



County of Monterey Health Department Clinic Services

FISCAL UPDATE AND PROPOSED REVENUE GENERATING STRATEGY

BOARD OF SUPERVISORS BUDGET COMMITTEE MEETING

APRIL 10, 2025

ITEMS TO BE COVERED

- Fiscal Environment
- Intermittent Clinic Overview
- Intermittent Conversion Timeline
- Patient Appointment Utilization & Visits
- Clinic Hours Adjustments
- Fiscal Projection
- Key Takeaways
- Staff Recommendation



CLINIC SERVICES FINANCIAL POSITION FY 2023-24 (ACTUALS)



Financial Summary

<u>Category</u>	<u>Amount (\$)</u>
Total Revenues	56,552,485
Total Expenditures	72,267,772
Surplus (Deficit)	(15,715,288)

Funding Sources to Close the Gap

<u>Funding Source</u>	<u>Amount (\$)</u>
General Fund Contribution (GFC)	4,240,037
Support from Other Health Bureaus	2,174,801
Reserve Fund Transfer	9,300,450
Total Funding Sources	15,715,288

CLINIC SERVICES FINANCIAL POSITION FY 2024-25 (ESTIMATE)



Financial Summary

<u>Category</u>	<u>Amount (\$)</u>
Total Revenues	54,023,632
Total Expenditures	74,565,229
Surplus (Deficit)	(20,541,597)

Funding Sources to Close the Gap

<u>Funding Source</u>	<u>Amount (\$)</u>
General Fund Contribution (GFC)	4,109,956
Reserve Fund Transfer	5,040,615
Support from Other Health Bureaus	Unknown
Total Secured Funding Sources	9,150,571
Remaining Funding Gap	11,391,026

INTERMITTENT FQHC* - OVERVIEW

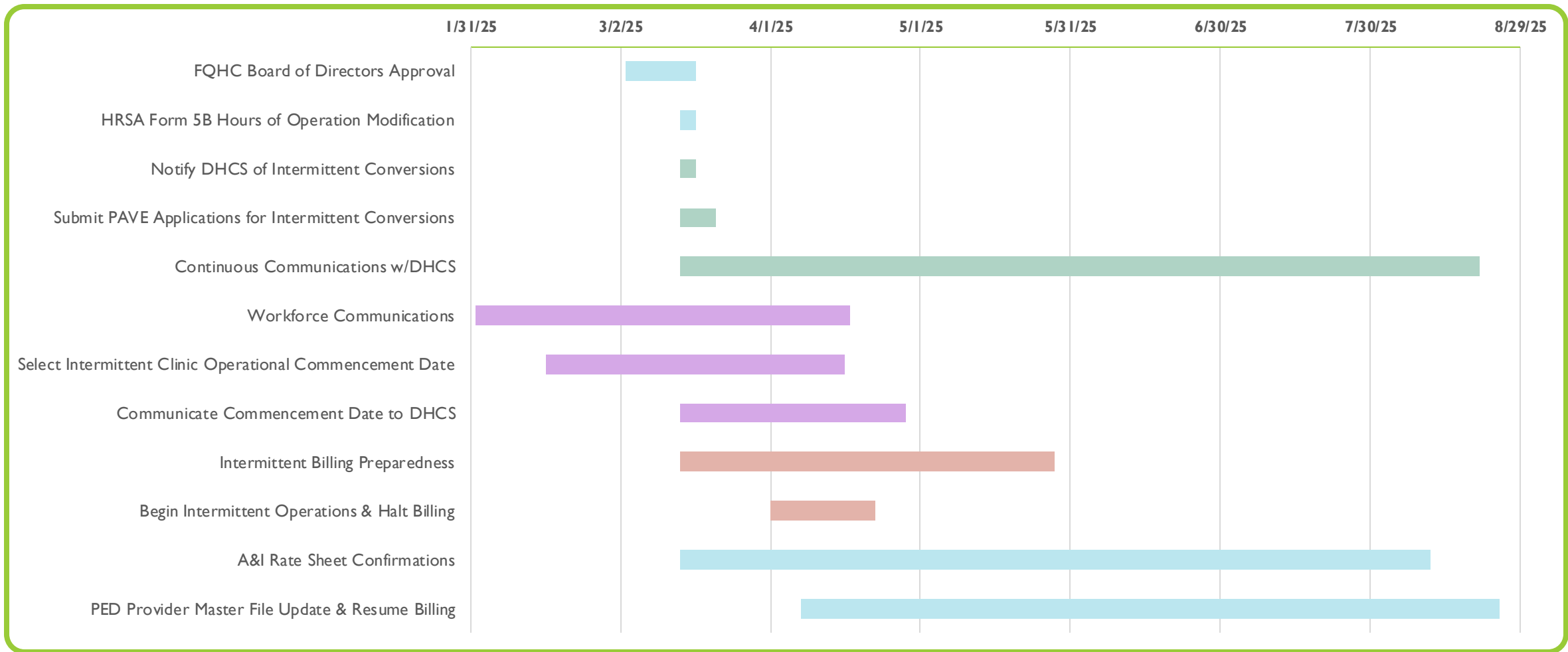
- May not operate more than 40 hours a week
- Assigned to a Parent Clinic
- Assumes Parent Clinic's approved PPS** and wrap rates
- Encounters are included in Parent Clinic's reconciliation process
- California Senate Bill 819 became effective January 1, 2025
 - Enables publicly operated FQHCs to establish BOTH mobile clinics and intermittent clinics that are reimbursable under Medi-Cal PPS
 - Ex. Our Mobile Clinic was approved by DHCS on January 8, 2025



