



Date: July 6, 2023

Contact: Taylor Gonsalves

Phone: (916) 319-2053

FOR IMMEDIATE RELEASE

Legislation Creating the Medical Group Financial Transparency Act Advances in the State Senate

(Sacramento, CA) – Yesterday, Assembly Bill (AB) 616, authored by Assemblymember Freddie Rodriguez (D – Pomona), passed the Senate Committee on Health with a vote of 9-1. This legislation would remove the exemption for public disclosure of financial data reports for large medical groups and medical groups that take on delegated risk from health plans.

“The cost of health care is rapidly increasing, creating a major burden on Californians. Unfortunately, we cannot manage what we cannot measure, so an essential piece in understanding how to reduce increased healthcare costs is understanding the finances of healthcare providers. AB 616 will ensure that piece is no longer missing,” **stated Assemblymember Rodriguez.**

Rising costs for health care also place an increasing burden on businesses that provide insurance for their workers, consumers who purchase their own insurance, patients responsible for cost sharing, and state and local government budgets.

While other significant parts of the healthcare industry are subject to state-mandated transparency of their financial records, financial data about medical groups collected by the state is largely exempt from public disclosure. AB 616 would take a step to address [concerns raised by the California Health Care Foundation](#) about the “gaps in information” in the structure and finances of medical groups, which are needed to help improve affordability and health system performance.

[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,”— totaling more than \$100 billion in 2020. However, there is very little information to show how much of the money in that category attributable to medical groups goes to health care services and how much is used for nonclinical purposes.

“This legislation will create consistency between data release practices for medical groups and the public disclosure practices already used for other parts of the healthcare sector, allowing policymakers, advocates, and academics to access this information to better understand the factors driving rising costs and identify potential savings,” **added Assemblymember Rodriguez.**

###

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