

Key Financial Levers to Sustain PHM

Strategies to Maintain Financial Health for PHM Programs



Your Team



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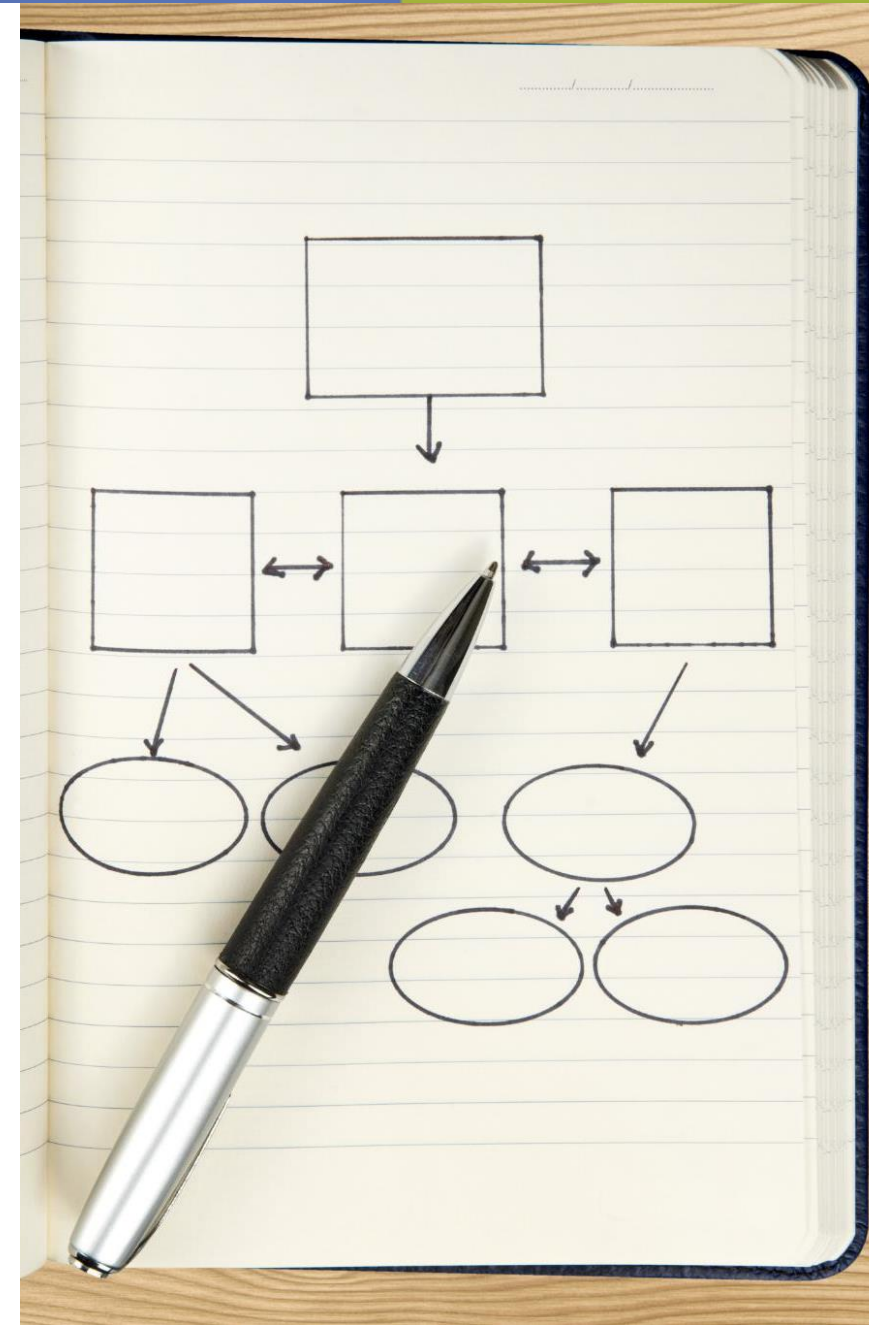
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Session Introduction and Learning Objectives

Session Agenda Overview

- Costing of Population Health Management
- Estimating Financial Impact on Medi-Cal Cuts
- Evaluating the Revenue/Benefit of Population Health Management
- Large Group Discussion
- Technical Assistance Opportunities



Session Objectives for CHC Leaders

1. Understand the importance of:
 - Costing population health management
 - Analyzing revenue impact from Medi-Cal and policy changes
 - Linking PHM to pay-for-performance
2. Learn about financial technical assistance (TA) offerings in PHMI in 2026.



