SACRAMENTO COUNTY HEALTH AUTHORITY COMMISSION

General Meeting

August 12th, 2025

Agenda Item #1:
Welcome/Opening Remarks & Updates

Agenda #1: Updates

- Acting Chair – Eddie Kirby
- Quality Improvement / Quality Assurance – Dr. Khaira
- Consumer Protection Committee – Dr. Malhotra
- Department of Health Services – Cortney Maslyn & Gina Patterson
- Ad-Hoc 5 – Michelle Monroe
- Specialty Care Ad-Hoc – Michelle Monroe

Agenda Item #2: Agenda Review

- Action: Quality Improvement & Quality Assurance New Member Appointment
- Action: Approval of Revised Commission Bylaws
- Action: SCHA Commission Strategic Plan
- Action: Commission Bylaws and Administrative Processes
- Presentation & Discussion: Federal Policy Changes Update
- Presentation, Discussion & Action: Medi-Cal Transformation Concept Paper
- Discussion: Future Commission Meeting Agenda Topics
- Public Comment
- Closing Comments and Adjournment

Agenda Item 3:

Action: Quality Improvement & Quality Assurance New Member Appointment

Eddie Kirby, Acting Chair

Agenda Item 4:

Action: Approval of Revised Commission Bylaws – *Commissioner Michelle Monroe*

Agenda Item #5:

Action: SCHA Commission Strategic Plan

Eddie Kirby, Acting Chair

Action: To extend the current Strategic Plan through the end of 2025. To assign the work of updating a new Strategic Plan to the subcommittees, QIQA and CPC, who will present at a future Commission meeting the proposed new strategic plan.

Agenda Item #6:

Action: Commission Bylaws and Administrative Processes – *Eddie Kirby, Acting Chair*

Action: Appointment of Ad-Hoc Bylaws & Governance with the purpose to review and provide recommendations regarding SCHA's administration, policies and procedures. This Ad-Hoc would end at the second occurrence of the SCHA general meeting in 2026.

Agenda Item #7:

Presentation & Discussion: Federal Policy Changes

Federal Update on H.R. 1

Summary of H.R 1 - OBBBA

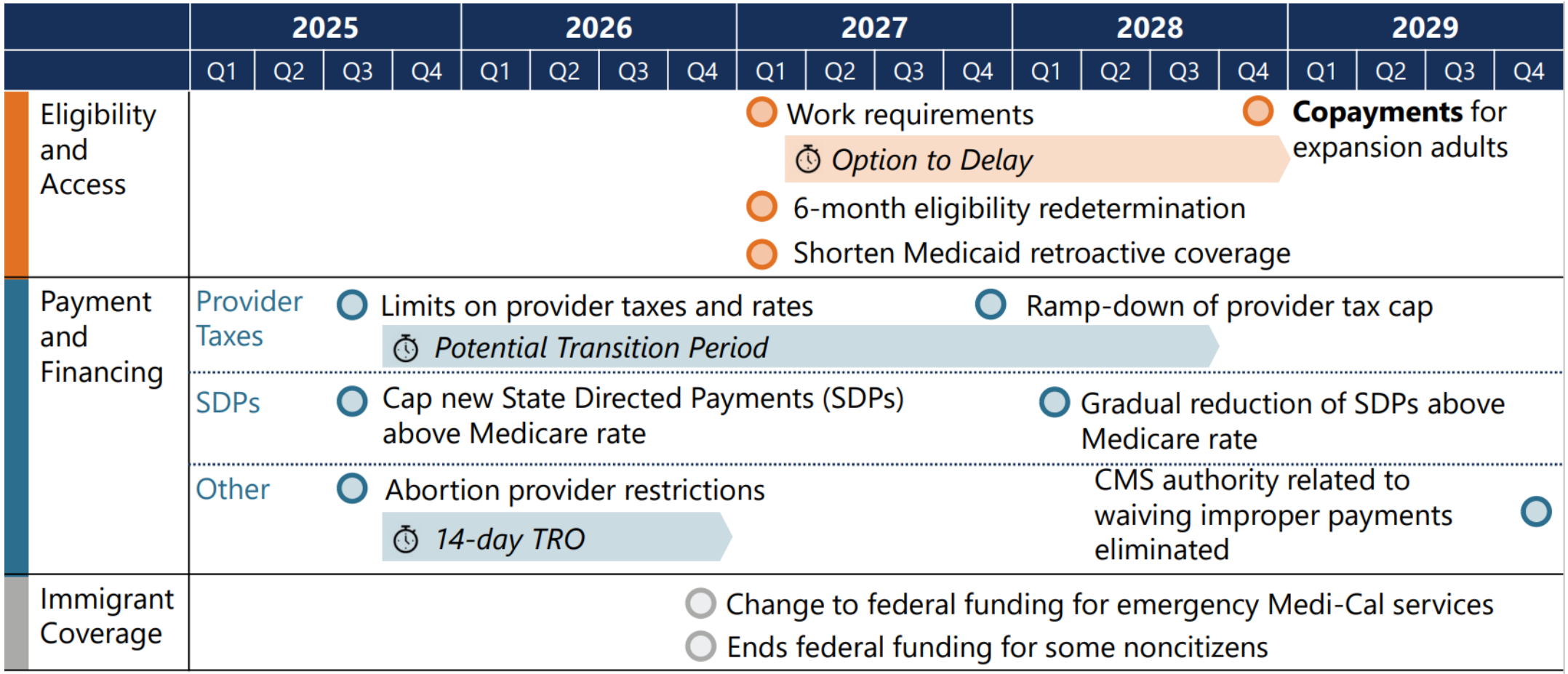
- H.R. 1, commonly known as the One Big Beautiful Bill Act (OBBBA), was signed into law on July 4th that will have sweeping impacts on the Medicaid program
- Some provisions go into effect immediately
- Bottom line for California:
  - 3.4 million could lose coverage
  - $30+ billion in funding at risk
  - Major disruption to Medi-Cal financing structure for safety net
  - Significant state budget pressures

