CALIFORNIA UPDATE

July 18, 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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- Immigrants **Account For At Least One In Five Hospital Workers In Nine States, Including In The Four Largest States: California, Florida, New York, And Texas**
- One Good Thing
- **2025 APG California Policy & Advocacy** Meeting Dates
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Prior Authorization Bills Move Forward In The Legislature

SB 306 (Becker), the California Medical Association (CMA)-sponsored legislation aimed at removing certain service codes from prior authorization review if they are approved 90% or more of the time, moved forward this week in the Assembly Health Committee, but with significant changes. Late last week, the Department of Managed Health Care (DMHC) submitted extensive "technical assistance," resulting in a full "gut and amend" of the original bill text. Effectively, the Newsom Administration, via DMHC, has communicated to the author and sponsors that the original version of the bill was not acceptable. America's Physician Groups (APG), along with participating health plans, will continue to oppose SB 306 unless it is further amended. However, the current version is significantly improved from the original CMA-sponsored draft, which we previously identified as unworkable (see prior analyses in *California Update* and our comment letters). The amended bill text is not yet in print as we write this summary.

Key Improvements:

- Full implementation is delayed until July 2027, following the effective date of the federal API mandate.
- The bill no longer mandates an annual reassessment of service code authorization rates.

- It establishes a single, standardized reporting format for delegated groups to use with health plans.
- The bill now includes a “sunset date” on the legislation in the early 2030s.

Ongoing Concerns:

- The bill still permits removal of service codes from prior authorization but leaves final determination to the DMHC.
- It inaccurately counts modified authorizations as approvals in calculating the 90% approval rate, conflicting with NCQA Utilization Management accreditation standards (which often treat modifications as denials).
- It continues to conflate delegated group authorization rates with those of the contracted health plan, which could result in misleading performance assessments.

Immigrants Account For At Least One In Five Hospital Workers In Nine States, Including In The Four Largest States: California, Florida, New York, And Texas

Immigrants account for at least one in five (20%) of hospital workers in nine states, which were in the West (California, Hawaii, and Nevada), South (Florida and Texas), and Northeast (Maryland, Massachusetts New Jersey, and New York) (Figure 3). California has the highest share of hospital workers who are immigrants at 32%. The relatively high shares of immigrant hospital workers in these states likely reflects that a relatively large share of immigrants live in them.

Immigrants represent more than three in ten physicians working in hospitals in the four largest states: California (33%), Florida (37%), New York (33%), and Texas (31%) (results not shown; data were insufficient to evaluate the share of physicians who are immigrants in many states).

The full KFF.Org issue brief can be found here.

One Good Thing

This week, we extend our heartfelt congratulations to Pritika Dutt, Deputy Director at the California Department of Managed Health Care (DMHC),

as she prepares to leave state service on July 25 to begin her new role as Chief Financial Officer at Alameda Alliance for Health.
Over her two decades at the DMHC, Pritika has been an invaluable resource to many of us, playing a key role in overseeing the financial solvency of health plans and risk-bearing organizations (RBOs). Her leadership was instrumental in the reformulation of the Financial Solvency Standards Board (FSSB) standard reporting for RBOs—a significant contribution to the department's mission.

We thank Pritika for her dedicated service and wish her continued success in this exciting new chapter.

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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