Costing of Population Health Management

Granularity and Business Case Tools



Granular Financial Data

A detailed approach to financial data is essential for accurate costing in population health management.

High-Level Financial Setup

Setting up cost centers, activity-based views, and attribution models ensures accurate cost tracking.

PHMI Business Case Tool

This flexible tool helps compare cost scenarios and supports informed decision-making for health centers.

Prioritizing Resource Allocation

Focusing on minimum cost tracking and using business tools helps prioritize spending effectively.

Decision Making During Financial Adversity



Cash is king – cash flow management



Staffing re-alignment due to reductions in funding while facing workforce challenge



Leverage of new technology for process efficiency and production



Revenue cycle management opportunities



Balancing compliance and risk



Communication across executive leadership

Tracking of PHMI Costs



Identify the FTEs that are participating in the activity



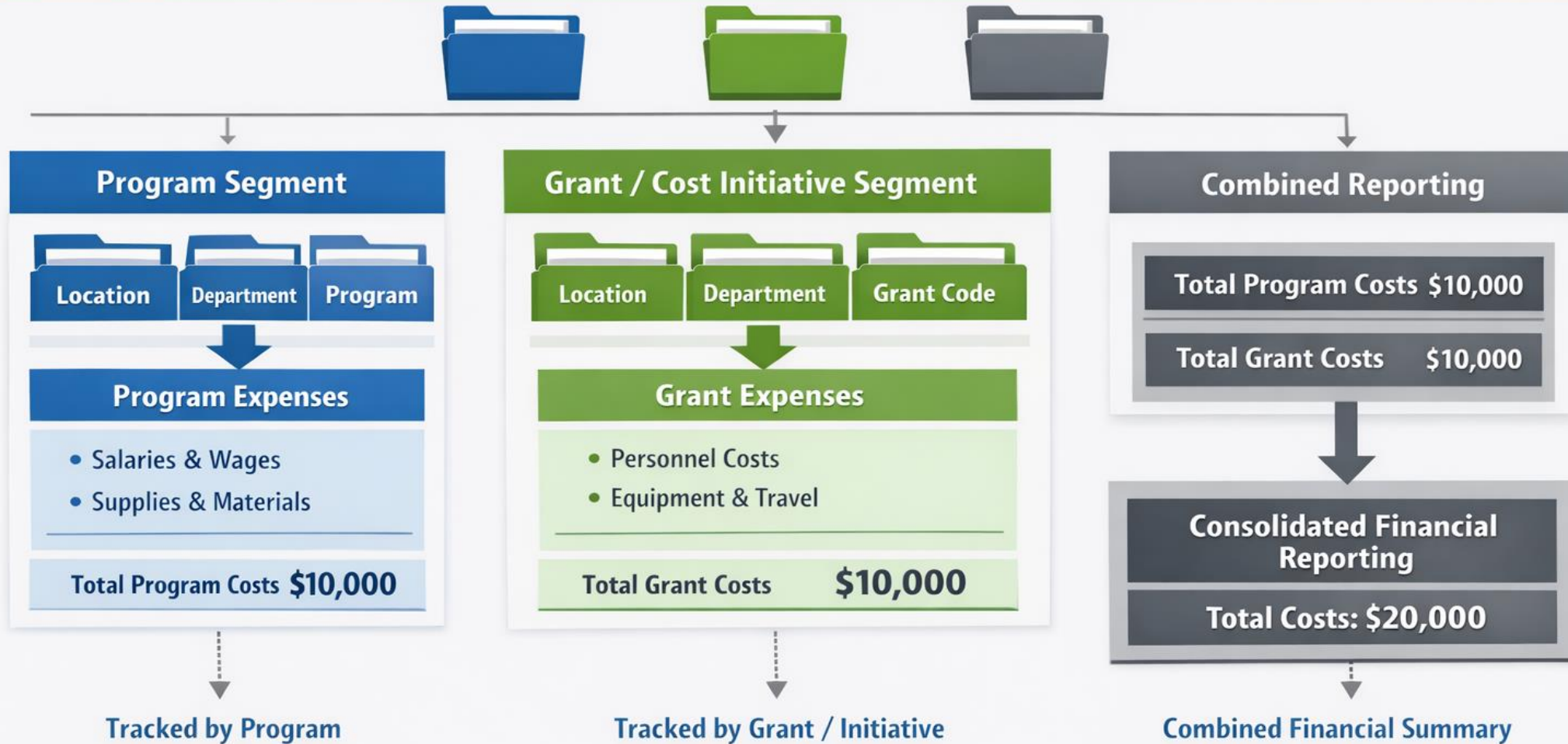
One time investments vs
ongoing maintenance

