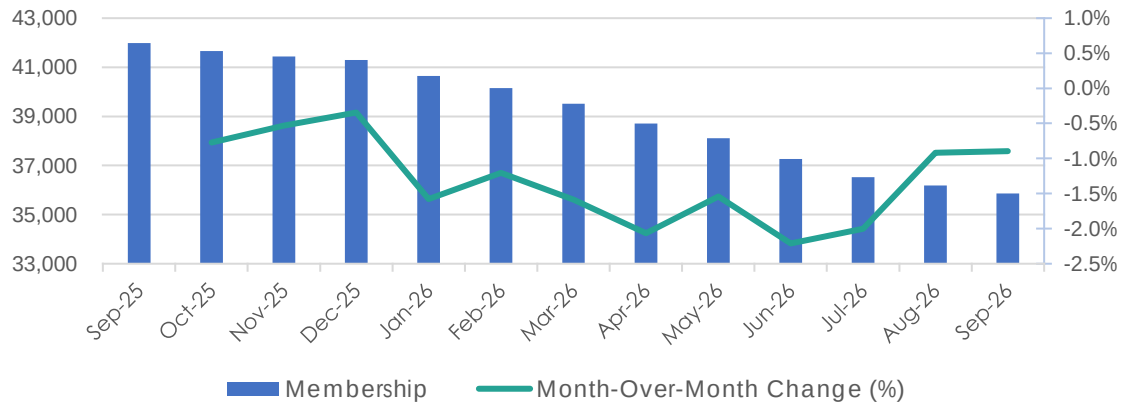
Membership Trend



Satisfactory Immigration Status (SIS) Population

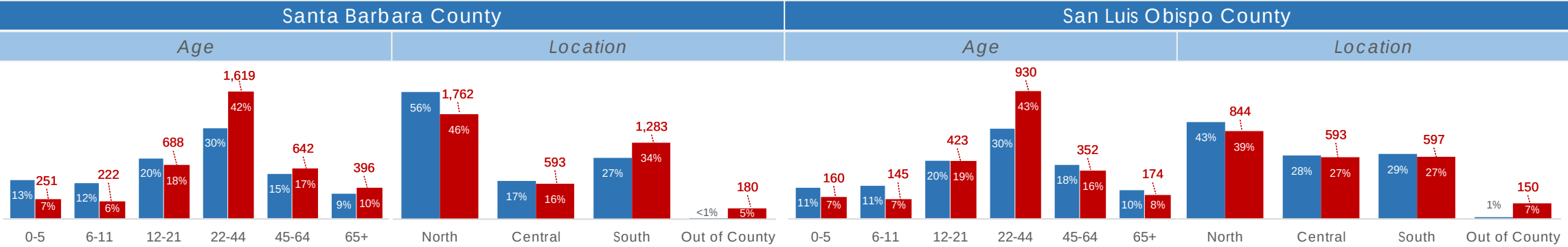


Unsatisfactory Immigration Status (UIS) Population



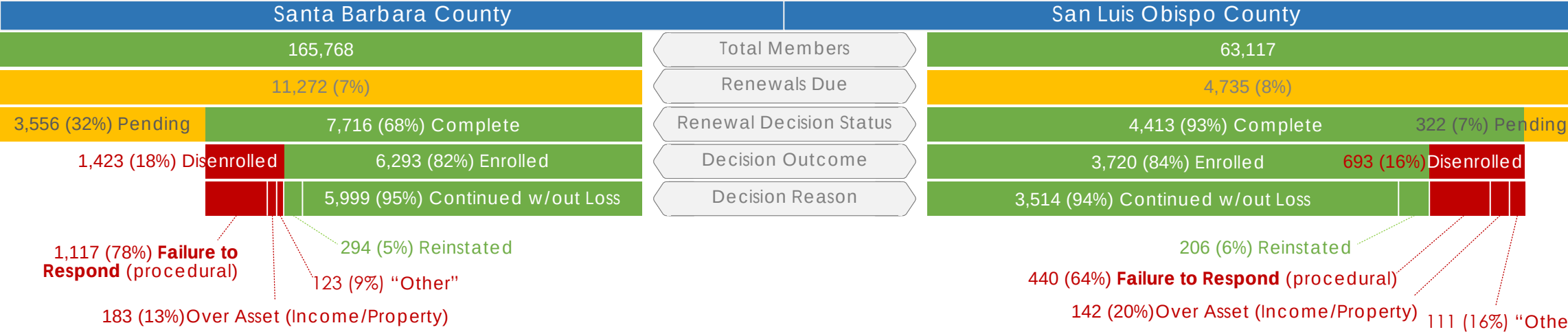
Membership Demographics

May 2026 Membership Data



Renewals

May 2026 Renewal Data*



Renewal data lagged three months due to the 90-day cure period following the renewal month and includes both Managed Care and Fee-for-Service Medi-Cal (CalSAWS). Managed Care accounted for 96% of Medi-Cal enrollment in Santa Barbara and San Luis Obispo counties in May 2026 (CA HHS).

