

FY 26/27 Health Services Budget

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Director of Health Services

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Interim Chief Financial Officer

4/27/2026



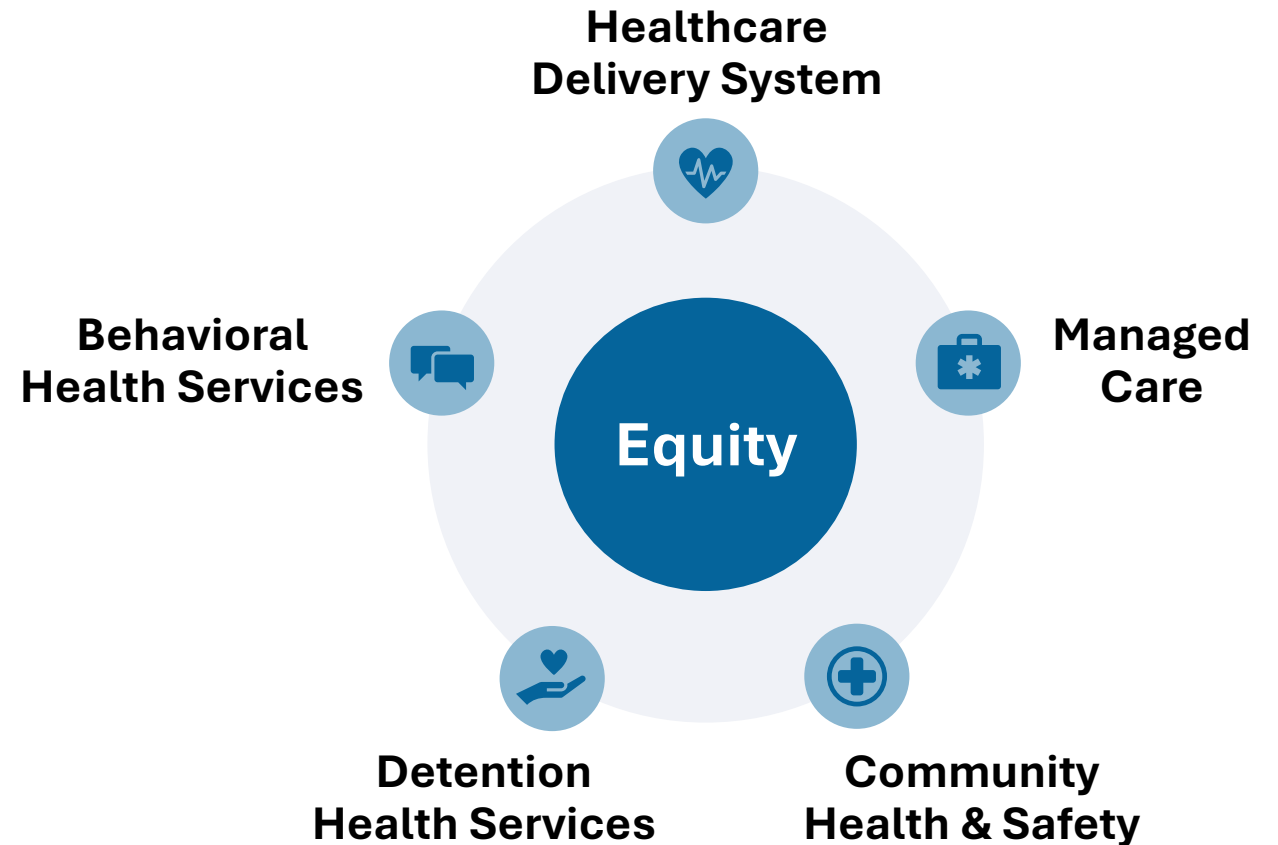
Agenda



- **Overview of Contra Costa Health**
- **Proposed Budget for Fiscal Year 2026/2027**
- **Forward Outlook and Action Planning**

Mission

Care for & improve the health of all people in Contra Costa County with special attention to those who are most vulnerable to health problems.



