


October 7, 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:

- [Prior Authorization](#) Reform Is Now The Law Of California
- 2025 APG California Policy & Advocacy [Meeting Dates](#)
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Prior Authorization Reform Is Now The Law Of California

Governor Newsom signed SB 306 (Becker) into law yesterday evening. The bill requires DMHC and CDI to analyze UM data on prior authorizations and develop lists of service codes that will be exempted from prior authorization. The bill will be fully implemented by 2028. You can download an informative slide deck on the provisions of SB 306 [here](#). While the Governor has until October 13th to complete the review of all enrolled legislation, he also acted to veto other related legislation that would have drastically shortened the review time for prior authorization requests (AB 512) and created additional reporting of UM statistics by health plans (AB 682) that was duplicative of the data analysis provisions of SB 306. AB 512 was vetoed because the Governor concluded that shortened review time would result in increased denials of those requests. Now, we roll up our sleeves and work with the DMHC to ensure that RBO UM data is accurately reflected in the analysis. As you will see in the informative slide deck, the DMHC has the authority to preserve prior authorization for services that pose safety concerns, have a potential for increased fraud, and result in higher system costs. SB 306 also includes provisions for the reinstatement of excluded codes if situational changes occur to warrant greater prior authorization review.

The enactment of SB 306 concludes four years of work in the Legislature on prior authorization reform. During the 2025 session, APG opposed other related bills on this topic. AB 539 would have extended authorizations for an entire calendar year. That bill was opposed and held

in committee. SB 363 would have imposed mandatory fines for overturned independent medical reviews. That bill was opposed and held in committee. AB 510 would have required that plans and RBOs handle appeals of denials within 2 days, using a physician of the same specialty and experience as the requesting provider to complete the review. That bill was held in the appropriations committee.

Through our joint advocacy with other stakeholders, SB 306 was amended significantly from a mechanistic approach that would have required each plan to remove any service code that was approved 90 percent or more of the time. Now, SB 306 focuses on a more rational analysis, allowing for reinstatement of codes that present cost, safety, or potential for fraud issues. Prior versions of the bill would have resulted in variation from plan to plan. Now the bill requires that DMHC and CDI produce a list for each regulator that applies to their respective licensed plans and insurers. We are hopeful that the resulting law will serve as a model for other states to adopt more thoughtful prior authorization rules.



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

- **November 12 - Rescheduled to December 5 at 12 - 1pm**

California Medi-Cal Forum

10:30 am - 12:30 pm

- October - TBD



APG California Advocacy Member Resources

- **SB 306 - Prior Authorization Reform [Summary](#)**
- **Tracked Health Care Bills [2025-26](#):** bills we're following in the California State Legislature
- **Office of Health Care Affordability [regulations](#) and [explanatory slide deck](#)**
- **DMHC Quality and Equity Reporting program [All Plan Letter](#)**

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

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