

November 22, 2024 - President's Message

Dear Public Health System Leaders,

As Thanksgiving approaches, it's a moment to reflect on the profound gratitude, connection, and sense of community that underpins all we do. This year has been marked by challenges and triumphs, and your unwavering commitment to serving marginalized communities shines as a beacon of hope and resilience.

We are deeply thankful for the tireless efforts of all of you—frontline health care workers, administrative teams, and everyone in between. From CEOs to custodial staff, your dedication ensures the delivery of high-quality care to all, especially those most in need.

Throughout 2024, CAPH members have exemplified our shared values in countless ways. Whether responding to public health emergencies, addressing staffing shortages, or finding innovative solutions to resource constraints, your resilience and adaptability have made a lasting impact.

Equally important are the partnerships we have built—with our supporters, policymakers, and fellow advocates. Together, we've made strides in advancing our health care goals, and your role in these successes cannot be overstated.

As we celebrate this season of gratitude, I encourage each of you to take time for rest and reflection. Connect with loved ones, recharge, and know that the work you do each day profoundly shapes your teams, patients, and communities.

From all of us at CAPH, I wish you and your families a joyful and restful Thanksgiving filled with warmth and gratitude.

With appreciation,

Erica Murray

President & CEO
California Association of Public Hospitals & Health Systems

P.S. With the holiday season and our annual conference approaching, we'll be pausing our regular Policy and Program updates. Keep an eye out for our final 2024 update on December 13!

**State
Update on the California State Election**

While the Governor was re-elected to a second term in 2022, and therefore has two years remaining in office, the Legislature will look quite different as a result of this year's election. Approximately 40 new legislators will be sworn into either the Assembly or Senate, and while both houses lost a couple of seats formerly held by Democrats, both houses will retain Democratic super-majorities.

With so many new members of the Legislature, along with anticipated committee chair changes, CAPH plans work with PHS to engage in a significant educational effort on the importance of public hospitals and health systems.

Finally, Governor Newsom and legislative leaders have called a special session in early December to start the offense against Trump. The special session will be focused on funding litigation and actions by the executive branch.

Office of Health Care Affordability (OHCA) November Board Meeting

This week, the [Health Care Affordability Board](#) met to discuss several important issues, including OHCA's development of sector-specific health care spending targets, provisional approaches to measuring hospital spending, and proposed measures for health care equity and quality, among others.

Key highlights:

- **Sector Specific Spending Targets:**
The Board is continuing to explore separate targets for hospitals with high spending or growth and/or by region. Discussions included whether different hospital types should be analyzed separately and the methodology for identifying outliers such as commercial payments as a percentage of Medicare reimbursement.
- **Measuring Hospital Spending:**
OHCA introduced a provisional approach to measuring hospital spending. Board members raised concerns about outpatient spending metrics, urging OHCA to refine methodology to better reflect actual service delivery. Public health care system leaders, along with CAPH and the California Hospital Association (CHA), are participating in a workgroup to help shape the methodology. Additional discussions on hospital spending measurement and sector targets are planned for the December 16 meeting.
- **Equity and Quality Measures:**
OHCA plans to incorporate measures from the AB 1204 Hospital Equity Measures Reporting Program into its quality and equity analysis of hospital performance. These measures could be included in future OHCA reports and used during reviews of corrective action plans for hospitals not meeting spending target performance requirements, however OHCA does not have direct enforcement authority over performance on the measures. Public health care systems are represented on the [AB 1204 Hospital Equity Measures Advisory Committee](#), which provides input on the measures. Because these measures were created separately from OHCA, CAPH is carefully reviewing these measures to ensure they align with OHCA's goals.
- **Board Leadership Update**
The OHCA Board elected CalHHS Secretary Kim Johnson as the new Board Chair.

CAPH continues to monitor OHCA developments and is working with OHCA, member leaders and other stakeholders to advocate in the best interest of public health care systems.

