John S. Lam, MD, MBA, FACS

California Urological Association Annual Membership Meeting
November 2, 2025

There are several policy issues and areas of legislation that impact healthcare and the practice of urology on a state level. President Trump and his administration returned to the White House at the beginning of the year with an agenda to impose numerous executive orders on a variety of topics as well as to introduce shifts that influence operations across federal, state, and local governments. The new administration is interested in shifting key responsibilities to states, such as education and health, changing federal funding to state and local agencies, increasing federal grant reporting requirements and having tighter competition for funding, and changing tax codes and tariffs, which affect state and local budgets as well as supply chains. These are all issues that can impact state legislative activity.

Although HR 1, One Big Beautiful Bill Act (OBBBA), is a federal statute, it's impact on health-related provisions is expected to be far-reaching, with significant implications for states, their health care ecosystems, and their consumers, primarily due to significant changes to Medicaid and Health Insurance Marketplace programs. The Congressional Budget Office estimates HR 1 will cut over $1T from Medicaid over ten years, while 17M Medicaid and Affordable Care Act (ACA) enrollees will lose their health care coverage. States are awaiting additional guidance from federal agencies on several provisions and are likely to have variation in the details of how they will implement the provisions of the law. HR 1 will cut nearly $400B in provider taxes and state directed payments to states nationwide that help fund a state's share of the Medicaid program, and also prohibits states from establishing new provider taxes or increasing existing ones. These taxes have been a key mechanism for states to generate revenue that qualifies for federal Medicaid matching funds. Other provisions include reducing the provider tax hold harmless rate cap from 6% to 3.5% of net patient revenue in the 41 states that expanded Medicaid under the ACA, requiring provider taxes to meet the uniformity rules effective up to 3 years from the date of enactment at the Health and Human Services Secretary's discretion, and limiting new state directed payments for many public hospitals to 100% of Medicare payment levels in states that expanded Medicaid under the ACA, whereas for non-expansion states, the cap is 110% of Medicare. HR 1 also establishes work requirements (or mandates engagement in other qualifying activities, such as school or volunteer programs 80 hours/week) for certain able-bodied Medicaid recipients – mostly adults on the ACA Medicaid Expansion program. HR 1 will ultimately force reduced services and closures for some hospitals, clinics, physician offices, and nursing homes, particularly in rural areas, making it more difficult for patients to access physicians, hospitals, maternity services, and mental health care.

A Word on the Government Shutdown of 2025

Proposals by lawmakers to fund the government ahead of the September 30 deadline failed in the Senate during the eleventh hour effectively shutting down the federal government on October 1, 2025. The funding for major government health

programs, including Medicare (including Medicare Advantage and Part D), Medicaid and the Children's Health Insurance Program (CHIP), are considered mandatory, which are governed by other budget authorities and laws and are not directly impacted during a shutdown. Although we do not expect a funding lapse for these programs, there may be unexpected disruptions to distributions or agency support due to staffing challenges.

In addition, as of October 1, 2025, Medicare's temporary pandemic-era telehealth flexibilities around geographic restrictions, home-based care, audio-only visits, and Hospital at Home programs have expired. However, this does not impact risk adjustment under Medicare Advantage. As before, only services delivered via real-time audio-video telecommunication are eligible for Medicare Advantage risk adjustment. Telephone-only services remain ineligible for Medicare Advantage. Some additional in-person initial visits for behavioral health may also be required.

The impact on the US Department of Health & Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) include: Centers for Disease Control and Prevention pausing health-related communications; National Institutes of Health (NIH) not issuing new grants and basic research conducted by NIH scientists; CMS scaling back on several activities, including health facility survey and certification work, oversight of major contractors such as Medicare administrative contractors (MACs) and the Medicare Call Center, and outreach, education, and beneficiary casework services; HHS and CMS activated their contingency shutdown plans, which means a percentage of employees will remain on the job while the rest are furloughed.

Fifteen government shutdowns have occurred since 1980. The length of shutdowns has varied from a few days to the longest which occurred in 2018 which lasted 35 days. The shutdown will be at 32 days when we have our 2025 Annual CUA Meeting.

AMERICAN MEDICAL ASSOCIATION (AMA)

The 2025 Annual Meeting of the House of Delegates (HOD) took place June 6-11, 2025 at the Hyatt Regency Chicago.

