

**The County of Santa Cruz**  
**Integrated Community Health Center Commission**  
**MEETING AGENDA**

**June 11, 2025 @ 1:00pm - 2:00pm**

**MEETING LOCATION: In-Person** – 150 Westridge, Suite 101, Watsonville, Ca 95076 and 1080 Emeline Ave., Bldg. D, Admin Conference Room, Santa Cruz, CA 95060, 40 Eileen Street, Watsonville CA 95076, will connect through Microsoft Teams Meeting or call in (audio only) +1 831-454-2222,191727602# United States, Salinas Phone Conference ID: **191 727 602#**

ORAL COMMUNICATIONS - Any person may address the Commission during its Oral Communications period. Presentations must not exceed three (3) minutes in length, and individuals may speak only once during Oral Communications. All Oral Communications must be directed to an item not listed on today's Agenda and must be within the jurisdiction of the Commission. Commission members will not take actions or respond immediately to any Oral Communications presented but may choose to follow up at a later time, either individually, or on a subsequent Commission Agenda.

1. Welcome/Introductions
2. Oral Communications
3. May 7, 2025, Meeting Minutes – Action Required
4. Motion to Rescind
5. Quality Management Update
6. PPS Rate Presentation
7. CEO Update

<b><u>Action Items from Previous Meetings:</u></b>	<b>Person(s)</b>	<b>Date</b>	<b>Comments</b>
<b>Action Item</b>	<b>Responsible</b>	<b>Completed</b>	
Proposition 35 passed. Report back next couple of months what does that mean on revenues that will be coming into the clinic system.	Julian		

**Next meeting:** Wednesday, July 2, 2025, 1:00pm - 2:00pm **Meeting Location: In-Person** - 150 Westridge, Suite 101, Watsonville, Ca 95076 and 1080 Emeline Ave., Bldg. D, Admin Conference Room, Santa Cruz, CA 95060. Commission will connect through Microsoft Teams Meeting or call in (audio only) +1 831-454-2222,191727602# United States, Salinas Phone Conference ID: **191 727 602#**

# The County of Santa Cruz Integrated Community Health Center Commission

**Minute Taker: Mary Olivares**

Minutes of the meeting held June 11, 2025

**TELECOMMUNICATION MEETING:** Microsoft Teams Meeting - or call-in number +1 916-318-9542 – PIN# 500021499#

Attendance	
Len Finocchio	Executive Board – Co-Chair
Rahn Garcia	Member
Dinah Phillips	Member
Marco Martinez-Galarce	Member
Michelle Morton	Member
Nicole Pfeil	Member
Amy Peeler	County of Santa Cruz, Chief of Clinics
Raquel Ruiz	County of Santa Cruz, Senior Health Services Manager
Julian Wren	County of Santa Cruz, Admin Services Manager
Mary Olivares	County of Santa Cruz, Admin Aide
<b>Meeting Commenced at 1:00 pm and concluded at 2:00 pm</b>	
Excused/Absent:	
Excused: Christina Berberich	
Absent: Maximus Grisso	
1. Welcome/Introductions	
Introductions were done at this time, commissioners welcomed new member Nicole Pfeil.	
2. Oral Communications:	
3. May 7, 2025, Meeting Minutes – Action Required	
Review of May 7, 2025, Meeting Minutes – Recommended for approval. Rahn motioned to accept minutes as presented. Michelle second, and the rest of the members present were all in favor.	
4. Motion to Rescind	
This item was tabled for next month.	
5. Quality Management Update	
Raquel reported that the Quality Management Committee met, and the Emeline Clinic reported on their cervical cancer screening quality improvement project. She reported on the outreach process, and they are utilizing a Medical Assistant in making phone calls to schedule patients. Raquel also reported that for July's meeting she will be bringing the Quality Management Plan Review for approval.	
Raquel reported on Peer Review & Risk Management Committee, she reported they are preparing for June 18 <sup>th</sup> all provider meeting. At this meeting providers will be working on themed chart reviews which include Diabetes and Obesity. She reported they are also working on the chronic pain management policy.	
6. PPS Rate Presentation	
Julian gave an overview on PPS (Prospective Payment System). Julian reported instead of billing for each individual service like in traditional fee-for-service, FQHCs receive a fixed payment for each patient visit. He reported it does not matter if the patient needs just a quick checkup or multiple services the payment is the same. This system gives health centers a more predictable income. There are three main factors that determine an FQHC's payment rate, what costs can be included, how many patients are seen, and the productivity standards that Medicaid expects providers to meet. Julian presented on revenue and expenses. He reported 15% comes from grants, 8% comes from state and local grants, and 77% from clinic revenue. He reported on expenses and stated 71% goes to salaries and benefits, 10% interfund transfers, .20% fixed assets, 19% services and supplies and .10% rents and leases.	
7. CEO Update	
Raquel reported on behalf of Amy. Raquel reported that the Sustainability Committee will be having a Retreat in August to focus on the following areas: 1. Prioritizing critical services and operations resulting in an Operational Plan for core services 2. Operational efficiency to improved productivity and 3. Long term fiscal stability, explore revenue enhancement strategies for Health Centers with a balanced budget. Lastly, Raquel reported the County Executive Office recommended restorations on the	

