

August 22, 2019

California Assembly Passes Bill Requiring Kaiser Permanente to Bring Significantly Greater Transparency to its Financial Disclosures

SACRAMENTO, Calif. – Efforts to require healthcare giant Kaiser Permanente to improve its financial transparency and bring it closer to other hospitals and insurance companies in California advanced with the [passage of SB 343](#) by the California Assembly Aug. 22.

The bill now returns to the full Senate, which had passed an earlier version of the bill in May 2019. The Senate is expected to adopt the changes made by the Assembly, and then SB 343 heads to Gov. Gavin Newsom, who must decide whether to sign it into law.

“With all the important healthcare reforms over the last decade, transparency around pricing is one that still needs improvement in California,” said Evelia Rodriguez, a records clerk at Kaiser Permanente in Los Angeles. “No healthcare provider, especially one as large and important as Kaiser, should be able to avoid the kind of scrutiny consumers, employers, unions and regulators need to protect themselves and the public.”

Kaiser Permanente is a “non-profit” healthcare system that has reported \$11 billion in profits since Jan. 1, 2017 (including \$5.2 billion just in the first half of 2019) and sits on \$35 billion in reserves. Meanwhile, premiums for Kaiser patients have gone up year after year as part of a rate-setting process that keeps employers and consumers in the dark.

SB 343 would require Kaiser Permanente to provide more data justifying increases in health insurance premiums, as is presently required of other health insurance companies. It would also require the corporation to provide more financial information on an individual hospital level, as opposed to its current practice of lumping data for all hospitals into two regions: “Northern California” and “Southern California.” Breaking out individual hospitals’ financial information makes it easier for consumers to compare facilities in their area.

With Kaiser controlling one in ten California hospitals and more than 40 percent of insured Californians with group healthcare coverage, this legislation arms employers and others to negotiate fair rates when purchasing health insurance for their workers.

SB 343 is supported by a coalition of healthcare, consumer, business and worker advocates, including:

- SEIU California
- Alliance of Californians For Community Empowerment
- Alameda County
- California Conference Board of The Amalgamated Transit Union

- California Conference of Machinists
- California Labor Federation
- California Nurses Association
- California Teamsters Public Affairs Council
- Engineers and Scientists of California Local 20
- Health Access California
- Los Angeles LGBT Center
- Los Angeles, City of
- Professional & Technical Engineers, Local 21
- San Francisco AIDS Foundation
- San Francisco, County of
- Small Business Majority
- The Greenlining Institute
- Unite Here
- Utility Workers Union of America, Local 132
- Western Center on Law and Poverty.

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