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FOR IMMEDIATE RELEASE

Medical Group Financial Transparency Act is Off to the Governor

(Sacramento, CA) – Assembly Bill (AB) 616, authored by Assemblymember Freddie Rodriguez (D – Pomona), has cleared the State Legislature and is off to Governor Newsom for his signature. 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.

“Rising health care costs are a major burden on consumers, businesses, and the state budget. Over the past twenty years, medical care costs have grown much faster than non-medical inflation, and rising deductibles and cost-sharing mean that the burden increasingly falls on California’s families. This bill will provide greater transparency into health care spending by allowing public disclosure of medical group financial data already collected by the state,” **stated Assemblymember Rodriguez.**

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.

In 2021, half of Californians skipped or delayed health care due to concerns about cost, and the cost of care is the most commonly cited reason for Californians to be uninsured or underinsured. California is taking several steps to rein in the growth of healthcare costs, and critical to those efforts is a strong understanding of the factors driving rising prices. To understand these factors, we must first have public transparency of financial data across our healthcare delivery system, but today, there are gaps. AB 616 enables us to do so.

“I want to thank my colleagues in both houses for supporting this critical legislation. AB 616 seeks to allow the same public disclosure of medical group financial data that already exists for other parts of the healthcare sector, advancing California’s efforts to contain rising healthcare costs,” **added Assemblymember Rodriguez.**

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Assemblymember Rodriguez ([Linktree](#)) 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.