



March 27, 2026

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:

- APG Calls For Stronger Collaboration with LHPC On [CalAIM Waiver](#)
- APG Submits Draft Comment Letter On Proposed Amendments To [General Licensure Regulation](#) – Member Input Requested
- APG California [Medi-Cal Forum](#) – April 14 Featuring DHCS Presentation On Federal Interoperability Implementation
- APG Urges DHCS To Preserve [HCQI Recognition](#) In 2025 MLR Transition
- Attend APG's New [AI In Value-based Care Forum's](#) First Meeting!
- Invitation: APG [Pediatrics Care Forum](#) Meeting
- APG California Policy & Advocacy [2026 Meeting Dates](#)
- APG California Advocacy Member [Resources](#)



### **APG Calls For Stronger Collaboration with LHPC On CalAIM Waiver**

America's Physician Groups (APG) recently [sent a letter](#) to the Local Health Plans of California (LHPC) emphasizing the strong alignment between our organizations on the renewal of the CalAIM Section 1115 Demonstration Waiver and the importance of working more closely as implementation moves forward. Both organizations support the California Department of Health Care Services in advancing whole-person care and recognize that the next phase of CalAIM must remain operationally feasible, financially sustainable, and informed by on-the-ground experience.

While LHPC brings a plan-focused perspective on program implementation and benefit design, APG's comments reflect the experience of risk-bearing physician organizations, particularly on dual-eligible alignment, provider networks, and value-based contracting. Together, these complementary viewpoints highlight that CalAIM's success will depend on stronger alignment between plans and providers. APG has proposed joint workgroups, coordinated recommendations, and shared engagement with DHCS to ensure that future policy development supports both effective implementation and meaningful provider participation.



## **APG Submits Draft Comment Letter On Proposed Amendments To General Licensure Regulation – Member Input Requested**

America's Physician Groups (APG) has prepared a [draft comment letter](#) to the Department of Managed Health Care (DMHC) in response to the Department's proposed [amendments](#) to the General Licensure Regulation (28 CCR §1300.49). These proposed changes represent a significant update to the regulatory framework governing restricted Knox-Keene licensure and the assumption of professional and institutional risk within California's delegated model.

As reflected in our draft, APG is supportive of the Department's effort to modernize the regulation and appreciates the introduction of clearer definitions and more objective financial standards. At the same time, the proposal raises several important issues for physician organizations and other risk-bearing entities, including the need to clearly distinguish between delegated medical and hospital service risk versus insurance risk, refine downside risk thresholds, reassess the continued use of expedited exemptions, and ensure appropriate oversight of how full-service plans transfer risk downstream.

We are also focused on ensuring that network adequacy standards are appropriately calibrated to the scope of services and risk assumed by restricted licensees, and that the regulation avoids imposing requirements that are duplicative, overly burdensome, or misaligned with the structure of the delegated care model.

APG is seeking input from our members to ensure that our comments fully reflect operational realities across the field. **Our comment to the Department is due in final form on April 2<sup>nd</sup>.** We encourage you to review the draft letter and share any feedback, suggested revisions, or additional concerns.

***Please submit your comments to APG staff no later than close of business on Tuesday, March 31.***

Your input is critical as we finalize our submission to DMHC and continue to advocate for a regulatory framework that supports physician-led care delivery while maintaining appropriate consumer protections.



## **APG California Medi-Cal Forum – April 14 Featuring DHCS Presentation On Federal Interoperability Implementation**

APG's California Medi-Cal Forum will convene on **Tuesday, April 14 at 4:00 pm (PT)** via Zoom, featuring a special presentation by [Dr. Linette](#)

[Scott](#), Deputy Director at the California Department of Health Care Services (DHCS).

Dr. Scott will provide an update on DHCS's efforts to implement the federal interoperability rule, including the state's approach to new federal requirements governing data exchange, reporting, and transparency across Medi-Cal managed care. This will include discussion of evolving expectations related to provider data submission, payment reporting to CMS, and Medi-Cal Medical Loss Ratio (MLR) standards.

