


April 30, 2025

Welcome to America's Physician Groups' *California Update*. Each week APG reports the latest on health care happenings in the Golden State.

Here's what you'll find in this week's edition:

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Management Services Organizations Will Not Be Treated As Health Care Entities By OHCA

The Office of Health Care Affordability ([OHCA](#)) is legislatively authorized to monitor the cost growth trend of payer insurers, physician organizations of 25 or more physicians, and hospitals (identified as "health care entities"). To date, OHCA has focused on establishing a statewide cost growth target of 3.5% and is currently deliberating what target it will impose on hospitals. But during this legislative session, proponents have brought a new bill, [AB 1415](#), that would add two new categories for OHCA oversight - Management Services Organizations (MSOs) and Health Systems. APG immediately assumed an [oppose unless amended position](#) on the bill over the inclusion of MSOs, because they are not health care providers or payers, and because it would result in a "double jeopardy" situation where both the RBO and the MSO would be subject to duplicative cost targets.

APG members MedPOINT Management, Hill Physicians Medical Group, and Astrana joined our California advocacy staff in meetings with the

author, sponsors, and OHCA staff to voice our concerns over the inclusion of MSOs, which do not provide health care services like providers, from the OHCA cost growth target oversight. As a result, we were informed on the day prior to the April 25 Assembly Health Committee hearing that MSOs had been removed from the definition of “health care entity” and thus will not be subject to cost growth targets. OHCA will remain interested in tracking MSO involvement in the acquisition and control of provider organizations and facilities, which has also been [a topic of national interest](#). We are pleased that this result was achieved and count it as our first victory in the 2025 legislative session.



Join Us For The California Policy Forum At The APG Spring Preconference, Wednesday, May 14

APG’s California government affairs staff will host two former legislators, [Marie Waldron](#) and [Brian Maienschein](#), to provide a perspective on their time in the legislature and a forecast on the future political environment in Sacramento. We will also be joined by [Charles Bacchi](#), the CEO of the California Association of Health Plans, who will discuss health plan relationships with delegated providers.

Both Bill and David will be covering the pending hot priority bills in this session, including prior authorization reform legislation.

Join us, Wednesday morning, May 14 at 10:15 am for our preconference forum session.



APG Members Are Invited To Attend A Breakfast Session On “Enhancing Dementia Care” On May 15 During Our Annual Spring Conference 2025

Opportunity to Improve Your Dementia Care: Adopt an Evidence-Based Model or Co-Create a New Model

With the support of The John A. Hartford Foundation, the National Dementia Care Collaborative (NDCC) is supporting technical assistance of up to 10 APG groups to implement comprehensive dementia care.

Eligibility Criteria

- APG member organizations with **at least 30%** of Medicare patients enrolled in Medicare Advantage

Benefits

- Assistance in adopting/adapting dementia care models
- Payment to organizations to survey dementia caregivers in their practices



To connect with the NDCC team, scan the QR code to complete a survey and visit our website at <https://www.ndcc.edc.org/>



APG To Launch The 2025 Case Studies In Excellence

On May 19, all APG members will be invited to submit their newest programs that demonstrate innovative, high-quality health care initiatives. Please look for APG's Call for Abstracts 2025 invitation.

Each edition of the [Case Studies in Excellence](#) highlights the exceptional value-based care our members provide to their patients and aims to share best practices across the APG membership and with other organizations.



APG To Disseminate Findings From The Duals Experience In CA Physician-led, Value-based Care Organizations Project

In 2024, APG was awarded a grant by CHCF to examine enablers and barriers for provider groups to participate in Dual Eligible Special Needs Plan (D-SNP) provider networks.

APG is now drafting three briefs for specific target audiences (DHCS, CA DSNP health plans, and CA providers/RBOs) that cover topics discussed and insights gained through our focus groups and key informant interview activities with APG's CA risk-bearing provider organizations. Topics include

DSNP and state-specific MOC implementation experience, provider interest/capacity to care for Duals, coordination of benefits, data sharing/interoperability, care coordination needs, and corresponding improvement strategies and recommendations. APG CMO, Dr Susan Huang, will provide an overview and presentation to APG CA members between June and September, prior to the release of the Briefs.

APG will also engage in meetings with DHCS and with directors at local initiative health plans to share findings and discuss opportunities for collaborating more effectively to serve dual-eligible beneficiaries in CA.



2025 APG California Policy & Advocacy Meeting Dates

Members, please mark your calendars for APG's California Policy Forum and California Medi-Cal Forum meetings. You can download APG's 2025 events calendar [here](#).

California Policy Forum

2:00 - 3:00 pm

- June 12
- November 12

California Medi-Cal Forum

10:30 am - 12:30 pm

- October - TBD



APG California Advocacy Member Resources

- **Tracked Health Care Bills [2025-26](#)**: bills we're following in the California State Legislature
- **Digital Exchange Framework** [APG member tool kit](#), [QHIO webinar](#) and [DxF Program summary slide deck](#)
- **Office of Health Care Affordability** [regulations](#) and [explanatory slide deck](#)
- APG, Moss Adams, Sheppard Mullin **CMIR Regulation** [webinar](#) and [slides](#)
- **DMHC SB 510** [All Plan Letter](#) on Health Plan payment responsibilities
- **DMHC Quality and Equity Reporting** program [All Plan Letter](#)
- **DHCS Medi-Cal Medical Loss Ratio** [Implementation Summary](#)
- **DHCS Medi-Cal Connect** [Population Health Program](#) Information

For more news and resources, please visit APG's [website](#) or contact a member of APG's California advocacy team.

William Barcellona, EVP of Government Affairs..... wbarcellona@apg.org

David Gonzalez, Senior Legislative Advocate..... dgonzalez@apg.org

Norma Springsteen, Administrative Coordinator.... nspringsteen@apg.org



This message was sent to nspringsteen@apg.org from:
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