

**LOS ANGELES COUNTY – DEPARTMENT OF HEALTH SERVICES
HOSPITALS AND HEALTHCARE DELIVERY COMMISSION
August 6, 2026**

<u>Commissioners</u>	Present	Absent
David Marshall, D.N.P., Chair	X	
William McCloud, M.H.A., F.A.C.H.E., Vice Chair		X
Mark Marat Hay, Ph.D.	X	
Laura LaCorte, J.D.		X
Patrick Ogawa	X	
Elisa Nicholas, M.D.	X	
Margaret Farwell Smith	X	
Stanley Toy, M.D.		X
Rosemary C. Veniegas, Ph.D.		X
Tia Delaney-Stewart	X	
Jennifer Sudarsky	X	
Brad Selby	X	
Christian Garcia	X	
<u>DHS Staff</u>		
Allen Gomez	X	
Connie Salgado-Sanchez	X	
<u>County Counsel</u>		
Lynette Clyde	X	
<u>Members of the Public</u>		
Jarrod Erdman	X	
Karen Morris	X	
Commissioner Rosemary Veniegas	X	
Commissioner William McCloud	X	

1. Call to Order

The meeting was called to order at 10:30 by Commission Chair David Marshall. Quorum was not met, and a fifteen-minute recess was called.

2. Roll Call

Allen Gomez, Commission staff, called roll and quorum was met at 10:26 AM.

3. Welcome

Commission Chair David Marshall welcomed all members of the Commission, staff, and guests.

4. Action Item:

- Approval of June 4, 2026 Minutes: Minutes approved unanimously.

5. Presentation – General Discussion with Dr. Jackie Contreras, Director of Department of Public Social Services (DPSS) and Sherri Cheatham, Division Chief over Medi-Cal & In-Home Supportive Services Division

Commission Chair David Marshall welcomed Dr. Jackie Contreras, DPSS Director and Sherri Cheatham, Division Chief over Medi-Cal

- There are significant policy changes underway for 2026–2028 due to HR 1, resulting in major operational impacts for DPSS and Medi-Cal beneficiaries
- Implementation of new work and community engagement requirements for adults who became eligible for expanded Medi-Cal under the Affordable Care Act (ACA) ages 19–64 will be 80 hours/month
- The 80 hour/month requirement can be met with work, volunteering, education or community service
 - Approximately 1.3 million beneficiaries impacted
 - Exemptions reviewed, including CMS's newly expanded medically frail definition
 - People with mental health diagnoses are not exempt
 - California and 23 states are challenging federal guidance in court
- DPSS is developing a work/volunteer opportunity matching system, resource lists, and automation tools for compliance reporting
- Keep Your Benefits campaign underway using:
 - flyers
 - social media
 - webinars
 - public bulletin boards
 - text campaigns
- Presenters reviewed:
 - Medi-Cal asset limit changes
 - immigration-related funding scope changes
 - transition from managed care to fee-for-service (FFS) for certain populations
 - upcoming benefit reductions including dental coverage limitations beginning July 1, 2027
- Upcoming policy changes include six-month renewals for ACA expansion population, retroactive coverage adjustments, introduction of co-payments (2028), and monthly premiums for some individuals with unsatisfactory immigration status
- DPSS shared concerns regarding staffing shortages due to hiring freezes and overall operational impacts

Question – Regarding Specialty Care under the new program being created in response to Measure ER – can the county system pick up any of that?

- Health Services is waiting for guidance from the State. FFS rates do not cover cost for care. DHS does not generally see patients who are not part of the network. We only offer specialty care to those who get primary care within Health Services.

Question - Who will fall under restricted?

- The State will send out notices to impacted populations in mid-September and DPSS will host webinars for the population to let them know what is happening and who will be impacted and the timing of the changes

Question – How are barriers like address changes, and digital divide being addressed?

- Program participants have options to obtain the updated information:
 - Can go in person to get a packet
 - Can mail in packets
 - Can call customer service benefits line
 - Submit packets online

- BenefitsCal.com can be accessed at computers available at Libraries
- Mobile App
- Keepyourbenefits.org

- The department is developing an application to help customers to meet work requirements
 - 200,000 Cal Fresh and 1.3 million Medi-Cal beneficiaries will need to meet work requirement
 - DPSS is creating an app to match location, skills, hours and individuals to help with meeting work requirements and substantiate that work was done

Question – Regarding the community meetings – are they for the public? Or are they for specific populations?

- They are for the public, notice placed on Medi-Cal website
- Information is also shared with the Board of Supervisors, on the DPSS Essentials Newsletter, and on social media

Question – Are you experiencing workforce reductions?

- The County implemented a hiring freeze for 6 months, DPSS has been on a hiring freeze since November of last year
- Based on current budget, do not anticipate cuts, but realize that could change

The Commissioners thanked Dr. Contreras and Ms. Cheatham for their presentations.

Public comment – Commissioner Veniegas, as a member of public, thanked the presenters.

