

February 7, 2025 - President's Message



Dear Public Health Care System Leaders,

A colleague remarked to me yesterday that the past two weeks have been the longest year of her life. Indeed. The near-constant barrage of headlines and surprises has left many of us reeling, trying to figure out how to prioritize, stay grounded, and remain focused on our mission-oriented work.

The CAPH/SNI staff met recently specifically to talk about effective strategies. One tip I found helpful is to avoid both willful ignorance and catastrophizing. Neither burying our heads in the sand nor assuming worst case scenarios will equip us to respond

effectively to what is actually happening now.

This advice holds especially true as we witness a series of executive actions while we await more formal, likely legal, responses that could prevent, or at least suspend, further action. Several legal decisions have already done this, while other lawsuits are likely in the works.

We don't know how much of this will play out. But we do know how much your patients rely on your teams to keep them healthy and cared for.

In the meantime, CAPH/SNI remains committed to staying focused on working on your behalf. Staff are working to, for example, develop analyses and messages to protect Medicaid against proposed cuts; argue against the pace and inaccuracies embedded in proposals coming from the Office of Health Care Affordability; and educate newly elected state legislators about the role public health care systems play in their communities and across the state.

Thank you for what you are doing to stay focused, grounded, and connected to our shared mission.

Erica Murray

President & CEO
California Association of Public Hospitals & Health Systems

State

Update on State Legislation

As the February 21 deadline to introduce bills approaches, the State Legislature remains focused on the finalizing legislative proposals for the 2025 session. Lawmakers and their staff continue to refine their priorities, seeking input and bill ideas. CAPH is closely monitoring as new legislation is introduced and will provide analyses, positions, and updates to members in March.

Confirmation of CalHHS Secretary Kim Johnson

On February 5, the Senate Rules Committee confirmed Kim Johnson as Secretary of the

California Health and Human Services Agency (CalHHS). Previously serving as the Director of the California Department of Social Services, the largest Department within CalHHS, Secretary Johnson managed critical social safety net programs, including food, housing, and immigrant services. In her role as Secretary, Johnson directs several departments including the Department of Health Care Services. She also is the Chair of the Health Care Affordability Board. Johnson met with the CAPH board in December and CAPH will continue to engage with her on behalf of public health care systems.

Office of Health Care Affordability (OHCA) Update

The [Health Care Affordability Board](#) recently met to continue discussions on setting hospital-specific cost targets, aiming to establish a lower spending cap than the statewide target of 3.5% in 2026 for hospitals classified as “high cost.” The Board voted to create a statewide hospital sector, and the OHCA staff will present a formal recommendation at the February 25 meeting, outlining a methodology for identifying high-cost hospitals and what the target value(s) should be for hospitals in this group. CAPH has raised concerns about several metrics OHCA is looking at for defining high-cost hospitals and the underlying data it is using. We have shared these concerns in both a letter to the Board and in discussions with OHCA staff. We are working to influence the development of the OHCA staff proposal and are coordinating with members on advocacy.

State Lobby Day: April 1-2, 2025

CAPH invites members to participate in State Lobby Day, taking place on April 1-2, 2025, in Sacramento. This is an opportunity to engage with state legislators, including newly elected members and key committees, as we collectively work to educate and strengthen understanding of the vital role public health care systems have in their communities and the risks we are facing at the federal level. For questions or to confirm attendance, please contact [Andrea Rivera](#).

Deadline Extended: CalAIM PATH CITED Round 4 Funding

The Department of Health Care Services (DHCS) has extended the application deadline for Round 4 of the CalAIM PATH CITED funding to May 2, 2025. These funds are intended to support capacity-building efforts and infrastructure for Enhanced Care Management and Community Supports, including the newly approved Transitional Rent program. Additional details are available on the [DHCS website](#).

February Data Exchange Framework (DxF) Meeting

On February 13, 2025, the Center for Data Insights and Innovation (CDII) will review public feedback on the [DxF Roadmap](#) during a Joint Implementation Advisory Committee and Data Sharing Agreement and Policies & Procedures Subcommittee meeting. The Roadmap aims to outline the state’s implementation strategy for DxF through 2027. CAPH submitted comments emphasizing the importance of aligning with national standards, enhancing collaboration on identity management collaboration, ensuring robust security measures, and prioritizing stakeholder engagement in the development of technical and policy frameworks. Meeting details are available in the [Upcoming Meetings & Webinars](#) section of the website.

Federal

Next Federal Lobby Event February 24-25

CAPH will join America’s Essential Hospitals (AEH) in Washington, D.C. for a federal lobby day on February 24-25. Thank you to those members who will be joining us in Washington, D.C. to urge California’s Congressional delegation to oppose proposed cuts to Medicaid. If you are interested in attending or have any questions, please contact [Andrea Rivera](#).

Trump Issues Executive Order on Gender Affirming Care for Minors

The Trump Administration issued an [Executive Order \(EO\)](#) directing federal agencies to end funding for gender-affirming care for minors. The U.S. Department of Health and Human Services (HHS) has been directed to issue regulations restricting access to gender affirming care treatments, which could impact Medicaid, Medicare, essential health benefits, and program participation requirements. Additionally, federal agencies must require medical institutions receiving federal research or education grants to cease

providing gender-affirming care.

The EO also directs the Department of Justice to enforce protections against “female genital mutilation,” though it does not define the term. Federal agencies must submit implementation reports on their progress to the White House within 60 days

A lawsuit has already been filed by the American Civil Liberties Union and Lambda Legal which could lead to the order being put on hold. CAPH is coordinating with members to assess the potential impacts. We will continue to provide updates as more information becomes available. More details on the EO are available [here](#).

Resources

Webinar: Flexible Housing Subsidy Pools (“Flex Pools”) – Introduction and Technical Assistance Resources

On Tuesday, February 11, from 12:00-1:00pm PT, DHCS will host an all-comer webinar on Flexible Housing Subsidy Pools (“Flex Pools”). Flex Pools are locally designed models that centralize the administration of rental assistance and housing support services to help individuals who are experiencing housing instability or at risk of losing housing, secure and maintain stable, long-term housing.

This webinar is open to all and may be particularly relevant for:

- Medi-Cal managed care plans (MCPs)
- County behavioral health providers and government agencies
- Community Supports providers and housing support organizations
- Housing authorities and Continuum of Care organizations
- Any entity that supports Medi-Cal members who are unhoused or at-risk of losing housing

Additional information, including registration is available [here](#).

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