following: Laboratory services – 90-day extension, and the restoration of cut position- 1.0 FTE Vacant Sr MHCSI, and 0.75 FTE Locums Tenens Psychiatrists.

Next meeting: July 2, 2025, 1:00pm - 2:00pm

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☐ Minutes approved \_\_\_\_\_ / / \_\_\_\_\_  
(Signature of Board Chair or Co-Chair) (Date)



**Health Centers Division**

# **Quality Management Report**

June 2025

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## **Quality Management Committee**

- Emeline Quality Improvement Project-
  - Cervical Cancer Screening Outreach Process utilizing a Medical Assistant
  - Feedback on the new Quality Improvement Taskforce Meeting structure
- Quality Management Plan Review
  - Will bring to the Commission in July for approval



## **Peer Review & Risk Management Committee**

- Preparation for June 18<sup>th</sup> all provider meeting.  
Themed Chart Review
  - Diabetes
  - Overweight
- Chronic Pain Management Policy



## **CEO Update–Sustainability Committee**

Retreat in August to focus on the following areas:

1. Prioritizing critical services and operations resulting in an Operational Plan for core services
2. Operational efficiency to improved productivity
3. Long term fiscal stability, explore revenue enhancement strategies for Health Centers with a balanced budget

## CEO Update

### County Executive Office Restorations Recommended

Recommended Restoration	Amount
Laboratory services 90-day extension	\$380,816
MHCAN peer support and drop-in services	\$477,939
Gemma House (Community Corrections Partnership approved up to \$150k in one-time AB 109 funding)	\$0
CAB syringe litter cleanup contract	\$40,000
Freedom Campus Health Center behavioral health services	
– 1.0 FTE vacant Sr. Mental Health Client Specialist I	\$146,535
– 0.75 FTE Locum Tenens Psychiatrists	\$347,818
Total	\$1,393,108



