

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
AB 1929 (Ortega) – As Amended March 24, 2026

SUBJECT: Nonprofit integrated health care service plans: investments: disclosure.

SUMMARY: Requires a nonprofit integrated health plan regulated by the Department of Managed Health Care (DMHC) to annually disclose its material investment holdings to DMHC. Specifically, **this bill:**

- 1) Requires a nonprofit integrated health plan to make an initial disclosure including material investment holdings covering the five calendar years prior to January 1, 2027.
- 2) Requires, following the initial disclosure, each nonprofit integrated health plan to update its disclosure annually to include material investment holdings for the immediately preceding calendar year.
- 3) Requires annual disclosures to be submitted to DMHC on or before July 1 of each year, unless otherwise specified by regulation, beginning on July 1, 2027.
- 4) Requires DMHC to prominently display, and make accessible to the public, the disclosures required by this bill on their website.
- 5) Requires DMHC to assess civil penalties against a nonprofit integrated health plan if they fail to comply with the disclosure requirements within 30 days of the reporting deadline.
- 6) Requires the civil penalty to be one thousand dollars (\$1,000) per day for each day the nonprofit integrated health plan remains out of compliance following the 30-day grace period.
- 7) Requires a nonprofit integrated health plan to prominently post a notice on its public internet website stating they are not in compliance with California law requiring disclosure of investment holdings.
- 8) Requires DMHC and Covered California to prominently post the plan's noncompliance status on their internet websites until compliance is achieved.
- 9) Makes legislative findings and declarations nonprofit integrated health plans receiving public benefits, billions of dollars of income from Californians, and the importance of transparency in investment disclosures.

EXISTING LAW:

- 1) Establishes DMHC to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and the California Department of Insurance (CDI) to regulate health insurers. [Health and Safety Code (HSC) § 1340, *et seq.*, and Insurance Code (INS) § 106, *et seq.*]
- 2) Requires a health plan's assets to be invested in a prudent manner and requires DMHC to determine the acceptability of a health plan's investments, as specified. [HSC § 1346]

FISCAL EFFECT: Unknown. This bill has not been analyzed by a fiscal committee.

COMMENTS:

- 1) **PURPOSE OF THIS BILL.** According to the author, detention centers are run by for-profit companies that profit from cutting corners everywhere they can. The author notes that these for-profit detention centers are rife with human rights abuses and unsanitary conditions; from detaining pregnant women, children as young as two months old, and people with disabilities—to depriving detainees of healthcare and sleep and providing rotten food and contaminated drinking water. The author continues that the death toll in these facilities keeps rising, tripling from 11 people in 2024 to 33 in 2025. The author argues that the public deserves to know where their healthcare dollars are being spent and if they are being used to subsidize these for-profit centers of human suffering. The author concludes that this bill is a sunshine law, requiring nonprofit health plan investments to be made public so Californians know where their state healthcare subsidies and patient premiums are being invested.
- 2) **BACKGROUND.** Kaiser is the largest health plan in California with 9.4 million members across the state. Kaiser operates under an integrated care model, meaning their members primarily receive care at Kaiser Foundation Hospitals and through providers with two exclusively contracted medical groups, The Permanente Medical Group and Southern California Permanente Medical Group. Collectively the health plan, hospitals, and medical groups are referred to as “Kaiser Permanente.”
 - a) **2026 Report.** A 2026 report titled “*Profit over Patients: Kaiser Permanente’s Shift in Institutional Priorities and the Dire Consequences to Health Care*” was released by the United Nurses Association of California/Union of Health Care Professionals (UNAC/UHCP), who are the sponsors of this bill. The report claims that Kaiser Permanente maintains a growing global investment footprint which supports companies with practices that are often directly opposed to its stated mission. The report details that Kaiser Permanente’s IRS Form 990-T and Group Trust Form 5500 for 2020 show that the organizations investment portfolio included investments in: over 20 foreign countries; private prisons; immigration-detention centers; predatory credit lenders; and fossil fuels and fracking, among others.
- 3) **SUPPORT.** UNAC/UHCP are sponsoring this bill, claiming that it will ensure transparency, accountability, and alignment with the public mission of nonprofit health care service plans. UNAC/UHCP state that this bill is grounded in a fundamental principle: nonprofit health plans should put patients over profits. UNAC/UHCP continue that nonprofit integrated health care service plans are entrusted with significant public resources and tax-exempt status in exchange for a commitment to serve patients and communities. UNAC/UHCP argues that with that trust comes a responsibility to ensure that all aspects of their operations, including financial and investment decisions, are aligned with their mission to improve health outcomes. UNAC/UHCP continue that there is no meaningful transparency into how these plans invest their substantial financial reserves. UNAC/UHCP believe this lack of disclosure leaves patients, purchasers, and policymakers in the dark about whether investment practices support the delivery of care, or whether they may contradict the very mission these organizations claim to uphold. UNAC/UHCP conclude that at a time when Californians face rising health care costs and barriers to access, it is critical that health care dollars are used in ways that reflect patient needs and community well-being.

- 4) **OPPOSITION.** The California Association of Health Plans (CAHP) is opposed to this bill, stating that it is narrowly targeted; its structure captures a small subset of organizations in a manner that is inherently anti-competitive and could ultimately drive up the cost of delivering health care. CAHP continues that nonprofit integrated health care service plans are already subject to extensive financial reporting and transparency requirements, including the filing of IRS Form 990, which is publicly available and contains comprehensive financial and investment-related information. CAHP notes that plans also file quarterly financial statements with rigorous disclosure standards. CAHP adds that federally regulated trusts must disclose detailed investment information through Form 5500 filings with the U.S. Department of Labor. Together, CAHP argues that these existing requirements already provide regulators and the public with significant insight into plan finances and investments. CAHP continues that certain investments are subject to confidentiality agreements or competitive sensitivities, and forcing public disclosure in this manner exposes plans to legal risk and competitive harm. CAHP concludes that applying these requirements to only one type of health care organization serves no meaningful public policy purpose and imposes burdens not borne by similarly situated entities.
- 5) **COMMITTEE AMENDMENTS.** Background submitted by the author indicates that the goal of this bill is to ensure that there is transparency on material investments for all consumers enrolled in nonprofit health plans. However, as drafted, this bill only applies to nonprofit integrated health plans regulated by DMHC – intended to solely capture Kaiser Permanente. The opposition raises the valid point that this narrow application creates an unequal playing field for nonprofit integrated health plans vs. other plans operating in California. To ensure that consumers have equal access to the information sought in this bill when considering the values of the health plan they are enrolled in, or considering enrolling in, the committee is proposing amendments to apply the provisions of the bill to all health plans and insurers regulated by DMHC and CDI.
- 6) **AUTHOR AMENDMENTS.** The author and sponsor have proposed an amendment to define “material investment holdings” as:

Any direct or indirect ownership interest, financial stake, or beneficial interest in an entity, fund, asset, or investment vehicle that, individually or in the aggregate, is of such significance that a reasonable person would consider it important in evaluating the financial position, priorities, or potential conflicts of interest of the reporting entity.

REGISTERED SUPPORT / OPPOSITION:

Support

United Nurses Associations of California/Union of Health Care Professionals (sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO

Opposition

California Association of Health Plans

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