

## January 24, 2025 - President's Message



Dear Public Health System Leaders,

As Southern California continues to reel from devastating wildfires, our thoughts are with the communities affected. Our member health care systems are playing a vital role in providing emergency care and long-term support to affected communities. From treating injuries and respiratory conditions to offering mental health support and supporting staff who have lost their homes, public health care system leaders continue to demonstrate extraordinary resilience and dedication in the face of unprecedented challenges.

Simultaneously, we are witnessing the initial actions of the new federal administration and proposals from the new Congress that could have disastrous impacts on public health care systems and our patients. In addition to the slew of executive orders released on January 20, the House is considering an array of potential cuts to Medicaid, Medicare and the ACA, among other health-related proposals. Our team is analyzing these proposals and developing advocacy strategies to protect services for California's most vulnerable.

The sheer volume and magnitude of what is under consideration make it clear that it will take an enormous effort—by all of us—to beat them back or at least mitigate their impact. We will need to be smart and strategic in terms of how we advocate, depending on the issue: whom we work with, how we message, and what role we play in carrying those messages. As always, thank you in advance for partnering with us to persuade your elected officials to preserve and sustain health care access for all Californians.

Yours,  
Erica Murray

President & CEO  
California Association of Public Hospitals & Health Systems

## State

### Support for Medi-Cal Members Impacted by Wildfires: Eligibility and Pharmacy Updates

The Department of Health Care Services has issued Medi-Cal Eligibility Division Information Letters [25-02](#) and [25-03](#) to guide counties in assisting individuals impacted by the wildfires. These letters outline flexibilities related to processing applications, delaying disenrollments, and reinstating coverage to help families in impacted areas enroll or renew Medi-Cal coverage with minimal delays. Counties are also required to extend benefits, allow additional time for verification submissions, and ensure uninterrupted access to Medi-Cal services. Additionally, Medi-Cal has [waived](#) prescription signature requirements for members and issued a provider alert enabling early refill authorizations.

### All Facilities Letters Announce Waivers for Skilled Nursing Facilities and Hospitals in Southern California

On January 2, the California Department of Public Health released All Facilities Letters [25-02](#) and [25-03](#) granting temporary regulatory waivers for skilled nursing facilities and hospitals in Los Angeles and Ventura Counties due to the state of emergency caused by fires and windstorm conditions. Effective until March 31, 2025, the waivers temporarily suspend enforcement of specific licensing, space, and staffing requirements. Members are encouraged to contact their [local district office](#) with questions.

## **Department of Homeland Security (DHS) Recission of Protected Areas Policies and Resources to Support Health Care Providers**

DHS recently [rescinded a Biden-era policy](#) that protected certain locations, such as medical facilities and hospitals, from immigration enforcement. The [National Immigration Law Center has created a factsheet](#) describing what the prior policy was, what law now applies to those areas, and steps that can be taken to support undocumented immigrants in continuing to access community spaces and services, including recommendations for health care providers. CAPH will continue to provide updates and share resources as they become available. Given the rapidly evolving landscape of immigration policy, we encourage public health care systems to collaborate with their legal teams to develop appropriate response procedures.

## **Office of Health Care Affordability (OHCA) Update**

OHCA and its Health Care Affordability Board are continuing to move quickly to develop health care spending targets for the hospital sector, including potentially lower targets for hospitals determined to be high cost. The [Board will convene on January 28](#) to further discuss the criteria for defining high-cost hospitals. OHCA is expected to present its recommended sector target value(s) to the Board by February. CAPH has concerns with the preliminary metrics OHCA has used to assess high-cost hospitals, which are shaping the Board's discussions. CAPH is submitting comments to outline these concerns and urge for the board to delay the adoption of high-cost hospital sector targets CAPH will continue to update members on any developments.