# Questions?

Thank You



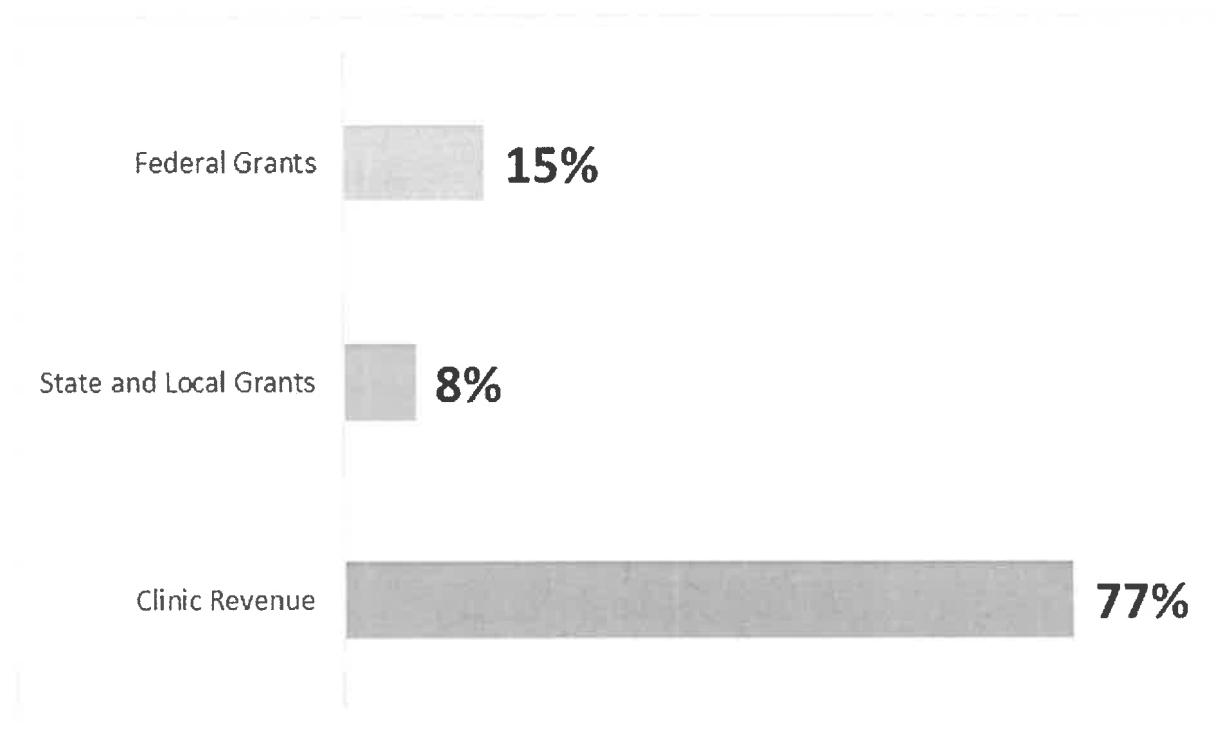


Health Centers Division

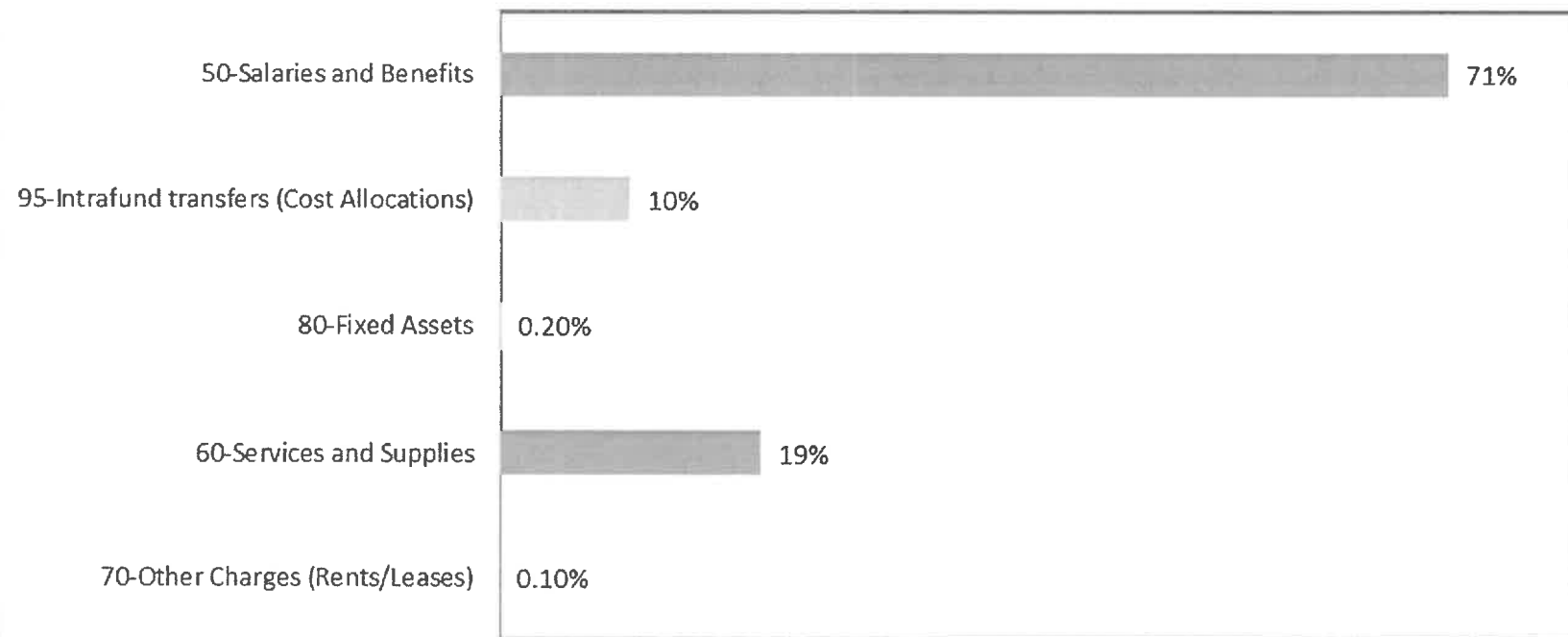