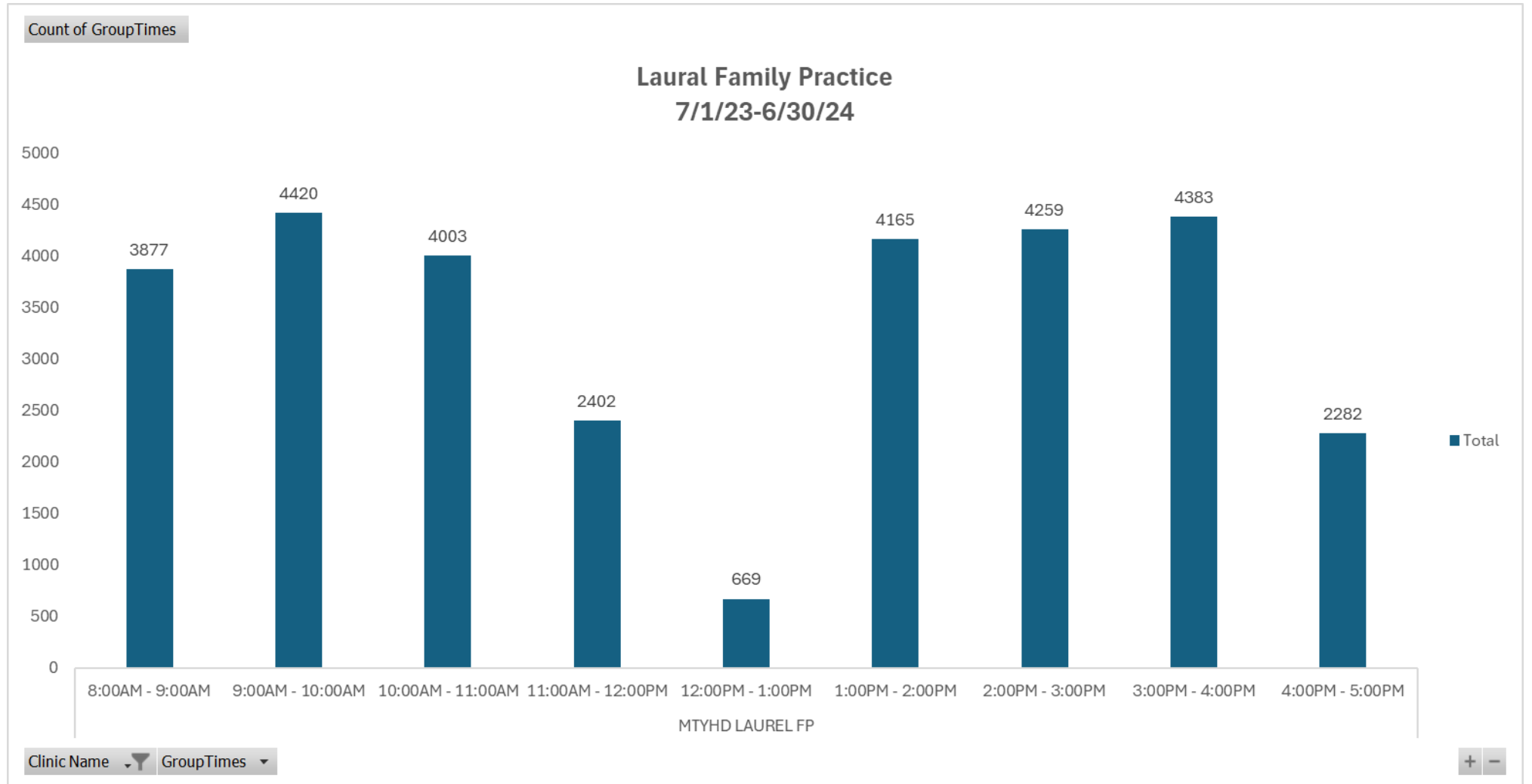
**FQHC: Federally Qualified Health Center*

