

**February 28, 2025**

Welcome to America's Physician Groups' *California Update*. Each week APG reports the latest on health care happenings in the Golden State.

Here's what you'll find in this week's edition:

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APG Submits Comments On Updated DMHC Provider Directory Regulation

It has been ten years since the passage of SB 137, the bill dedicated to the improvement of California provider directories, which became [Section 1300.67](#) of the Health & Safety Code. In that time, the Department of Managed Health Care issued a regulation, CCR Section 1300.67.27, which has now been [re-released in a proposed updated form](#). The Department has issued this updated version to interpret, implement, and make specific the requirements of Health and Safety Code section 1367.27 and the Uniform Provider Directory Standards by enumerating and defining terms for a uniform provider directory, setting standards for what must be included in the provider directory, and the requirements of the policies and procedures health plans shall maintain.

The proposed regulation contains eight objectives. In subsection (a) it aims to define key terms like "accepting new patients." Subsection (b) directs how health plans must update their directories, now requiring them to identify the most recent date that the information has been updated and verified by the Plan. Reported inaccuracies will be treated as grievances and the overall accuracy of a directory will be measured based on the number of reported errors. Subsection (c) specifies the

identification of products, networks and providers in a more consistent manner. Subsection (d) specifies the requirements for provider listings, including the identification of telehealth providers. This subsection also specifies how the public and providers can report inaccuracies in directory information. Subsection (e) requires that directories are searchable under a variety of factors by zip code, product, city, provider's spoken language. Subdivision (f) requires Plans to file policies and procedures on the creation and management of their provider directories. Lastly, Subsection (g) requires that Plans maintain directory records for five years, including all reports of erroneous information so that the DMHC can perform accuracy audits in the future.

APG provided [written comments](#) on the regulation concerning the narrow definition of "provider group." The proposed definition, not updated, includes RBOS, medical groups, and IPAs, but does not reference ACOs, FQ models, or 1206L foundations. Our comments refer the Department to more current statutory definitions such as the implementing legislation for the Office of Health Care Affordability (SB 184). We also supported the Department's requirements to list the most recent date that each directory had been updated, citing to our members' many complaints about health plans ignoring their submitted roster updates.



OHCA Board Considers Hospital Sector Growth Targets

During Tuesday's meeting of the Office of Health Care Affordability Board, it appeared that hospitals will face a sectoral growth target of 3.5% when it is finally adopted. This is the same growth target previously adopted at the statewide level. The hospital lobby fought hard against this outcome. OHCA staff will publish their first analysis of the health care market spending growth by June 1, 2025. We learned that OHCA staff will not be including any data on physician organization spending growth in this report, as they continue to struggle with finding better sources of information to identify the physician organization sector in general. At present, the staff has narrowed the identified physician organizations to what they can acquire from the Department of Managed Health Care's risk bearing organization list. That excludes a significant number of potential organizations across the state. Currently, the OHCA staff anticipates that it will publish physician organization data in 2027, two years from now. The meeting slide deck is available [here](#).



Trump Administration Considers Pulling Funding To Moderna For Bird Flu Vaccine

This week, Bloomberg News reported that US health officials are reevaluating a \$590 million contract with Moderna for bird flu shots that the Biden administration awarded to Moderna Inc. As reported, the review is part of a government examination of spending on messenger RNA-based vaccines, the technology underlying Moderna's Covid vaccine. The bird flu shot contract was awarded to Moderna in the Biden administration's final days. The California Department of Public Health maintains a [bird flu update page](#). It currently reports about 36 cases in the state with low risk of transmission from person-to-person.



APG Releases Medicare Advantage Study Published In The American Journal Of Managed Care

APG has released a [new study](#) in the *American Journal of Managed Care* that has important findings about the superior care delivered by member organizations of America's Physician Groups. The study illustrates how the high-value care provided by APG groups to their Medicare Advantage (MA) patients also benefits patients who are not enrolled in MA but remain in traditional Medicare. To our knowledge, this is the first study to document this "spillover" effect of high-value care in Medicare Advantage to the traditional Medicare population. Our [APG News release](#) announcing the study and an [infographic](#) that explains the import of the study and its findings is available as well. We hope that the study will help guide policymakers in understanding what's working well about Medicare Advantage, and how the many advanced care practices adopted by many of our physician groups benefit not only their MA patients but also the patients enrolled in traditional Medicare. These advanced care practices are made possible through some of the aspects of MA that channel extra payments to providers and enable them to build the infrastructure to provide superior care. In California, the Office of Health Care Affordability is tracking Medicare Advantage cost growth.



2025 APG California Policy & Advocacy Meeting Dates

Members, please mark your calendars for APG's California Policy Forum and California Medi-Cal Forum meetings. You can download APG's 2025 events calendar [here](#).

California Policy Forum

2:00 - 3:00 pm

- April 10
- June 12
- November 12

California Medi-Cal Forum

10:30 am - 12:30 pm

- May 20
- October - TBD



APG California Advocacy Member Resources

- **Tracked Health Care Bills 2025-26:** bills we're following in the California State Legislature
- **Digital Exchange Framework** [APG member tool kit](#), [QHIO webinar](#) and [DxF Program summary slide deck](#)
- **Office of Health Care Affordability** [regulations](#) and [explanatory slide deck](#)
- APG, Moss Adams, Sheppard Mullin **CMIR Regulation** [webinar](#) and [slides](#)
- **DMHC SB 510** [All Plan Letter](#) on Health Plan payment responsibilities
- **DMHC Quality and Equity Reporting** program [All Plan Letter](#)
- **DHCS Medi-Cal Medical Loss Ratio** [Implementation Summary](#)
- **DHCS Medi-Cal Connect** [Population Health Program](#) Information

For more news and resources, please visit APG's [website](#) or contact a member of APG's California advocacy team.

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