Key Medicaid Provisions

Eligibility/Access Requirements	State Financing Restrictions	Immigrant Coverage Limitations	Abortion Providers Ban
» Work requirements » 6-month eligibility checks » Retroactive coverage restrictions » Cost sharing	» Managed Care Organization (MCO) and Provider Tax limitations » State Directed Payment restrictions » Federal funding repayment penalties (PERM)	» Reduction in Federal Medical Assistance Percentage (FMAP) for emergency UIS » Restrictions on lawful immigrant eligibility (increases UIS)	» One-year ban on federal Medicaid funding for "prohibited entities" that provide abortion services

Source: DHCS SAC-BH Meeting Deck 7-23-2025

Effective Dates for Key Provisions



Q1: Jan–Mar **Q2:** Apr–Jun **Q3:** Jul–Sept **Q4:** Oct–Dec

Source: DHCS SAC-BH Meeting Deck 7-23-2025

Federal Update – H.R. 1

Selected OBBBA Provisions - Detail

Provision	Summary of Enacted Language	Key Dates	Emerging Questions Under Review
State Directed Payments	New programs are capped at 110% of the published Medicare rate in non-expansion states and 100% of Medicare rate in expansion states, or the state plan/waiver rate if no published Medicare rate exists. *Interactions with Provider Tax Threshold Reductions in Expansion States:* Grandfathered SDPs are subject to a 10% annual reduction in total payment amount beginning in CY2028 (until parity with Medicare), and in the same period, expansion states face a 0.5% annual reduction in provider tax thresholds.	• 7/4/2025 - Grandfathered SDPs Capped at Aggregate Amounts for Completed Pre-Prints • 1/1/2028 (CY28) - Total Payment Reductions by 10% Annually for Grandfathered SDPs Effective	**Clarifying Submission Criteria** • Definition of "completed" pre-print remains unconfirmed **Financing Implications of Concurrent Phase Downs of Grandfathered SDPs and Provider Taxes in Expansion States** • Unclear how the simultaneous phase-downs may constrain states that rely on provider tax revenue as non-federal share to support grandfathered assessment-funded SDPs
Provider Taxes	As of fiscal year on or after October 1, 2026, provider tax programs will be capped at % as of bill enactment date (below 6%). For expansion states, annual reductions of 0.5% in provider tax threshold (from 6% to 3.5%) begin in FY 2028. Nursing homes and ICFs are exempt from phase down in expansion states.	• 10/1/2026 (FY27) - Capped at % as of Enactment (7/4/2025) • 10/1/2027 (FY28) - Threshold Reductions by 0.5% Annually Effective	**Interpretation of Defined Terms** • Definition of "imposed" remains unclear
Community Engagement (Work) Requirements	Conditions Medicaid eligibility on 80 hours/month of work or community engagement, with exemptions including for children, seniors, tribal members, medically frail individuals, recent inmates, and caregivers. Includes an allowance for short-term hardship exemptions. Limits involvement of MCOs and vendors with direct or indirect financial interest in helping state to determine beneficiary eligibility.	• 6/1/2026 - CMS Required to Issue Interim Final Rule • 1/1/2027 - Provisions Effective (HHS may grant states one-time good faith waiver extension) • 12/31/2028 - Good Faith Waiver Provisions Expire	**Limits on Plan + Vendor Involvement** • Unclear whether restrictions apply broadly or only to eligibility determinations
Rural Health Transformation Fund	Establishes a 5-yr Rural Health Transformation Fund; requires states to submit a transformation plan for approval by Dec. 31, 2025, with 50% of funds distributed equally across states with approved applications, 50% based on need of which 10% for states' administrative costs. Eligible providers include rural hospitals, rural health clinics, FQHCs, community mental health centers, and opioid treatment programs.	• 12/31/2025 - Program Approval Deadline • 10/1/2025 - 9/30/2030 (FY26-FY30) - Funds Available for Use • 3/31/2028 - Unused Funds Available for Redistribution	**Application and Implementation Process Details Pending** • Additional criteria the Administrator will use to evaluate applications has not been specified • Application submission process and review remains to be clarified

