



April 10, 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 [California Policy Forum Highlights](#): Budget Pressures, AI Regulation, And Expanding Utilization Management Debate
- Attend APG's New [AI In Value-based Care Forum's](#) First Meeting!
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### **APG California Policy Forum Highlights: Budget Pressures, AI Regulation, And Expanding Utilization Management Debate**

At the April 9 APG California Policy Forum, members received a [comprehensive briefing](#) on the evolving legislative and regulatory landscape shaping California's health care system. The discussion highlighted a state budget environment marked by continued structural pressure, with Governor Gavin Newsom proposing a \$348.9 billion budget that, despite higher-than-expected revenues, reflects ongoing deficits and limited appetite for new spending. Medi-Cal continues to be a major driver of state expenditures, now covering roughly one-third of Californians, reinforcing the importance of cost control and program sustainability.

On the legislative front, policymakers have introduced a wide range of proposals that could significantly reshape coverage and delivery models. These include renewed efforts toward a single-payer system under AB 1900, employer "pay-or-play" concepts tied to Medi-Cal financing, and a growing number of targeted benefit mandates that would restrict prior authorization and utilization management tools. Even following the passage of SB 306, additional bills seek to further limit prior authorization, raising concerns about preserving care coordination and the viability of delegated risk models that rely on active utilization management.

Artificial intelligence emerged as a major policy focus for 2026, with multiple proposals aimed at restricting or regulating its use in clinical and administrative settings. Several bills would limit the role of AI in clinical

decision-making, impose disclosure requirements, and prohibit its use in ways that could replace or override provider judgment. Collectively, these proposals signal increasing legislative skepticism toward AI deployment in patient care and workforce management.

From a regulatory perspective, implementation of SB 306 remains a central issue. State regulators are currently collecting prior authorization data to develop a list of services that may be exempt from prior authorization beginning in 2028. Early indications suggest that high approval rates—common in delegated models—could unintentionally undermine care coordination and risk-based arrangements if not carefully interpreted. APG continues to engage directly with regulators to ensure these nuances are reflected in the final policy design.

Finally, members were briefed on the approaching implementation of the federal CMS Interoperability Rule (CMS-0057-F), which will require prior authorization APIs by January 1, 2027. While some organizations are already preparing through existing electronic health record platforms, others may require alternative solutions, underscoring the need for coordinated planning across APG membership.

The Forum underscored a rapidly evolving policy environment in which fiscal constraints, regulatory implementation, and new legislative proposals—particularly around prior authorization and AI—will have significant operational implications for physician organizations and risk-bearing entities in California.



**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](#)

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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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