This session will provide valuable insight into how DHCS intends to operationalize federal interoperability rules within Medi-Cal—particularly as they relate to delegated physician organizations and risk-bearing entities. Topics of interest will include alignment with federal API and data exchange requirements, expectations for financial and encounter data transparency, and how state policy may evolve in advance of federal implementation deadlines.

The discussion will also help members better understand potential compliance and audit considerations, including increased scrutiny of payment reporting across contracting layers, and how this information is reported to CMS through the Transformed Medicaid Information System (T-MSIS). Operational and IT leaders may benefit from early signals regarding system readiness, vendor alignment, and future data infrastructure expectations.

We encourage participation from member organizations' policy, operations, compliance, and legal teams. You can register [here](#).



### **APG Urges DHCS To Preserve HCQI Recognition In 2025 MLR Transition**

*APG calls for alignment to ensure quality improvement activities remain fully recognized under new reporting framework*

America's Physician Groups (APG) has submitted [a comment letter](#) to the California Department of Health Care Services (DHCS) regarding the CY 2025 Medi-Cal Medical Loss Ratio (MLR) reporting framework, raising significant concerns about how the transition from the longstanding "Four-Part Test" to federal third-party vendor guidance may impact California's delegated care model. DHCS presented an update on March 12<sup>th</sup> concerning their approach to the 2025 MLR reporting, which you can review [here](#).

While APG acknowledges the state’s clearly communicated glide path toward federal alignment, the letter emphasizes that the central issue is whether delegated physician organizations will continue to receive appropriate recognition for Health Care Quality Improvement (HCQI) activities within the MLR calculation. APG cautions that without explicit alignment between subcontractor reporting and Medi-Cal managed care plan standards, these critical investments in care coordination, utilization management, and quality infrastructure may be underreported or excluded—potentially distorting MLR results and disadvantaging delegated models. The letter urges DHCS to ensure that the CY 2025 reporting template preserves the functional treatment of HCQI activities and provides clear guidance to support accurate and consistent reporting across all levels of the delivery system.



**Attend APG's New AI In Value-based Care Forum's First Meeting!**  
**Tuesday, April 14, 2026**  
**11:00 am - 12:00 pm Pacific Time**

[RSVP](#) for this virtual session

This AI in value-based care session will focus on applications in revenue cycle management. Our speakers will address specific insights and experiences in the application of AI tools and frameworks to address claims and denials, encounter billing, and prior authorizations. They will address workforce concerns and impacts, associated AI-enabled chart and clinical information summarization efforts, and tips on building continued payer alignment and partnerships with this work.



**Invitation: APG Pediatrics Care Forum Meeting**  
**Thursday, April 16, 2026**  
**9:00 - 10:00 am Pacific Time**

[RSVP](#) for this virtual session

This forum explores the evolution of a multi-year telemedicine enabled transitions of care program designed to stabilize the most fragile and complex of patients as they move from the high-touch neonatal intensive care environment to the community ambulatory care setting. Speakers will share their implementation experience and insights on how technology and virtual integrated visits have improved patient care, family support, and reduced the need for emergency visits and readmissions.



---

## 2026 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 2026 events calendar [here](#).

### California Policy Forum

2:00 - 3:00 pm

- April 9
- June 3
- December 3

### California Medi- Cal Forum

4:00 - 5:00 pm

- April 14 - **Register** [here](#)
- May 12
- June 9
- August 11
- October 13
- November 10
- December 8



### APG California Advocacy Member Resources

- [2025 Legislative Implementation Guide](#)
- **Tracked Health Care Bills 2025-26:** bills we're following in the California State Legislature
- November 2025 IHA Provider Directory webinar [recording](#)
- **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.

William Barcellona, EVP of Government Affairs..... [wbarcellona@apg.org](mailto:wbarcellona@apg.org)

David Gonzalez, Senior Legislative Advocate..... [dgonzalez@apg.org](mailto:dgonzalez@apg.org)

Norma Springsteen, Administrative Coordinator.... [nspringsteen@apg.org](mailto:nspringsteen@apg.org)



This message was sent to [nspringsteen@apg.org](mailto:nspringsteen@apg.org) from:

America's Physician Groups

611 N. Brand Blvd., Ste. 1300, Glendale, CA 91203

Click [here](#) to unsubscribe or to change your subscription preferences