



July 2, 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 Submits Opposition Comments To Prior Authorization Legislation

As prior authorization (P.A.) bills move forward in the second house of the Legislature over the next week, APG continues to strongly advocate for preserving the essential role our members play in using P.A. to manage networks and coordinate patient care.

This week, we submitted updated letters on the remaining P.A. bills. All three letters are available for download in a single [PDF file](#).

The three key bills include:

- [SB 306 \(Becker\)](#) – A CMA-sponsored bill requiring service codes with a 90%+ approval rate in the prior year to be removed from prior authorization for the following calendar year (April 1 to March 30). RBO P.A. data would be aggregated to their contracted health plan to determine eligibility. Removed codes would return to P.A. after one year. This bill does *not* apply to out-of-network provider requests.
- [AB 512 \(Harabedian\)](#) – Another CMA-sponsored bill that shortens the timeframes for reviewing P.A. requests: from 5 business days to **48 hours**, and **24 hours** for urgent requests.
- [SB 363 \(Wiener\)](#) – This bill imposes statutory fines on plans or their delegates that reach a 50% threshold of IMR (Independent Medical Review) overturns after 10 cases are submitted in a calendar year. Fines are imposed regardless of the severity of the case or the total volume of P.A. requests and denials, raising concerns about fairness and proportionality.



One Good Thing

California State Budget Finalized This Week

Governor Newsom signed [SB 116](#) on Monday, finalizing health care and Medi-Cal provisions for the 2025–2026 state budget. While the final legislation includes significant cuts to essential safety net programs, the Governor and Legislature preserved health care coverage for undocumented individuals—albeit in a reduced form—despite federal pressures.

There were two notable wins:

1. **Removal of the 90% MLR Provision from Medi-Cal** – This was achieved through the powerful advocacy efforts of our members.
2. **Reinstatement of Prior Authorization for Hospice Services in Medi-Cal** – This change will aid in the early detection of fraud, waste, and abuse, particularly in Southern California. We highlighted this issue in our broader advocacy against blanket P.A. removals.

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

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

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