2027 Compensation Structure and CalPERS Resolution

Date: October 21, 2026

From: Chris Morris, MSOD, Chief Performance Officer

Through: Marina Owen, Chief Executive Officer

CenCal Health is committed to remaining an employer of choice for mission-driven professionals, through a thoughtful compensation philosophy and approach. CenCal Health's compensation philosophy is to align compensation practice with our values, including *integrity*, and to enable our strategic objective to *Foster employee growth and wellness towards a resilient, high-performing workforce*. Staff have adopted a set of compensation principles to drive application of this philosophy, as follows:

- Compensation structure is independently assessed to be *competitive* and adopted by the Board and leadership as a public agency.
- Compensation budget is developed to enable *strategic objectives* and increases are based on *financial position*.
- Compensation process is *fair*, communication *transparent*, and decisions guided by philosophy and policies.
- Compensation increases are *equitable* to encourage and reward employees while recognizing tenure, qualifications, role, and performance.
- Pay Transparency ensures current and prospective team members are provided compensation information by the organization to demonstrate that pay is competitive and equitable.

Responsive to these principles, CenCal Health uses CBIZ Talent and Compensation Solutions (CBIZ), a third-party consultancy, for ad-hoc position benchmarking, annual salary grade benchmarking updates, and periodic full scope compensation studies. This benchmarking is a critical and routine practice. In 2023, 2024, 2025 and 2026 market analysis supported a 5.0%, 3.6%, 3.3% and 2.6% increase in staff compensation ranges, respectively. Each year, your Board adopted the recommended increase in staff compensation ranges, and the associated staff compensation budgets thereafter, to maintain alignment with market.

In preparation for 2027, staff engaged CBIZ to conduct a periodic full scope compensation study, to calibrate the existing benchmark for every position relative to market. For 2027, market analysis supports a 2.4% increase in staff compensation ranges. Your Board's adoption through the ensuing annual CalPERS resolution of the 2.4% increase in staff compensation ranges is requested at this time. CalPERS retirement calculations are based on "compensation earnable" and pay rates are derived from the annual pay schedule that has been duly approved and adopted by your Board.

Financial Impact

Your Board's adoption of the above compensation range recommendation is not a budgetary recommendation. While CBIZ provides a salary increase budget recommendation as part of their analysis, staff's recommendation will be informed by all the above compensation principles, with additional emphasis added this year on the financial position principle. Separately, staff will prepare a compensation budget recommendation as part of the CY2027 budget planning.

Next Steps

Prepare a compensation budget recommendation as part of the CY2027 budget planning for the Finance Committee and then for Board consideration in January 2027.

Recommendation

Staff recommend adopting CBIZ's recommendation to increase staff compensation ranges 2.4%, effective January 1, 2026.

Enclosure

1. CBIZ Salary Structure Letter, CalPERS Resolution



August 26, 2026

Dina Miranda
People Operations Manager
CenCal Health
4050 Calle Real
Santa Barbara, CA 93105

Dear Dina:

This letter provides CBIZ's annual recommendations regarding salary structure adjustments and salary increase budgets. Below is a summary of our recommendations, followed by key rationale and insights to guide your decision making.

Recommendations

Salary Structure Adjustment: 2.4%

Salary Increase Budget: 3.8%

Salary Structure Adjustment

Regularly updating your salary structure is essential to maintaining competitive and relevant pay ranges. Annual adjustments help ensure range minimums remain market competitive while keeping range maximums and midpoints appropriately aligned with broader labor market trends.

Our 2.4% recommendation reflects both current data and ongoing labor market dynamics:

- The Employment Cost Index continues to show growth in wages and salaries across the U.S. workforce, though the rate of growth has moderated over the past year.
- Broader labor market conditions have stabilized. Hiring activity and voluntary turnover have cooled from post-pandemic highs, and current labor market indicators generally suggest a continuation of today's low-hire, low-fire environment.
- The latest WorldatWork Salary Budget Survey reports average salary structure adjustments of approximately 2.2%, though reported practices vary considerably among employers and include a growing number of organizations making no annual structure updates.