Technology investment



Recommended General Ledger coding for activity – next slide

Segmented General Ledger Tracking

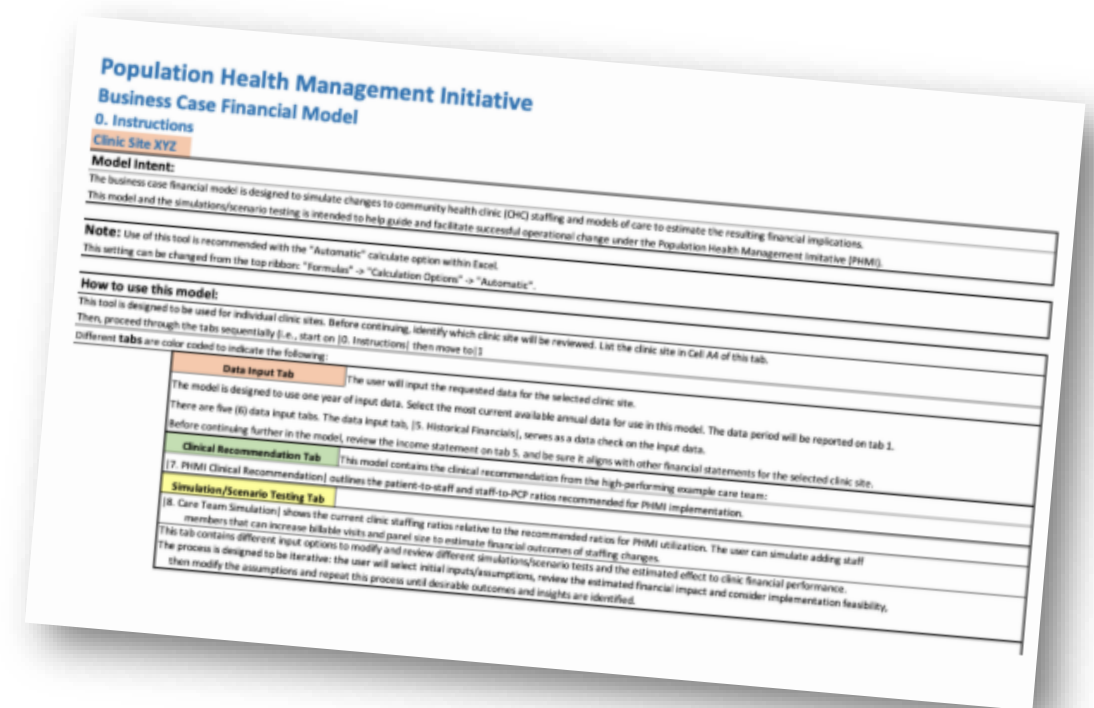


Business Case Tool

- A resource/template to support budgeting and projections
- Can be helpful to map identified activity for program to cost
- Don't have to utilize all components of tool to be effective

Business Case Tool eLearning module:

<https://phmiportal.com/elearning/business-case-tool>



Business Case Tool Additions

1. Estimate PPS revenue lost when UIS members no longer receive PPS wrap or dental services (effective 7/1/2026).
2. Inclusion of Oral Health and Behavioral Health lines of business.
3. Organizational (all site) forecasts and simulations as well as calculate the blended PPS rate across sites.
4. Calculate capital expense (for PHMI HIT solutions and other capital investments).
5. Enhanced payor mix forecasting for HR 1 and state policy changes (e.g., work requirements, enrollment freeze for UIS).
6. Inclusion of tabs to simulate changes to VBC contracts - MCO based and MSSP arrangements.

