

ASSEMBLY THIRD READING

AB 1929 (Ortega)

As Amended April 16, 2026

Majority vote

SUMMARY

Requires health plans and health insurers to annually disclose material investment holdings to the Department of Managed Health Care (DMHC) or California Department of Insurance (CDI). Requires DMHC and CDI to make those disclosures available on their websites

COMMENTS

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, the largest health plan in California with 9.4 million members across the state, 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.

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.

Arguments in 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.

Arguments in 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.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) CDI estimates costs of \$4,000 in fiscal year (FY) 2026-27, \$16,000 in FY 2027-28, and \$9,000 in FY 2028-29 and ongoing (Insurance Fund).
- 2) Minor and absorbable costs to DMHC.
- 3) Minor and absorbable costs to Covered California.

VOTES

ASM HEALTH: 12-3-1

YES: Bonta, Addis, Aguiar-Curry, Ahrens, Caloza, Carrillo, Mark González, Patel, Rogers, Schiavo, Sharp-Collins, Stefani

NO: Johnson, Patterson, Sanchez

ABS, ABST OR NV: Chen

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Bauer-Kahan, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Ellis, Ta, Tangipa

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