## Policy & Program Update

### August 1, 2025 - President's Message



Dear Public Health Care System Leaders,

At our house, we are gearing up for back-to-school: doing some shopping for new supplies, clothes, and clearing out things that are "so last year."

The comfortable and familiar routine of these rituals reminds me of how many of our patients are living without this familiarity and security. They're afraid to leave their homes for fear of being scooped up and deported. For so many, taking their kids to their first day of school will come with fear and trepidation.

We know that you are witnessing this too in your clinics, pharmacies, and other facilities: sharp increases in no-shows, challenges in reaching people, and patients avoiding necessary care. A CEO told me recently that one of their patients requested a home birth via telehealth because of her fear of leaving her house.

Thank you for all your efforts to provide security and reassurance where you can. I know this work isn't easy. It's the extra time you spend with worried parents, the creative solutions you're finding to reach isolated patients, the difficult conversations in leadership meetings about how to better serve our most underserved communities. It's the research you're conducting to document these impacts, the partnerships you're building with community organizations, and the countless behind-the-scenes efforts to ensure no one falls through the cracks. Your dedication to keeping health care accessible and compassionate, even in uncertain times, embodies the very best of our profession.

Sincerely,

Erica Murray
President and CEO
California Association of Public Hospitals and Health Systems

#### **State**

### **State Legislative Advocacy Update**

The State Legislature is in summer recess, with elected officials primarily in their districts until session resumes Monday, August 18. During this time, legislators typically attend and host district events, providing optimal opportunity to engage with state officials before they wrap up the legislative year.

CAPH will use this period to host a briefing on H.R. 1 impacts and the challenging landscape public health care systems will be forced to navigate. The briefing will launch a fall advocacy and education campaign, providing state staff insight on Medicaid cuts and financing while laying the groundwork for how the state can best support public health care systems.

### **DHCS Revises MCO Tax Spending Plan Amid Federal Uncertainty**

On July 18, DHCS convened the Protect Access to Health Care Act (PAHCA) Stakeholder

Advisory Committee to discuss Managed Care Organization (MCO) tax updates following H.R. 1 enactment and the 2025-26 state budget agreement. H.R. 1 creates new federal restrictions that could end the tax early—potentially as soon as July 4, 2025— unless California secures a federal transition period.

Given this uncertainty, DHCS outlined revised spending priorities for the funds already collected through July 4. DHCS is accepting feedback on the revised spending plan through August 1, 2025. The spending plan and meeting materials are available on the DHCS website.

### **CalAIM Concept Paper Released for Comment**

The Department of Health Care Services (DHCS) has released an initial concept paper outlining the vision and goals for the next phase of CalAIM, which expires in December 2026. The paper, "Continuing the Transformation of Medi-Cal", describes six key goals the state aims to achieve over five years, beginning in 2027:

(1) centering members within the delivery system; (2) improving eligibility and enrollment; (3) comprehensive purchasing strategy; (4) increasing data sharing; (5) strengthening accountability; and (6) preparing for the future.

CAPH/SNI is reviewing the draft and will provide updates as more information becomes available. Comments are due to <a href="DHCS">DHCS</a> by August 22.

### Office of Health Care Affordability

The Health Care Affordability Board convened its <u>July meeting</u> last week. The Board considered H.R. 1 impacts on California and began discussions around spending target enforcement. Several Board members opposed building upfront flexibilities to account for factors that could cause providers to exceed spending targets. Several Board members expressed openness to revisiting targets annually or for very narrow circumstances beyond providers' control (e.g., natural disasters or catastrophic events).

The Office of Health Care Affordability will continue Board discussions on spending target enforcement processes into next year, with regulations issued by the fall 2026. CAPH has concerns about the Board's receptivity to enforcement flexibilities and anticipates submitting follow-up comments outlining initial considerations and priorities for public health care systems related to these flexibilities.

### **EMSA Emergency Regulations Approved to Implement AB 40**

On June 23, the Office of Administrative Law approved the Emergency Medical Services Authority's (EMSA) emergency regulations to implement Assembly Bill 40 (2023). These regulations establish protocols and tools designed to improve Ambulance Patient Offload Times (APOTs).

Hospitals must submit their APOT reduction protocol to EMSA annually by June 30. While this year's deadline provided limited preparation time for submission, hospitals should submit their materials as soon as possible to ensure compliance. A checklist to support hospitals in this process is available on the <a href="mailto:emergency regulation package">emergency regulation package</a>. The California Hospital Association (CHA) will host a members-only <a href="mailto:webinar">webinar</a> on August 14 from 9:00 to 10:30 a.m. to review the new EMSA regulations and share takeaways on APOT protocol submissions.

