

**COUNTY OF SAN DIEGO  
BOARD OF SUPERVISORS  
TUESDAY, JULY 16, 2024**

**MINUTE ORDER NO. 15**

**SUBJECT: RECEIVE AND ACCEPT THE PRELIMINARY REPORT INCREASING  
MEDI-CAL REIMBURSEMENT RATES TO IMPROVE HEALTHCARE FOR  
NEARLY 1 MILLION SAN DIEGANS (DISTRICTS: ALL)**

**OVERVIEW**

Medicaid, known as Medi-Cal in California, is a vital government program that provides healthcare coverage to low-income individuals and families throughout the state. It is jointly funded by the federal and state governments and plays a crucial role in ensuring access to healthcare services for nearly a million people in San Diego County. Medi-Cal offers a wide range of health and social services, including doctor visits, hospital care, prescription drugs, and preventive care, making it a cornerstone of the state's healthcare system.

Medicaid programs reimburse healthcare providers at rates lower than those of private insurance or Medicare. These lower reimbursement rates might discourage healthcare providers from accepting Medi-Cal insurance, exacerbating the healthcare workforce shortage, and limiting access to care for low-income individuals.

San Diego County has the second highest population of Medi-Cal eligible residents, compared to other counties in the state. Due to its size, San Diego County plays an important part of the interconnected California healthcare system, but its safety net of health and social care providers is underfunded compared to other California counties with large Medi-Cal populations. Unlike many other counties in California, San Diego County historically has relied on community health care providers to create a safety net, such as Federally Qualified Health Centers, since there are no large county-owned public healthcare systems or health plans. However, much of the funding for safety-net health care services comes from State and federal programs, like Medi-Cal and Medicare. Given significant growth in San Diego County's Medi-Cal population combined with new State Medi-Cal priorities, an opportunity exists to create unique funding solutions for the County, paved by other large Medi-Cal counties in California.

On March 12, 2024 (13), the San Diego County Board of Supervisors (Board) directed the Interim Chief Administrative Officer to conduct a Medicaid Landscape Analysis to assess Medi-Cal reimbursable services and explore opportunities to increase Medicaid reimbursement to providers in the San Diego region.

In addition, the Board established an Ad Hoc Subcommittee to receive, review, and provide input on the report and other activities associated with this Board action.

Today's action requests that the Board receive the 120-day update from the Ad Hoc Subcommittee and receive a staff presentation with progress to date on the Medicaid Landscape Analysis.

## **RECOMMENDATION(S)**

### **VICE-CHAIR TERRA LAWSON-REMER AND SUPERVISOR MONICA MONTGOMERY STEPPE**

1. Receive the 120-day update from the Ad Hoc Subcommittee and accept staff presentation on progress to date on the Medicaid Landscape Analysis.
2. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, Article XXIII, authorize the Director, Department of Purchasing and Contracting, to amend contracts and/or issue competitive solicitations to support the Medicaid Landscape Analysis, and upon successful negotiations and determination of a fair and reasonable price, award contract(s) for an initial term of up to 12 months and up to an additional six months if needed; and to amend the contract(s) to reflect changes in program, funding or service requirements, subject to the availability of funds and the approval of the Agency Director, Health and Human Services Agency.
3. Authorize the Agency Director, Health and Human Services Agency, or designee, to apply for and accept funding opportunities, if available, to support the Medicaid Landscape Analysis.
4. Direct the Chief Administrative Officer to return to the Board no later than April 30, 2025, in lieu of the prior approved December 2024 return, with a progress report, findings, and recommendations addressing low Medi-Cal reimbursement rates, after having first met with and received input from the ad hoc subcommittee. Upon presentation of the final report, findings, and recommendations to the Board by the Chief Administrative Officer, the ad hoc subcommittee will be concluded no later than April 30, 2025.

## **EQUITY IMPACT STATEMENT**

Individuals receiving Medicaid face significant equity challenges that impact their access, quality of care, and health outcomes. The current disparities in Medicaid reimbursement rates contribute to differential access to quality healthcare services, disproportionately affecting BIPOC communities. The impact of low reimbursement rates extends beyond the immediate challenges in accessing quality healthcare. It perpetuates systemic disparities in health outcomes, exacerbating existing inequalities among different demographic groups. Moreover, the racial bias in reimbursement rates has implications for the healthcare workforce. BIPOC healthcare professionals are often concentrated in facilities serving Medicaid beneficiaries, facing challenges of working in under-resourced environments. This not only hampers their ability to provide optimal care but also contributes to workforce disparities, further entrenching racial inequities within the healthcare system. Recognizing the intersectionality of race, socioeconomic status, and health outcomes is essential to fostering a healthcare system that is truly inclusive and just.

## **SUSTAINABILITY IMPACT STATEMENT**

The proposed item contributes to the County of San Diego's Sustainability Goals by prioritizing the long-term health, safety, and well-being for San Diego residents through the support for actions that will get quality healthcare services to those that need it most.

## **FISCAL IMPACT**

There is no fiscal impact for Recommendations 1, 3, and 4. Funds for Recommendation 2 are included in the Fiscal Year (FY) 2024-25 Operational Plan for the Health and Human Services Agency. If approved, this request will result in one-time costs and revenue of \$500,000 in FY 2024-25 to amend

the contracts or issue competitive solicitations to support the Medicaid Landscape Analysis. The funding source is one-time General Purpose Revenue previously approved in the March 12, 2024 (13) Board action which included approximately \$1.5 million in total funding for this initiative. These funds will be carried forward through the year-end process and will be available for use in FY 2024-25 for HHSA. There will be no change in net General Fund cost and no additional staff years.

#### **BUSINESS IMPACT STATEMENT**

N/A

#### **ACTION:**

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Lawson-Remer, the Board of Supervisors took action as recommended.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: Vargas

State of California)

County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER

Clerk of the Board of Supervisors



**Signed**

**by** Andrew Potter