

May 2, 2025 - President's Message

Dear Public Health Care System Members,

Across our systems, there is so much to be proud of.

At Riverside University Health System, a close [partnership](#) with Inland Empire Health Plan led to a 43% improvement in blood pressure control through better data sharing and outreach. At [UC Davis Health](#), teams are using AI to help spot patients who need care early, focusing on those from communities that are often overlooked. These incredible advances show how our systems are not only caring for patients today, but also continuously building a better future for care.

These are prime examples of what happens when we give health care the resources it needs to succeed. But that progress is on the line.

Right now, Congress is considering \$880 billion in federal spending cuts, much of it aimed at programs like Medicaid. I know you understand exactly what is at stake. These proposed cuts would jeopardize the care you deliver every day and bring our progress on access and innovation to a grinding stop. That includes research, partnerships, and data-driven strategies like those highlighted above, which are proving what's possible when we invest in public health care.

The decisions made at the federal level will have deep and lasting consequences for Medi-Cal and for the patients and communities that depend on it. Cuts of this magnitude threaten the sustainability of our public health care systems, and worse yet, may force the state to make impossible choices as it prepares for the May revise, potentially widening gaps in access for those already facing the greatest barriers.

Our patients are counting on us. As we continue engaging with members of Congress and state leaders on these critical funding decisions, your collective voice remains one of the most powerful tools we have. I know that together, we can fight back against harmful policies and protect the future of care for the communities we serve.

Sincerely,

Erica Murray

President & CEO
California Association of Public Hospitals & Health Systems

**State
MCO Tax Update**

The Department of Health Care Services (DHCS) will hold the next Protect Access to Health Care Act (PAHCA) Stakeholder Advisory Committee meeting on **May 19, from**

10:00 a.m. to 3:00 p.m. The committee advises DHCS on the implementation of the Managed Care Organization (MCO) Tax under PAHCA.
Register to attend the event virtually [here](#).

CAPH previously submitted [comments](#) to guide early spending decisions for calendar years 2025 and 2026, urging timely distribution of the funding by advocating for a grant approach to expedite funding in alignment with the California Hospital Association's (CHA's) recommendations. CAPH also included a [recommendation](#) for how to distribute the \$150 million dedicated to public health care systems in a timely way. In related news, CHA will host a webinar on **May 8, from 8:00 a.m. to 9:00 a.m.** to provide an overview of Proposition 35, their strategy for timely implementation, and expected timelines for fund disbursement. Visit the [CHA website to register](#).

Office of Health Care Affordability Update

The Health Care Affordability Board met last week and voted to adopt a [modified version](#) of the Office of Health Care Affordability's (OHCA's) [proposal](#) to set lower spending targets for "high-cost" hospitals. The methodology identifies seven hospitals that will be subject to a lower spending target, starting at 1.8% next year and decreasing to 1.6% by 2029. Importantly, no public health care systems were captured as high-cost hospitals. However OHCA will review criteria and revisit the list of high-cost hospitals annually. CAPH will continue to monitor any developments and advocating for refinements that better reflect public health care systems' financing structures and unique roles.

OHCA also reviewed approaches it is considering for measuring hospital outpatient revenues, including potential data sources and intensity adjustments. The Hospital Payment Measurement Workgroup is scheduled to continue discussions this fall to continue refining its approach. CAPH will continue coordinating with the public health care system leaders and CHA to inform OHCA's methodology and evolving policy work.

EMSA Withdraws Emergency Regulations for AB 40 Implementation

On April 14, the Emergency Medical Services Authority (EMSA) withdrew its proposed emergency regulations to implement Assembly Bill 40 (2023), which aimed to address long ambulance patient offload times. In its notice, EMSA stated it would "revisit and refine the proposed regulations to better reflect the needs, values, and practical realities of the communities we serve." CAPH will continue to monitor and share updates as available.

CDPH Temporarily Pauses Hospital Bed Capacity System Rollout

The California Department of Public Health (CDPH) is temporarily pausing implementation of the Hospital Bed and Emergency Medical Services Data System, authorized by Assembly Bill 177 (2024), to finalize operational components. The system is designed to improve statewide insight into hospital bed availability. CDPH plans to reengage hospitals later this year. CAPH will continue to monitor this issue and share updates.

Updated CalAIM Community Supports Policy Guide

On April 30, DHCS released an updated Community Supports Policy Guide, which includes policy revisions and clarifications to the definitions of Community Supports. updates were informed by stakeholder input, including public health care systems. The updated guide is separated into two volumes and will be discussed in several upcoming DHCS webinars. *Advanced registration is required for both webinars.*

Volume 1 covers service definitions for eight Community Supports

- Webinar: Friday, May 16, 2025 | 11:00 AM – 12:30 PM PT, register [here](#).

Volume 2 focuses on seven housing related Community Supports including Transitional Rent

- Webinar: Wednesday, May 14, 2025 | 12:00 PM – 01:30 PM PT, register [here](#).

AB 1204: New Annual Hospital Equity Reporting Requirements

Beginning September 30, 2025, all California hospitals must submit detailed equity reports and plans to the California Department of Health Care Access and Information (HCAI) as required by AB 1204. CAPH/SNI have created an overview that highlights key requirements, timelines, and available support tools. Read the summary [here](#).

Federal

HHS Releases Report Challenging Gender-Affirming Care for Youth

On May 1, the Department Health and Human Services published a [400-page analysis](#) directed by the [executive order](#) on gender affirming care for minors. The report reinforces the administration's opposition to gender-affirming treatments such as hormone therapy and surgeries. CAPH is reviewing the report and will keep members updated on this issue.

Resources

DHCS Birthing Care Pathway Webinar

DHCS will host a Coverage Ambassador webinar on **May 29 from 11 a.m. to 12 p.m.**, focusing on the Birthing Care Pathway initiative. This session will provide an overview of maternity services available to pregnant and postpartum Medi-Cal members, spanning from conception through 12-months postpartum. Registration to attend the webinar can be found [here](#).

CHCS Webinar Series Launch: Expanding Assisted Living for Medi-Cal Populations

Join the first session in a new five-part webinar series on **May 20, 11:00 a.m. to 12:30 p.m.**, focused on improving access to assisted living for older adults and people with disabilities enrolled in Medi-Cal.

Hosted by the Center for Health Care Strategies (CHCS) and supported by the California Health Care Foundation (CHCF), this session will provide an overview of California's assisted living landscape, its role in the broader care and housing continuum, and key opportunities to expand access and financing.

View the [agenda](#) and register [here](#).

Apply Now: CHCF Health Care Leadership Program

The California Health Care Foundation's [Health Care Leadership Program](#) is now accepting applications for Cohort 25. This two-year, part-time program equips health care professionals with the skills to lead change and improve care for underserved communities. [Applications](#) are due **May 23, 2025**.

An informational webinar for prospective applicants will be held **Thursday, May 8 at 12:00 p.m.** Register [here](#).

Questions? [Email the program directly](#).

CAPH | 70 Washington Street, Suite 215 | Oakland, CA 94607 US

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