



Assembly Bill 2670 – Medi-Cal Fraud Prevention and Accountability Task Force

SUMMARY

This bill establishes a statewide Medi-Cal Fraud Prevention and Accountability Task Force within the Department of Health Care Services (DHCS) to strengthen oversight, improve coordination, and safeguard taxpayer dollars.

The task force will conduct a comprehensive assessment of fraud risks in the Medi-Cal program and provide recommendations to improve prevention, enforcement, and recovery efforts across California.

BACKGROUND

Medi-Cal is one of the largest public health programs in the nation, serving approximately one-third of Californians. Because of its size and complexity, the program is vulnerable to improper billing, identity fraud, organized fraud schemes, managed care abuses, and pharmacy-related fraud.

While California has existing anti-fraud efforts, responsibility is spread across multiple state departments, counties, managed care plans, and law enforcement entities. This fragmentation can lead to inconsistent enforcement, gaps in data sharing, and missed opportunities to detect fraud early.

A more coordinated and proactive approach is necessary to protect the integrity of the Medi-Cal program and ensure that funds are used for patient care rather than diverted through abuse or criminal activity.

ISSUE

Fraud within large public benefit programs is costly and undermines public trust. When agencies operate in silos without uniform protocols or shared data systems, fraudulent activity can go undetected or unresolved for extended periods of time.

California currently lacks a centralized, statewide assessment of Medi-Cal fraud risk and a unified strategy for prevention, enforcement, and fund recovery. Without a coordinated framework, the state may miss opportunities to modernize fraud detection tools, apply best practices from other states, and strengthen accountability measures.

THE BILL

This legislation adds Section 14124.06 to the Welfare and Institutions Code and requires, upon legislative appropriation, that DHCS convene a Medi-Cal Fraud Prevention and Accountability Task Force no later than January 1, 2027.

The task force will include representatives from DHCS, the Department of Managed Health Care, the Department of Insurance, county welfare departments, managed care plans, provider groups, and law enforcement partners.

Within six months of formation, the task force must conduct a comprehensive assessment of fraud risks in the Medi-Cal program. This assessment will review current fraud prevention tools, analyze data-sharing gaps, and evaluate how best practices from the federal government and other states could be implemented in California.

By January 1, 2028, the task force must submit recommendations to the appropriate policy and fiscal committees of the Legislature. These recommendations will address uniform statewide fraud prevention protocols, potential regulatory changes, technology and data analytics improvements, effective fraud response strategies, and more efficient methods for recovering improperly obtained funds.

IMPLEMENTATION

The bill is contingent upon legislative appropriation. Recommendations submitted to the Legislature will comply with existing reporting requirements under state law.

STAFF CONTACT INFORMATION

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