Willie Underwood III, MD, MSc, MPH, a urological surgeon from Buffalo, New York, won the office of president-elect of the AMA. Following a year-long term as president-elect, Dr. Underwood will be inaugurated as AMA president in June 2026. "It is an incredible honor to be chosen by my peers to represent physicians and the patients we serve at this critical moment for health care and medicine," Dr. Underwood said in a statement. "The AMA is leading the way in fighting for a rational Medicare payment system, to rein in prior authorization, and reduce physician burnout. I will stand up to advocate for our profession in a way that will inspire, motivate, and activate physicians to join the AMA in our efforts to improve the health of our nation."

AMA ADVOCACY 2025 EFFORTS

- REFORMING MEDICARE PAYMENT AND DEFENDING MEDICAID

- The bipartisan Medicare Patient Access and Practice Stabilization Act of 2025 (H.R. 879/S. 1640) has been introduced in both houses of Congress. This bill would:
  - Reverse the latest round of Medicare payment cuts providing immediate financial relief to stabilize practices and preserve patient access.
  - Provide an inflationary update to ensure payments in 2025 begin to reflect the rising costs of delivering care, a critical step toward sustainable reform.
- To reform the Medicare Access and CHIP Reauthorization Act (MACRA) along four key pillars:
  - Enacting an annual, permanent inflationary payment update in Medicare that is tied to the Medicare Economic Index
  - Budget neutrality reforms
  - An overhaul of MACRA's Merit-based Incentive Payment System (MIPS)
  - Modifications to Alternative Payment Models
- Defending Medicaid
  - Maintaining current funding for Medicaid and CHIP
  - Ensuring continuity of care without disruptions in coverage
  - Reducing administrative obstacles for patients and physicians

- FIXING PRIOR AUTHORIZATION
  - The House reintroduced the Reducing Medically Unnecessary Delays in Care Act of 2025 (H.R. 2433), bipartisan legislation that seeks to reform prior authorization requirements in Medicare, Medicare Advantage, and Part D prescription drug plans by ensuring that only specialty board-certified physicians review treatment decisions.
  - In recent letters to CMS Administrator Mehmet Oz, MD, the AMA highlighted alignment between organized medicine's prior authorization reform priorities and those outlined by Dr. Oz in his Senate confirmation hearing, to include reducing the overall volume of prior authorization requirements, improving transparency, protecting continuity of patient care, and automating the process.
  - The House and Senate reintroduced the Improving Seniors' Timely Access to Care Act of 2025 (H.R. 3514/S. 1816). This bicameral, bipartisan legislation seeks to reform prior authorization in Medicare Advantage plans by improving transparency through public reporting of program metrics and streamlining the process using standard electronic transactions.
- PROMOTING PHYSICIAN-LED CARE
  - AMA efforts have helped deliver concrete results in 2025 that include the defeat of 40+ bills concerning scope of practice that would have allowed such things as:
    - Physician assistants and nurse practitioners to independently practice medicine

        - Pharmacists to independently diagnose and prescribe medications to patients
        - Naturopaths to prescribe legend drugs or perform surgical procedures
        - Optometrists to perform surgery
        - Nurse anesthetists to provide anesthesia services without physician supervision
        - Psychologists to independently prescribe medications
- REDUCING PHYSICIAN BURNOUT
    - In recent years significant strides have been made across the country to improve physician health. Several of those success stories include:
        - More than 10 states have enacted "safe haven" type legislation and other laws to help enhance confidentiality protections for physicians and others who seek care for wellness.
        - Additional success came with revisions to statewide credentialing applications in Iowa, Massachusetts, Oregon and Washington, each of which amended their applications with technical assistance and support from the AMA and its partners.
        - AMA advocacy also led to support and/or endorsement of AMA-recommended policy changes from key organizations, including The Joint Commission, the National Center for Quality Assurance (NCQA), National Association of Medical Staff Services and URAC.
        - At the federal level the AMA continues to work to advance the Dr. Lorna Breen Health Care Provider Protection Reauthorization Act, which supports the continued ongoing work established in the original law, enacted in 2022. The Reauthorization Act would continue the work of the enacted law for an additional five years.
        - The AMA supports efforts by the Federation of State Physician Health Programs (PHPs) to strengthen state PHPs to protect the privacy of PHP information and highlight the benefits of PHPs to safely return physicians to practice.
- MAKING TECHNOLOGY WORK FOR PHYSICIANS
    - AMA is working to ensure physician voices are integrated into the creation and refinement of all medical technology—from telehealth to AI to EHRs.
    - Cybersecurity
        - Advocating for federal and state assistance programs that deliver hands-on cybersecurity support for small, rural and solo physician practices.
        - Securing dedicated funding so physician practices can maintain robust cybersecurity and swiftly recover from breaches.

