

November 8, 2024 - President's Message

Dear Public Health Care System Leaders,

Like you, I have spent most of the week trying to absorb the result of the presidential election and contemplate its potential impact on public health care systems, our patients, the country, and the world.

As a community that has dedicated our lives and careers to helping others, moments like these can be clarifying; they can reinforce the importance of what we do on behalf of marginalized communities. Our work will be more essential than ever.

At the same time, we are facing much uncertainty as to the specific impacts that the next Administration, Congress and the Supreme Court could have on California's health care safety net and our patients. As I've mentioned, the CAPH Board spent two days in September planning and preparing for multiple scenarios to be as prepared as possible for this moment. I can assure you that while we do not know exactly how it will all play out, we are ready to defend and protect the right of everyone to enjoy optimal health. CAPH has led public health care system advocacy for more than 40 years, successfully navigating policy and Administration changes. I have every confidence we will continue to do so.

Navigating change and uncertainty with resilience and creativity are the core features of CAPH's history, and public health care systems do it well because we remain committed to our mission, our work and each other.

The CAPH Board will be meeting again to map out a strategy for the remaining days of the Biden Administration and plan for 2025. On Wednesday, November 20, in lieu of our normal pre-Board meeting "background" webinar, we will hold a special webinar to share the results of this discussion. Please stay tuned for calendar changes so you can participate.

Thank you for your continued focus on caring for those who need it most.

With gratitude,

Erica Murray

President & CEO
California Association of Public Hospitals and Health Care Systems

State**Proposition 35 Passes**

Proposition 35 passed this week with strong voter support. Contingent federal approval from the Centers for Medicare and Medicaid Services (CMS), Proposition 35 will make permanent a tax on managed care organizations (MCOs) initially set for a three-year term under the 2023 Budget Act. The initiative also mandates a dedicated spending plan for a significant portion of MCO tax revenue, primarily aimed at increasing specified Medi-Cal

provider rates. Details on the spending plan can be reviewed [here](#).

CAPH estimates that California's public health care systems could receive around \$300 and \$400 million, with \$150 million set aside specifically for Designated Public Hospitals. CAPH will be working with DHCS and other stakeholders as discussions begin about how this funding will be allocated within each of the different buckets of the spending plan. CAPH will continue to provide updates as more information becomes available.

Draft Data Exchange Framework (DxF) Roadmap Released

At the November 7 meeting of the Joint Implementation Advisory Committee and Data Sharing Agreement Policies and Procedures Subcommittee Meeting, the Center for Data Insights and Innovation (CDII) released a draft [DxF Roadmap](#). The document outlines the California's priorities for data exchange over the next few years, covering six focus areas: event notifications for coordinated care, a social service data strategy, consent and identity management, public health data integration, impact measurement, and participant engagement. Designed to align with other CalHHS initiatives, the roadmap highlights collaborative opportunities including those with CalAIM, and addresses the challenges within priority areas, along with recommended goals and solutions. CAPH will work with member health information exchange leaders to gather feedback on the draft. Comments are due by December 9 and more information on how to submit comments can be found [here](#).

2025 Updates to California's Hospital Fair Pricing Act: Financial Assistance Policies

[Assembly Bill 2297](#) and [Senate Bill 1061](#) change California's Hospital Fair Pricing Act, taking effect on January 1, 2025. Key updates include redefining "charity care" as "free care" and "discount payment" as "any charge for care that is reduced but not free." Hospitals can no longer consider a patient's monetary assets when assessing eligibility for discounted payments or charity care. Instead, eligibility will be based solely on income level relative to the federal poverty line, with recent pay stubs or tax returns accepted as proof of income. While hospitals may accept other types of income documentation if offered, they cannot require it.

If a patient does not submit an application or proof of income, hospitals can still determine eligibility for charity care or discounts based on available information or prior eligibility assessments. Additionally, hospitals also cannot mandate patients apply for Medicare, Medi-Cal, or other programs before giving discounted care, though they may request participation in a Medi-Cal eligibility screening.

Hospitals must also update their financial assistance and debt collection policies to comply with these changes and submit policy revisions to California's Department of Health Care Access and Information (HCAI) by January 1, 2025. Failure to comply or to submit complete documentation could result in fines. Hospitals are encouraged to contact HCAI for deadline extensions, if needed. The California Hospital Association recently held a webinar to cover these new requirements in more detail and those slides can be found [here](#).

Federal

Medicare Coverage Changes for Care Coordination Services in FQHCs

The Centers for Medicare and Medicaid Services (CMS) is finalizing several changes related to coverage of care coordination services delivered at Federally Qualified Health Centers (FQHCs) as part of its Calendar Year (CY) 2025 Medicare Physician Fee Schedule (PFS) Final Rule. Starting in 2025, FQHCs will need to report individual billing codes for care coordination services instead of using the single HCPCS code G0511. CMS will allow a transition period lasting at least until July 1, 2025, to allow FQHCs to update their billing systems for this new reporting requirement. CMS will also permit billing of the add-on codes associated with these services.

Additionally, CMS is adopting coding and policies for Advanced Primary Care Management services for FQHC payments. Payments for these services will be at the national, non-facility, PFS rates when the individual code is included on an FQHC claim

and will be in addition to the prospective payment system rate. Additional details on these changes can be found [here](#).

Resources

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. Each year, our members are invited to join essential hospitals throughout the nation to advocate for vital services and enhance understanding of the unique role public health systems play in serving our communities. Join us as we collectively urge Congress to prevent Medicaid DSH cuts, which would result in a loss of funding for PHS of more than \$800 million.

To secure meetings with your congressional representatives, please contact [Andrea Rivera](#), CAPH's Senior Government Relations Analyst. The full agenda for AEH programming is now [available](#). Additionally, a [discounted hotel rate](#) is available at the Hilton Washington DC, Capitol Hill if booked by November 18. For further questions, please reach out to Andrea Rivera.

Countdown to the 2024 CAPH/SNI Annual Conference

The 2024 CAPH/SNI Annual Conference is around the corner, and there's still time to join us! Don't miss out — [register here](#) for the event happening December 4-6 at the beautiful Meritage Resort and Spa in Napa, CA. This year's theme, *Our Mission: Prioritizing Patients*, will inspire thought-provoking discussions on keeping patients at the heart of health care. Get ready for engaging sessions, network with public health care leaders and discover innovative strategies for improving quality of care in our communities. The last day to register is Friday, November 29.

We are thrilled to give you a sneak peek of our impressive lineup of speakers and panels, all focused on our shared mission to prioritize patients. Stay tuned for more exciting updates on our [website](#) — Lots more to come!

Playbook for Complex Discharges

The California Health Care Foundation (CHCF) released a new resource for organizations managing complex discharges from acute hospitals or skilled nursing facilities. The [Playbook for Complex Discharges](#) includes recommendations for how hospitals, skilled nursing facilities, health plans, and county behavioral health agencies can effectively partner to address the backlog of patients who are ready for discharge but lack options to return to the community.

Community Care Hubs

A new CHCF report outlines the landscape of "[community care hubs](#)," a growing network of public and private entities, including public health care systems, bridging the gap between managed care plans and direct services providers. These hubs offer centralized contracting, administrative support, and other services, playing an increasingly important role in CalAIM. They often support community-based organizations that are new to Medi-Cal billing and other requirements.

Coverage Ambassador Webinar

On November 14, from 11-11:45am, DHCS will host a *Coverage Ambassador* webinar. The webinar will cover strategies to engage with Medi-Cal members, provide information about benefits, and guide participants on how to access resources. Register for the webinar [here](#).



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