

March 7, 2025 - President's Message

Dear Public Health Care System Leaders,

Every so often I learn about the amazing work happening at public health care systems that lifts me up and reminds me why it's so important to fight to preserve and protect public health care systems. The most recent example came from James Jackson, CEO of Alameda Health System (AHS).

James told me about Dushown Ledbetter, an AHS patient, who was going about his daily routine when his world suddenly went dark. A thick fog took over his vision, leaving him nearly blind. Thanks to the expertise and dedication of Jonathan Hernandez, MD,

Chief of Ophthalmology at AHS, Ledbetter's sight—and his future—were saved. Diagnosed with a rare juvenile form of glaucoma, Ledbetter was on the brink of permanent blindness. Through specialized surgical interventions, Hernandez and his team not only restored his vision but enabled him to continue his passion for music, raise his children, and work to support his family.

Ledbetter's story is just one of thousands. It is a testament to the critical role that public health care systems play in ensuring access to high-quality, specialized medical care for those who need it most. It's also a reminder that without adequate funding, these lifesaving interventions would not be possible. Public health care systems serve communities where chronic conditions like glaucoma, diabetes, and heart disease are [more common](#)—often diagnosed too late due to systemic barriers. At AHS and across California, dedicated PHS professionals work tirelessly to close these gaps, delivering expert, compassionate care to those who need it most.

We cannot take this care for granted. Public health care system funding has always been uncertain and now faces serious federal threats. Without it, we risk losing the expertise and resources that make stories like Ledbetter's possible. That's why our advocacy is essential—to ensure policymakers understand what's truly at stake. You and your teams do more than provide care; you support families, strengthen communities, and save lives.

Sincerely,

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

PS. A big thank you to AHS for sharing this [patient's story](#). If you have similar stories, we'd love to [hear them](#)!

State Update on State Legislation

The deadline to introduce legislation was February 21, and the State Legislature will soon begin reviewing proposals in committee hearings. Beginning March 18 and 19, the Assembly and Senate Health Committees will convene to discuss the merits and intent of

proposed legislation before a broad audience of advocates, lobbyists, and health care policy organizations. CAPH is closely tracking bills and will provide an update to members by the end of March, as well as throughout the year.

Update on Assembly and Senate Budget Committee Hearings

Over the last week, the Assembly and Senate subcommittees held their first budget hearings of 2025. The discussions focused on an array of health topics under the purview of the California Department of Public Health (CDPH), the Department of Health Care Services (DHCS), and the Department of Health Care Access and Information (HCAI). These hearings provided an opportunity to continue to raise our concerns with the Office of Health Care Affordability (OCHA), lift up the importance of PHS receiving an equitable distribution of the Managed Care Organization tax funding, and advocate for continued funding of myCAvax.

During these hearings, CAPH provided public comments to emphasize the critical role of myCAvax in supporting public health care systems' ability to efficiently distribute and manage vaccines for the communities they serve. Additionally, the Legislature heard concerns regarding delays in appointing members to the stakeholder advisory group. Stakeholders including CAPH urged the Administration and Legislature to ensure timely implementation of the rate increases.

Meanwhile, the Assembly held its first budget oversight hearing related to OCHA since the office was established in 2022. Several committee members raised questions about OCHA's spending targets and its collaboration with hospitals thus far. CAPH will continue to raise concerns related to the methodology and metrics, which fail to account for the unique services and role of public health care systems.

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 highlight the federal-level challenges we face.

To confirm your attendance and receive the hotel room block link for a discounted rate, contact [Andrea Rivera](#) by March 11.

Office of Health Care Affordability

Last week, OHCA presented its proposal to identify "high-cost hospitals" in California and establish progressively lower spending targets for them over time. Beginning in 2026, the spending target will be set at 1.8%, with gradual reductions until it reaches 1.6% by 2029. These proposed targets would take effect next year (see slides 30-40 [here](#)). Notably, no public health care systems were included in OHCA's recommendations. The proposal could still change and CAPH will continue to monitor any developments closely.

Overall, the Health Care Affordability Board appeared supportive of the proposal, and did not raise significant concerns. However, the Board posed questions regarding how OHCA is notifying or engaging with hospitals identified as high-cost, how health systems are being measured within the proposed metrics, and how hospitals trending toward lower revenue—a positive direction—would be treated under the lower growth target.

OHCA and its Board will continue discussing this proposal at upcoming meetings, with a final vote expected in April or May to meet the June 1 deadline for adopting next year's target(s). Public comments on the proposal are open until April 11, and CAPH plans to submit comments on behalf of its member systems.