        - Urged Congress to take steps that would strengthen cybersecurity and the resilience of health care systems. Emphasized the need for payers to create, execute and regularly review contingency plans for handling security breaches.
    - Augmented intelligence
        - Ensuring physician leadership drives AI design, oversight and use to protect patient safety and care quality.
        - Advocated for regulatory and legislative actions to support the appropriate development and deployment of health care AI.
        - Advocated broadly for transparency mandates for AI-enabled health care technologies and for policies aimed at reducing risks of physician liability for use of AI-enabled technologies and systems.
        - Advocated against use of AI by payers to deny or limit access to care, including advocating for audits on use of AI in claims determinations by payers to ensure they are not increasing denials, and advocating for mandated human review of claims denials where decisions were made by AI-enabled systems.
    - Information blocking/interoperability
        - Advocating for the repeal of harsh and impractical physician penalties and replacement with education and compliance improvement programs.
        - Reduced the prescriptive nature of information blocking regulations and created special exceptions for physicians who withhold reproductive health information and protect patient privacy.
        - Advanced federal policies that increased interoperability and will improve prior authorization processes, reducing physicians' EHR workflow burdens.

Future meetings of the AMA House of Delegates
HOD Annual Meetings
2026: June 5–10; Hyatt Regency Chicago
2027: June 11–16; Hyatt Regency Chicago
2028: June 9–14; Hyatt Regency Chicago

HOD Interim Meetings
2025: Nov. 14–18; Gaylord National Resort & Convention Center, National Harbor, Maryland
2026: Nov. 6–10; Walt Disney World Swan and Dolphin Resort, Orlando, Florida
2027: Nov. 12–16; Gaylord National Pacific Resort & Convention Center, Chula Vista, California
2028: Nov. 3–7; Gaylord National Resort & Convention Center, National Harbor, Maryland

2029: Nov. 9–13; Gaylord National Pacific Resort & Convention Center, Chula Vista, California

CALIFORNIA MEDICAL ASSOCIATION (CMA)

The 154th Annual Meeting of the CMA House of Delegates (HOD) convened October 19-20, 2025 at the JW Marriott LA Live in downtown Los Angeles bringing together more than 800 physicians and medical students to debate and establish policy on the most pressing issues impacting medicine in the state of California.

Dr**. Jack Chou**, Speaker and family medicine physician, call the HOD to order and gave his introductory remarks along with Dr. **George Fouras**, Vice-Speaker and psychiatrist, co-presiding the meeting.

Dr. **Lase' Ajayi**, Chair-Elect of the AMA Board of Trustees and pediatrician/adult and pediatric palliative medicine specialist, addressed the HOD and spoke about federal issues and advocacy. She discussed the perfect storm of challenges that physicians are navigating: declining reimbursement rates, skyrocketing administrative burdens, and mounting workforce shortages, which impacts all practices, whether it be independent, group, or health system-based. Barriers to accessing care remain high especially for the most vulnerable populations. The wait time is too long to see specialists, rural and underserved communities lack sufficient medical resources, and outdated payment structures fail to support the complexity of modern medicine. However, challenges also provide opportunities, which is to advocate for systemic change, innovate in care delivery, and reaffirm our collective commitment to improving patient lives.

AMA's advocacy priorities reflect a commitment to supporting physicians and improving healthcare system for all.