Executive Summary



\$4.01 Billion

FY 26/27 budgeted expenditures



\$3.65 B in revenues

\$281 M County contribution

\$80 M deficit supported by fund balance

Federal and state policy changes expected to:

- Reduce funding
- Increase the number of uninsured

Projected impact (FY26-FY31)

- Over \$500M in funding reductions
- Over \$1B in operating deficits for hospital and clinic system

CCH is evaluating scope and delivery of services to address projected deficits

Department Overview



\$4.01 billion

Annual budget supporting healthcare delivery, managed care, community health & safety, behavioral health, and detention health



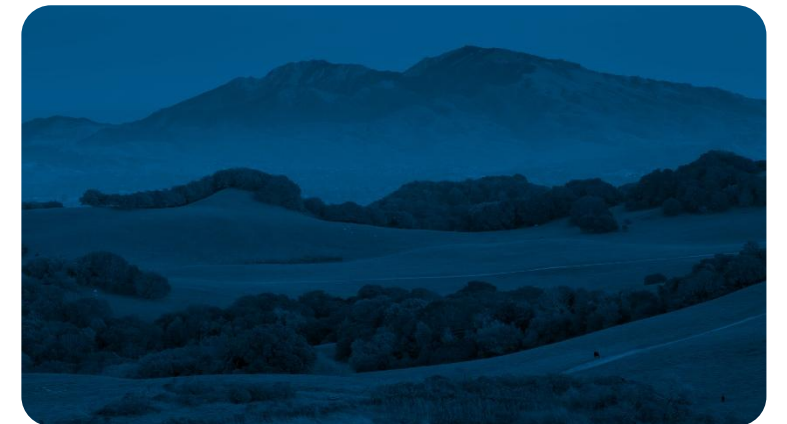
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Residents served in Contra Costa County



5,800+

Employees



Department Highlights



Healthcare Delivery System

540,000+

Outpatient visits at Regional Medical Center & Health Centers

37,000+

Emergency department visits

7,200+

Psychiatric emergency & youth crisis stabilization visits

13,000+

Intake health screenings at Detention Facilities

Managed Care

250,000+

Members enrolled with Contra Costa Health Plan

4.5 out of 5 stars ★

Quality Rating awarded by National Committee for Quality Assurance

161,000+

Calls to Advice Nurse line

50,000+

Case Management encounters

Behavioral Health Services

619,000+

Mental health services provided to 24,600 enrollees

352,000+

Substance use disorder services provided to 3,600 enrollees

94,000+

Calls to 24/7 Access Line connecting people with care or crisis intervention

1,300

Individuals receiving care in behavioral health housing

Community Health and Safety

148,500

Immunizations provided annually

26% decline ↓

In people experiencing homelessness

25,000

Behavioral Health crisis calls

15,000+

Environmental Health regulatory inspections

Budget Summary



	FY 24/25 Actuals	FY 25/26 Adopted Budget	FY 26/27 Recommended Budget	FY 25/26 vs FY 26/27
Expenses	4,024,357	4,002,555	4,008,928	6,373
Revenues	3,923,275	3,754,622	3,648,841	(105,781)
County Contribution – Net County Cost	101,082	247,933	249,549	1,616
County Contribution – Measure X Rollover	-	-	31,010	31,010
Use of Fund Balance	-	-	79,529	79,529
Positions (Budgeted FTE)	4,824	4,824	4,709	(115)

(\$ in '000s)

Note: Includes Prop 63 MH Services Act, Emergency Medical Services, and Los Medanos. IHSS = In-Home Support Services.

FY 26/27 Budget Summary



	FY 26/27 Budgeted Expenditures	FY 26/27 Budgeted Revenue	FY 26/27 County Contribution	Budgeted Surplus / (Deficit)
Enterprise Funds				
Hospital Enterprise	1,017,975	920,435	31,010	(66,529)
Health Plan - Medi-Cal & Medicare	1,962,606	1,949,397	-	(13,209)
Health Plan – Commercial & IHSS	103,491	95,330	-	(8,161)
Enterprise Funds Total	3,084,073	2,965,163	31,010	(87,899)
General Fund				
Detention	72,495	2,908	69,588	-
Behavioral Health	460,776	414,227	46,549	-
Community Health & Safety	163,350	135,988	27,362	-
Enterprise Fund Subsidy	137,060	31,010	106,050	-
General Fund Total	833,681	584,133	249,549	-
Other Health Funds	91,174	99,545	-	8,371
Health Services Total	4,008,928	3,648,841	280,559	(79,529)

