



County Of San Diego

Board Of Supervisors

1600 Pacific Highway, Room 335, San Diego, California 92101-2470

Agenda Item

Date: Tuesday, September 15, 2026

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To: Board of Supervisors

Improving Care and Achieving Cost Savings by Insourcing Nursing Services at South Region Public Health Center and Polinsky Children's Center (Districts: All)

Overview

On November 18, 2025 (21), the Board of Supervisors (Board) established the Ad Hoc Subcommittee on Fiscal Transparency and Accountability (Subcommittee) to review County of San Diego (County) contracts with the goal of reducing costs, enhancing revenue, and improving service delivery quality.

One key responsibility of the Subcommittee is to assess whether certain contracted services could be performed more efficiently or cost-effectively by County staff. In support of this effort, the Health and Human Services Agency (HHSA) conducted a comprehensive review of all service contracts, focusing on identifying opportunities to transition services currently performed by contracted providers to a model where the services are provided directly by County staff.

As a result of the assessment, HHSA identified two service contracts with strong potential for insourcing. Both contracts are primarily for nursing services provided in County facilities. Transitioning these services in-house is expected to raise the standard of care for the children and residents these programs serve, placing clinical staff under direct County oversight, training, and accountability, while strengthening continuity of care for vulnerable populations. This transition also brings added fiscal benefits, generating cost savings and operational efficiency by right-sizing service needs, leveraging existing County positions, and enabling the County to bill Medi-Cal and other payers for eligible services, creating new revenue opportunities to offset costs.

To ensure meaningful public engagement throughout this process and to understand the needs and priorities of the community, three Subcommittee meetings were held on March 18, 2026, April 13, 2026, and August 11, 2026. Each meeting was open to the public and provided information on the County's contracting process and policies, leasing policies, contract monitoring, and small business inclusion. The findings of HHSA's assessment of service contracts were presented to the Subcommittee on August 11, 2026. The proposed options from staff emphasized the benefits of

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leveraging existing County positions and adapting to program and service-level needs in the community.

Today's action directs the Chief Administrative Officer to transition critical nursing services provided at the South Region Public Health Center and Polinsky Children's Center from a contracted services model to one where services are provided by County staff by December 31, 2026.

Transitioning the South Region Public Health Center Immunization Program to be operated by County staff will be seamless with no disruptions in care. County Public Health Nurses and administrative staff are already experienced with these services and County protocols. This transition creates a universal standard of care that strengthens reliability and ensures every community has equal access to high-quality services.

The transition of Polinsky Children's Center clinic services to County staffing will strengthen continuity across healthcare and social services and ensure the highest standard of care for vulnerable foster youth. The new model will emphasize trauma-informed practices, advance clinical training through a residency program, and support continuity of care by creating opportunities for current contracted nurses to apply for County positions. County staff will continue to collaborate, adapt, and evaluate services to advance optimal medical and social outcomes for youth.

Recommendation by Supervisor Joel Anderson and Chair Pro Tem Paloma Aguirre:

- 1) Direct the Chief Administrative Officer to transition the immunization services at South Region Public Health Center, currently provided by University of California San Diego through contract 567121, to a model where services are provided by County staff, no later than December 31, 2026.
- 2) Direct the Chief Administrative Officer to transition the physical health services at Polinsky Children's Center, currently provided by Rady Children's Hospital through contract 563750, to a model where services are provided by County staff by December 31, 2026.

Equity Impact Statement

Today's actions advance continuity and quality of healthcare and public health services for children and residents. Additionally, cost-savings and new revenue opportunities associated with today's actions will strengthen the County's ability to invest in essential public health, nutrition, fire preparedness, and housing programs. These efforts will reduce service gaps that disproportionately impact marginalized and underserved communities across San Diego County.

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Sustainability Impact Statement

The recommended actions will strengthen the County's fiscal and operational sustainability by aligning service delivery with identified needs and optimizing the use of existing County resources. These efforts will help ensure the County can continue to provide equitable access to essential services and programs for our region's underserved populations.

