


June 5, 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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APG And Its Members Fight Increased MLR Of 90% In Medi-Cal

Several APG members are getting the word out across their communities and with their elected legislators about the Governor's budget proposal to increase the Medi-Cal managed care medical loss ratio (MLR) from 85 percent to 90 percent. Their message – this policy will wipe out the use of provider delegation within this program, resulting in increased annual costs for care delivery in the range of \$5-6 billion. The proposal was first introduced on May 14 in the release of the state budget May Revise. It is being reviewed by the budget committees of the Assembly and State Senate this week. The budget must be voted upon by June 15.

APG is working closely with Medi-Cal plans that delegate to our members, trade associations and other stakeholders to explain how this policy would make it impossible for a plan to delegate to RKK and RBO organizations and still meet the 90 percent medical spend threshold. Upcoming MLR reporting standards will require that only direct medical spend and some limited "quality improvement" functions will be counted toward the MLR. Useful activities like care coordination, population health management and electronic infrastructure development would be counted as administrative expense. Organizations that fail to meet the 90 percent floor would be required to remit "excess revenue." Read our [advocacy materials](#) and join our effort.



One Good Thing

This week's One Good Thing story features the Institute for Human Caring, an affiliate of APG member Providence.

Matthew Gonzales, MD, FAAHPM, Chief Medical Officer, spoke at APG's Annual Spring Conference 2024 about work they did that was published in [NEJM Catalyst](#) on May 21, 2025 and recently sent us an update on this project.

Dr. Gonzales reports that in 2024, Providence caregivers documented over 8,500 Goals-of-Care (GOC) conversations for critical care patients in the electronic health record—a more than 1,100% increase since 2017. Across all acute care hospitals, Providence caregivers documented over 100,000 GOC conversations last year, with 27% of all non-obstetric adult admissions in 2024 including a documented conversation—up from just 2% in 2017. Behind each of these numbers is a patient and family better supported in making informed decisions that reflect their values, goals, and preferences.

Do you have a piece of good news in California health care to share? Click [here](#) to submit your story!



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.



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.

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