Note: Includes Prop 63 MH Services Act, Emergency Medical Services, and Los Medanos. IHSS = In-Home Support Services. (\$ in '000s)
 *Enterprise Fund Revenue includes subsidy and annual Measure X allocation

Enterprise Funds

- Hospital and Health Plan Enterprise Funds expected to operate at a deficit

General Fund & Other Health Funds

- General Fund departments have a balanced budget
- Behavioral Health Services Act (BHSA) special revenue fund projecting a surplus

Expense Summary by Operational Area



	FY 25/26 Adopted Budgeted Expenditures	FY 26/27 Budgeted Expenditures	% Change from PY Budget Increase (Decrease)
Enterprise Funds			
Hospital Enterprise	934,961	1,017,975	9%
Health Plan - Medi-Cal & Medicare	2,065,926	1,962,606	(5%)
Health Plan – Commercial & IHSS	88,596	103,491	17%
Enterprise Funds Total	3,089,483	3,084,073	-
General Fund			
Detention	66,132	72,495	10%
Behavioral Health	454,562	460,776	1%
Community Health & Safety	187,051	163,350	(13%)
Enterprise Fund Subsidy	119,989	137,060	14%
General Fund Total	827,735	833,681	1%
Other Health Funds	85,338	91,174	7%
Health Services Total	4,002,555	4,008,928	-

Note: Includes Prop 63 MH Services Act, Emergency Medical Services, and Los Medanos.
IHSS = In-Home Support Services.

(\$ in '000s)

Increased cost driven by:

- Market and merit adjustments
- Medical supplies and purchases services
- Expanded mandated staffing

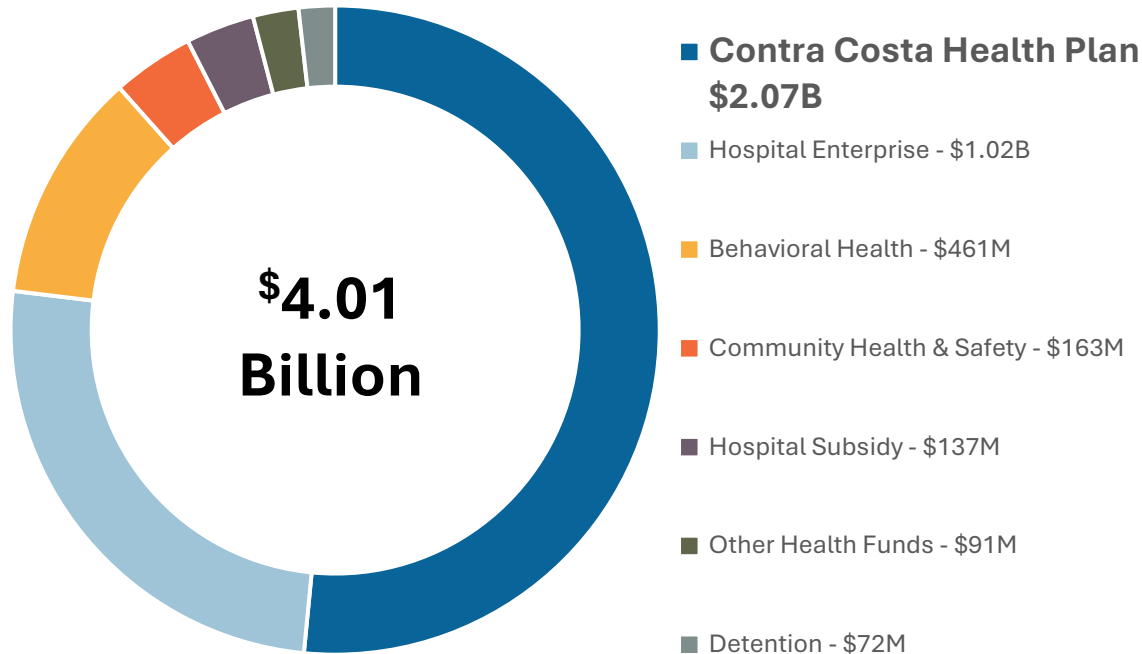
Department changes:

- Medi-Cal Health Plan decline due to disenrollment
- Detention West County Re-Entry, Treatment, and Housing (WRTH) opening
- Transfer of HazMat to ConFire

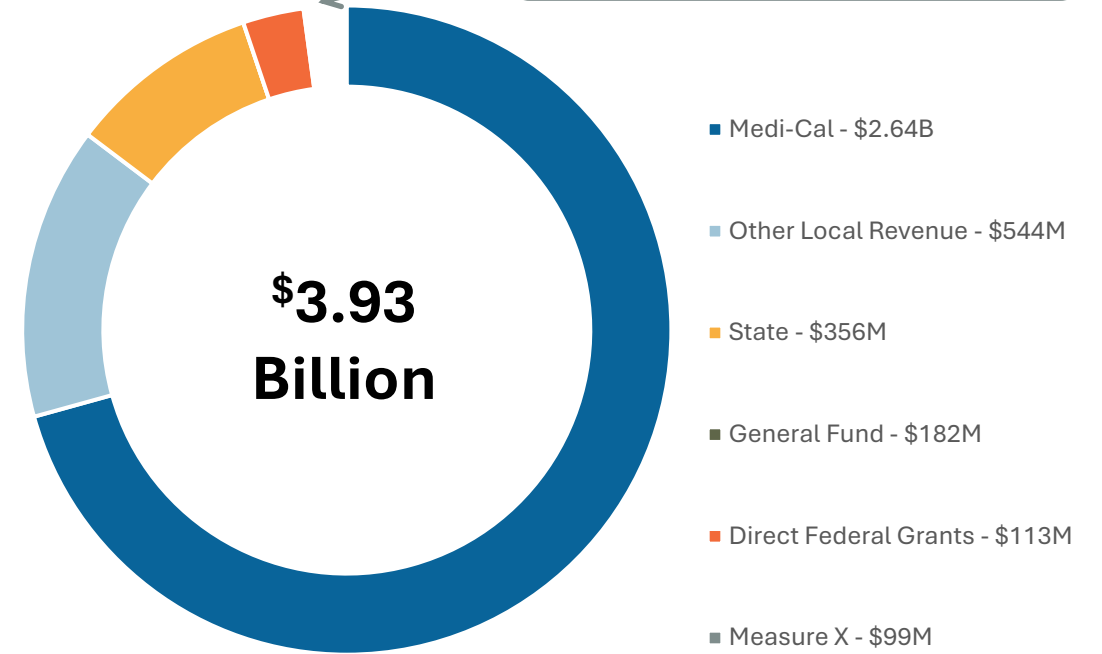
FY 26/27 Expense & Funding



Expense by Department

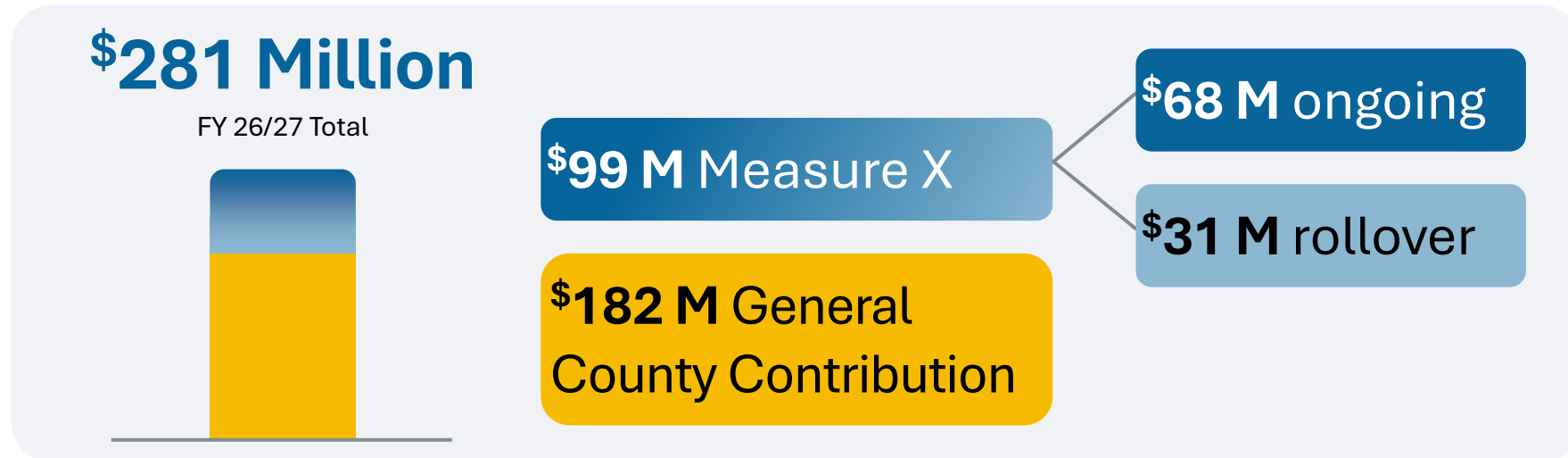


Funding Source by Type



Note: Funding sources are organized using HSD groupings.

FY 26/27 County Contribution



\$99M Measure X supports:

- Hospital and clinic operations (\$44M ongoing, \$31M rollover)
- Behavioral Health crisis response and other services (\$23.5M ongoing)

County Contribution changes:

- Transfer of county contribution from the Healthcare Delivery System to Detention (\$15M) to support mandated staffing expansion
- Reallocation of county contribution within Behavioral Health programs

Healthcare Delivery System



	FY 25/26 Adopted Budget	FY 26/27 Recommended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
FFS Revenue	408,855	417,742	8,887	2%
Supplemental Revenue	301,261	289,113	(12,148)	(4%)
Total Net Patient Revenue	710,116	706,855	(3,261)	(0%)
Other Revenue	99,845	100,527	682	1%
