California Pan-Ethnic HEALTH NETWORK

AMERICANS FOR TaxFairness

REPORT:

How Trump Tax Cuts Benefit California's Health Care Industry

Introduction

H.R. 1, the 2025 Trump-GOP tax-and-spending law, further enriched the wealthiest Americans and corporations at the expense of poor and vulnerable families, workers, and safety net health care systems. This law followed the 2017 Trump-GOP tax law, which created permanent reductions to corporate tax rates and temporary reductions to tax rates that mostly benefited wealthy individuals. Taken together, these two laws have significantly eroded the tax base and government revenue of the United States, permanently jeopardizing our health care safety net. This fact sheet examines the for-profit health care corporations that benefited from the 2017 tax cuts while California consumers continue to struggle to meet their basic needs for access to health care. These corporations pocketed billions of dollars in tax savings, contributing to a record-breaking over $18 billion in profits for California health insurers in 2024, even as California is projected to face the highest uninsured rate in years, with as many as 3.4 million people losing their health coverage and the state seeing $30 billion annually in funding losses for the Medicaid program.[1]

Methodology

This report relies on data from the Department of Managed Health Care (DMHC) which regulates the health plans that cover most, but not all, Californians. It does not include data from Department of Insurance regulated plans. It also does not include non-insurance lines of business such as pharmacy benefit managers, retail pharmacies, or other vertically integrated parts of these healthcare conglomerates. The estimates are therefore likely underestimates of revenue and profit margins, particularly for corporations that are more reliant on non-health plan lines of business. DMHC has a very limited role in regulating Medicare plans; that data is also excluded from this report. DMHC financial data and enforcement action types, counts and values come from the Health Plan Dashboard. California hospital discharge and financial data utilized in this report come from the Department of Health Care Access and Information (Hospital Annual Financial Data: Selected Data). 2024 data is used unless otherwise specified. National corporate tax savings figures cited in this report cover the period 2018–2024 and are sourced from the Sick Profits report published by Americans for Tax Fairness and Community Catalyst (August 2025), with underlying tax data contributed by the Institute on Taxation and Economic Policy.

Elevance Health

7-Year Savings from Trump Corporate Tax Cuts:
$7.4 BILLION

Californians Enrolled:
3.7 MILLION

2024 Profits (CA):
$900 MILLION

Photo: JetCityImage/Adobe Stock

Elevance Health operates nationally, owning primarily insurance subsidiaries as well as specialty pharmacy and provider services. In California, Elevance operates commercial and Medicaid lines of business and owns Blue Cross of California, Anthem Blue Cross Partnership Plan, Caremore Health of California, and Carelon Behavioral Health. Elevance-owned health plans cover **3.7 million** Californians, which is approximately **11%** of the market. In 2024, it had **$24.5 billion** in revenue and made nearly **$900 million** in profits in California from insurance products alone. This accounts for **14%** of the company's national revenues. [i]

The health plans owned by Elevance had significant deficiencies related to access to care and quality of care. In fact, the DMHC took **167** enforcement actions and issued **$15 million** in fines in 2024 alone. Enforcement actions included those for failing to provide timely access to care (including life-saving cancer treatments)[2], failing to address member grievances and complaints[3], failing to pay providers and address provider complaints[4], and denying preventive, residential behavioral health, and urgent care.[5]

The DMHC also found that Anthem Blue Cross fails to offer **1 in 3** urgent appointments in a timely manner and Blue Cross Partnership fails to offer **2 in 5** urgent appointments in a timely manner.[6] The Department of Health Care Services (DHCS), which oversees the state's Medicaid program, issued **$334,000** in fines for failing to meet more than half of the minimum quality standards required in the program.[7]

[i] Calculated from Elevance Health's National Earnings Report.

