



May 21, 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:

- **Thousands Of Medi-Cal Beneficiaries Will Be Moved To Medi-Cal Fee-For-Service Under [Governor's Budget](#)**
- **[Call To Action](#): Onerous AI Legislation Threatens Your Operations**
- **APG California Policy & Advocacy [2026 Meeting Dates](#)**
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Thousands Of Medi-Cal Beneficiaries Will Be Moved To Medi-Cal Fee-For-Service Under Governor's Budget

APG has submitted a [letter](#) to the Legislature opposing the Governor's budget proposal to remove Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) from managed care and transition them into the Fee-for-Service (FFS) delivery system. APG joined broader concerns raised by health plans and provider stakeholders that the proposal would create a fragmented, two-tiered system of care for vulnerable populations while disrupting California's longstanding commitment to coordinated managed care delivery.

In its letter, APG emphasized the physician organization perspective and the operational realities of California's delegated care model. APG noted that physician groups and medical groups have spent decades building integrated systems designed to coordinate specialty referrals, chronic disease management, discharge planning, pharmacy oversight, behavioral health integration, transportation support, and whole-person care management for Medi-Cal beneficiaries. APG warned that moving UIS beneficiaries into FFS would undermine continuity of care, weaken coordinated oversight structures, and reduce access to important managed care programs such as Enhanced Care Management (ECM) and Community Supports.

APG also highlighted that delegated physician organizations maintain extensive utilization review, credentialing, compliance, and fraud, waste, and abuse monitoring infrastructure as part of California's managed care system. The letter cautioned that carving out this population into Fee-for-Service could create significant administrative disruption for providers

and patients alike, while weakening care coordination and accountability mechanisms that have been developed over many years within Medi-Cal managed care.



Call To Action: Onerous AI Legislation Threatens Your Operations

AB 2575 (Ortega), new proposed California legislation that would significantly restrict the use of artificial intelligence (AI) in clinical settings and undermine tools that physicians and care teams rely on every day, is currently pending consideration by the California State Assembly Floor. Click [here](#) to download the Coalition Floor Alert by a broad group of health care stakeholders OPPOSING AB 2575.

Currently AB 2575 imposes:

- Unworkable disclosure mandates that would significantly limit the ability to appropriately use AI in the health care setting.
- A 90-day advance notice requirement for any AI deployment or update, disrupting routine clinical software improvements.
- Conflicts with existing electronic health record systems and embedded clinical decision-support tools.

These provisions would force providers to pull back proven technologies that improve patient safety, reduce clinician burnout, and support early detection of conditions such as sepsis and medication interactions.

We urge you to contact the California State Assembly to request a NO vote on AB 2575.

To support your communication, points can include:

- Clinicians retain full judgment and accountability; AI tools assist but do not replace clinical decision-making;
- The bill's requirements are operationally unworkable and would delay or eliminate beneficial technologies;
- Patients, providers, and the health care delivery system all benefit from the responsible use of AI technologies;
- The bill would ultimately harm patients by removing tools that enhance quality, safety, and efficiency.

Below are steps you can take to submit comments regarding AB 2575 to the California Assembly.

Step 1 – Go to the official portal

- Click [here](#) to access the portal.
- If you already have an account, **log in**.

- “Log in” or “Register” and create a free account (one-time only).

Step 2 – Confirm your profile

- **Fill in** your name and contact information.
- For **Organization**, you may list your employer/association or write “Individual.”
- Save your profile so the system remembers you next time.

Step 3 – Find AB 2575 (Ortega)

- From the main portal page, click to **submit a letter** or **add a position**.
- In the bill search box, type: **AB 2575**
- Confirm you select **AB 2575 (Ortega)** from the list.

Step 4 – Choose where to send your comment

- When prompted for the destination, select: **Assembly Floor**
- This ensures your position is routed to the **Floor** and visible to the author and Floor Analysis.

Step 5 – Select your position

- Choose your position on the bill

Step 6 – Add your comment or upload a letter

You can either **type your comment directly** into the portal or **upload a short PDF letter**.



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

- *June 3 - CANCELLED*
- December 3

California Medi- Cal Forum

4:00 - 5:00 pm

- June 9 - [Register](#)
- 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.

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