



OFFICE OF THE GOVERNOR

SEP 21 2018

To the Members of the California State Assembly:

I am returning Assembly Bill 2427 without my signature.

This bill would require Medi-Cal managed care plan contracts to include a provision allowing the Department of Health Care Services to terminate the contract if the Attorney General determines that the plan engaged in anticompetitive conduct, or if the department determines the plan has a pattern of not complying with medical loss ratio requirements.

This bill is unnecessary as the department has sufficient statutory and contractual authority to deal with inappropriate or illegal conduct by plans.

Sincerely,


Edmund G. Brown Jr.