Balancing these factors, we believe a 2.4% adjustment appropriately reflects continued market movement while recognizing a more stable labor market environment. Organizations should continue to conduct comprehensive market reviews every three to five years, as individual jobs and occupational groups often move differently than broad market measures.

Salary Increase Budget

A competitive salary increase budget supports employee retention, rewards performance, and allows employees to progress through the salary structure over time.

Our recommended 3.8% increase budget is based on the following considerations:

- The latest WorldatWork Salary Budget Survey reports overall salary increase budgets averaging approximately 3.6% nationally.
- While labor market pressures have moderated, wage growth among incumbent employees remains positive and continues to support annual salary movement.
- The recommended salary increase budget exceeds the recommended structure adjustment by 140 basis points. This differential helps employees progress through the salary structure over time while mitigating compression and maintaining alignment between individual pay and market positioning.

At present, labor market indicators do not suggest a return to the elevated wage pressures experienced during the post-pandemic period. However, employers should continue to monitor labor market conditions, workforce turnover, and business performance when finalizing annual increase budgets.

Inflation Outlook

Recent inflation data remains a consideration for salary planning. At approximately 3.5%, inflation is nearing our recommended 3.8% salary increase budget. While compensation decisions should be driven primarily by labor market conditions and competitive pay practices, sustained inflation can place upward pressure on employee wage expectations and future salary increase budgets.

Closing

These recommendations are intended to align with market movement while maintaining a competitive and sustainable pay program. Individual organizational circumstances, including employee range placement and overall market positioning, may support adjustments to these recommendations.

Should you have any questions or wish to discuss these recommendations in more detail, please feel free to contact me.

Sincerely,

Ryan Blackwell, CCP
Director, Compensation Consulting
(314) 692-5801
rblackwell@cbiz.com

CBIZ is a business and financial advisory firm providing a vast array of services, including compensation consulting. Our professionals perform compensation valuations on a regular basis and are qualified to provide such.

RESOLUTION OF THE BOARD OF DIRECTORS
OF
CENCAL HEALTH

Resolution No. 2026-03
Approval of CenCal Health 2027 Salary Structure

WHEREAS, CenCal Health participates in a CalPERS retirement plan; and;

WHEREAS, only "compensation earnable" pursuant to Government Code Section 20636 and Title 2 California Code of Regulations Section 570.5 can be reported to CalPERS for purposes of calculating CalPERS retirement benefits; and

WHEREAS, Section 570.5 requires that "compensation earnable" that meets the applicable requirements must be based on a salary structure duly approved and adopted by the Board of Directors;

WHEREAS, CenCal Health has retained an outside compensation consultant to assist in the development of an industry standard salary structure, which has been presented to the Board of Directors;

NOW, IT IS RESOLVED THAT:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The 2027 CenCal Health Salary Structure is hereby adopted and approved effective January 1, 2027.

PASSED, APPROVED AND ADOPTED by the CenCal Health Board of Directors this 21st day of October 2026, by the following vote:

Ayes: Antonette "Toni" Navarro, Daniel Herlinger, Supervisor Dawn Ortiz-Legg, Edward Bentley, Supervisor Joan Hartmann, Kieran Shah, Lisa Moore, Mouhanad Hammami, Sara Macdonald, Sue Andersen and Suzanne "Suzy" Jed

Nays: None

Abstain: None

Absent: Joel Diringer and René Bravo, MD

Sue Andersen
Chair, Board of Directors

ATTEST:

PAULA MARIE BOTTIANI
Clerk of the Board of Directors

APPROVED AS TO FORM:

Hon Chan
General Counsel

* * * * *

CERTIFICATION

I, Paula Marie Bottiani, Clerk of the Board of Directors of CenCal Health, certify that the foregoing is a true, correct, and complete copy of Resolution No. 2026-03, adopted October 21, 2026, by the Board of Directors, at which meeting a quorum was present.