- Medicare Reimbursement Reform: The AMA is aggressively pursuing reforms to ensure a sustainable and predictable payment system. AMA understands that practices cannot thrive under declining reimbursement rates and short-term fixes.
- AI Regulation and Innovation: AI is transforming medicine, presenting both opportunities and risks. The AMA is leading efforts to ensure AI is used responsibly emphasizing equity, transparency, and patient safety. The AMA's AI Collaborative fosters partnerships among stakeholders, ensuring that this technology enhances, rather than hinders patient care.
- Value-Based Care and Population Health: Transitioning to value-based care models require robust support. The AMA is equipping physicians with the resources and knowledge to adapt successfully.

Mr. **Dustin Corcoran**, CMA CEO, gave his remarks and provided an update on the implementation of **Proposition 35**. CMA remains the most powerful physician advocacy group in California and, in fact, spends more money on healthcare advocacy nationally than the AMA, and spearheaded the coalition to protect Medicaid before any other national organization. Proposition 35, the "Protect Our Health Care" passed in California's 2024 general election, secured ongoing funding

for the Medi-Cal program by extending an existing tax on health insurance companies — without raising taxes on individuals — and dedicated these funds to protect and expand access to care for Californians. Furthermore, it prevents the state of California from redirecting these revenues for non-health care purposes. Despite the passage of Proposition 35, its implementation has been delayed by Governor Newsom, even missing a key federal deadline to secure hundreds of millions in matching funds, as his revised budget project proposal had sought to divert billions of dollars in voter-approved healthcare funds from Propositions 35 and 56 to backfill the state's budget shortfall. This was not only a direct violation of state law, but also a snub to the millions of California voters who supported the ballot measure last fall. Due to CMA advocacy and sustained pressure with the threat of a lawsuit, progress is now being made towards implementation of Proposition 35's Medi-Cal and workforce investments ($6B) beginning in four areas: reproductive health ($90M), graduate medical education (GME) residency positions ($75M), emergency department care ($200M), and ground emergency transport ($100M).

Dr. **Sion Roy**, cardiologist and State Senate candidate for District 24, addressed the CMA HOD. Dr. Roy underscored his dedication to enhancing access to healthcare, increasing educational opportunities, and supporting recovery efforts after the Palisades fire, which burned down his own family home. He vowed to "cut the red tape" in Sacramento and bring resources to help local rebuilding efforts.

This year's meeting focused on a single issue: "Responding to Federal Funding Cuts and Other Attacks on Health Care, Public Health and Medicine". While the scope of changes being pursued at the federal level is significant, three primary areas could have major implications for physicians and patients:

- Efforts to cut federal programs that provide or support health care coverage;
- Proposals that undermine physician education and workforce development; and
- Restructuring of the federal government's public health and research infrastructure.

Dr. **Mona Patel**, Chief Integrated Delivery Systems Officer of Children's Hospital of Los Angeles (CHLA) and President of the CHLA Medical Group, and Dr. **Eric Vilian**, vice dean for clinical research for the UC Irvine School of Medicine, reviewed the multitude of recent federal changes and impact to medicine in California. Dr. Patel revealed that Medi-Cal covers 5.7+ million children and young adults up to age 20 and the reality that CHLA is the only Children's Hospital in Top 10 that is a Safety Net Provider with a 74% Medi-Cal payor mix, 50% complex inpatient discharges in LA County, 20% complex inpatient discharges for California and $167.9M in research funding. Dr. Vilian reported that federal funds are University's single most important source of support for research, accounting for more than half of UC's total research awards. Losing $1B in research funding means: loss of thousands of graduate and undergraduate students; loss of patient revenues, innovation

opportunities, and collaborators; loss of approximately$3B in tax revenue; loss of critical patient care services by one of the largest Medi-Cal providers in the state; loss of 7,500 jobs at UC; and loss of $20B in economic activity. At UC Irvine, 83 awards were formally terminated, and 15 awards were suspended, however, 54 terminated projects have been reinstated and 6 suspensions lifted. Federal rollbacks of DEI-related policies jeopardize funding for research and projects focused on diversity and unequal health outcomes among minority communities. The recent increase of immigration enforcement presents new challenges and may reduce access of members of immigrant communities to health care and to clinical trials.

In a closely contested election for CMA HOD Vice-Speaker, Dr. **Brian Grady**, urologist practicing in San Francisco, conceded to Dr. **Anna Yap**, emergency medicine physician based in Sacramento, who will take over duties at next year's CMA HOD meeting.