Updated CalAIM Community Supports Services Definitions

DHCS has released [updated definitions](#) for four Community Supports set to take effect on July 1, 2025: Nursing Facility Transition/Diversion to Assisted Living Facilities, Community Transition Services/Nursing Facility Transition to a Home, Asthma Remediation, and Medically Tailored Meals/Medically Supportive Food. These updates aim to address the challenges identified by providers and health plans as they implement services. DHCS expects to release additional revisions for housing-related Community Supports in spring

CDII Finalizes Amendment to Data Exchange Policies & Procedures

The Center for Data Insights and Innovation has finalized [version 1.2](#) of the Data Elements to Be Exchanged Policies & Procedures (P&P) following public comment in January 2025. Effective January 1, 2026, Data Exchange Framework (DxF) Participants must exchange health and social services information in compliance with the US Core Data for Interoperability (USCDI) version required by the Assistant Secretary for Technology Policy/Office of the National Coordinator for Health Information Technology.

Until then, [version 1.1](#) remains in effect, requiring data exchange under USCDI v2 through December 31, 2025.

California Department of Public Health (CDPH) Releases All Facility Letters (AFLs) on New Laws

[AFL 25-06 Assembly Bill \(AB\) 1316 – Emergency Services: Psychiatric Emergency Medical Conditions](#)

This AFL notifies facilities about changes made under AB 1316, which took effect on January 1, 2025. Specifically, the new law clarifies that the definition of “psychiatric emergency medical condition” is applicable regardless of whether the patient is voluntary or is involuntarily detained for evaluation and treatment. The law:

- Prohibits contractual duties among hospitals, physicians, and government agencies that are related to emergency care or patient transfers from unreasonably delaying or denying medically necessary care for a psychiatric emergency medical condition, regardless of whether the patient is voluntary or involuntarily detained under the LPS Act.
- Clarifies that a provider is not required to seek prior authorization to make a transfer for a patient with a psychiatric emergency medical condition unless otherwise required by law.
- Requires DHCS's Medi-Cal program and Medi-Cal managed care plans to cover all emergency services and care necessary to relieve or eliminate a psychiatric emergency medical condition, regardless of duration or whether the patient is voluntary or involuntarily detained under the LPS Act.

[AFL 25-07 AB 3030 – Health Care Services: Artificial Intelligence \(AI\)](#)

Effective January 1, 2025, AB 3030 requires health facilities and clinics in California must include a disclaimer when using generative AI to communicate patient health information.

- The disclaimer must be clearly displayed or verbally stated, depending on the mode of communication.
- It must provide clear instructions on how a patient can contact a human provider.

[AFL 25-09 Senate Bill \(SB\) 963 – Self-Identification by Victims of Human Trafficking or Domestic Violence](#)

This AFL notifies health facilities with emergency departments of SB 963, requiring them to adopt policies and procedures by January 1, 2025, to help patients who self-identify as victims of human trafficking or domestic violence.

Hospitals must:

- Ensure confidentiality and a safe and discreet reporting process.
- Offer private interviews with medical personnel
- Facilitate a reasonably prompt and private interview of the self-identifying patient by medical personnel to provide information to the patient regarding local services and resources for victims of human trafficking or domestic violence, if any. The patient may choose to decline the private interview.

Recap of February 2025 Federal Lobby Day

On February 25, public health care systems met with 30 members of Congress and their staff for timely discussions on the importance of protecting Medicaid. These meetings included key Republican members in the California delegation, newly elected Congressional members, and Democratic representatives who were able to hear first-hand from public health care system leaders in their districts about the anticipated impact of proposed Medicaid cuts on the communities they serve.

While the House vote did not yield the outcome we had hoped for, both chambers must now reconcile their budget resolutions. Congress is now focused on passing a bill to continue to fund the government. They must pass something by March 15 or there will be a federal government shutdown. CAPH and other stakeholders have been advocating for Congress to include a delay of Medicaid DSH funding cuts, which are set to take effect on April 1. CAPH has signed a letter with CHA urging the California delegation to ensure a delay is included in the funding package.

Executive Order on Immigrants and Public Benefits

Last month, President Trump signed an [executive order](#) titled “Ending Taxpayer Subsidization of Open Borders.” The order declares it aims to defend against the “waste” of resources by reinforcing the 1996 Personal Responsibility and Work Opportunity Act, which excludes immigrants, both documented and undocumented, from many public benefits. Among its key directives, the order requires federal agencies to:

- Identify federally funded programs that currently permit undocumented persons to obtain cash or non-cash benefits and align them with the order’s intent and applicable federal law.
- Enhance eligibility verification systems such as those used by states to determine Medicaid and nutrition support eligibility, to exclude individuals who entered the U.S. without authorization.

Additionally, the order mandates the Office of Management and Budget and the administrator of the U.S. Department of Government Ethics (DOGE) to identify other sources of federal funding for undocumented individuals and recommend agency action within 30 days.

The impact of this order remains unclear. Federal law already bars undocumented immigrants from federally funded public benefits and existing eligibility verification systems make it unlikely they receive benefits for which they are ineligible. However, this move likely signals the Administration’s intent to reintroduce changes to the public charge rule. The order does not set a specific deadline for agency actions and any major changes to public benefits eligibility would likely require regulatory changes. CAPH will continue monitoring developments and share updates as needed.