Federal Update – H.R. 1

Eligibility & Enrollment - Detail

Provision	Summary of Enacted Language	Key Dates	Emerging Questions Under Review
Medicaid Expansion Redeterminations	Requires individuals enrolled under Medicaid expansion, including those under an equivalent waiver, to undergo eligibility redeterminations every 6 months, instead of annually.	• 1/1/2025 - CMS required to issue guidance • 1/1/2027 - Provisions effective	**What administrative or system changes will states need to meet the new timeline?** • Increased costs to staff and systems improvements • States will need to update operational requirements for staff and administrative rules.
Moratoria on Eligibility and Enrollment Final Rules	Prohibits implementation of the 2023 Medicare Shared Savings Program and 2024 Medicaid and CHIP Eligibility and Enrollment final rules, allowing states to bypass certain eligibility and renewal standards, flexibility requirements, and CHIP protections on lock-outs, benefit limits, and waiting periods.	• 7/4/2025 - Provisions subject to the moratorium no longer in effect.	**Effects of Reduced Eligibility and Renewal Standards on Access, Enrollment, and State Operations** • May reduce time for beneficiaries to provide information, lower enrollment, increase churn, and create challenges for ABD populations
Retroactive Coverage Changes	Reduces Medicaid and CHIP retroactive eligibility from 3 months to 1 month for Medicaid expansion beneficiaries and from three months to two months for all other Medicaid beneficiaries.	• 1/1/2027 - Provisions Effective	**Impacts on Costs, Access and Provider Finances** • Applies to all Medicaid populations – May reduce state costs but increase beneficiary financial burden • Could raise uncompensated care costs for providers
Expansion FMAP for Emergency Medicaid	Removes enhanced federal match for emergency Medicaid services provided to undocumented immigrants, capping reimbursement at the state's regular FMAP.	• 10/1/2026 - Provisions Effective	**States' Response to Reduced Emergency Medicaid Funding** • Unclear if states will reduce access to or scope of emergency Medicaid services
Restricting Immigrant Medicaid Eligibility	Changes to the definition of "qualified alien" to include only lawful permanent residents, certain Cuban and Haitian immigrants, and individuals residing in the United States through a Compact of Free Association.	• 10/1/2026 - Provisions Effective	**Narrowing Definition of Qualified Immigrants** • Ends federal Medicaid and CHIP funding for certain immigrants by tightening eligibility, likely reducing coverage, increasing uninsured rates, and shifting costs to states and safety-net providers.

Estimated Medi-Cal Impacts

- ***MCO and Provider Tax Limitations.*** Significant implications for how CA finances Medi-Cal. Medi-Cal MCO and Hospital Provider Tax programs immediately impermissible unless a curing period is granted. Under Proposition 35, the MCO tax *may* not be modifiable to become compliant with federal requirements. Would directly impact recently passed state budget solution to use MCO tax revenues to support Medi-Cal cost growth.