CAPH will continue monitoring EMSA updates and sharing new guidance as it becomes available.

### **Federal**

# **Updated CMS Guidance Prompts Hospital Feedback on Price Transparency**

On July 21, CHA submitted a <u>letter</u> in response to the Centers for Medicare & Medicaid Services (CMS) <u>Request for Information (RFI)</u> on hospital price transparency. CHA urged the agency to reduce duplicative requirements, prioritize patient-friendly cost estimator tools, recognize data collection complexity, and support hospitals through education,

reporting flexibility, and adequate implementation time.

This follows CMSs updated <u>hospital price transparency guidance</u>, issued in response to a recent <u>executive order</u>. The revised guidance now requires hospitals to post actual prices for items and services, rather than good-faith estimates.

### **Resources**

### **CAPH/SNI Quality Leaders Awards Applications Open**

Applications are now open for the 2025 Quality Leaders Awards (QLAs), showcasing our members' most outstanding efforts to advance high-quality, equitable health care for Californians.

Award categories include:

- Equity
- Population Health
- Care Redesign
- Innovation
- Transformational Partnership

All applications will also be considered for Top Honor, recognizing standout efforts spanning multiple categories. Visit the <u>QLA page</u> to learn more, download the application, and view last year's winners.

Completed applications are due on Friday, Aug. 15, 2025, to Natalie Sainz.

### **UCSF's Reproductive Health Hotline (ReproHH)**

The University of California San Francisco (UCSF) launched ReproHH, a free, nationwide, confidential phone service exclusively for health care providers, including Community Health Workers. ReproHH provides on-demand, evidence-based clinical information to US health care providers with questions about sexual and reproductive health. The line is staffed by dedicated UCSF physicians and is available 8 a.m. to 4 p.m. PT, Monday through Friday, at 1-844-ReproHH (1-844-737-7644). Visit the ReproHH webpage for additional information.

### **Upcoming CHCF Policy Briefing: Health Data Exchange in California**

On **Aug. 14, 2025, from noon to 1:30 p.m.**, the California Health Care Foundation (CHCF) will convene state and health system leaders for a policy briefing on California's health data exchange. Speakers from the Department of Health Care Access and Information (HCAI), the UCSF, regional health exchange organizations, and other health systems will discuss data sharing across systems. The event is hosted at The California Endowment in Sacramento. Members interested in attending can register here.

#### **HCAI Webinar on Seismic Compliance Plan Requirements**

HCAI will host a webinar on **Aug. 14 from 1 to 2 p.m.** to support hospitals in meeting the Jan. 1, 2026, deadline for submitting seismic compliance plans. The webinar will walk through HCAI's new automated web tool for plan submission, showcase sample submissions, and address frequently asked questions to clarify requirements and next steps. Members can register for the webinar on HCAI's website.

### **HCAI Health Workforce Development Opportunities**

HCAI has several funding and training opportunities to support the health care workforce as part of the BH-CONNECT initiative. Key deadlines and program materials are listed below:

- Medi-Cal Behavioral Health Student Loan Repayment Program (MBH-SLRP)
   This program offers up to \$240,000 in loan repayment for behavioral health
   professionals committed to serving underserved populations. Applications open
   from July 1 to Aug. 15, 2025. Members can visit the MBH-SLRP website to view
   the webinar's recording and learn more.
- Medi-Cal Behavioral Health Residency Training Program (MBH-RTP)
   This program provides up to \$250,000 per slot to support new residency and

fellowship programs. Applications are open from **July 1 to Aug.15**, **2025**. Members can visit the <u>MBH-RTP website</u> to view the program's webinar launch materials.

# **Upcoming Webinar: HCAI to Review Hospital Equity Reporting Requirements**

On **Aug.18**, **from 10 to 11 a.m.**, HCAI will host a <u>webinar</u> to guide hospitals through the online portal for submitting health equity reports required under Assembly Bill (AB) 1204 (2021).

The session will also review HCAI's data de-identification guidelines and the use of rate ratios for stratified reporting. The first annual report is due by **Sept. 30**. AB 1204 requires hospitals to submit annual reports on patient access, quality, and outcomes— broken down by race, ethnicity, language, disability status, sexual orientation, gender identity, and payer— along with plans to address disparities among underserved populations. Members can reference additional reporting user guides and resources on the <u>Hospital Quality Institute website</u>.

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