Centene Corporation

Photo: JHVEPhoto/Adobe Stock

7-Year Savings from Trump Corporate Tax Cuts:
$7.3 BILLION

Californians Enrolled:
2.7 MILLION

2024 Profits (CA):
$942 MILLION

The Centene Corporation owns multiple full-service and specialty health plans that conduct business in California, both the commercial market and Medicaid. Centene's full-service health plans are Health Net of California, Health Net Community Solutions, and WellCare of California. It owns two behavioral health plans, Human Affairs International of California and Magellan Health Services, as well as WellCare Prescription Insurance. Within its full-service health plans, Centene has **2.7 million** members, which is **9%** of the California market. The bulk of enrollment is in its Medicaid product. In 2024, the Centene Corporation made **$31 billion** from its insurance products in California, which is **19%** of its total national revenues. [ii] It had **$942 million** in profits, with a quarter of that number being from Medicaid. Its California profits contributed nearly **30%** of national profits, a disproportionate share. This means that Centene is highly reliant on profit from California's Medicaid program and is more vulnerable to the impacts of federal Medicaid cuts than many of its for-profit competitors.

In 2025, the DMHC fined three Centene-owned health plans a combined total of **$1.7 million** for failure to comply with basic reporting requirements that ensure health care consumers have timely access to care.[8] Health plan members have a legal right to be able to access health care - including urgent health care - within specified time frames, and to see providers within certain distances. In 2026, Health Net of California was fined **$1.3 million** for failure to process payment disputes with providers within mandatory time frames.[9] Health Net Community Solutions (the Medicaid plan) failed to resolve nearly **40,000** provider payment disputes within the mandatory time frame, threatening the stability of the Medicaid provider network. DHCS issued **$327,000** in fines for measurement year 2024 due to Health Net Community Solutions failing to meet nearly half of required quality measures.[10] Quality measures include key preventative health care such as well child visits, cancer screenings, and maternal health care.

[ii] Calculated from Centene Corporation's National Earnings Report.

UnitedHealth Group

2-Year Savings from Trump Corporate Tax Cuts: [iii]
$13.4 BILLION

Californians Enrolled:
5.4 MILLION

2024 Profits (CA):
$390 MILLION

Photo: JHVEPhoto/Adobe Stock

UnitedHealth Group operates multiple full-service and specialty health plans in California. Its full-service plans include UHC of California, United Healthcare Benefits Plan of California, Optum Health Plan of California, and Monarch Health Plan. The company also operates specialty plans and subsidiaries including Dental Benefit Providers of California, U.S. Behavioral Health Plan of California, ACN Group of California, and Landmark Healthplan of California.

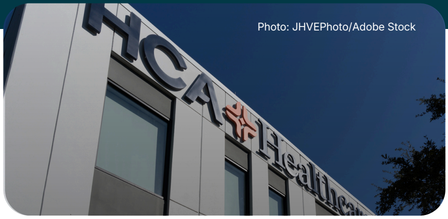
[iii] UnitedHealth Group's tax savings figure reflects 2023 and 2024 data only. Corporate reporting was insufficient for the first five years of the Trump tax cuts to allow reliable analysis, but has since improved sufficiently to permit the calculations reflected here.

Together, UnitedHealth-owned health plans cover approximately 5.4 million Californians. In 2024, UnitedHealth generated approximately $15.3 billion in revenue from its California insurance operations and nearly $390 million in profit. California Health plan revenue accounted for about 4% of the company's total national revenue. [iv] UnitedHealth Group owns the pharmacy benefit manager Optum RX, which accounts for a substantial part of its revenue but is not accounted for in this report due to lack of data.

The Department of Managed Health Care has taken dozens of enforcement actions against UnitedHealth-owned plans doing business in California. In particular, the company has faced ongoing actions for failures to appropriately address enrollee grievances and comply with state processes related to independent medical reviews. The company has also been fined for failing to comply with key consumer protections including prohibitions on surprise billing and prohibitions on cost sharing for certain preventative services such as immunizations.

