


July 11, 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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Prior Authorization Time-For-Review Bill Amended In Senate Health Committee

AB 512, authored by Assemblymember Harabedian, was heard in the Senate Health Committee this week. APG, along with other stakeholders, has been actively opposing the bill. As introduced, AB 512 proposed to shorten the timeframe for prior authorization decisions from five business days to 48 hours for standard requests, and from 72 hours to 24 hours for urgent requests.

In collaboration with the California Association of Health Plans and the Association of California Life and Health Insurance Companies, APG proposed an alternative framework. The proposed approach would mandate electronic submission of all prior authorization requests, require submission of all necessary information for a determination, and enable plans and insurers to respond to at least 80% of requests in real time. The proposal also recommends delaying the effective date to align with federal requirements under the CMS Interoperability and Prior Authorization Final Rule (CMS-0057-F), allowing providers sufficient time to comply with electronic submission standards.

In response to stakeholder discussions, the author introduced amendments tying prior/concurrent authorization response times to the method of submission. Under the amended bill, standard electronic

submissions would require a response within three calendar days, and non-electronic submissions within five calendar days. At the request of the Committee Chair, those timeframes are now to be converted from calendar days to business days. The same structure would apply to urgent requests: 24 hours for electronic submissions and 48 hours for non-electronic submissions.

The bill passed out of the Senate Health Committee with a 9-0 vote and two abstentions and now moves to the Senate Appropriations Committee for fiscal review.



December 31 Impact On Covered California Enrollment Under H.R. 1

While many of the provisions in H.R. 1 will take years to fully phase in, one of the most immediate and significant effects will hit Californians enrolled in Covered California. Federal premium subsidies that currently help millions afford health coverage are set to expire on December 31, 2025. Without congressional action to extend them, enrollees will face steep premium increases beginning January 1, 2026.

Today, nearly 90% of Covered California enrollees receive federal subsidies to help lower their monthly premiums. On average, premiums are projected to rise by 66%, or about \$101 per month, across all enrollees starting next year.

The burden will fall heaviest on lower-income Californians, who currently receive the largest subsidies. Individuals earning less than 400% of the federal poverty level (approximately \$60,240 annually) could see average premium increases of \$191 per month, according to Covered California estimates. Additionally, more than 170,000 middle-income consumers are expected to lose financial assistance entirely.

Taken together, the sharp rise in premiums and the added enrollment complexities are projected to cause nearly 600,000 Californians to lose coverage in 2026.



One Good Thing

On July 10, the US Supreme Court temporarily upheld the Affordable Care Act's (ACA) provision requiring insurers to cover preventive care at no cost. This is a positive development for Californians who rely on the ACA for their healthcare coverage.

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



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

- 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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