***PPS – Prospective Payment System*

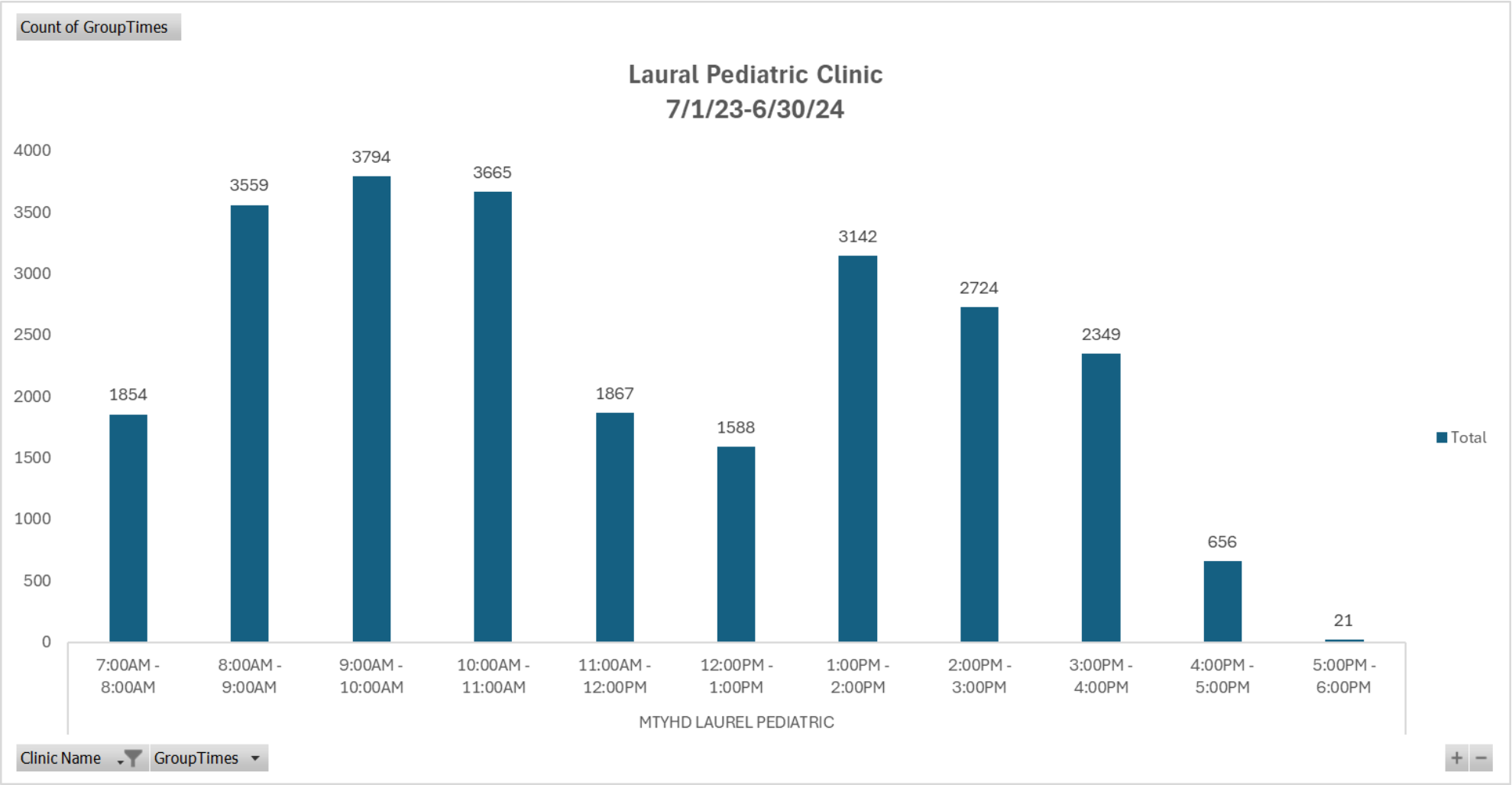
INTERMITTENT CLINIC CONVERSION TIMELINE



PATIENT APPOINTMENT TIME UTILIZATION DATA



PATIENT APPOINTMENT TIME UTILIZATION DATA



INTERMITTENT CLINIC CONVERSIONS

CLINIC HOURS ADJUSTMENTS

CURRENT HOURS

Laurel Internal Medicine

Monday – Friday 8:00 am – 5:00 pm
2nd and 3rd Thursday 9:00 am - 5:00 pm
HRSA Form 5B Hours: 51.50