Total Operating Revenue (excl. Subsidy)	809,961	807,382	(2,579)	(0%)
Expenses				
Salaries, Wages & Benefits	630,120	632,662	(2,542)	(0%)
Professional Fees & Purchased Services	136,571	158,745	(22,173)	(16%)
Supplies & Drugs	64,114	72,989	(8,876)	(14%)
Other Expenses	63,484	62,020	1,464	2%
Total Operating Expenses	894,289	926,416	(32,126)	(4%)
<i>Expenses as a % of Operating Revenue</i>	<i>110%</i>	<i>115%</i>	-	-
EBIDA	(84,329)	(119,034)	(34,706)	(41%)
<i>EBIDA (%)</i>	<i>(10%)</i>	<i>(15%)</i>	-	-
Subsidy (+)	117,100	133,324	16,224	14%
Net Income (incl. Subsidy)	32,772	14,290	(18,481)	(56%)
Other (Income) / Expense Items				
Adjusted Net Income	39,248	12,123	(27,125)	(69%)
Expenditure Transfers (-)	-	-	-	-
Capital Expenditures (-)	39,248	78,652	(39,405)	(100%)
Total Net Expenditures	-	(66,529)	(66,529)	(100%)

(\$ in '000s)

Financial Outlook

\$67M deficit driven by:

- Declining supplemental revenue
- Rising labor costs, purchased services, drugs, and medical supplies
- Required capital investments

Subsidy

- Includes Measure X for hospital and clinic operations (\$44M ongoing, \$31M rollover)
- Transfer of subsidy to support Detention Health (\$15M)

