California Strategies to
Improve Oversight, Accountability, & Transparency

Health Care Spending Oversight

Health care spending oversight entities monitor and track health care spending systematically, offering data and research support to ensure efficient resource use. While many states set population health priorities, some have established oversight entities with enforcement powers. Strategies tracked include:

Health Care Spending Benchmarks

Authority to Enforce Health Care Spending Benchmarks

Hospital or Primary Care Spending Oversight Entities

Prescription Drug Affordability Boards

Some states have established independent entities charged with reviewing high-cost prescription drugs and recommending strategies to improve affordability. In certain cases, these boards are authorized to set upper payment limits to curb excessive drug prices. Strategies examined in this section include:

Prescription Drug Affordability Board Established

Prescription Drug Upper Payment Limits Established

All-Payer Claims Databases

All-payer claims databases (APCDs) compile diverse health care data that may include health, dental, and pharmacy claims from private insurers, state employee health programs, Medicare, and Medicaid. In instances where a database includes only some of these payers, it is referred to as a multi-payer claims database. Typically created through legislation, APCDs are often subject to state oversight and regulation. However, some claims databases have been voluntarily developed by independent entities, limiting oversight. Strategies examined in this section include:

All-Payer Claims Database Established

All-Payer Claims Database Operated by the State

Price Transparency

This section evaluates state efforts to provide access to health care price data through a publicly available and easily accessible tool. Strategies examined in this section include:

Price Transparency Tool Established

Prescription Drug Price Transparency Tool Established

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All-Payer Claims Database

Policy	Status as of June 2025	Summary
Established an All-Payer Claims Database (APCD)	State has a(n) all-payer or multi-payer claims database	
All-Payer Claims Database (APCD) Operated by the State	APCD is operated by the state	

Prescription Drug Affordability Board

Policy	Status as of June 2025	Summary
Established Prescription Drug Affordability Board (PDAB)	The state has not established or passed legislation to establish a prescription drug affordability board	
Prescription Drug Upper Payment Limits	The state has not established Upper Payment Limits for prescription drugs	

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

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Price Transparency

Policy	Status as of June 2025	Summary
Service Cost Price Transparency Tool	⊗ State does not have a public-facing price transparency tool	
Prescription Drug Price Reporting Requirement	● Organizations are required to report prescription drug price information to a state entity	California requires drug manufacturers to report price increases for drugs currently on the market and when introducing new drugs that exceed a specific cost threshold.

Health Care Spending Oversight

Policy	Status as of June 2025	Summary
Health Care Spending Benchmark	● State has established a health care spending benchmark for providers, insurance carriers, or both	California's Office of Health Care Affordability has approved a statewide healthcare spending target of 3.5% from 2025-2026, 3.2% from 2027-2028, and 3% for 2029 and beyond. The target will apply to health care entities including health plans, provider organizations with at least 25 physicians, and hospitals. The Office has also announced its proposed Primary Care Investment Benchmark recommendation with a relative improvement benchmark for each payer of 0.5 to 1 percentage points per year increase in primary care spending as a percent of total medical expense through 2034, as well as a statewide benchmark of 15% of total medical expense allocated to primary care by 2034.
Authority to Enforce Health Care Spending Benchmark	⊗ State does not have an enforcement mechanism for their health care spending benchmark(s)	Starting 2026, OHCA can take enforcement action against entities that exceed the target, including technical assistance, explanation at public meetings, performance improvement plans, and financial penalties. The office will not enforce penalties until 2028-2029.
Hospital or Primary Care Spending Oversight Entity	● State monitors and reports hospital spending, primary care spending, or both	California's Office of Health Care Affordability, established in 2022, monitors primary care spending. It sets statewide and sector-specific health care spending targets, appoints a Health Care Affordability Advisory Committee, approves adoption of alternative payment models, and other strategies to increase primary care and behavioral health spending.

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

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With support from Arnold Ventures, the Healthcare Value Hub provides free, timely information about the policies and practices that address high health care costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all by applying research-based and field-tested solutions that transform our systems of health and health care.