Estimating Financial Impact of Medi-Cal Cuts

Revenue Impact Calculations and Scenario Modeling

Data Sources for UIS Numbers

Reliable data sources are essential for estimating Uninsured Individuals Served to calculate revenue impacts accurately.

Scenario Modeling Factors

Volume, rate, mix, and timing are key elements to consider in financial scenario modeling for Medi-Cal changes.

Federal Policy Impact Preparation

Prepare for federal policy changes in 2026 and 2027, including dental coverage and work requirements adjustments.

Revenue Fluctuation Anticipation

Understanding policy nuances helps CHCs anticipate revenue changes and make informed sustainability decisions.



Data Sources of UIS Numbers

Assembly District	ACA Expansion Adults Ages 19 to 64	Adoption/ Foster Care	Children's Health Insurance Program (CHIP)	Long-Term Care	Other ¹	Parent/ Caretaker Relatives & Children	Seniors & Persons with Disabilities	Total
78	46,643	1,057	7,869	464	11,427	36,087	19,301	122,848
79	78,511	1,794	18,161	587	28,500	97,382	37,020	261,955
80	72,414	1,643	19,825	234	16,247	84,509	35,696	230,568
N/A	3,974	3,633	1,371	14	3,540	9,412	3,093	25,037
Grand Total	4,191,548	161,571	1,200,470	41,981	2,118,287	4,974,059	2,202,494	14,890,410

- 2,118,287 Medi-Cal UIS / 14,890,410 Medi-Cal enrollees = 14.2% statewide
- Assembly District 79 28,500 UIS / 261,955 Medi-Cal enrollees = 10.9%
- Assembly District 54 79,719 UIS / 312,387 Medi-Cal enrollees = 25.5%
- Assembly District 21 40,571 UIS / 120,230 Medi-Cal enrollees = 33.7%

UIS Impact Calculation

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Total Medi-Cal MediCal & BH Visits	10,000	9,990	9,980	9,970	9,960	9,950	9,940	9,930	9,920	9,910	9,900	9,890	
% Medi-Cal Medi-Cal & BH Visits UIS	25.0%	24.9%	24.8%	24.7%	24.6%	24.5%	24.4%	24.3%	24.2%	24.1%	24.0%	23.9%	
Medi-Cal Medical & BH Visits to UIS	2,500	2,488	2,475	2,463	2,450	2,438	2,425	2,413	2,401	2,388	2,376	2,364	
Medi-Cal PPS Revenue Change - No PPS Payment @ \$250/visit							(606,340)	(603,248)	(600,160)	(597,078)	(594,000)	(590,928)	(3,591,753)
Medi-Cal FF Revenue Offset (\$105/visit rate)							254,663	253,364	252,067	250,773	249,480	248,190	1,508,536
Total Revenue Impact Medical & BH							(351,677)	(349,884)	(348,093)	(346,305)	(344,520)	(342,738)	(2,083,216)
Medi-Cal Dental Visits - Baseline	3,300	3,297	3,293	3,290	3,287	3,284	3,280	3,277	3,274	3,270	3,267	3,264	
Medi-Cal Dental Revenue w/Current Rules	825,000	824,250	823,250	822,500	821,750	821,000	820,000	819,250	818,500	817,500	816,750	816,000	
% Medi-Cal Dental Visits UIS	25.0%	24.9%	24.8%	24.7%	24.6%	24.5%	24.4%	24.3%	24.2%	24.1%	24.0%	23.9%	
Medi-Cal Dental Visits to UIS	825	821	817	813	809	805	800	796	792	788	784	780	
Medi-Cal Dental Revenue from UIS Under Current Rules	206,250	205,250	204,250	203,250	202,250	201,250	200,000	199,000	198,000	197,000	196,000	195,000	
% of Dental Visits to Patients 19+ Years	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Self-Pay Visits to UIS After 19+ Ineligible for Dental							600	597	594	591	588	585	
Denti-Cal Visits to UIS 0 - 18							200	199	198	197	196	195	
Self-Pay UIS Dental Revenue (\$40/visit)							24,000	23,880	23,760	23,640	23,520	23,400	
Denti-Cal UIS Revenue(\$150/visit)	-	-	-	-	-	-	30,000	29,850	29,700	29,550	29,400	29,250	
Dental Revenue from UIS After Cuts							54,000	53,730	53,460	53,190	52,920	52,650	
Total Revenue Impact Dental							(146,000)	(145,270)	(144,540)	(143,810)	(143,080)	(142,350)	(865,050)
Total Revenue Impact from UIS Cuts							(497,677)	(495,154)	(492,633)	(490,115)	(487,600)	(485,088)	(2,948,266)