In two uncontested elections, CMA HOD elects Dr. **George Fouras** as the new Speaker of the House and Dr. **Jack Chou** as the President-Elect for 2025-2026. Outgoing CMA President and pediatrician, Dr. **Shannon Udovic-Constant** addressed the HOD and emphasized the importance of individual physician voice followed by CMA physician's collective actions. Incoming CMA President and pediatrician, Dr. **Rene Bravo**, addressed the HOD stating that "We must continue to hold policymakers accountable for outcomes".

CMA Legislative Update and Initiatives:

Mr. **Stuart Thompson**, CMA Senior Vice President of Government Relations, provided a legislative advocacy update on key bills of interest to CMA membership. For those interested in reading more about this past year's CMA legislative efforts, "Navigating Change" is a wonderful 9-page summary of 2025 Legislative Wrap-Up prepared by Mr. Thompson.

California wrapped up its 2025 legislative session on October 12, sending 1,247 bills to the Governor's desk – just over half of the 2,416 that were introduced this year. California lawmakers returned in January thinking the big issue of the year would be the budget deficit, which would grow to $12 billion by May, only to be faced with the catastrophic wildfires in Los Angeles – the most expensive disaster in the state's history. Congress began debating HR 1, a sweeping tax and spending bill that drastically reduced health care funding only a few months after these fires with the ramifications of its passage that will be felt in the California budget for the foreseeable future. The summer recess, a period typically devoted to negotiating lingering amendments to myriad bills, was spent laying the groundwork for Proposition 50. The national debate has largely dominated the legislative discussion in Sacramento, and many of the state's new policy proposals were aimed at responding to federal actions.

The end of session also saw a leadership change in the Senate with Pro Tem **Mike McGuire** being replaced by Senator **Monique Limón**, who represents Santa Barbara, Ventura and Oxnard. Senator Limón takes the reins November 17, and we expect allies like Senator **Christopher Cabaldon**, Senator **Angelique Ashby** and

Senator **Akilah Weber Pierson**, MD, to be elevated into important leadership and committee positions.

Proposition 50 on the November 4 ballot

On November 4, 2025, California will hold a statewide special election, which is an irregularly scheduled election most commonly used to fill unexpected vacancies in public elected offices or to address urgent legislative matters. In this case, California voters will decide on Proposition 50, also known as the **Election Rigging Response Act**, which would replace the current congressional map with one that creates five new majority-Democrat districts. If voters say "Yes", then California would use new congressional-district maps drawn by the Legislature (not the current independent commission) for the 2026, 2028 and 2030 U.S. House elections. After the 2030 U.S. Census, the independent commission (the California Citizens Redistricting Commission) would resume drawing the maps. The new maps under Prop 50 would not have to follow the same state-law restrictions that the commission must follow now (though federal law still applies). The state says there would be one-time additional costs to counties of "up to a few million dollars statewide" for updating election materials, etc. The measure is being justified in part as a response to aggressive partisan redistricting efforts in Texas and other states, which proponents say threaten California's influence and representation in Congress.

Supporters say:

- This is a needed step to defend California's congressional representation from being undercut by other states' partisan gerrymanders.
- It is temporary (expires after the 2030 Census) and the independent commission returns thereafter.
- It includes a policy push for non-partisan maps nationwide, not just in California.

Opponents say:

- It undermines the independent commission system and hands map-drawing power to politicians, increasing risk of partisan gerrymandering.
- It may reduce transparency and weaken protections for communities, cities/counties, and fairness in how districts are drawn.
- Some argue even a "temporary" suspension of safeguards creates dangerous precedent

Prior Authorization (PA) Reform

After years of roadblocks to PA reform, CMA introduced four bills to reform the state's PA systems. CMA's PA reform package included common-sense reforms to streamline PA processes, expedite critical care for patients and free up physicians' time to focus on patients, not paperwork. Earlier iterations (**SB 277**, **SB 516**) were previously held because of cost and implementation concerns raised by the California Department of Managed Health Care (DMHC), so this year's four-bill PA reform package was tailored to be efficient to implement in light of the state's budget deficit. Ultimately, CMA was successful in sending two bills to the Governor's

desk, **SB 306** and **AB 512** (shortens the decision timelines on PA requests), with the former signed on October 6 and the latter vetoed. SB 306 gives the administration the authority to remove PAs on a code-by-code basis, as well as to require reporting from the health plans to give us a better picture of how PA is being deployed at the ground level. Another bill in the package, **AB 539**, advanced to the Senate Health Committee, which would extend the validity of an approved PA to one year from the current industry standard of 60-90 days. This will provide patients with a longer window of time to receive medically necessary care and avoid cumbersome PA review (and ultimately appeal) processes. CMA will resume working to advance it through the legislature in the 2026 legislative session.

