

Natividad/Health Department BOS Esperanza Update January 2026

Dr. Chad Harris, CEO, Natividad
Elsa Mendoza Jimenez, Director of Health Services

Board of Supervisor Meeting
January 27, 2026



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HR 1 impact on Medi-Cal eligibility

- CCAH anticipates a 27% reduction in enrollment through CY 2028
- Medi-Cal Expansion freezes: No longer provides coverage for adults except for emergency and pregnancy related services
- Other Changes to consider; asset test reinstatement, Medi-Cal redeterminations every 6 months, retroactive coverage from 3 to 1 one month, work requirements and monthly premiums



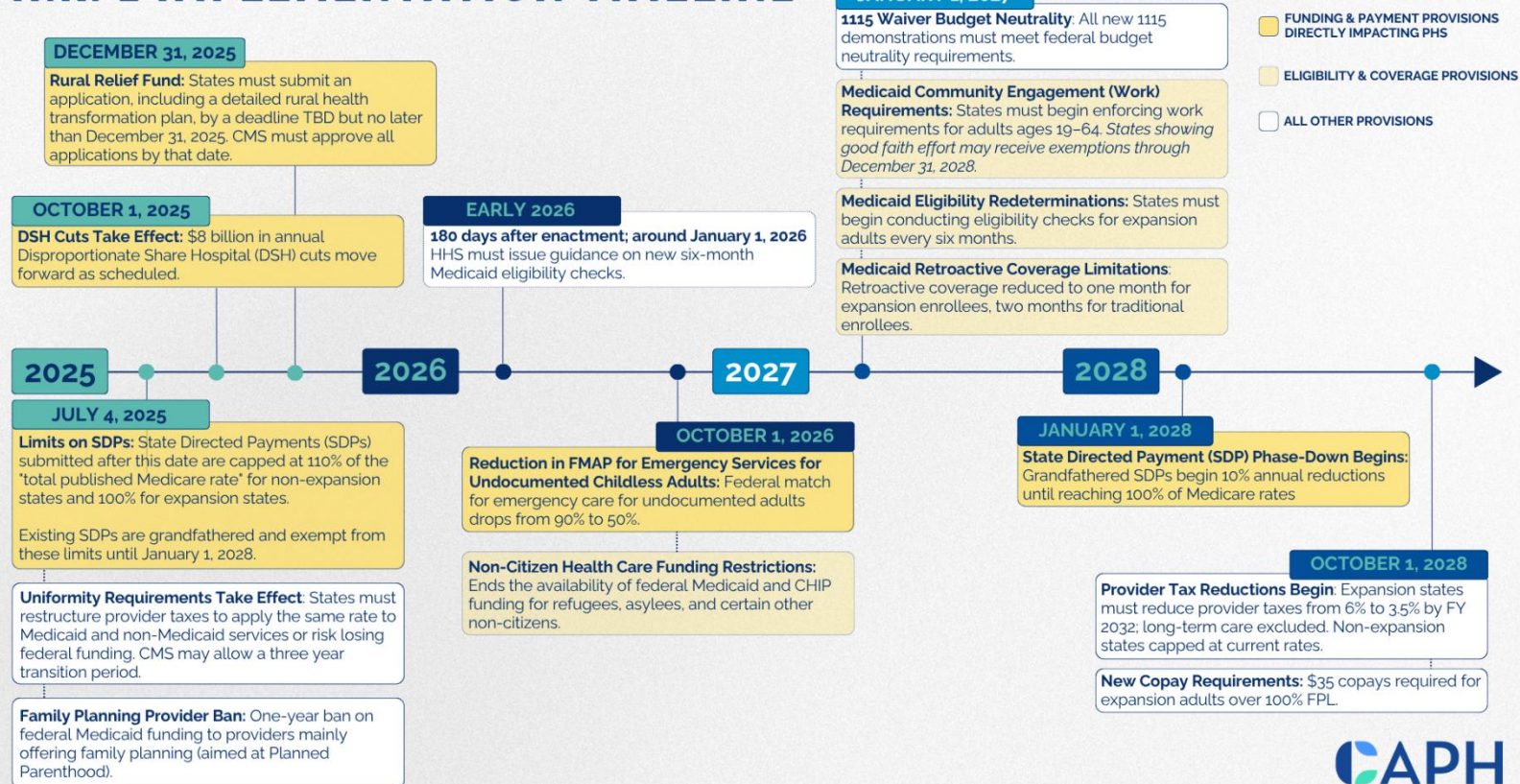
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H.R. 1 Impacts- Natividad

H.R. 1 IMPLEMENTATION TIMELINE



The Impact

Patients, families and the community



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Previous Policy History

- 2014 ACA including Medicaid Expansion went into effect in California
- 2016 expanded to include children under 18 yo
- 2020 Expanded to include young adults 19-25 yo
- May 2022 expanded to include all adults 50 yo plus
- January 2024 expanded to include 26-49 yo



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Previous Policy History

- Due to gaps in Medi-Cal eligibility, Esperanza was created
- Nov 2015 – Sept 2017 Esperanza Pilot
- Oct 2017 – Dec 2023 Esperanza Care



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Esperanza Pilot

- Original Pilot, Nov. 2015- Sept 2017
- Covered Primary Care at the Monterey County Health Department
- Ultimately served approximately 2000 lives over the period
- Cost \$500k from General Fund



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Esperanza Care

- October 2017 – Dec 2023
- October 2017 BOS approved 2500 lives
- 4,500 lives at its peak
- Less than 138% of the Federal Poverty Level (FPL) for those who did not qualify for full-scope Medi-Cal and who have no other health insurance
- Covered Primary, Specialty, Diabetes education, lab, radiology and limited formulary



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Esperanza Care

- NMC funding of Esperanza Care 10/17 – 12/23; \$12M
- PHD \$28 pmpm; \$7.6M
- NMC paid Health Department pharmacy costs; \$1.5M
- NMC Lab/Radiology/Specialty Services; \$1M
- Third Party Administrator Fees; \$1.6M
- Approximate Costs were \$2.0M/year



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Proposed Esperanza 2.0 pilot

- 500 lives, FPL to 100%
- Previous costs:
 - Primary care; \$170k at \$28pmpm
 - Pharmacy; \$30k
 - NMC Specialty, Labs, Radiology; \$30k
- Does not include 3rd party admin, which ranged \$230-300k year.
- Estimated 2026 costs \$500k-\$1 million
- Funding; NMC/Health Dept/County



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Recommended Next Steps

- Reestablish a 12-month Esperanza pilot with anticipated Go Live July 2026
- CAO, Health Dept, and Natividad to collaborate to analyze costs and identify funding
- Staff to continue to monitor the impacts of ongoing federal and state policy changes



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THANK YOU



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