Laurel Pediatric Clinic

Monday – Thursday 7:00 am – 5:30 pm
Fridays 7:00 am - 5:00 pm
1st and 3rd Thursday 9:00 am - 5:30 pm
HRSA Form 5B Hours: 58.00

Laurel Family Practice

Monday-Friday 8:00 am – 5:00 pm
1st Friday 9:00 am - 5:00 pm
HRSA Form 5B Hours: 46.50

Laurel Vista

Monday-Friday 8:00 am – 5:00 pm
1st Friday 9:00 am - 5:00 pm
HRSA Form 5B Hours: 46.50

RECOMMENDED HOURS

Laurel Internal Medicine

Monday – Friday 8:00 am – 5:00 pm
2nd and 3rd Thursday 9:00 am - 5:00 pm
Closed daily 12:00 pm – 1:00 pm
HRSA Form 5B Hours: 40.00

Laurel Pediatric Clinic

Monday – Friday 7:30 am – 4:30 pm
1st and 3rd Thursday 9:00 am - 4:30 pm
Closed daily 12:00 pm – 1:00 pm
HRSA Form 5B Hours: 40.00

Laurel Family Practice

Monday-Friday 8:30 am – 5:30 pm
1st Friday 9:00 am - 5:30 pm
Closed daily 12:30 pm – 1:30 pm
HRSA Form 5B Hours: 40.00

Laurel Vista

Monday-Friday 8:30 am – 5:30 pm
1st Friday 9:00 am - 5:00 pm
Closed daily 12:00 pm – 1:00 pm
HRSA Form 5B Hours: 40.00



FY 2025-26 PROJECTION



PPS RATES					
Clinic	NPI	10/01/24-9/30/25	10/01/25-9/30/26*	PPS Rate 1 Differential	PPS Rate 2 Differential
NIDO CLINIC	1134765381	541.29	557.53		
LAUREL FAMILY PRACTICE	1740232644	233.13	240.12	308.16	317.40
LAUREL INTERNAL MEDICINE	1043262959	336.42	346.51	204.87	211.02
LAUREL PEDIATRIC CLINIC	1457303356	247.92	255.36	293.37	302.17
LAUREL VISTA	1033596911	210.90	217.23	330.39	340.30

*MEI is assumed at 3%

MEDI-CAL BILLABLE VISITS				
Clinic	Financial Class	Total	PPS Rate 1 Visits	PPS Rate 2 Visits
LAUREL FAMILY PRACTICE	Medi-Cal MC	22,503	5,466	17,037
	Medi-Cal	909	199	710
LAUREL INTERNAL MEDICINE	Medi-Cal MC	15,495	3,665	11,830
	Medi-Cal	1,114	378	736
LAUREL PEDIATRIC CLINIC	Medi-Cal MC	24,924	6,836	18,088
	Medi-Cal	647	183	464
LAUREL VISTA	Medi-Cal MC	4,261	1,366	2,895
	Medi-Cal	126	47	79

ESTIMATED INCREMENTAL REVENUE			
Clinic	PPS Rate 1 Additional Revenue	PPS Rate 2 Additional Revenue	Total
LAUREL FAMILY PRACTICE	\$ 1,745,726	\$ 5,632,983	\$ 7,378,709
LAUREL INTERNAL MEDICINE	\$ 828,289	\$ 2,651,628	\$ 3,479,918
LAUREL PEDIATRIC CLINIC	\$ 2,059,164	\$ 5,605,878	\$ 7,665,042
LAUREL VISTA	\$ 466,841	\$ 1,012,057	\$ 1,478,898
			\$ 20,002,568

KEY TAKEAWAYS

RISKS

1. Nothing is guaranteed
 - a. DHCS approval & timeline
 - b. Fiscal management
2. Not following this strategy preserves or worsens our current fiscal deficit
3. Employee moral may decline under the status quo

REWARDS

1. Patient access maintained
2. Increased revenue will reduce the operational gap between revenues and expenses
3. Reduce/reverse annual PPS liabilities
4. Employee moral may improve as financial stability is restored
5. Increased cash reserves can support expansion via future practice acquisitions or new business lines



STAFF RECOMMENDATION – IN SUMMARY

- Support conversion of standalone clinics on the Natividad campus (Laurel Family Practice, Internal Medicine, Vista, and Pediatrics) to intermittent clinics with an effective date of May 03, 2025
- Support allocation of an additional \$6.5 million in GFC to Clinic Services Bureau in FY 2024-25 with the expectation that funds will be returned to the GF when revenues are realized starting FY 2025-26

Q & A