DATED: _____

Paula Marie Bottiani
Clerk of the Board of Directors



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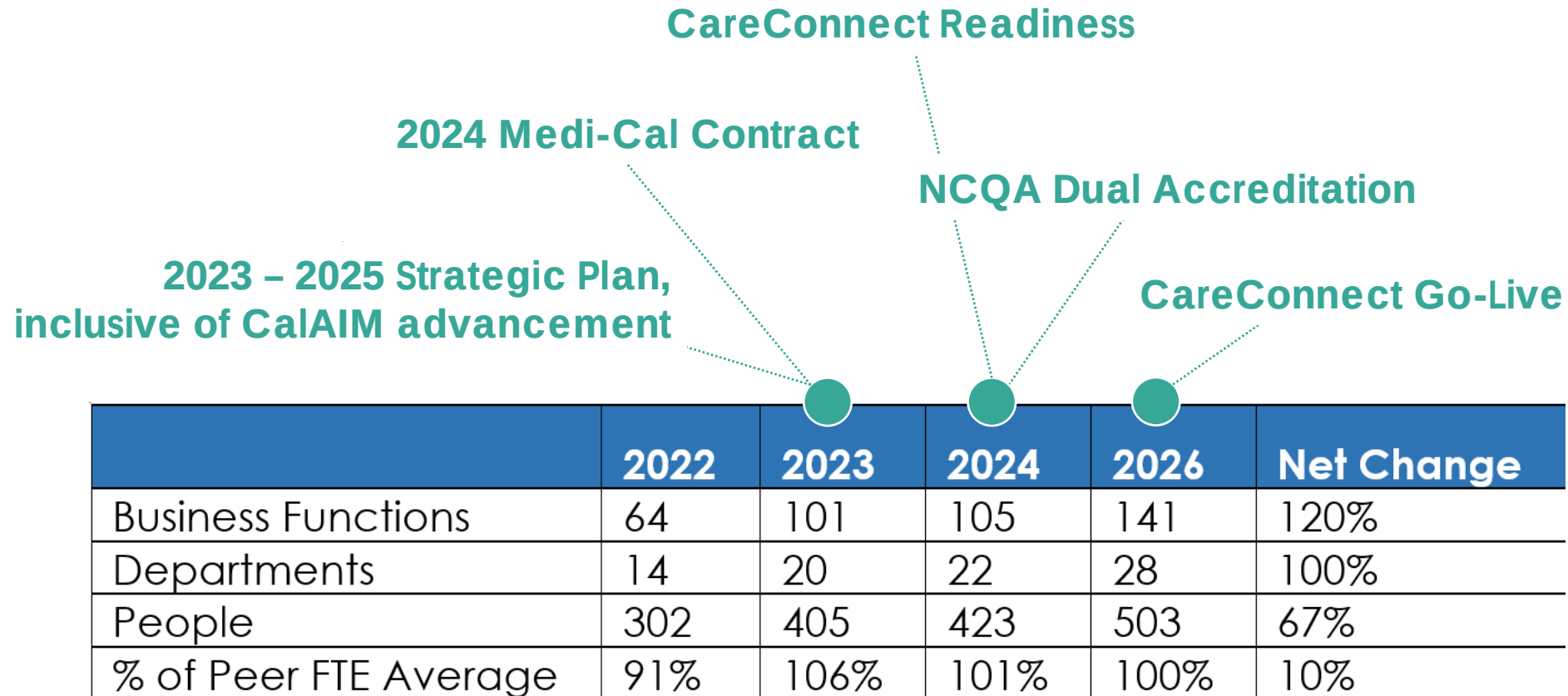
Adapting the Organization

2027 Workforce Planning

Chris Morris, MSOD, Chief Performance Officer

October 21, 2026

Background



Deliberate adaptation to evolving needs, maintaining market alignment while effectively advancing

Background, Context

Up to 57k Medi-Cal member (26%) loss for 2027

CareConnect goal of 4,500 members in 2027

Prepare to adapt our workforce and budget to membership through conservative scenario-planning