Evaluating Revenue and Benefit of PHM

Future Value-Based Payment Opportunities

VALUE-BASED REVENUE TYPE	DESCRIPTION	TYPICAL BENEFIT
P4P Incentives (IPA/MCP)	Payments tied to quality or utilization metrics	Partial cost offset, helps justify PHM activities
Shared Savings	Rewards for reducing total cost of care	Supports long-term PHM sustainability
Bundled Payments	Single payment for a full episode of care	Encourages care coordination and efficiency

Non-Financial Benefits Supporting PHM Sustainability

NON-FINANCIAL BENEFIT	IMPACT AREA	ORGANIZATIONAL ADVANTAGE
Improved Quality Outcomes	Clinical Performance	Better patient health and alignment with quality programs
Operational Efficiency	Workflow and Resource Utilization	Reduced waste and more effective team-based care
Empanelment & Continuity	Care Coordination	Stronger patient-provider relationships and reliability
Reduced Restart Costs	Operational Stability	Prevents costly disruptions and preserves investments

Measurement Considerations

BENEFIT TYPE	EXAMPLES
Financial	Net revenue, avoidable costs, shared savings, incentive payments, value-based payments
Operational	Capacity gained, cycle time reduction, staffing stabilization
Clinical/Quality	Measurable outcome improvement, reliability
Strategic	Contract positioning with Plans/IPAs, long-term sustainability

Large Group Discussion

Discussion Prompts for Financial Scenario Planning

- What changes is your CHC making as a result of financial scenario planning?
- What data sources have been helpful in your financial scenario planning?
- If you haven't started doing financial scenario planning, what is holding you back from doing so?



Technical Assistance (TA) Opportunities

Individualized TA Opportunities

Financial Measurement Tracking

Support CHCs in selecting and tracking financial balancing measures aligned with SMARTIE goals for sustained performance.

Financial Viability Analysis

Help CHCs analyze budget impacts from policy changes like reimbursement models to anticipate revenue shifts with a focus on Medi-Cal payment changes that will affect PHM sustainability.



TA Opportunities (cont.)

Business Case Development

Enable evaluation of long-term sustainability and ROI for PHM programs and service expansions. Utilizing the existing PHMI Business Case tool, or a tool that your CHC is already utilizing for financial planning, evaluate the financial sustainability and spread of PHM across new sites or service lines.

Operational Integration and VBP Support

- Assist with opportunity identification (e.g., revenue , contractual, scope change, service line) with a focus on data interpretation for revenue enhancement.
- Guide CHCs through value-based payment arrangements and assist with contract performance optimization, coding requirements and financial projections related to participation.



Feedback on TA Opportunities



- Which of these TA offerings do you see as being **most impactful** for your CHC right now?
- What is one **unmet need** or challenge you're facing that we haven't touched on today?
- Which financial sustainability or spread topics would benefit most from a peer-to-peer leadership deep dive?

Write your answers on a notecard and leave them in the center of the table.

Thank You