## **CalAIM PATH CITED Round 4 Funding – Transitional Rent**

With the approval of Transitional Rent under BH-Connect, providers can now apply for CITED Round 4 Funding to build capacity and infrastructure to implement Transitional Rent. The Department of Health Care Services (DHCS) will host a webinar on January 27 at 10:00 am ([advanced registration required](#)), explaining the requirements to apply for CITED funding. A key requirement includes obtaining a [Letter of Support](#) from County Behavioral Health Departments. Additional guidance is available [here](#) and on the [PATH CITED webpage](#). Application for CITED Round 4 funding are due March 7, 2025.

## **Policy Changes for Medi-Cal Rx Pediatric Integration**

Effective January 31, 2025, Medi-Cal Rx will implement prior authorization (PA) requirements for new start drugs/products for members aged 21 and younger. "New start" patients are those initiating therapy or who have not had a paid claim for the medication within the previous 15 months. PA requests may be submitted up to 100 days in advance for new start therapies, renewals or refills requiring prior authorization. This excludes Medi-Cal and California Children's Services-eligible members under one-year old. Pharmacy providers can refer to the [announcement](#) for additional guidance on the policy adjustments. For questions contact [Medi-Cal Rx Education Outreach](#).

## **New Payment Authorized for Dyadic Services Delivered by FQHCs**

On January 6, the Centers for Medicaid and Medicare Services [approved](#) California's State Plan Amendment (SPA) to allow an Alternative Payment Methodology in Medi-Cal to pay Federally Qualified Health Clinics (FQHCs) at the Medi-Cal fee-for-service rate for dyadic services under specific conditions. This payment will supplement the regular prospective payment system rate. The policy is retroactively effective as of March 15, 2023. DHCS will provide additional policy details in an upcoming Medi-Cal Provider Manual update.

## **New Data Exchange Framework (DxF) Directory User Guide**

The Center for Data Insights and Innovation (CDII) created a new [Participant Directory User Guide](#) to help DxF Participants in navigating the Participant Directory for data exchanges. The guide includes scenarios illustrating how intermediaries and organizations should use the Participant Directory to establish data connections. For questions, contact

## Federal

### Next Federal Lobby Event February 24-25

CAPH will be joining America's Essential Hospitals (AEH)'s federal lobby day on February 24-25. We hope as many members as possible join us to urge our California Congressional delegation to oppose proposed cuts to Medicaid, Medicare, and the ACA. If you can attend, please contact [Andrea Rivera](#). A [preliminary agenda](#) for AEH programming is available and discounted hotel rates at the Hilton Washington DC, Capitol Hill are available if booked before February 3. For additional questions, please reach out to Andrea Rivera.

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## Resources

### Updated State Health Information Guidance

The CalHHS Center for Data Insights and Innovation released an updated version of the [State Health Information Guidance \(SHIG\)](#), ensuring compliance with current state and federal regulations. Each of the five volumes has been revised and updated in 2024, and a "Change Log" summarizing updates is included in each volume. Members can use the SHIG to guide decisions regarding data sharing and privacy.

### Telehealth's Evolution in California: Progress, Challenges, and Opportunities

The California Health Care Foundation (CHCF) [released a report](#) on the progress and challenges of telehealth adoption in California. The report highlights policy advancements, ongoing barriers, and future opportunities. To guide future efforts, CHCF has developed roadmaps with actionable steps for policymakers, health systems, health plans, and researchers.

To discuss key findings and recommendations, CHCF will host a webinar on Thursday, February 6 at noon. Register for the webinar [here](#).

### Workforce Well-Being Leadership Professional Development Program

The Institute for Healthcare Improvement (IHI) is providing a 14-week virtual professional development program designed to equip health care leaders with the skills, tools, and methods to be a transformational leader and drive workforce well-being initiatives. This program is open to individuals responsible for workforce well-being within health care organizations and will cover such as individual leadership skills, improvement methods, and proven strategies and tools for addressing the organizational drivers of burnout.

You can learn more about the program [here](#). Applications are due March 25.

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