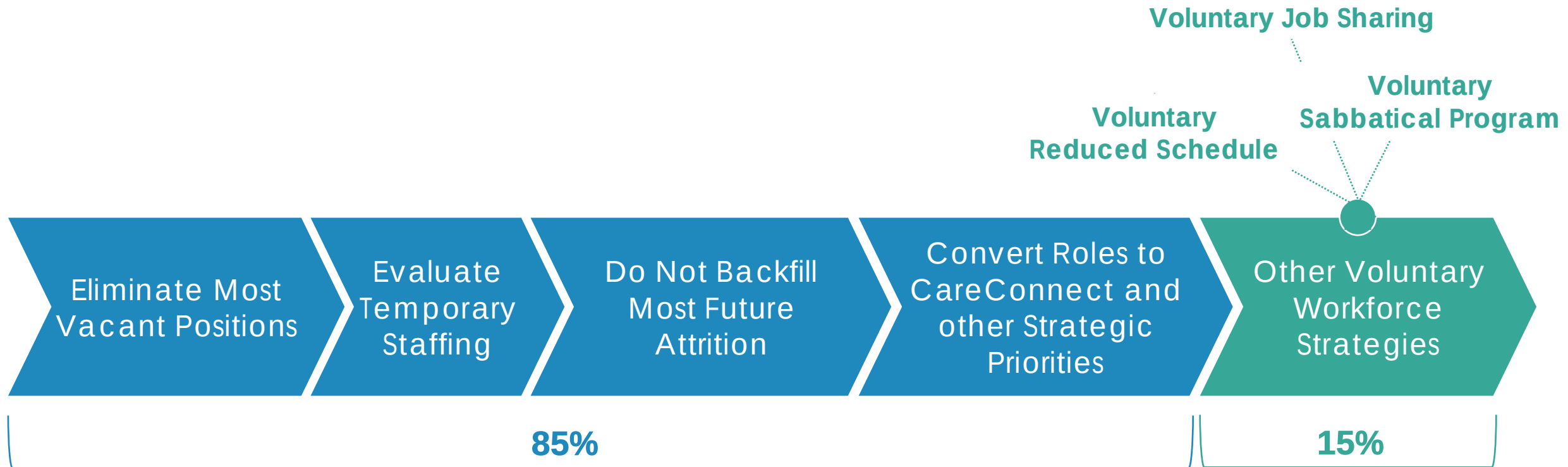
Workforce Modeling

1. Aggregated workforce data from a comparative cohort of Medi-Cal plans.
2. Classified each FTE by driver: membership, workforce, or administrative-capacity.
3. Mapped all peer plan positions to CenCal Health departments.
4. Developed normalized peer staffing benchmarks.
5. Assessed CenCal's current staffing position relative to peer benchmarks.
6. Modeled workforce demand at projected 2027 membership levels.
7. Produced 2027 workforce targets responsive to benchmarking and membership.

CenCal Health's overall workforce sits at **100.2%** of the normalized peer average

To maintain benchmark alignment, scale with membership forecasts, and align to budget constraints, we will scenario plan for a **10 – 14% workforce retraction throughout 2027**

Evolving Workforce Strategy



Workforce strategy achieves alignment to benchmarks and budget,
without the use of reduction-in-force strategies

Next Steps

1. Senior Leadership Team complete scenario-based Department Assessment process.
2. Pull all budget inputs together (e.g., FTE, merit, consulting, temp support, medical, etc.)
3. Identify and adopt proposed FTE targets informed by non-labor administrative needs.
4. **Finalize budget recommendation for Board Finance Committee in November and Board of Directors in January**

Workforce Principles

- 1. Adapt Workforce to Business Need.** Capacity should align to anticipated demand, considering membership-driven, workforce-driven, and fixed workload requirements.
- 2. Maintain Alignment to Peers.** Use rigorous workforce modeling from a comparative peer cohort to guide departmental and organizational workforce alignment.
- 3. Retain Strategic Value.** Preserve the organization's capacity to execute strategy and fulfill its mission simultaneously. Reduce, redesign, or discontinue all other work.
- 4. Adapt and Preserve Existing Talent.** Emphasize workforce evolution strategies which adapt and preserve existing talent, while avoiding reduction-in-force strategies.
- 5. Sustain Financial Stewardship.** Align workforce design to projected revenue to support long-term sustainability and resilience.

Recommendation

Staff recommend adopting the workforce adaptation principles and strategy.



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CalPERS Resolution 2027 Salary Structure

Chris Morris, MSOD, Chief Performance Officer

October 21, 2026

Compensation Study

	2023	2024	2025	2026	2027
Analysis Type	Update	Full Study	Update	Update	Full Study
Compensation Range Adjustment					
Third-Party Recommendation	5.0%	3.6%	3.3%	2.6%	2.4%
Adopted	5.0%	3.6%	3.3%	2.6%	Decision Today



Thoughtful and competitive compensation philosophy and approach



Third-party consultancy provides market-based compensation guidance



Board adopts compensation ranges and budget as a public agency

Recommendation

Staff recommend adopting the third-party consultant recommendation to increase staff compensation ranges 2.4%, effective January 1, 2027.

Next Step

Prepare a conservative compensation budget recommendation as part of the CY2027 budget recommendation for Board consideration in January 2027.