System Investments

- Required seismic upgrades
- Dietary services building project

Health Plan – Medi-Cal & Medicare



	FY 25/26 Adopted Budget	FY 2027 Medi-Cal Budget	FY 2027 Medicare D-SNP Budget	FY 2027 Total Re- commended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
<i>Average Monthly Membership</i>	261,205	237,055	1,318	238,372	(22,833)	(9%)
Gross Premium Revenue	2,040,325	1,904,955	32,442	1,937,397	(102,928)	(5%)
Less: Pass-through Revenue	(572,847)	(540,341)	-	(540,341)	32,506	6%
Net Premium Revenue	1,467,478	1,364,614	32,442	1,397,056	(70,422)	(5%)
Net Premium PMPM	468	480	2,052	488	20	4%
Medical Expense incl. Pass-through	1,973,791	1,836,919	30,045	1,866,965	106,827	5%
Less: Pass-through Expense	(621,850)	(530,000)	-	(530,000)	(91,850)	(15%)
Net Medical Expense	1,351,941	1,306,919	30,045	1,336,964	14,977	1%
Net Medical Expense PMPM	431	459	1,900	467	(36)	(8%)
Net PMPM before Admin Expense	37	20	152	21	(16)	(43%)
Administrative Expense	92,135	83,133	12,509	95,642	(3,507)	(4%)
Operating Income / (Loss)	(25,601)	(15,097)	(10,112)	(25,209)	392	2%
Non-Operating Income (Interest Earnings)	25,601	11,800	200	12,000	(13,601)	(53%)
Net Surplus / (Deficit)	0	(3,297)	(9,911)	(13,209)	(13,209)	(100%)
MLR	92%	96%	93%	96%	(4%)	(4%)
ALR	6%	6%	39%	7%	(1%)	(9%)
Admin PMPM	29	29	791	33	(4)	(14%)

(\$ in '000s)

Membership and Cost Pressures

- Membership declining due to Medi-Cal eligibility changes
- Increased medical costs primarily driven by a full year of D-SNP costs
- Medi-Cal line will be close to breakeven

Health Plan – Commercial & In-Home Support Services (IHSS)



	FY 25/26 Adopted Budget	FY 2027 Recommended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
<i>Average Monthly Membership</i>	6,715	6,614	(101)	(2%)
Premium Revenue				
Health Plan Premiums	71,515	77,471	5,956	8%
Gross Premium PMPM	888	976	89	10%
Medical Expense	86,486	96,290	(9,804)	(11%)
Gross Medical Expense PMPM	1,073	1,213	(140)	(13%)
Net PMPM before Admin Expense	(186)	(237)	(51)	(28%)
Administrative Expense	141	2,055	(1,915)	(1,361%)
Operating Income / (Loss)	(15,112)	(20,874)	(5,762)	(38%)
Non-Operating Income				
Contribution to Other Agencies	-	(23)	(23)	(100%)
Interest Earnings	1,376	1,000	(376)	(27%)
Tobacco Tax	10,000	8,000	(2,000)	(20%)
Health Plan Subsidy	3,736	3,736	-	-
Total Non-Operating Income	15,112	12,713	(2,399)	(16%)
Net Surplus / (Deficit)	0	(8,161)	(8,161)	(100%)
MLR	121%	124%	(3%)	(3%)
ALR	0%	3%	(2%)	(1,249%)
Admin PMPM	2	26	(24)	(1,384%)

(\$ in '000s)

Plan Financial Outlook

- \$21M operating loss partially offset by \$11.7M in support (Tobacco Tax & General Fund)
- 11% increase in medical costs

Behavioral Health Services



	FY 25/26 Adopted Budget	Mental Health	Alcohol & Other Drugs	Conser- vator	FY 26/27 Total BH Recom- mended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
Salaries & Benefits	149,384	133,285	12,726	4,093	150,103	(719)	(0%)
Services & Supplies	315,318	265,909	45,441	2,503	313,853	1,465	0%
Other Charges	3,763	3,566	0	-	3,566	197	5%
Fixed Assets	22	-	-	-	-	22	100%
Gross Expenditures	468,487	402,759	58,167	6,596	467,522	965	0%
Expenditure Transfers	(13,925)	(5,764)	(1,031)	48	(6,747)	(7,178)	(52%)
Net Expenditures	454,562	396,995	57,137	6,644	460,776	(6,213)	(1%)
Less Revenues	408,281	357,533	55,452	1,242	414,227	5,946	1%
County Contribution	46,281	40,962	1,935	3,652	46,549	267	1%
HSD Internal Transfer	-	(1,500)	(250)	1,750	-	-	0%
Surplus / (Deficit)	0	0	(0)	(0)	(0)	(0)	0%

