



April 7, 2023

The Honorable Jim Wood
Chairman, Assembly Health Committee
1020 N Street, 390 LOB
Sacramento, CA 95814

Re: AB 616 (Rodriguez) Medical Group Financial Transparency Act – Oppose

Dear Chairman Wood,

On behalf of the California State Association of Psychiatrists (CSAP), I write to you in opposition of AB 616, which would remove the exemption from public disclosure for medical group financial data already collected by DMHC and HCAI.

While public transparency of financial data across our healthcare delivery system is important it must also be weighed against privacy concerns. Of note, AB 616 raises privacy and antitrust concerns with the disclosure of the information and could encourage coordinated behavior to drive compensation down for health care providers and result in unfair competitive practices within the health care market. Additionally, AB 616 could harm the competitive nature of some health systems to effectively recruit physicians, health care providers and employees.

While the recent amendments to the bill attempt to address this concern, the definitions “for the function of the office”, and “the audited financial reports and comprehensive financial statements produced or disclosed to the office are to be made available to the public, by the office, as specified”, are too vague to alleviate our concerns. Therefore, CSAP must oppose AB 616 because it could still allow physician groups and other health care entities' financial information to be disclosed to individuals to whom it should not be disclosed. Further, CSAP believes that audited financial reports and comprehensive financial statements should not be among the documents and information that could be disclosed if they are reported to the Office of Health Care Affordability, Department of Health Care Access and Information and the Department of Managed Health Care.

For these reasons, CSAP must respectfully oppose AB 616.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Yoder', is placed below the word 'Sincerely,'.

Paul Yoder
Legislative Advocate

CC: Members, Assembly Health Committee
Assemblymember Freddie Rodriguez