#### Our Mission: To help our members, and the communities we serve, be healthy

# Kaiser Statewide No-Bid Commercial Contract

# **OVERVIEW**

- Proposed statewide, no-bid contract with Kaiser effective January 1, 2024
- Kaiser Medi-Cal enrollment allowed to expand into any areas KP has geographical business, including areas where Kaiser does not currently participate in Medi-Cal

## **POLICY CONCERNS**

- Undercuts local public health care infrastructure & expands the reach of a large commercial plan
- Expansive trailer bill language that grants DHCS unilateral decision making to contract with Kaiser in any geographic area – not limited to areas that have a physical Kaiser presence
- State guaranteeing minimum enrollment levels for private business, without a cap on overall growth

## MEMBER IMPACTS

**FINANCIAL IMPACT** 

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- PHC will continue to serve the highest acuity Medi-Cal members as they do today. Currently, Kaiser's population is disproportionately children and families, with low enrollment of members with higher levels of acuity – PHC is offering more Community Supports
- Safety net providers will serve fewer but more acute members, destabilizing the carefully balanced local safety net

Most local plans contracting with Kaiser

remaining 2% does not fully cover local

plans' oversight and administrative costs

pass 98% of premium to Kaiser. The

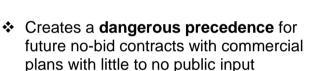
The 2% funding withheld from Kaiser's rates helps fund services that Kaiser does not provide or does not provide as robustly as local plans, such as community supports

the foster care population, with needs primarily related to social determinants and behavioral health rather than high-cost medical conditions

Kaiser is not equipped to meet needs of

percentage of high acuity enrollees who





Local plans will cover an even higher

need high-cost care and supports

