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## Assemblymember Rodriguez Advances the ‘Medical Group Financial Transparency Act’

**(Sacramento, CA)** – Yesterday, Assembly Bill (AB) 616 passed out of the Assembly Committee on Health with a vote of 10-4. This legislation would remove the exemption from public disclosure for medical group financial data already collected by the Department of Managed Health Care (DMHC) and Office of Health Care Access and Information (HCAI).

“The rising healthcare costs are a growing concern across California. Unfortunately, the lack of transparency surrounding medical group financial data prevents us from fully understanding the factors driving increased costs. AB 616 would provide full transparency, advancing the State’s efforts to contain these rising costs,” **stated Assemblymember Rodriguez.**

Under current law, financial data collected by DMHC and HCAI from medical groups is prohibited from public disclosure. Medical groups are individual healthcare providers who organize together as a business. These groups play a significant and growing role in health care delivery, especially in outpatient and community-based settings. AB 616 would ensure public disclosure of financial data collected by medical groups is as transparent as the data collected by other providers.

According to the [Centers for Medicare and Medicaid Services](#), more than 25% of the money spent on healthcare services in California is included in the category of “physician and clinical services,” which totaled over \$100 billion in 2020. While medical groups and other physician organizations form the bulk of this category, there is very little information publicly available to show how much money is utilized for healthcare services, kept as profit, disbursed to shareholders, or used for other non-clinical purposes.

To help bridge this gap, AB 616 would authorize DMHC to disclose the financial data of risk-bearing organizations while also authorizing HCAI to disclose the financial data of medical groups comprised of 50 or more physicians and physician organizations as part of a fully integrated delivery system. AB 616 would also specify that the process for public disclosure shall be equivalent to existing processes and does not create a new reporting requirement for medical groups.

“Under existing law, there is a lack of transparency with information already being reported. Authorizing DMHC and HCAI to disclose this data to the public is the best step we can take to address concerns about gaps in information surrounding our medical system,” **added Assemblymember Rodriguez.**

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*Assemblymember Rodriguez ([Twitter](#)) represents the 53<sup>rd</sup> Assembly District which includes the cities of Chino, Montclair, Ontario, Pomona, and Upland. He is Chair of the Assembly Committee on Emergency Management.*