

Santa Clara Valley Healthcare (SCVH)

SCVH's 3 hospitals & 13 clinics play an essential role in the Medi-Cal program. Sufficient Medi-Cal financing is critical to maintaining Santa Clara County's healthcare safety net.

Growing Self-Financing Over Time



➤ Federal funds for Medi-Cal require a non-federal match.



➤ State's contribution has remained relatively consistent over the last 15 years.



➤ Public hospitals have increasingly put up the non-federal share to draw down the federal match and self-financing has grown over time.

SCVH Funding & Revenue by Category

* 1 | Supplemental Payments

Payments to help cover the cost of care to Medi-Cal beneficiaries and the uninsured. Payments supplement Fee-for-Service and Capitation funding.

Includes: GPP, QIP, EPP, GME, CalAIM, and other supplemental payments. Details on page 2.

* 2 | General Fund (GF) Contribution

County grant to close gap between cost of care and low reimbursement from Medi-Cal & Medicare. Also supports care of underinsured and uninsured.

\$433M County Grant for FY 23-24 * (budgeted)

3 | Fee-for-Service (FFS) General

Payments for each billable Medi-Cal, Medicare & insurance service. Portion of Medi-Cal FFS self-financed. *

4 | Fee-for-Service (FFS) FQHC

Cost-based per visit Medi-Cal payment under Federally Qualified Health Center (FQHC) designation.

5 | Capitation

Per member per month payment to providers regardless of visit number. Includes Medi-Cal Managed Care.

~167K VHP Delegated Lives *

6 | Other

Other payments received by SCVH: other federal, state, or local grants, COVID reimbursements, services to other departments, and misc. revenues.

* Indicates where self-financing is required.



SCVH Market Share of All Hospitals Patient Days in County

Adult Medi-Cal Days



Medicare Days



In Santa Clara County, SCVH has the **largest market share of Medi-Cal patient days** and **second largest share of Medicare days**

*Notes: (2) County GF: County grant only, excludes VLF/Tobacco etc. ; (5) Valley Health Plan (VHP) Delegated Lives: June 30, 2023.

Detail on Supplemental Payments

Supplemental payments are a critical source of funding for public healthcare systems that help bridge the gap between Medi-Cal base rates and the actual cost of providing care.

California's public healthcare systems finance and receive supplemental payments for services provided to patients enrolled in Medi-Cal managed care plans.

As Medi-Cal is a state/federal partnership, federal funding must be matched by a "non-federal share," which, in the case of supplemental payments, is provided by public healthcare systems themselves, at no additional cost to the State.

Santa Clara Valley Healthcare (SCVH) uses supplemental payments to help cover the cost of providing care to Medi-Cal beneficiaries and the uninsured.

Supplemental payments include:

GPP (Global Payment Program) *

GPP incentivizes shifting care for uninsured patients from the emergency department and hospital settings to primary care settings by restructuring the financing of uninsured care. Payment is based on points, with primary care services earning more points.

QIP (Quality Incentive Payment) *

QIP, a pay-for-performance program, is based on measures that assess the quality of care provided to patients enrolled in Medi-Cal Managed Care (MCMC).

EPP (Enhanced Payment Program) *

EPP provides a funding pool to supplement the base rates public healthcare systems receive through Medi-Cal managed care contracts. Payment is based on capitated lives/revenue and MCMC utilization data.

California Advancing and Innovating Medi-Cal (CalAIM)

Paid based on Per Member Per Month (PMPM), incentive payments, and billing. CalAIM payments are for Enhanced Care Management (ECM), Community Supports (CS), Providing Access and Transforming Healthcare (PATH), and dental.

Other Supplemental Payments: (GME, PNPP, AB915, Hospital Fee, Prior Year Rev., etc.)

Payments for Graduate Medical Education (GME) *, Physician and Non-Physician Providers (PNPP), and AB 915 require self-financing using both IGT and CPEs. Revenue based on Cost Reports, Interim Hospital Payment Rate Workbooks (P14), Medi-Cal & uninsured utilization, internal data, Prior Year settlements

* Indicates where self-financing is required.