- ***State Directed Payment Restrictions.*** Significant implications for how CA finances Medi-Cal. Limits future SPDs increases for both public and private hospitals, all of which have inpatient and/or outpatient rates exceeding Medicare according to the state.

- ***Work Requirements.*** Estimated up to 3 million Medi-Cal members could lose coverage.

- ***6-month eligibility checks.*** Estimated 400,000 Medi-Cal members could lose coverage.

- ***Retroactive coverage restrictions.*** Estimated 86,000 Medi-Cal members/year would be affected.

Note: Coverage impacts and losses estimated by the state

Estimated Medi-Cal Impacts

- ***Reduction in FMAP for Emergency Medi-Cal.*** Loss of 90 percent federal match for emergency Medicaid services creating significant state budget pressure and fiscal pressures on safety-net providers that deliver high volumes of emergency services to noncitizens.

- ***Immigrant Coverage Restrictions and FMAP.*** Estimated 200,000 immigrant Medi-Cal members will shift to UIS which is only eligible for emergency and pregnancy-related FFP at reduced FMAP rates.

- ***One-year Ban on Federal Funding for "Prohibited Entities" that Provide Abortion Services.*** According to CalHHS, about 80% of Planned Parenthood patients rely on Medi-Cal, meaning this would effectively strip $305 million in federal funding from one of the state's largest providers of reproductive health care.

Note: Coverage losses estimated by the state

Federal Update – H.R. 1

Discussion

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Agenda Item #8

Presentation, Discussion & Action:

DCHS Concept Paper

Action: To compile and approve submission of feedback from Commissioners to DHCS.

CalAIM Waiver Renewals Concept Paper

Overview

- On July 23rd DHCS released the Continuing the Transformation of Medi-Cal Concept Paper for public comment in anticipation of California's 1115 CalAIM and 1915b managed care waivers expiring December 31, 2026

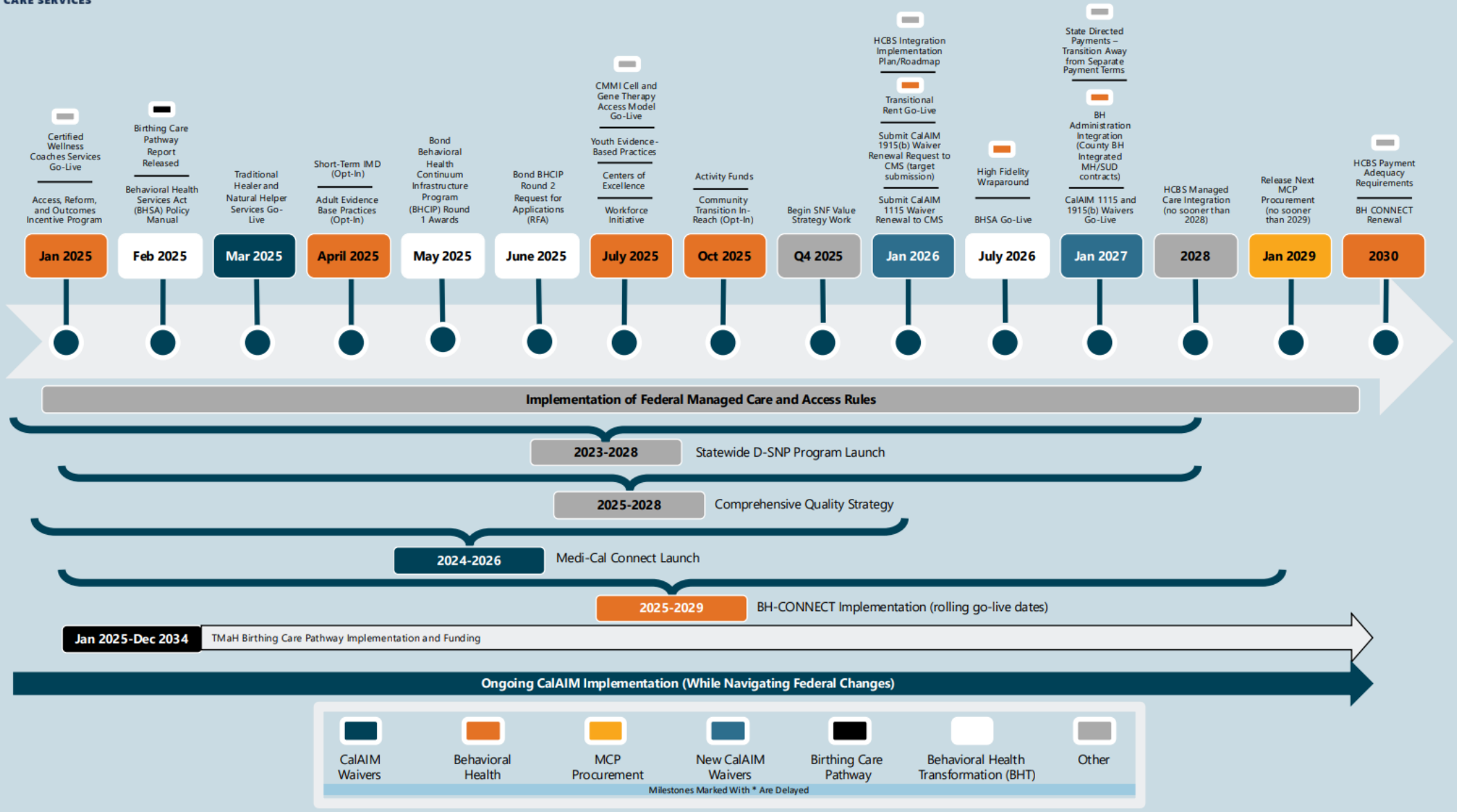
- Outlines DHCS' vision and goals for the next five years beginning January 2027, including plans for advancing the renewal of CalAIM waivers and other initiatives