For additional insight on the order, see [this explainer](#) by the National Immigration Law Center.

CMS Rescinds Guidance on Health-Related Social Needs

This week, the Centers for Medicare and Medicaid Services (CMS) [rescinded two pieces of guidance](#) on Medicaid coverage for Health-Related Social Needs (HRSN). The prior bulletins, released in 2023 and 2024, discussed opportunities available under Medicaid to cover certain services and supports aimed to address HRSN and offered a coverage framework to support state Medicaid programs with implementation of coverage of these.

In its announcement this week, CMS indicates it will review state applications to assess eligibility for approval on a case-by-case basis rather than referencing prior guidance. CMS is not expected to retroactively remove approvals for these services. CAPH will continue to monitor developments in this area to understand potential impacts and CMS’ treatment of HRSN coverage requests and assess potential impacts on public health care systems.

Proposed Rule to Update to HIPAA Security Standards

The U.S. Department of Health and Human Services (HHS) Office for Civil Rights (OCR) has released a [Notice of Proposed Rulemaking](#) (NPRM) to update the HIPAA Security

Rule. The seeks to update definitions and implementation specifications while introducing defined compliance timeframes for various requirements. It also establishes new cybersecurity mandates for covered entities and Business Associates (as defined under HIPAA), requiring organizations subject to the Security Rule to implement enhanced protections and safeguards for individuals' electronic protected health information.

CAPH has initial concerns about the feasibility of certain proposed requirements for hospital operations, including:

1. Requiring laptops to be secured at all times.
2. Strict notification timeframes.
3. Extensive documentation requirements.

The California Hospital Association plans to submit comments highlighting these concerns. CAPH will continue to monitor developments and keep members informed of any updates.

Resources

Webinar Series for Members on Immigrant Health – First Webinar March 13

CAPH/SNI is launching a webinar series to support members in navigating and responding to recent and potential changes related to immigration policy and enforcement actions.

Session 1: Understanding the Evolving Policy Landscape

Thursday, March 13, 12-1p.m. Register [here](#).

In partnership with Foley & Lardner, this session will provide an overview of existing applicable immigration laws, recent proposals and policy changes emerging from the federal administration, potential impacts and considerations for public health care systems and patients, and considerations to help prepare for what lies ahead.

Following this webinar, CAPH/SNI will host two additional sessions in the coming weeks. These will focus on immigrant health, specifically on promoting safe spaces within public health care systems and communication strategies to support and protect patients' rights.

Stay tuned for upcoming announcements with dates and registration details.

Camden Coalition Webinar on Immigrant Health

The Camden Coalition will be hosting a webinar on *March 20 from 11a.m. to 12 p.m.* focused on supporting person-centered care in immigrant communities. Participants will have the opportunity to hear from experts on immigrant health, learn about resources and implementation strategies to support and protect immigrant communities, and connect with other care providers from across the country to share experiences, insights and best practices. Register [here](#).

Webinar Series: How Public Health Care Systems Successfully Increased Access Across Inpatient and Outpatient Settings

SNI invites you to a new webinar series focused on strategies to optimize access to timely, high-quality patient care. Participants will hear from public health care system leaders who have successfully expanded access to primary care, specialty care, and emergency department services.

Cancer Navigation: Closing the Specialty Care Access Gap

March 25, 1-2 p.m. Register [here](#).

In Part 1 of the series, Los Angeles County Department of Health Services (LADHS) will present their multi-year initiative to transform specialty care access by redesigning scheduling pathways, enhancing collaboration between primary care providers and

specialists, and tracking outcome data to target improvements. As a result, LADHS increased on-time specialty care visits by 20,000 annually and launched the Cancer Navigation Program in 2022. Since then, the program has helped nearly 2,000 patients navigate care for breast, cervical, uterine, ovarian, and colorectal cancer, and reduced diagnosis-to-treatment time by over 37 percent.

Streamlining Patient Flow: Reducing Delays to Improve Quality

April 14, 1-2 p.m. Register [here](#).

In Part 2, leaders from Riverside University Health System (RUHS) will share their comprehensive approaches for improving access to emergency department and primary care services. Their approach included a new Patient Flow Center, scheduling process improvements and standardized workflows, and leadership coaching.

As a result, RUHS saw significant improvements in patient access and outcomes: ED boarding time was reduced by 10 minutes, the average length of stay decreased by an entire day, and 8,120 additional patients received primary care—all without increasing the number of providers or compromising quality. These access enhancements also led to improved performance in well-child visits and child vaccination rates, providing a model for addressing challenging QIP measures.

New on the SNI Blog: Pragmatic AI Advice from UC San Diego Health's AI Expert

Artificial intelligence is revolutionizing health care—but how can safety-net hospitals and health care systems harness its potential effectively? In our latest [Safety Net Institute \(SNI\) blog post](#), UC San Diego Health's AI expert shares practical insights on leveraging AI for improved patient care, efficiency, and equity.

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