

**May 29, 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:

- Late Distribution Of Medi-Cal Subcontractor [MLR Reporting Template](#) Complicates Compliance
- APG California Policy & Advocacy [2026 Meeting Dates](#)
- APG California Advocacy Member [Resources](#)



### **Late Distribution Of Medi-Cal Subcontractor MLR Reporting Template Complicates Compliance**

APG learned this week that the Department of Health Care Services (DHCS) distributed the CY 2025 Medi-Cal subcontractor Medical Loss Ratio (MLR) reporting [template](#) to Medi-Cal managed care plans (MCPs) on April 27. To date, however, only one or two MCPs appear to have distributed the template and [accompanying instructions](#) to delegated physician organizations and other reporting entities subject to the new reporting requirements applicable to entities receiving more than \$30 million in annual delegated revenue.

The delayed rollout and inconsistent distribution of the reporting materials have created operational challenges for reporting entities, particularly given the complexity of the template, the extensive supporting instructions, and the potential for varying implementation approaches among MCPs. APG members have already raised concerns regarding inconsistent plan-level interpretations, varying reporting expectations, and uncertainty regarding the classification of Health Care Quality Improvement (HCQI) expenses versus administrative costs under the MLR framework.

To assist members with compliance preparation, APG has developed a [preliminary summary](#) of the template and instruction documents, including key observations regarding allowable HCQI reporting categories,

exclusions applicable to utilization management and administrative activities, and operational concerns affecting delegated physician organizations. Please note the recommendations included at the conclusion of the summary. Members are also encouraged to review the [transmittal communication](#) issued by Rafael Davitian of DHCS for additional background regarding the reporting process. You may want to provide your experience to Mr. Davtian via email.

APG has scheduled a discussion of the subcontractor MLR reporting process during the upcoming California Medi-Cal Forum on Tuesday, June 9 at 4:00 p.m. APG has invited DHCS staff to participate in the discussion and answer member questions regarding implementation and reporting expectations. Members may register for the meeting [here](#).

We encourage APG members to share their feedback, operational concerns, and implementation experiences with APG so that we can continue to inform our advocacy efforts with DHCS regarding standardization, reporting consistency, and administrative burden associated with the subcontractor MLR reporting process. Email [wbarcellona@apg.org](mailto:wbarcellona@apg.org).



## **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](#)

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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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