

**September 26, 2025 - President's Message**

Dear Public Health Care System Leaders,

As we enter fall and continue navigating a year of uncertainty and ongoing challenges, I want to acknowledge the exceptional work you continue to do for your communities while managing both operational pressures and policy uncertainties.

With the start of the next federal fiscal year on October 1 and continued uncertainty around a budget agreement, we are confronting the possibility of a federal government shutdown. On top of that, two essential health care policies—Medicaid DSH payments and Medicare telehealth flexibilities—are currently tied to the passage of a Continuing Resolution (CR) to fund the federal government. If a CR is not passed by Congress and signed into law by President Trump, the federal government will shut down and for at least some period, we will see Medicaid DSH cuts go into effect, and Medicare telehealth flexibilities expire.

If Medicaid DSH cuts go into effect, that will mean a loss of \$856 million annually for California's public health care systems. Several Medicare telehealth waivers also expire September 30, including patients' ability to receive non-behavioral telehealth services from home, FQHC and RHC authority to serve as distant site providers, flexibility on originating site and geography requirements, and continued use of audio-only visits. There continues to be bipartisan support for both policies, but their future remains linked to broader congressional negotiations on the federal budget.

We're continuing to work closely with our federal partners to ensure our Members of Congress understand the impact these cuts would have on our ability to serve our patients and communities. Thank you to each of you for your continued advocacy on this as well. As developments unfold, CAPH will provide timely updates and continue to work closely with you to be sure Members of Congress remain supportive of ensuring these provisions are included in any CR. If the federal government shuts down, we also will keep you posted on possible implications for your operations and funding.

I recognize the weight these uncertainties and others place on our systems, affecting everyone from administrators to frontline staff—and I'm grateful for your continued commitment to those you serve while navigating an increasingly complex policy and political landscape.

Sincerely,

Katie Rodriguez  
Interim President & CEO  
California Association of Public Hospitals & Health Systems

*Note: Erica Murray is currently on sabbatical. During this time, I will be sharing these updates with you on behalf of CAPH/SNI.*

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**State****2025-26 End of Legislative Session Update**

On Sept. 13, the 2025-26 legislative session concluded with hundreds of bills heading to the governor for his signature. The governor is expected to make all final decisions on

legislation no later than Oct. 13.

Over the course of this session, legislators voted on 2,350 bills in various policy and fiscal committee hearings to debate the merits of proposed legislation, understand potential cost implications, and weigh the political agendas of the legislature and the Newsom administration.

CAPH will continue its monitoring and advocacy efforts through October, ensuring that public health care systems' interests are protected during this critical decision period.

Additional details can be found in CAPH's [End of Session Summary](#).

### **Medi-Cal Program Changes Consumer Resources Available**

The Department of Health Care Services (DHCS) released an [online resource](#) to provide Medi-Cal members with information about upcoming changes to the program enacted via the 2025-26 state budget and HR 1. DHCS will continue to share updates as new information becomes available.

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## **Federal**

### **Presidential Proclamation Restricts H-1B Visa Program**

Last week President Trump issued [a proclamation](#) implementing significant changes to the H-1B nonimmigrant visa program that may impact members who utilize these visas for health care professionals.

The proclamation restricts entry of certain H-1B nonimmigrant workers, citing concerns about program integrity and workforce impacts.

#### **Key Changes:**

- **New Fee Structure:** Companies must now pay a \$100,000 fee per petition for H-1B workers outside the U.S., unless exempted by the Secretary of Homeland Security for national interest reasons
- **Wage Requirements:** The order directs rulemaking to raise prevailing wage levels and prioritize admission of higher-paid, highly skilled workers
- **Duration:** Restrictions are initially set for 12 months

This policy change may affect member workforce planning and recruitment costs. CAPH will continue monitoring developments and provide updates as additional guidance becomes available.

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## **Resources**

### **CalHHS Webinar Series: Federal Policy Changes and Vaccine Access**

The California Health & Human Services Agency (CalHHS) is hosting a [webinar series](#) addressing federal policy changes in health and human services and California's response.

The most recent session was held on Sept. 23, focusing on vaccine access and guidance. The [webinar recording](#) and [slides](#) for this session are now available online. A [previous webinar](#) in the series covered H.R.1 in July.

#### **Key takeaways from the latest session:**

- **Coverage protections:** As of January 1, 2025, all health plans regulated under California law must cover CDPH-recommended vaccines with no cost-sharing, prior authorization, or utilization management
- **Expanded Medi-Cal coverage:** Medi-Cal covers all ACIP- or CDPH-recommended vaccines, including COVID-19 for ages six months and older, even when outside the federal Vaccines for Children program
- **Pharmacist authorization:** AB 144 authorizes pharmacists to independently initiate and administer vaccines for patients ages 3 and older and provides liability protections for providers following CDPH guidance

The webinar series is designed to promote coordination across pharmacies, health plans, and local public health departments to deliver consistent guidance and expand vaccine access statewide. To receive updates on future webinars and other stakeholder notices, sign up directly on the [CalHHS website](#).

### **Register Today for CAPH/SNI's 2025 Annual Conference**

[Register now](#)—Dec. 3 - 5 in San Diego at the [Westin San Diego Gaslamp Quarter](#). This year's theme, *Anchors of Care Amidst Waves of Change*, honors the resilience and leadership of California's public health care systems as they navigate uncertainty, drive equity, and remain steadfast in their mission to serve.

Expect powerful keynotes, thoughtful breakout sessions, and meaningful connections with peers from across the state.

[Reserve your room now](#) and stay tuned for more details—we can't wait to see you there!

If you would like to sponsor CAPH/SNI's annual conference, [see our sponsorship offerings](#) for more information or contact [Erica Fornshell](#).

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