# **Health Centers All Staff Presentation 6-4-25**

# **30,000-foot View of our Budget**

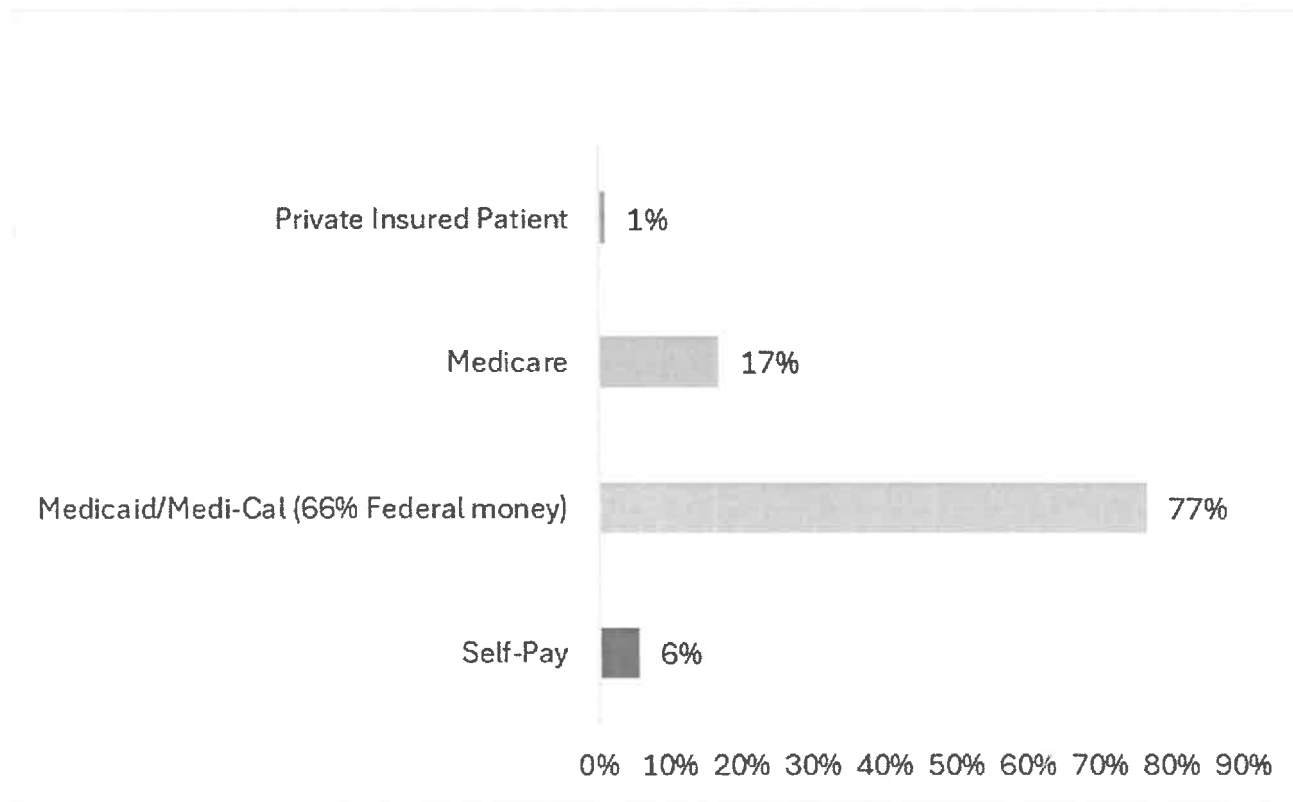
## Where does our money come from (revenue)?