Fiscal Impact

Funds for this request are included in the Fiscal Year (FY) 2026–27 Operational Plan as contracted services in the Health and Human Services Agency and as existing staff time in the Department of Purchasing and Contracting and the Health and Human Services Agency, supported by various revenues. Approval of these recommendations is anticipated to generate approximately \$583,000 in pro-rated one-time appropriation savings in FY 2026–27 and approximately \$1,800,000 in ongoing savings from planned amounts beginning in FY 2027–28. These savings, funded through federal revenue, Realignment, and General Purpose Revenue (GPR), result from reduced contracted services beginning January 1, 2027, partially offset by the cost of County staff to perform the services. Of the total estimated cost savings, Realignment and General Purpose Revenue represent approximately \$393,000 of the FY 2026-27 total, and approximately \$1,451,000 of the FY 2027–28 total.

County staff will integrate these projections into ongoing analysis of available enterprise resources for the current and subsequent fiscal years, consistent with existing priorities and critical emergent needs. HHSA anticipates using budgeted Realignment and GPR that is made available to help offset cost pressures for existing realigned social services programs in the upcoming budget year. Any adjustments to HHSA staffing levels would be included in future Operational Plans based on available funding source(s). There may be fiscal impacts associated with future-related recommendations of the Subcommittee, which would be presented to the Board for consideration and approval. There will be no increase in net General Fund cost and no additional staff years in Fiscal Year 2026-27.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

On November 18, 2025 (21), the Board of Supervisors (Board) established the Ad Hoc Subcommittee on Fiscal Transparency and Accountability (Subcommittee) to review County of San Diego (County) contracts with the goal of reducing costs, enhancing revenue, and improving service delivery quality.

One key responsibility of the Subcommittee is to assess whether certain contracted services could be performed more efficiently or cost-effectively by County staff. In alignment with the efforts of the Subcommittee, the Health and Human Services Agency (HHSA) conducted a comprehensive

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review of all service contracts, focusing on identifying opportunities to transition services that are currently contracted out to a model where the services are provided by County staff.

As a result of the assessment, HHSA identified two service contracts with strong potential for insourcing. Both contracts are primarily for nursing services provided in County facilities. Transitioning these services in-house is expected to elevate the quality and consistency of care by bringing these services under direct County clinical standards, training, and oversight, ensuring the same high-quality care countywide. It is also expected to generate operational efficiency by leveraging existing County positions to meet service needs, and insourcing would enable the County to bill Medi-Cal and other payers for eligible services, creating new revenue opportunities to offset costs.

The first identified contract is for immunization services in the South Region Public Health Center located on Oxford Street in Chula Vista. Each regional Public Health Center provides an array of health services including immunizations, tuberculosis (TB) skin testing, education and referrals, and other services. However, the South Region Public Health Center is the only region where the immunization services are operated through a contracted service provider, making it a strong candidate for insourcing with minimal transition challenges or added risk to the County. The remaining five regional Public Health Centers already deliver immunization services through County nursing staff.

The contract for immunization services with the University of California San Diego (UCSD) has been in place since 2005. Although the current contract is set to conclude on June 30, 2027, early termination will occur at the end of this calendar year because existing internal resources can be realigned to support vaccination efforts and other critical services at the South Regional Public Health Center. Under this agreement, UCSD delivers immunization services, tuberculosis (TB) testing, and education and referrals. The annual contract amount is \$434,952. From January to December 2025, 26,660 immunizations were given to 7,505 patients and 1,525 TB tests were given to 795 patients. Over the course of this contract, UCSD has provided one to two nurses and some administrative support, which could be addressed by reorganizing existing County nursing resources. County Public Health Nurses and administrative support at the Public Health Centers are already well-versed in these services and our County policies and procedures and can transition seamlessly. Insourcing this contract will bring the South Region Public Health Center in line with the consistent, County-delivered standard of immunization and TB testing care that residents already receive at the other five regional Public Health Centers, ensuring every community in the region has equal access to the same high-quality care.