- **Feedback can be submitted through August 21st** via email to: 1115Waiver@dhcs.ca.gov

- DHCS intends to submit the **CalAIM waiver renewal to CMS January 2026** (DHCS is also targeting the same for the 1915b managed care waiver as well)

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal: Where We're Going



Source: DHCS BH-SAC Meeting Deck 7-23-2025

Medi-Cal Transformation to Date

Over the next five years, starting in 2027, DHCS seeks to build upon California's existing efforts to transform Medi-Cal.

California Advancing and Innovating Medi-Cal(CalAIM)

DHCS implemented a range of initiatives to **advance whole person care and address social drivers of health**. As part of the Section 1115 and 1915(b) waiver renewals, DHCS proposes to continue key CalAIM components such as **Enhanced Care Management, Community Supports, the Justice-Involved Initiative, Drug Medi-Cal Organized Delivery System, Traditional Healers and Natural Helpers, and the Global Payment Program**, among others.

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)

DHCS expands the continuum of behavioral health care through BH-CONNECT. Key initiatives include **Workforce Investments, Transitional Rental Assistance, Activity Funds, Access, Reform, and Outcomes Incentive Program, Community Transition In-Reach Services**, and **federal funding for short-term mental health care provided in institutions for mental diseases**. California also expanded Medi-Cal coverage of evidence-based practices.