Community Supports and Behavioral Health Integration Report

Date: October 21, 2026

From: Loretta Denering, DrPH, MS
Behavioral Health Community Integration Officer

Through: Tanya Phares, DO, MPH, CPE, FACP, FACPM, Senior Medical Director

Executive Summary

Behavioral Health is advancing several initiatives to strengthen clinical oversight, formalize coordination between managed care and county behavioral health systems, and improve transitions for members with complex needs. Earlier this year, CenCal Health evaluated Community Supports as part of 2027 Model of Care planning and is proposing targeted program changes to improve clinical value and sustainability. Enhanced Care Management (ECM) remains an important pathway for coordinating complex member needs and transitions of care. Behavioral Health has also begun developing the model for the State Behavioral Health pilot including the development of the Ambassador Council.

Community Supports Assessment and Medically Tailored Meals Redesign

As part of the 2027 Model of Care planning process, CenCal Health conducted a comprehensive evaluation of Community Supports services to assess clinical impact, member benefit, utilization trends, operational sustainability, and alignment with evolving Department of Health Care Services (DHCS) guidance. The evaluation identified opportunities to strengthen Community Supports by better aligning resources with services that demonstrate the greatest impact on member outcomes and overall program effectiveness. Based on these findings, CenCal Health is proposing targeted program changes effective January 1, 2027, including a redesign of the Medically Tailored Meals (MTM) program and the discontinuation of two Community Supports services. These changes will optimize available resources while ensuring members continue to have access to similar support through other Community Supports programs, care management, and community-based resources.

Based on utilization and operational considerations and available and/or duplicate services, CenCal Health proposes discontinuing Asthma Remediation and Community Transitions to Home. Members with related needs would continue to be connected to alternative CenCal Health benefits, care management programs, and community Based services. CenCal Health proposes redesigning MTM as a targeted, medically necessary, short-term intervention for members with high-acuity, nutrition-related clinical needs. The proposed approach includes acuity-based eligibility, physician-supported referrals and clinical justification, prior authorization review, defined service limits, and transition planning. Food insecurity alone would not establish eligibility; members whose primary need is food access would be connected with nutrition counseling and local, community-based food and nutrition resources.

ECM continues to support members with complex health and social needs, including coordination across providers, community resources, and transitions of care. As Community Supports changes are considered, coordination among ECM, care management, and community partners will be important to maintain appropriate referral pathways and continuity of support.

Behavioral Health

The department is developing a more structured approach to evaluating outpatient psychotherapy utilization and clinical appropriateness. The utilization review approach remains under development and is not yet operational. The department is also working to operate behavioral health transitions through standardized workflows for members returning from incarceration, including county-to-plan referral processes, post-release connections to treatment, and coordination with ECM and community partners.

Staff also completed a dyadic care outreach guide and documentation manual in the third quarter. The department will have its inaugural provider office hours in November to support providers in understanding billing, documentation and education around transitions of care. In parallel, the team is assessing Behavioral Health Treatment (BHT) utilization and documentation practices to identify opportunities for clearer expectations and more consistent clinical oversight. Lastly, the Child and Youth Behavioral Health (CYBHI) School-Based Fee Schedule needs assessment with local educational agencies has been completed, providing a foundation for identifying school-based service implementation needs and supporting continued coordination with education and county partners.

Next Steps

Community Supports leadership will further develop the proposed 2027 Model of Care changes, including member transition and communication planning, subject to required review and approvals.

Recommendation

Staff recommend the Board accept this report, and Community Supports recommendations as DHCS considers CenCal Health's 2027 Model of Care.



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CalAIM Community Supports & Behavioral Health Pilot Update

CenCal Health Board of Directors Meeting

Tanya Phares, DO, MPH, CPE, FACP, FACPM
Senior Medical Director

Loretta Denering, DrPH, MS
Behavioral Health and Community Integration Officer

October 21, 2026



Community Supports Assessment

Comprehensive Community Supports (CS) assessment planned prior to Model of Care (MOC) 2027 submission

- Aim of ensuring effective, sustainable and locally responsive CS Programs
- Scoring guide developed by operations, assessments completed with leads
- Analysis and interpretation of results

Discussion with DHCS on September 25th

- Results presented, changes supported

Outcome:

- Discontinue Asthma Remediation & Community Transition Services
- Redesign of Medically Tailored Meals (MTM)

DOMAINS

CLINICAL

MEMBER

ADMIN

COST

Fraud, Waste, &
Abuse (FWA)

Community Supports Local Program Evaluation: Methodology

Community-informed evidence moved from frontline voices to oversight

01

COMMUNITY PARTNERS & PROMOTORAS

Local context

- Service gaps
- Implementation feasibility

Member voice

- Cultural relevance
- Access experience

SHARED THEMES

02

NETWORK PROVIDERS

Provider operations

- Capacity, coverage and reach
- Referral and authorization workflows
- Documentation, billing and reporting burden
- Implementation feasibility

03

SCORECARD

Comprehensive Assessment

- Clinical benefit
- Member experience
- Administrative burden
- Cost
- FWA risk

INTEGRATED EVIDENCE

Recurring themes were synthesized across community insight, member experience, delivery realities and program evidence.

