



# County of Monterey

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: BC 25-069

August 28, 2025

Introduced: 6/13/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Receive an update from the Health Department Clinic Services Bureau on the conversion of standalone clinics on the Natividad campus to intermittent clinics.

### RECOMMENDATION:

It is recommended that the Budget Committee:

Receive an update from the Health Department Clinic Services Bureau on the conversion of standalone clinics on the Natividad campus to intermittent clinics.

### SUMMARY/DISCUSSION:

On April 29, 2025, the Board of Supervisors (BOS) approved the Health Department Clinic Services Bureau's (CSB) plan to convert four standalone clinics on the Natividad campus: Laurel Family Practice, Laurel Internal Medicine, Laurel Vista, and Laurel Pediatrics, to intermittent clinic status, linking them to the NIDO (Infectious Disease) Clinic as their parent clinic, effective May 3, 2025. This strategy is expected to improve the financial stability of the Clinic Services Bureau by allowing patient visits to be billed at the higher Prospective Payment System (PPS) rate of \$541 per visit, compared to the current average of \$228 per visit. This change is projected to generate approximately \$20 million in additional annual revenue. The Board directed staff to provide quarterly updates to the Budget Committee.

Following Board approval, the CSB informed the Department of Health Care Services (DHCS) of the intermittent operations start date of May 3, 2025, for the four clinics. As of that date, the clinics began operating under intermittent clinic guidelines, which limit operations to no more than 40 hours per week. In partnership with staff and labor, internal workflows, staffing schedules, and hours of operation were adjusted accordingly to comply with these requirements, with minimal disruption to patient access.

Consistent with intermittent clinic conversion guidelines, billing for Medi-Cal visits at the four clinics was paused beginning May 3, 2025. As of the end of May, approximately 5,600 visits are pending submission. Once these claims from May are submitted and reimbursed at the full PPS rate of \$541, they are expected to generate approximately \$3 million in revenue. As a reminder, billing will resume once the DHCS audit is complete, and the conversion is finalized. This process may take 6-9 months to be completed.

At this time, Clinic Services Bureau is waiting for follow-up from DHCS to address any outstanding questions related to the conversion and information submitted to date. Staff remain responsive and prepared to provide any additional clarification needed to support the timely completion of the

process. A progress update will be provided to the Budget Committee in the next quarterly report.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed this report.

FINANCING:

The estimated impact to the General Fund in Fiscal Year (FY) 2024-25 as presented to the BOS on April 29, 2025, was \$6.5 million. As of the date of this report the estimate remains unchanged. Staff will continue to monitor estimates and will apprise the County Administrative Office and Budget Committee if material changes emerge.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☐ Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

☒ Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services, promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

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Attachments:

Staff Report