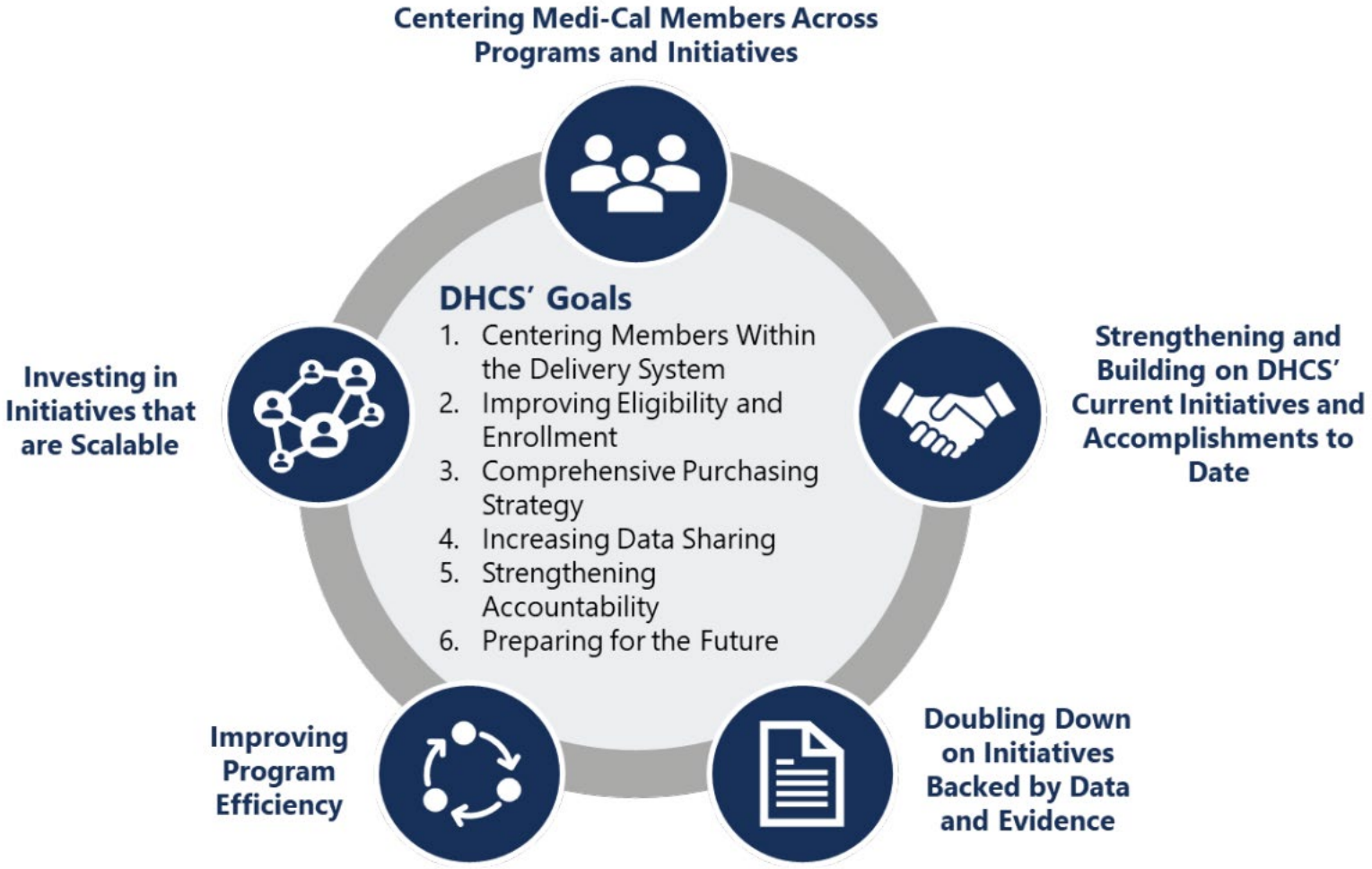
Behavioral Health Transformation

DHCS continues to invest in SUD and mental health delivery systems through Behavioral Health Transformation, which includes **funding supports for people with significant behavioral health needs, expanded behavioral health services, and enhanced focus on outcomes, accountability and equity**.

Behavioral Health Transformation also includes investments in treatment sites and permanent supportive housing.

Source: DHCS BH-SAC Meeting Deck 7-23-2025

DHCS' Guiding Principles and Goals



Source: Continuing the Transformation of Medi-Cal Concept Paper

Authorities for ECM and Community Supports

Section 1115 or 1915(b) authority is **not needed** to continue ECM and 12 of the 15 Community Supports.

- Currently, ECM is authorized under federal Medicaid **managed care regulations** as part of care coordination and continuity of care responsibilities of managed care plans.
- 12 Community Supports are covered as **In Lieu of Services (ILOS) under managed care authority** and are **not dependent** on DHCS' current CalAIM 1115 or 1915(b) waiver approvals.
- ILOS is a **permanent option** for state Medicaid programs enshrined in federal Medicaid managed care regulations and as required by CMS, memorialized in approved MCP contracts.
- An ILOS is a service or setting that is provided to an enrollee as a **substitute for a covered service or setting under the State Plan**, or when the ILOS can be **expected to reduce or prevent the future need** to utilize the covered service or setting under the State Plan.

