



County of Monterey

Item No.42

Board Report

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

Legistar File Number: A 26-262

June 23, 2026

Introduced: 6/5/2026

Current Status: Natividad Medical Center -
Consent

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute Amendment No. 2 to the agreement (A-15874) with Toyon Associates, Inc. for Rural Floor Budget Neutrality Appeals Services, Medicare/Medicaid Crossover Bad Debt Recovery Services, Medicare/Medi-Cal Appeals Services, Health Care Access and Information Report Preparation Services, Medi-Cal Eligible Day Services (Point of Service/Historical), Medicare/Medi-Cal/Short Doyle Cost report Preparation Services and Consulting services, extending the agreement an additional two year period July 1, 2026 through June 30, 2028 for a revised full agreement term of July 1, 2022 through June 30, 2028 and adding \$600,000 for a revised total agreement amount not to exceed \$1,950,000.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute Amendment No. 2 to the agreement (A-15874) with Toyon Associates, Inc. for Rural Floor Budget Neutrality Appeals Services, Medicare/Medicaid Crossover Bad Debt Recovery Services, Medicare/Medi-Cal Appeals Services, Health Care Access and Information Report Preparation Services, Medi-Cal Eligible Day Services (Point of Service/Historical), Medicare/Medi-Cal/Short Doyle Cost report Preparation Services and Consulting services, extending the agreement an additional two year period July 1, 2026 through June 30, 2028 for a revised full agreement term of July 1, 2022 through June 30, 2028 and adding \$600,000 for a revised total agreement amount not to exceed \$1,950,000.

SUMMARY:

Toyon Associates Inc. (Toyon) provides expert services in areas of reimbursement from State and Federal Government. Their consulting services include preparation of State's Medi-Cal cost reports, Federal Medicare cost report, special supplemental cost reports (P-14) to the State, State's Short Doyle cost reports and annual State's HCAI reports.

DISCUSSION

Toyon provides assistance in representing Natividad during scheduled audits and appeals for all State and Federal cost and supplemental reports. Toyon provides strategic assistance on reimbursement

issues related to Disproportionate Share, Realignment, Bad Debts, Medi-Cal Waiver funding and programs and other reimbursement related initiatives particular to safety net provider (public) hospitals. Toyon Associates Inc. also pursues reimbursable costs available on previously reported years which are available to Monterey County Health System. This is an ongoing process between Provider (NMC), State and Federal Government.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this amendment No. 2 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 2 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on June 5, 2026.

FINANCING:

The cost for this amendment No. 2 is \$600,000 of which \$300,000 is included in the FY 2026-27 Recommended Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact on the General Fund with this action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS SECTION:

This agreement is for specialized consulting services, the outcome of which will contribute to retaining or maximizing the financing of public health care services by Monterey County. The services rendered in this agreement provide NMC with the reimbursement expertise that allows for the improvement of financing options under State and Federal regulations, resulting in higher quality of patient care for the families in Monterey County.

- Well-Being and Quality of Life
- Sustainable Infrastructure for Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Administrative

To find what goals your item supports, you can review them in the Strategic Plan. Link is below:
<https://www.countyofmonterey.gov/home/showdocument?id=139569>

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Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

- Attachment(s):
- Board Report
 - Toyon Associates, Inc. Amendment No. 2
 - Toyon Associates, Inc. Amendment No. 1
 - Toyon Associates, Inc. Original Agreement

Attachments on file with the Clerk of the Board