Artificial Intelligence (AI)

The rapid rise of AI emerged as a major new policy front in the California Legislature this year. Last year's CMA-sponsored **SB 1120** (Becker) established a requirement that health plans maintain physician oversight when using AI to approve or deny claims. Building on that foundation, CMA this year sponsored **AB 489** (Bonta), signed on October 11, which prohibits AI systems or similar technologies, such as internet-based chatbots, from misleading patients into thinking they are interacting with licensed health professionals.

Private Equity

CMA also sponsored **SB 351** (Cabaldon), signed on October 6, which codified Medical Board of California guidance restricting non-physicians from making business decisions that infringe upon the clinical determinations of physicians and empowers the Attorney General to private equity groups accountable for interfering with the practice of medicine. Attorney General this power means the state can take enforcement action without having to rely solely on civil lawsuits filed by physicians.

Liability Protections

CMA was successful in stopping a bill (twice!) sponsored by the Consumer Attorneys of California that would have increased medical malpractice costs. **SB 29** (Laird) would have extended pandemic-era legal exceptions that make it easier to sue for pain and suffering damages – including in medical malpractice cases – undoing the careful balance struck in **AB 35**'s historic reforms to the **Medical Injury Compensation Reform Act** (MICRA). CMA was successful in getting the bill held in Assembly Appropriations due to its high costs to both the state and the health care system. CMA had successfully stopped the bill in Assembly Appropriations Committee, but it was resurrected by Assembly Leadership and amended a few days before the end of session. Despite this, the bill ultimately did not have the required votes to pass and was placed on the inactive file on the very last day of session. This bill will likely return next legislative session, but CMA will continue working with legislators to ensure that any bill that passes does not affect medical malpractice cases.

Increased Fines & Administrative Burden

AB 280 (Aguiar-Curry) would have imposed new mandates related to the accuracy and maintenance of health plan provider directories, imposing fines and undue administrative burdens on physicians. This bill has been held on the Senate Floor Inactive File. **AB 290** (Bauer-Kahan) would have increased penalties for physicians who fail to provide emergency health care by raising monetary penalties from $5,000 per violation to $1 million per violation and establishing additional civil liability for physicians that violate injunctions related to a prior failure to provide emergency health care. Due to CMA opposition, the bill was ultimately gutted and amended and no longer pertains to the practice of medicine. **AB 1018** (Bauer Kahan) would have required incredibly burdensome administrative regulations on both developers and deployers of AI. This bill has been held on Senate Floor Inactive File.

Legislating the Practice of Medicine

AB 432 (Bauer-Kahan) would have imposed an ongoing continuing medical education (CME) mandate on menopause for all general internists, family physicians, obstetricians and gynecologists, cardiologists, endocrinologists, and neurologists who have a patient population composed of 25 percent or more adult women under 65 years of age. CMA successfully negotiated amendments to remove the CME mandate, but this bill was ultimately vetoed by the Governor. **SB 297** (Hurtado) would have mandated physicians to offer a Valley Fever screening test to all adult patients receiving primary care in high-incidence regions. CMA successfully negotiated amendments to remove the testing mandate and the bill ultimately held in the Assembly Appropriations Committee.

Other High Profile Healthcare Legislation

AB 408 (Berman) establishes a physician health and wellness program under the Medical Board of California to support physicians' health and protect patients. The bill would align California with national best practices to address mental health and burnout issues. This bill has been held in the Senate Judiciary Committee and made a two-year bill to continue policy discussions.

Upcoming Battles for 2026

- SB 29 (Laird)
- AI – ensuring healthcare is not negatively affected by new AI regulations
- 2026 Ballot Initiatives
- Scope of Practice