(\$ in '000s)

Balanced Budget

- Flat expenditures
- Slight revenue increase

Behavioral Health Transformation

7/1/26: Expanded evidence-based practices, new staffing and reporting requirements

Capital Investments

Awarded four BHCIP capital grants to expand behavioral health infrastructure and access; final project completion expected by Spring 2030

Detention Health Services



	FY 25/26 Adopted Budget	FY 26/27 Recommended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
Salaries & Benefits	54,195	61,140	(6,945)	(11.4%)
Services & Supplies	16,589	16,402	187	1.1%
Other Charges	82	64	18	29.1%
Fixed Assets	272	277	(5)	(1.8%)
Gross Expenditures	71,138	77,883	(6,745)	(8.7%)
Expenditure Transfers	(5,006)	(5,388)	382	7.1%
Net Expenditures	66,132	72,495	(6,363)	(8.8%)
Less Revenues	11,832	2,908	(8,924)	(306.9%)
County Contribution	54,301	54,301	-	-
EF1 Subsidy Transfer	-	15,287	15,287	100%
Surplus / (Deficit)	0	-	(0)	-

(\$ in '000s)

WRTH Opening

- New facility to support existing inmate patients and upgrade infrastructure, enhancing patient services
- New positions unfunded & absorbed by Health through a transfer of EF1 subsidy (\$15m)

CalAIM Justice-Involved Initiative

Oct. 2026: Enabled Medi-Cal billing for pre-release services, offsetting General Fund costs

Community Health & Safety



	FY 25/26 Adopted Budget	Public Health	California Child Services	H3	Environ- mental Health	EMS	FY 26/27 Recom- mended Budget	Variance (\$) (PY v CY Budget) Fav / (Unfav)	Variance (%) (PY v CY Budget) Fav / (Unfav)
Salaries & Benefits	128,488	76,243	14,455	10,515	14,169	-	115,382	13,105	10%
Services & Supplies	67,742	13,861	1,316	41,517	2,275	1,130	60,099	7,643	11%
Other Charges	2	-	-	-	1	-	1	1	50%
Fixed Assets	4,015	50	-	1,700	100	-	1,850	2,165	54%
Gross Expenditures	200,246	90,153	15,772	53,732	16,545	1,130	177,332	22,914	11%
Expenditure Transfers	(13,195)	(1,409)	-	(12,813)	240	-	(13,982)	787	6%
Net Expenditures	187,051	88,745	15,772	40,919	16,785	1,130	163,350	23,701	13%
Less Revenues	159,689	66,505	13,334	38,235	16,785	1,130	135,988	(23,701)	(15%)
County Contribution	27,362	22,240	2,438	2,648	-	-	27,362	-	0%
Surplus / (Deficit)	0	(0)	(0)	(0)	(0)	-	(0)	(0)	0%

(\$ in '000s)

Reductions in expenses and revenues driven by:

- Transfer of HazMat to ConFire
- Enhanced Care Management (ECM) program changes

Funding uncertainty in housing and public health grants

Looking Ahead



HR-1 and state changes will radically change the healthcare environment in Contra Costa County

- Many people will lose healthcare coverage
- Risks include delays in care, longer wait times, increases in morbidity and mortality

Severe financial projections require

- Structural changes to strengthen operations
- Reducing services
- Potential staffing reductions
- Right-sizing investments to sustain basic care

Required Capital Investments (e.g., seismic retrofits, aging infrastructure)

Action Planning



What are we exploring to address the deficit?

Evaluating Services

- Consolidation or elimination of discretionary services

Increase Revenue & Productivity

- Right-size staffing to create more clinic availability
- Focus on retaining Medi-Cal members
- Investment in mandated service lines

Workflow Optimization

- Operational changes to improve efficiency
- Elimination of redundant positions

Thank you.



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HEALTH