CalAIM Updates

- **Justice-Involved Initiative Needs Assessment:**
DHCS is requesting providers to complete a [needs assessment](#) to identify technical assistance requirements for implementing the Justice-Involved Initiative.
- **PATH CITED Funding:**
Applications for the fourth and final round of PATH CITED funds will open on January 6, 2025. PATH CITED supports capacity-building for Enhanced Care Management and Community Supports services. Key webinars include:
 - **Information Session:** January 7, 2025, 11:30 AM
 - **Grant Application Support (Part 1):** January 16, 2025
 - **Grant Application Support (Part 2):** February 3, 2025

Request for Comments: Community Health Worker Provider Manual

DHCS is requesting feedback on proposed updates to the [Community Health Worker \(CHW\) Provider Manual](#). The updates would add new Healthcare Common Procedure Coding System (HCPCS) codes recently adopted by CMS for [community health integration services](#). Feedback about the proposed changes is due to DHCS at

Data Exchange Framework (DxF) Updates

The Center for Data Insights and Innovation (CDII) has released a [draft amendment](#) to the DxF Data Sharing Agreement (DSA) Data Elements to Be Exchanged Policy and Procedure (P&P) for public comment. The amendment proposes automatic updates to align the United States Core Data for Interoperability (USCDI) standards for DxF Participants with federal requirements starting January 1, 2026. If adopted, DxF Participants would use USCDI version 3 by this date, with future updates automatically reflecting federal requirements.

CDII is seeking feedback on two options:

1. Proceeding with automatic alignment to future federal updates, or
2. Requiring only USCDI version 3 for DxF Participants by January 1, 2026, with future updates assessed separately.

Comments are due to CDII by January 2, 2025, and can be submitted via email to DxF@chhs.ca.gov using [the template](#) provided by CDII. Additional guidance on preparing and submitting comments can be found [here](#).

Additionally, CDII has issued a [request for information \(RFI\)](#) to gather input on a proposed statewide service that would allow providers and recipients of events, such as admissions and discharges, to manage notifications efficiently. This is intended to support a statewide system for notifying authorized DxF Participants about significant events upon request, a goal in the State's three-year [DxF roadmap](#). Responses to the RFI, including feedback on the services feasibility and design are due by December 20, 2024. Detailed instructions for submitting comments are included in the RFI.

New Guidance on National Hospital Data Reporting Requirements

On November 20, the California Department of Public Health (CDPH) published an [All Facilities Letter \(AFL 24-25\)](#) announcing that, effective November 1, 2024, hospitals must electronically report data on COVID-19, influenza, and respiratory syncytial virus (RSV) to the U.S. Department of Health and Human Services through the Centers for Disease Control and Prevention's National Healthcare Safety Network (NHSN). To support this reporting requirement, CDPH is developing automated systems to facilitate hospital data reporting, including:

- Electronic Case Reporting
- Hospital Beds and EMS Data System
- California Syndromic Surveillance via the BioSense Platform.

Please email questions about reporting directly to [NHSN](#).

Federal

2025 Outpatient Prospective Payment System (OPPS) Rule Finalized

The Centers for Medicare & Medicaid Services (CMS) has released the calendar year 2025 OPPS [final rule](#), featuring a net 2.9% market basket update and an estimated \$2.2 billion increase in hospital outpatient payments. Key policy updates include:

- New health and safety standards for obstetrical services.
- Adjustments to telehealth flexibilities and in-person visit requirements, which will take effect unless Congress acts to extend these flexibilities.
- Efforts to remove coverage barriers for individuals involved with the criminal justice system.

For additional details, refer to [CMS' fact sheet](#).

Resources

Now Accepting Applications: The California Improvement Network

The California Improvement Network (CIN) is a learning and action community that brings together health care organizations (HCOs) including providers, payers, and technical assistance organizations – alongside community-based and social service organizations (CBOs). Together, CIN members collaborate to advance equitable health care experiences and outcomes for Californians through cross-sector connections, sharing innovative ideas, and implementing improvements.

CIN is currently recruiting 18 HCOs and 7 CBOs for the upcoming two-year cycle running from March 2025 to March 2027.

Details about the application process, including eligibility requirements, are available [here](#). Interested organizations should email [Lauren Forsell](#) by **December 2, 2024**, to signal their intent to apply. Full applications are due January 13, 2025.

2024 Federal Advocacy Day with CAPH and America's Essential Hospitals (AEH)

CAPH looks forward to engaging with federal policymakers and members of Congress, in collaboration with America's Essential Hospitals (AEH), on December 9 – 10, 2024. Join us as we collectively urge Congress to prevent Medicaid DSH cuts, which would result in a loss of more than \$800 million in funding for California's public health care systems. We will also work to educate policymakers on other critical issues such as telehealth and its importance for equitable access to care.

To arrange meetings with your congressional representatives, please contact [Andrea Rivera](#), CAPH's Senior Government Relations Analyst. The full agenda for AEH programming is now [available](#).

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