



March 19, 2025

Liane Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: *Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219 ("Climate Reporting")*

Dear Chair Randolph:

Thank you for the opportunity to comment on the Climate Reporting, laws, which require California businesses to report specified greenhouse gas ("GHG") emissions and climate related financial risks.

Community Health Group is an independent, not-for-profit Medi-Cal and Medicare managed care health plan serving more than 387,208 members in San Diego County ("CHG"). CHG has been providing health care services since 1982. Though deeply rooted in the San Diego Community, CHG is not a local government entity.

We are concerned that under the current Climate Reporting definitions, specifically "reporting entity," CHG would be required to comply with the Climate Reporting. Despite our tax exemption due to our not-for-profit status, our revenue exceeds \$1 billion, funded solely by California and federal sources. We urge CARB to clarify that "reporting entity" or "revenue" excludes entities like CHG from reporting requirements.

**A. Medi-Cal Services and Funding**

Medi-Cal, California's Medicaid program, provides essential health benefits to low-income individuals. Under managed care contracts, Medi-Cal plans like CHG receive monthly capitation payments to cover all projected costs, including administrative expenses. These rates are highly regulated by the CMS and DHCS, requiring detailed actuarial certifications and adjustments based on various factors.

**B. Knox-Keene Act Compliance**

CHG is regulated by the Department of Managed Health Care, ensuring compliance with managed care laws under the Knox-Keene Act. This includes regular monitoring and financial reviews to maintain transparency and accountability.

### **C. Impact of Climate Reporting**

We do not currently track or disclose climate financial risks. Complying with the Climate Reporting could significantly increase CHG's administrative costs, potentially creating an administrative burden.

### **D. Recommendations**

We recommend CARB clearly define "reporting entity" to exclude entities funded by Medi-Cal, or alternatively, exclude such revenue from "annual revenue" calculations. Excluding Medi-Cal managed care plans or Knox-Keene licensed plans entirely would also be beneficial.

We appreciate CARB's commitment to combating climate change but urge consideration of the potential impact on Medi-Cal's mission to provide equitable access to quality healthcare for California's vulnerable populations.

Sincerely,



Ann Warren  
Associate CEO  
Community Health Group