Access • cultural relevance • delivery feasibility • operational friction

Five-Lens Scoring Guide

Consistent 1–5 ratings; composite score = median of five criteria

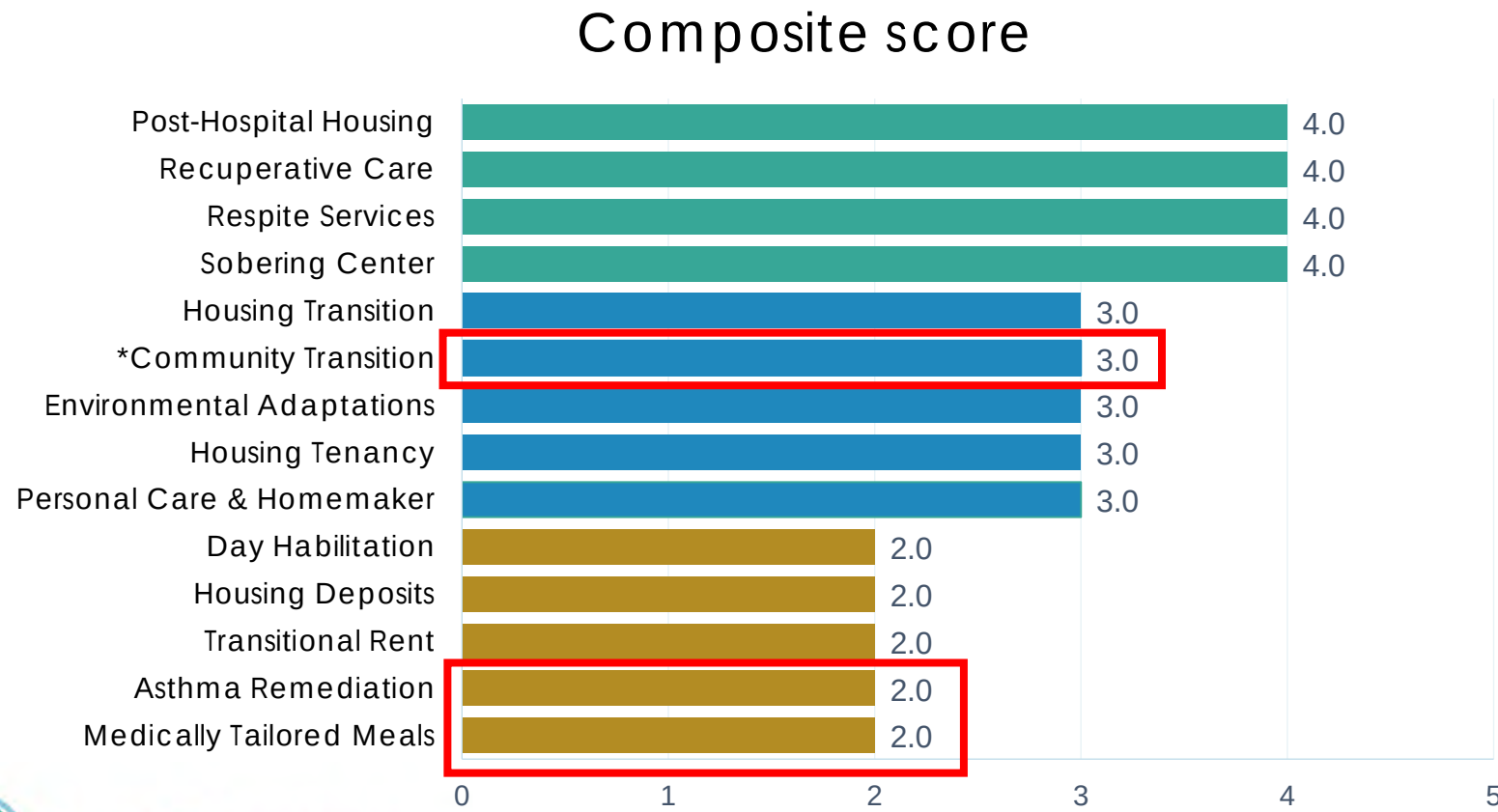
RATING DIMENSION	DECISION QUESTION	HIGH-SCORE SIGNAL
C Clinical benefit	Does the service improve outcomes and address a clear clinical need?	Impact and evidence are stronger
M Member experience	Is access timely, respectful, culturally relevant and easy to navigate?	Access and experience improve
A Administrative burden	Can the service be administered and delivered with reasonable effort?	Burden is lower; delivery scales
R Cost	Do expected outcomes justify total cost and reduce avoidable utilization?	Value and expected return rise
F FWA risk & controls	Are fraud, waste and abuse risks identifiable, controlled and auditable?	Risk is lower; controls are clear

