

**May 29, 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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### **Legislative Session Proceeds After Bills Stall In Appropriations Committee**

A week ago, the bills in the 2025 legislative session reached their second milestone, the Appropriations Committee deadline of May 23 for all fiscal bills. There were over 1,800 fiscal bills for review and 337 of them were held on suspense. This means that those bills were deemed too expensive to the state (not the industry, sorry). One of our high priority bills, [AB 510](#), was held in this process, meaning it is stalled for this year. That bill, sponsored by the CMA, would have required all plans, RKKs, and RBOs to complete prior authorization appeals and grievances within two days for standard matters and one day for emergencies. The bill also required these organizations to use specialists in the same field, with the same experience, to complete the appeal reviews.

The remainder of the pending Prior Authorization bills are proceeding through the system. The next milestone is for bills to pass out of their house of origin by Friday, June 6. This includes [AB 512](#), which conflates the review period for standard prior authorizations down to 48 hours, and 24 hours for urgent/emergent requests. [SB 306](#) creates a new prior

authorization standard that removes any service that a health plan approves 90% or more for the following year. And [AB 539](#) allows for authorizations to remain open for one calendar year unless the course of prescribed treatment is sooner. There is an additional bill, [SB 363](#), that creates significant monetary penalties for plans that have matters overturned in IMR on a frequent cycle. Our concern is that these penalties will be passed down to RBOs. APG is opposing all of these bills because they fundamentally undermine the delegated model. We urge our members to voice their concerns directly to the CMA and their local medical society.

Another high priority bill that would have imposed a more stringent medical necessity standard stalled in policy committee for this year. The [AB 1415](#) bill that would have designated MSOs as health care entities and subjected them to separate cost targets has been amended to remove that designation. Our first major victory of this session. Another bill that requires a standardized provider credentialing process, [AB 1041](#), is under negotiation with the bill sponsors, and we anticipate a favorable amendment of its provisions to reflect our members common credentialing practices. Just a note that the most current version of AB 1041 does not reflect the negotiations that are ongoing. We'll get there soon.

There is still a long road ahead during this legislative session, which runs through September 12 this year. The Governor will then have 30 additional days to review passed legislation and sign or veto each measure.



### **APG Engages In State Budget Process To Oppose A 90% MLR In Medi-Cal**

The Governor's May Revise was full of surprises, and they weren't good. In addition to tanking the coverage for undocumented adults that had just got underway, a proposal to increase the Medi-Cal MLR to 90% from 85% was included. APG is working daily in conjunction with our members' partner plans to oppose this policy provision. You can download our comment letter and floor alert [here](#). The budget process must be completed by June 15 under the California Constitution, and we expect budget packages to be worked out by the middle of next week. Our California staff is engaging with officials to raise the alarm over this disastrous policy, which would wipe-out the use of delegation in Medi-Cal managed care.



## One Good Thing

This is our second entry in this new addition to the Update that focuses on one piece of good news in California health care. Your contributions are welcome!

We were very delighted to see the California Health Care Foundation convene a special workgroup of stakeholders to address the ongoing crisis facing California Medi-Cal in 2025. APG has been invited to participate in the forum, which will be led by Marko Mijic, Managing Director at Sellers Dorsey and former Undersecretary at the California Health & Human Services Agency, to facilitate 4 meetings of the forum over the next six months. This forum will offer a structured opportunity to:

- Stay informed about emerging federal policy proposals,
- Share data, insights, and on-the-ground experiences in a confidential setting, and,
- Create space for participants to align on messaging and strategies to protect and strengthen Medi-Cal for the millions who depend on it.

It's great to see that kind of policy leadership during troubled times.



## Opportunity To Improve Your Dementia Care: Adopt An Evidence-Based Model or Co-Crete 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 model
- Payment to organizations to survey dementia caregivers in their practices

To learn more, visit the [NDCC](#).



## **APG Launches 2025 Case Studies In Excellence**

All APG member organizations are invited to submit an abstract for consideration in our 2025 Case Studies in Excellence series. APG aims to publish 12 case studies this year.

Each annual edition of the [Case Studies in Excellence](#) highlights the innovative, high-quality, and high value health care that APG members provide. This is an excellent opportunity for APG members to showcase their programs, best practices, and results.

Please contact [Norma Springsteen](#) with any questions about the program or submissions.



## **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

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

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