

Medi-Cal is Broken. But We Can Fix It**AUTHOR: Robert Vinetz, MD, FAAP**

(Lead co-author of AAP Leadership Conference Resolution #16: *Fixing Medicaid: Removing the Middlemen*)

Medi-Cal (like virtually all Medicaid programs) is broken...wasteful...even harmful in some ways. As pediatricians, we know that because we feel it in our practices every day. It's this way because insurance companies, financial *middlemen*, are literally siphoning the financial lifeblood and the spirit of caring out of our system of health care. They're doing it by systematically putting their profit before patient care. But it doesn't have to be that way. We can fix Medi-Cal.

The way to fix it is highlighted by Resolution #16, sponsored by our California Chapter 2 at the July 2026 AAP Leadership Conference. The resolution was adopted and voted a "Top 10" resolution. It's titled: ***Fixing Medicaid: Removing the Middlemen [i.e. insurance companies] – How to Improve & Expand Medicaid for Kids & Pediatricians... And Save \$ Billions!***

The "how-to-fix Medi-Cal" details and action points will follow. But first, some background information:

In 2012 the state of Connecticut decided to stop contracting with and paying insurance company middlemen (ie. Managed Care Organizations - MCOs) to manage their state's Medicaid program. Instead, Connecticut started to virtually, *exclusively, and directly* pay pediatricians, hospitals and others delivering services to Medicaid patients. This has saved the state over \$4 Billion since then. Improved care for patients made better the professional lives of pediatricians and others serving children and families. Other states are considering following Connecticut's successful model of *Removing the Middlemen*.

California can do the same for our Medicaid program: Medi-Cal. If we in California implement this approach it would serve to:

- Save Californians \$4 Billion+ every year!
- Pay more, and more fairly to us as pediatricians, hospitals and other healthcare professionals;
- Enable more of us to serve children and families with Medi-Cal, improving their access to and quality of care.
- Protect pediatricians and others from the constant hassles of insurance companies, forcing us to deal with prior authorizations, denials of coverage, controlling and delaying care, wasting our work and personal time and money needed to run our practices and institutions. All this while we face frustration and burnout.
- Reestablish our appropriate professional control, which is essential for serving children and their families.

California, on its own initiative and authority, without federal approval, can create and implement *Removing the Middlemen* from Medi-Cal. Doing so falls within the current rules of Medicaid.

It won't be easy.... But it's doable and worth it! While the devil is in the details, so are the angels. This is a call to work with those angels and urge our Academy to make *Removing the Middlemen* happen for the sake of our patients, their families, and ourselves.

Here's what you can do:

- Learn more:
 - A concise 10-minute video primer on: "[Removing the Middlemen from Medicaid](#)"
 - Access (AAP members only) the full text of 2026 Leadership Conference Resolution #16: [Fixing Medicaid: Removing the Middlemen \[insurance companies\] – How to Improve & Expand Medicaid for Kids & Pediatricians... And Save \\$ Billions!](#) [Online access for AAP members only, go to: aap.org > Login > scroll down to "Leadership Conference" > 2026 Resolutions > scroll down to and click on "Resolution Number" 16: "Fixing Medicaid Removing the Middlemen"]
 - Extensive and evidence-based report: [Removing the Middlemen from Medicaid - A Blueprint for Better Care and Lower Costs](#).
- Discuss and assist *Removing the Middlemen* from Medi-Cal with your colleagues and our Chapter 2 and District IX leadership.
- At the AAP National Conference (October 2-6) in San Diego: Visit the "Removing the Middlemen from Medicaid" booth #1553 in the Exhibition Hall.