



## State Inks Sweetheart Deal With Kaiser Permanente, Jeopardizing Medicaid Reforms

“The deal, hammered out behind closed doors between Kaiser Permanente and senior officials in Newsom’s office, could **complicate a long-planned and expensive transformation of Medi-Cal**, the state’s Medicaid program, which covers roughly 14 million low-income Californians.

[...]

‘All of us are doing our best to implement the most transformational Medi-Cal initiative in state history, and to **put all this together without a public process is very disconcerting.**’ [said Jarrod McNaughton, CEO of the Inland Empire Health Plan, which covers about 1.5 million Medi-Cal enrollees in Riverside and San Bernardino counties.]

[...]

“Other health plans fear the contract could also **muddle a massive and expensive initiative called CalAIM** that aims to provide social services to the state’s most vulnerable patients...”

## Los Angeles Times

### Newsom administration draws fire over no-bid Kaiser Permanente contract

“Local health plans say the contract will allow Kaiser to cherry-pick healthier enrollees, leaving other care providers to cover a higher percentage of the state’s sickest and most costly patients.

[...]

“**This prioritizes the interests of big businesses over the interests of the safety net Medi-Cal delivery system**, that exists only to serve the underserved, is held accountable only to the public and which continuously works to improve the Medi-Cal delivery system because it is the right thing to do – and no other motivation,’ said **Linnea Koopmans, chief executive of Local Health Plans of California**, which represents 16 local health plans that serve more than 70% of Californians enrolled in Medi-Cal managed care.

“Critics have questioned why the state would offer the expanded contract to serve California’s neediest residents to Kaiser given **the healthcare company has long faced criticism – and state sanctions and fines – for its mental health care.**”



### California’s no-bid contract with Kaiser triggers concerns

“**Sen. Richard Pan**, a Sacramento Democrat who chairs the Senate Health Committee, said the state’s move raises many questions. Because local Medi-Cal plans usually report to counties and public boards as well as the state, he wants to know **whether Kaiser will engage in a similar process to answer to the local communities they serve.**”