# Where does our money go (expenses)?



## Percentage of Charges for Services by Payor Source?



**Understanding FQHC  
PPS Rate Setting  
\$423.30**

# What is PPS?

- **P**rospective **P**ayment **S**ystem
- A fixed payment method for patient visits at FQHCs
- Pays a set rate per patient visit regardless of services provided
- Designed to provide stable, predictable funding



# Component 1: Allowable Costs

## What Counts

- Clinical staff salaries (Physicians, PA/NP, Nurses, Acupuncturists etc.)
- Medical supplies and equipment
- Facility costs (rent, utilities, maintenance) Administrative expenses
- Other approved operating expenses

## What doesn't count?

- Costs deemed unnecessary or excessive
- Certain non-medical expenses

## **Component 2: Total Visits**

- The actual number of billable patient encounters
- Includes face-to-face visits with qualifying providers
- Must meet specific documentation requirements
- Each encounter generates one PPS payment

## **Component 3: Minimum Productivity Standards**

Medicare/Medicaid expects each full-time provider to complete:

- Physicians, Nurse Practitioners/Physician Assistants/Certified Nurse Midwives : ave 3,150 completed appointments per year

Why this matters: These standards set the minimum denominator in your rate calculation

# How Productivity Standards Affect our Rate

## **Example Scenario:**

- Your FQHC has 5 full-time physicians
- Minimum expected visits:  $5 \times 4,200 = 21,000$  visits
- But your actual visits: 18,000

**Result:** Medicare uses 21,000 visits in your rate calculation—not your actual 18,000

# **The Impact on PPS Rate**

If minimum standards weren't applied:

$\$5,000,000 \div 18,000 \text{ visits} = \$277.78 \text{ per visit}$

With minimum standards applied

$\$5,000,000 \div 21,000 \text{ visits} = \$238.10 \text{ per visit}$

The productivity standards prevent artificially high rates

# The PPS Rate Formula

- The actual number of billable patient encounters
- Includes face-to-face visits with qualifying providers
- Must meet specific documentation requirements
- Each encounter generates one PPS payment

**PPS Rate = Total Allowable Costs ÷ MAX(Actual Visits, Minimum Expected Visits)**

# Key Takeaways

- PPS provides a fixed payment per visit regardless of services provided
- Productivity standards create an efficiency incentive
- The system rewards centers that meet or exceed visit expectations
- The system punishes centers that do not meet or exceed visit expectations
- Understanding these components helps optimize our FQHC's financial sustainability

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# Thank You