SCALE 5 **STRONG** 3 **MIXED** 1 **WEAK**

Composite score = median of five ratings

Composite Score Distribution

Composite score = median of five criteria



HIGH VALUE/HIGH IMPACT

- Clear guardrails + service parameters
- Short duration + small networks
- Oversight + measurable outcomes

WATCH

- Broader reach + rising utilization
- Fewer endpoints/lack of graduation criteria
- More oversight + monitoring

INTERVENTION

- *CT: Scores moderate but does not align with the preferences and support needs of our community
- AR: Limited utilization; alternative pathways exist for members to access assessments, education, and environmental supports
- MTM: Primary member challenges related to food insecurity not clinical needs

Community Supports 2027 Model of Care (MOC) Changes

Discontinuations:

- Asthma Remediation
- Community Transitions to Home

Redesign:

- Medically Tailored Meals (MTM)



Medically Tailored Meals (MTM) Evolution

Benefit Redesign:

- Narrowing scope, diagnoses & acuity
 - Acuity-based clinical intervention for members with nutrition-sensitive conditions and elevated clinical risk.
- Establish clear dual pathway for food insecurity not related to clinical needs
 - Local and community-based focus; continue to strengthen pathways to nutrition counseling, healthy food access programs, and community-based supports for members not eligible for MTM.

Several improvements made over the past year including the development of clinical criteria and risk model implementation. Opportunity to continue strengthening through program redesign.



Questions?

Behavioral Health Pilot

CenCal Health awarded \$5 million in 26-27 State Budget to develop a partnership of trusted ambassadors, tiered Listen-Empathize-Agree-Partner® (LEAP) training, warm handoffs and continuous system learning

01

BUILD UNDERSTANDING

Build understanding and reduce stigma. Lack of insight can be part of serious mental illness—not willful refusal.

- Reduce blame and conflict
- Build trust and engagement

02

AMBASSADOR ROLE

Trusted family, peer and community leader voices turn knowledge into action.

- Explain anosognosia + LEAP
- Coach toward shared goals
- Connect to approved resources

03

TRAIN + ACTIVATE

Tiered LEAP learning and practical tools support consistent engagement.

- Awareness → frontline → clinical → coaches
- Forums, huddles + office hours
- Referral + escalation pathways

04

MEASURE + ADAPT

Community feedback and referral experience shape the next decision.

- Track reach, knowledge + practice
- Review handoffs + follow-up
- Scale, revise or close

PILOT TIMELINE



SEP–DEC
DESIGN



OCT–FEB
RECRUIT



FEB–APR
TRAIN



MAY–JUL
IMPLEMENT



CONTINUOUS
EVALUATE

Behavioral Health Ambassador Council

A community-facing role that applies LEAP, connects people to approved support and brings field learning back to the pilot

ROLE AT A GLANCE

Trusted messenger, coach and connector

- **Explain** anosognosia in plain language
- **Model** Listen - Empathize - Agree - Partner
- **Shift** conversations from confrontation to shared goals

01 LISTEN + TRANSLATE

Surface concerns, fears and misinformation around anosognosia and make LEAP understandable.

02 COACH + PRACTICE

Reinforce listening, empathy statements, shared goals and partnering language in real conversations.

03 CONNECT + ESCALATE

Use approved referral pathways, support warm handoffs and follow safety protocols for urgent needs.

04 CLOSE THE LOOP

Capture recurring barriers and community feedback to improve training, materials and pathways to care

BOUNDARIES

Ambassadors do not diagnose, provide clinical advice or replace crisis response; they maintain confidentiality, cultural humility, and professional boundaries.