General Discussion with Dr. Christina Ghaly, Director of Health Services

Commission Chair David Marshall welcomed Dr. Ghaly.

- DHS issued sole-source notification to pursue transition to EPIC as its electronic health record to improve clinical integration and revenue cycle functionality.
 - Negotiations are ongoing
 - Expected Board action later in 2026
 - This will delay the implementation of the patient accounting system and revenue management cycle
 - Believe cost will be better than Oracle and will provide better electronic health record services
- Reviewed DHS' foundations and philanthropic options, including exploration of a system-wide 501(c)(3)
- Discussion about return on investment and limitations in relying on philanthropy for public services
- DHS has a small team that does some fundraising through the Hospitals
 - The Ambulatory Care Network and Olive View-UCLA Medical Center do not have Foundations
 - Rancho Los Amigos National Rehabilitation Center and LA General have Foundations
- The foundations allow for some flexibility in how funds are used, for example funds are used for programs like the adaptive driver program for individuals with disabilities at Rancho Los Amigos
 - There are no Medi-Cal funds available for this

Financial Update

- Measure ER passed, providing significant but not complete structural deficit relief
- Measure ER will raise approximately \$1 billion per year for 5 years
 - Measure ER will be used to fund existing costs and plug deficits from cuts from the state and federal government and labor increases, and DHS will not expand programs or create anything new
- New County coverage program is under development for uninsured individuals up to 138% FPL
- State budget included a one-time \$150 million allocation for public hospitals
 - DHS anticipates partial benefit
- Upcoming fee-for-service transition may reduce revenue; contributing to concerns about patient specialty access
- DHS unexpectedly received \$30 million in Managed Care Organization (MCO) tax revenue, which is a Supplemental Medi-Caid payment
- Waiver extension for CalAIM and GPP uncertain; awaiting CMS decisions
- Hiring freeze continues; workforce reductions primarily via attrition
- Measure ER is not a full solution, but helpful and DHS will get 22%
- Under Measure ER – 45% of funds will go to new program that will be launched by 1/1/27
- Health Services is working with stakeholders to establish care for those who earn 138% FPL and below
 - Diagnostics, specialty care, laboratory, pharmaceuticals, etc. are still being sorted out
- CMS has put in new rules for budget neutrality and may temporarily extend the waiver
 - Renewal of 1115 waiver expires in December
- CalAIM – launched 7/1/26 in jails to sign up folks in jail and connect them to resources upon exit
- Expenditure cap – facilities had target of cutting budgets by 3% that was met
- Hiring freeze continues, mostly in administrative and management levels
- Want to avoid layoffs, so we have been working on efficiencies to restructure teams and gain savings through attrition whenever possible

Question – Has the hiring freeze impacted more clinicians or administration staff?

- Most of the hiring freeze has been on the administrative and management side
- Most of the hiring has been on the clinical side for nurses and physicians

Public Comment

No public comments received

The Commissioners thanked Dr. Ghaly for her presentation.

6. Items for discussion and possible action:

	DISCUSSION/FINDINGS	RECOMMENDATIONS, ACTIONS, FOLLOW-UP
a. Discussion – Site Visits	Next Site Visit: • Olive View-UCLA Medical Center in September • High Desert – November or December Commissioners Delaney Stewart and Nicholas shared thoughts and observations from a recent visit to Rancho Los Amigos • Impressed by the way the facility positively impacts the community • Nursing and clinical operations are well run • They have a team focused on equity to reach out to various communities • Impressed by the large scope of service Rancho Los Amigos National Rehabilitation Hospital is #23 Rehab hospital nationally by U.S. News & World Report #3 in California by U.S. News & World Report	
b. Discussion Guest Speakers	January – Canceled February – Caroline Balfour March – Dr. Phillip Gruber, Kevin Lynch, Christopher Rodriguez (Project Monarch) April – Canceled May – Dr. Lisa Wong (DMH) June – Joshua Rutkoff (Leadership Development) July – meeting dark August – Dr. Jackie Contreras (DPSS)/ Sharri Cheatham September – Dr. Barbara Ferrer, DPH October – Sara Mahin November – Shari Doi December –Rhonda Bean	
c. Discussion – Annual Report	Commission staff are editing and expect to send draft by next week to begin review ○ Commissioner Marshall's term is ending as Chair ○ The Nominating Committee process will be added to next agenda	
d. Discussion – Department of Health Services Dashboard	Comments – Commissioner Smith Commissioners have raised concerns about the dashboard Urgent care waits of 2-3 hours seems excessive	Commission staff offered to find the subject matter expert over Urgent Care

7. Items not on the posted agenda for matters requiring immediate action because of an emergency, or where the need to take immediate action came to the attention of the Commission.

The Commissioners welcomed Christian Garcia, new Commissioner from SD 1.

Commission staff will check with HR to determine the mandatory training requirements for Commission members.

8. Public Comment – no public comment received.

9. Adjournment

The meeting adjourned at 12:06 p.m. next regular meeting is scheduled for September 3, 2026.