

OPPOSITION TO AB 2724

LHPC, National Union of Healthcare Workers and at least 16 counties have come out against AB 2724, which would codify a statewide Medi-Cal contract with Kaiser Permanente.



"We have long advocated for Kaiser to cover larger numbers of Medi-Cal enrollees, but we are gravely concerned that without appropriate safeguards, an expanded Medi-Cal contract with Kaiser could put some of the state's most vulnerable residents at risk."



"The proposal, if enacted, would also impede implementation of CalAIM, which intends to reform the Medi-Cal program and improve the quality of life and health outcomes of Medi-Cal members, especially those with the most complex needs. CalAIM includes components that Kaiser traditionally has not provided."



"This deal further engrains inequities in our health care system. Addressing social drivers of health requires removing obstacles to health and shifting practices and policies that have traditionally benefitted some and left others out."



"Kaiser will have the ability to choose which members it wants in its plan and which it does not. Kaiser can choose members who are healthier, forcing local health plans like PHC – and our safety net providers and community clinics – to disproportionately care for those who are more ill and complex. This is especially concerning with Kaiser's well-documented history of underserving members experiencing complex physical health, mental health and social conditions."



"Working with counties PHC (Partnership HealthPlan of California) has a proven track record of reinvesting savings back into the community – such as increasing provider reimbursement and improving access, to enhancing member benefits and funding housing projects. The Kaiser proposal damages and undermines these systems, which have provided essential health services to the Medi-Cal and underserved patient populations for decades."



"A closed system that excludes vulnerable populations is inequitable, where any reinvestment of net earnings would not inure to the benefit of the members excluded from the closed system, especially those who have higher needs and require that additional investment."

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"The value of the COHS model is that a single entity is coordinating care for the entire Medi-Cal population. Introducing multiple entities will lead to duplicative contracting, member and provider confusion, and runs counter to the state's integration and standardization goals through the CalAIM transformation."



"If Kaiser or any other entity contracts directly with the State, the local public plans would have no oversight of care delivered to members served by that entity. If one integrated system contracts directly with the State, it sets a precedent for further fracturing of community collaborations."



"Our counties oppose AB 2724 because it would effectively cleave Kaiser from the locally organized health care safety net and terminate county input and/or oversight for Kaiser operations within each county. Counties are committed to ensuring access to quality care for every person in our communities."