Source: DHCS BH-SAC Meeting Deck 7-23-2025

Proposal

- Continue most CalAIM initiatives and commitment to strengthen CalAIM initiatives
- Sunset waiver authority for: PATH, DSHP financing used to support PATH, and Low-Income Pregnant Women postpartum benefits (for women between 109% and 138% of the FPL)
- Request continued authority for managed care delivery systems through the 1915b waiver
- Work with stakeholders over the coming months to explore potential new proposals for inclusion; approach to *waiver renewals could evolve based on state and federal dynamics*

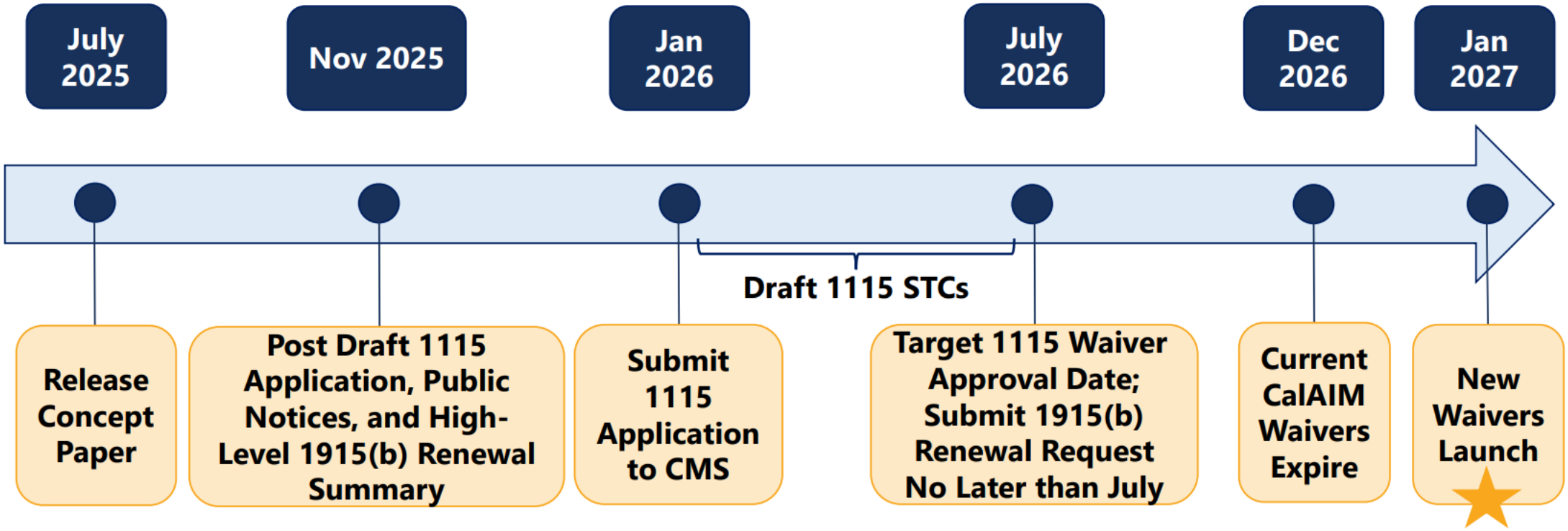
CalAIM Initiatives

To renew under 1115 authority:	
• Recuperative Care* • Short-term Post Hospitalization Housing* • Contingency Management • Reentry Services • Traditional Healers and Natural Practices • Dually Eligible Enrollees in Medi-Cal Managed Care • Managed Care Authority to Limit Plan Choice	• DMC-ODS – Waiver of IMD exclusion for SUD • Chiropractic Services from IHS/Tribal Facilities • Community-Based Adult Services • Out of State Former Foster Care Youth • Global Payment Program • Modification of Asset Test for Deemed SSI populations

*DHCS' preference is 1115 authority, but indicates could be authorized under other authority to cover all components except room and board

Waiver Renewal Timeline

DHCS will embark on a planning process over the coming months, including drafting a concept paper and drafting/submitting California's next 1115 and 1915(b) waivers.



Source: DHCS BH-SAC Meeting Deck 7-23-2025

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Discussion Questions

Questions to consider to support public comment:

What do you support about DHCS' approach? Why?

Would you recommend anything specific as a priority?

Do you have recommendations or considerations for DHCS on their goals and guiding principles?

- Are there any key things missing or that need tweaking?
- What should "Centering Members" look like?
- What should "Improving Program Efficiency" look like?
- What initiatives are most scalable?

Where do you want more clarification on the goals and guiding principles?

What questions do you have for DHCS?

CalAIM Waiver Renewals Concept Paper

Discussion

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Agenda Item #9

Future Topics for SCHA Meetings

Agenda Item #10:

Public Comment

Agenda Item #11:

Closing Comments & Adjournment