[iv] Calculated from UnitedHealth Group's National Earnings Report.

HCA Holdings



7-Year Savings from Trump Corporate Tax Cuts:
$5.6 BILLION

HCA currently operates three hospitals in California, including facilities in San Jose, Thousand Oaks and Riverside. In 2024, the three hospitals had a combined **60,840** discharges. The hospitals generated **$2.3 billion** in total operating revenue, which is 3% of the company's national revenue for that year. [v] The hospitals also generated a combined **$403 million** in profits, with a 10% operating margin significantly higher than the statewide average hospital operating margin of approximately 2% in 2024. HCA also owns outpatient clinics, diagnostic imaging centers, and four surgery centers that are not accounted for in this report.

In 2025, HCA sold Regional Medical Center of San Jose to the County of Santa Clara for $150 million. The sale followed community outcry after HCA downgraded the level of trauma, comprehensive stroke, and certain cardiac services at the hospital in 2024. Community members advocated to restore services, prompting Santa Clara County to step in to purchase the hospital and restore services, including labor and delivery services that were closed by HCA in 2020.[11]

[v] Calculated from HCA Holdings' National Earnings Report.

Universal Health Services

7-Year Savings from Trump Corporate Tax Cuts:
$463 MILLION

Universal Health Services operates several hospitals in California, largely freestanding psychiatric hospitals. In 2024 their hospitals had **81,797** discharges, **42%** of which were from psychiatric hospitals. These hospitals generated nearly **$1.8 billion** in revenue, which accounted for **11%** of the company's national revenues with an operating margin of **10%** which totaled **$182 million** in profits. [vi] It is worth noting that six of Universal Health Services' freestanding psychiatric hospitals are among the 10 hospitals in this state with the highest profit margins reaching as high as **40%**.[12]

A recent San Francisco Chronicle investigation[13] found that for-profit psychiatric hospitals in California, including those owned by Universal Health Services, have systematically understaffed their facilities, exploiting weak regulatory oversight to enrich investors while exposing patients to serious harm and neglect. The investigation found that these for-profit hospitals spent a fraction of what nonprofit and general hospital psychiatric units spent on direct patient care, even as they generated hundreds of millions in profits from their California operations. At Universal's Del Amo Behavioral Health System in Torrance, state inspectors found that a single nurse was left responsible for nearly 40 patients at a time, with staff warning that shortages were "affecting patient safety."

[vi] Calculated from Universal Health Services' National Earnings Report.

CVS Health

Photo: JHVEPhoto/Adobe Stock

7-Year Savings from Trump Corporate Tax Cuts:

$7.3 BILLION

CVS Health owns Aetna and operates multiple health plans in California through Aetna Better Health of California, Aetna Health of California, and Aetna Dental of California. In California, Aetna's full-service enrollment totals approximately **339,000** members. In 2024, Aetna generated approximately **$2.1 billion** in revenue from its California insurance operations. However, CVS Health makes most of its revenues from non-insurance operations like its pharmacy benefit manager, Caremark, its retail clinics, and other services. Without sufficient reporting on these business lines, it is difficult to ascertain the share of its business that CVS Health does in California.

Conclusion

California's health care system, particularly safety net programs including Medi-Cal, are at a crossroads. The loss of billions of federal dollars comes at a time when health care affordability is the top financial challenge for California families. Against this backdrop, it is important to acknowledge those health care corporations that have profited from federal actions and tax cuts. It is incumbent upon California's state leaders to find ways to change this picture. Elected officials should look for mechanisms to capture profits and tax savings from these companies to support the health care safety net. This could include capping profits in Medi-Cal, requiring community investments, robustly regulating hospital staffing to ensure quality patient care, and scrutinizing health care mergers and acquisitions that drive up the cost for Californians. Working Californians and families should not suffer the consequences of unsustainable health care costs while multi-billion-dollar corporations are further enriched.

Citations

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