The second identified contract is for physical health services provided at Polinsky Children's Center. These services have been delivered by Rady Children's Hospital since Polinsky Children's Center opened in 1994. The annual contract amount is \$4,316,851. Over the past several years, State and federal child welfare reforms have shifted the system toward prevention, family centered practices, and keeping children safely with families or in home-based settings in the community. The Child and Family Well-Being department has made significant improvements consistent with these reforms, resulting in more children placed with kin and fewer children at Polinsky Children's Center. Today, nearly half of children in out-of-home care in San Diego County are placed with

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kin. In FY 2025-26, there was an average daily population of 21 children at Polinsky Children's Center. The current contract expires December 31, 2026.

Under the current agreement, Rady Children's Hospital primarily provides on-site nurses who conduct intake health assessments, support medication administration, and deliver other clinical services. Since children placed at Polinsky Children's Center are already under the County's care, bringing their clinical care under direct County staff allows for tighter coordination between medical, social work, and case management teams already serving these children, and the clinical scope of services is relatively narrow, so County nursing staff can assume these responsibilities with no significant increase in risk or liability. There is also an opportunity to adjust the current staffing and operational model due to the decrease in the number of children placed at Polinsky, potentially leading to \$1.8 million in savings. This makes the transition to an insourced model both operationally feasible and aligned with ongoing program improvements. Rady Children's Hospital supports this shift to an insourced model that is right-sized to meet current needs. Nevertheless, it will be important to have a thoughtful transition plan for each of these services to ensure there are no gaps in care.

The County's approach to implementation of these changes will include a thorough evaluation of volume, service scope, and current workforce. This assessment will ensure alignment with regulatory requirements and best practices in care delivery. A detailed financial analysis will also be required, and staff are actively exploring opportunities to draw down funding for services, including direct Medi-Cal billing, to strengthen long-term fiscal sustainability.

Enhancing continuity of care remains a priority, particularly for youth served by Polinsky Children's Center clinic staff and by foster care nurses. Staff will continue to assess, adapt, and work collaboratively to ensure County clinics meet community needs, maintain clinical excellence, and advance optimal medical and social outcomes for youth in our care. The transition plan for this new service model at Polinsky will uphold the highest standards of service, and will include at a minimum:

- **Trauma-Informed Care:** Provide care grounded in trauma-informed principles, ensuring emotionally safe, predictable interactions for foster youth receiving 24/7 services. Staff will be trained to recognize trauma responses, minimize triggers, and deliver compassionate, developmentally appropriate support.
- **Hiring:** Offer a transition path for contracted clinic nurses to maintain continuity of care and preserve expertise.
- **Nurse Residency Program:** Implement a residency program modeled after the Public Health Nursing Residency to equip new County nurses with foundational skills and improve retention.
- **Evaluation:** Conduct ongoing evaluation and continuous quality improvement to strengthen care coordination, collaboration, and clinical outcomes.

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Today's action requests for the Board direct the Chief Administrative Officer to transition critical nursing services provided at the South Region Public Health Center and Polinsky Children's Center from a contracted services model to one where services are provided by County staff. Immunizations services are currently provided at the South Region Public Health Center through contract 567121 with the University of California San Diego. Physical health services are provided at Polinsky Children's Center through contract 563750 with the Rady Children's Hospital.

Linkage To The County Of San Diego Strategic Plan

This item supports the Sustainability (Economy) and Empower (Innovation) initiatives within the County of San Diego's 2026–2031 Strategic Plan by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency, along with fostering new ideas and the implementation of proven best practices to achieve organizational excellence.

Respectfully submitted,



Paloma Aguirre
Chair Pro Tem, First District



Joel Anderson
Supervisor, Second District

Attachment(s)

N/A