



County of Monterey

Board Report

Legistar File Number: PAR 26-001

Item No.

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

January 27, 2026

Introduced: 1/15/2026

Current Status: Agenda Ready

Version: 1

Matter Type: Preliminary Analysis Report

Receive a preliminary response to *Board Referral Number 2025.16* (Alejo) regarding the creation of a new Esperanza Care program.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a preliminary analysis report in response to **Board Referral No. 2025.16**;
- b. Provide direction on a preferred referral processing option:
 - i. Proceed with completion of referral as outlined in preliminary report;
 - ii. Proceed with completion of referral based on modifications by Board;
 - iii. Return to Board with a more comprehensive analysis of referral and anticipated effort for completion; or
 - iv. Rescind referral.
- c. Provide further direction, as appropriate.

SUMMARY: Supervisor Alejo submitted a referral assigned to Natividad Medical Center (NMC) and Monterey County Health Department (MCHD) to provide information for the proposal to bring back the Esperanza Care pilot program due to the federal changes related to HR 1 impacting Medi-Cal funding and coverage for county residents.

PRELIMINARY ANALYSIS:

Background: On October 30, 2025, Board Referral No. 2025.16 entitled “Esperanza Care 2.0” was issued directing staff to review and re-establish a new Esperanza program to assist those that begin to lose Medi-Cal coverage in January 2026 secondary to the passing of HR 1.

In 2015, the Monterey County Board of Supervisors approved \$500,000 to create the Pilot Program for the remaining uninsured to provide primary care healthcare services MCHD Federally Qualified Health Centers (FQHCs) to county residents who remained uninsured and unable to pay for costly medical care, procedures and prescription medicines. At the time, it was estimated that 30,000 to 50,000 adult residents over the age of 25 were without any medical insurance due to their documentation status.

The pilot program was very successful and in October 2017, the program was expanded to include primary care in the MCHD FQHCs and specialty clinic services at Natividad, limited scope pharmaceuticals, diabetes education, laboratory and radiology services. It was also renamed Esperanza Care with an initial enrollment cap of 2,500. Ultimately funding the \$2 million program annually and increasing the enrollment to 4,500 participants.

With the historic Medi-Cal expansion in California that covered all eligible adults, in December 2023, the Esperanza Program was ended.

Unfortunately, due to the recent federal changes to Medicaid and California's Medi-Cal program with HR 1 on July 4, 2025, Medi-Cal Expansion was frozen except for emergency and pregnancy related services. This with additional administrative changes are expected to result in a significant 27% reduction in Medi-Cal enrollment and a subsequent increase in uninsured community members.

Project Description: NMC and MCHD recommend the creation of an Esperanza pilot program that would serve approximately 500 lives. The pilot program would both provide primary care and ambulatory specialty clinic services, including lab, diagnostic imaging and limited generic drugs. The Esperanza Care Pilot Program proposed go live date is July 1, 2026.

Estimated Project Cost: The Esperanza Care Pilot Program is estimated to cost \$500k- \$1 million for the 12-month pilot including third party administration costs. The County Administrative Office, Monterey County Health Department, and Natividad Medical Center will work together to analyze costs and identify funding.

Staffing Level Estimate: Depending on third party administration needs there will be an additional 1-3 FTEs needed to support the pilot.

Departmental Challenges: The evolving federal and state policy landscape will continue to impact the project.

Proposed Response Date: Depending on the Board of Supervisors direction staff will return later in 2026.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This project helps to serve the uninsured residents of Monterey County by offering equitable opportunities for healthcare which will improve the health and well-being for this demographic.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice

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Attachments:

Preliminary Analysis Report
Board Referral No. # 2025.16
Esperanza Referral PPT