

As Gov. Gavin Newsom navigates one of his most vexing problems during the pandemic, supplying the state with enough tests for COVID-19, he has relied heavily on a single company: insurance giant Blue Shield of California, a generous campaign contributor and supporter.

Nearly half of the leadership positions on Newsom's high-priority task force on coronavirus testing [are filled with Blue Shield executives](#). Its CEO, Paul Markovich, is the co-lead, alongside the assistant director of the state Department of Public Health.

All told, employees of the insurance company make up 22 percent of the 68-position team. The company, based in Oakland, has more members on the task force than all of the other private-sector representatives combined.

Blue Shield's role on the task force is to help the state with the time-intensive work needed to ramp up testing, not to craft policy, said Dr. Charity Dean, assistant director at the California Department of Public Health. Its work is "based on science," she said.

"The Blue Shield staff do a lot of the phone calls and heavy lifting," said Dean, who leads the task force with Markovich. "The state of California is always the one to make decisions, but we're informed by really smart people on the task force."

In addition to spending nearly \$1 million lobbying on nearly four dozen bills this legislative cycle, including on hospital billing and drug pricing, the company has contributed \$200,000 to Newsom's political efforts. That includes his reelection effort and his [failed campaign to pass a school bond in the March primary](#).

During the last election cycle, it spent about \$1 million to elect Newsom as governor.

Blue Shield's outsized influence on the testing task force is raising concerns about what the insurance giant stands to gain from a blossoming partnership with the governor during a crisis that has upended health care for the foreseeable future.

Wendell Potter, a former Cigna insurance company executive turned industry critic, said Blue Shield's disproportionate representation on the task force was "baffling."

"What Blue Shield ultimately will gain from this, I don't know. But I think it bears scrutiny," Potter said.

From the start of the coronavirus outbreak in California, testing has been Newsom's most stubborn problem. He first identified it as his "top priority" in February, when he announced the state [lacked adequate supplies and was counting on the federal government](#). More than a month later, the feds hadn't delivered, and California was still short on swabs, chemicals and other materials needed to test people for the COVID-19.

He turned to Blue Shield of California for help. The Newsom administration looked to the company as it ramped up the California COVID-19 Testing Task Force, which has grown to include 11 subcommittees.

State task forces that draw from the private sector are often designed to make sure everyone has a seat at the table.

In California, testing task force leaders say the group is composed differently because it was formed under unusual circumstances that forced quick action during an escalating crisis. As a result, Blue Shield looked in-house.

"The easiest thing for me to do was to recruit inside of Blue Shield," Markovich said in an interview with The Sacramento Bee. "We are a resource to the state. We are volunteers to the state. We are not decision makers, we are not lobbyists. It's not a policy-making group."

Markovich said prior to joining the task force he had already assembled a team within the company to address supply shortages hampering testing. He said he reached out to Dr. Mark Ghaly, California's Secretary of Health and Human Services, and Ghaly responded by asking him to help lead a governmental task force on testing.

The California Department of Public Health employs nearly [4,000 people](#) and has a budget of [\\$3.2 billion](#).

But Markovich says state and local health departments don't have the staff or the resources to ramp up testing on a pandemic scale. He saw an opportunity to help solve that problem by providing private-sector personnel to do the legwork the government couldn't do on its own.

A large cohort from one insurance company on a high-profile task force isn't necessarily suspicious, said Art Caplan, director of the medical ethics program at New York University's Langone Medical Center.

It could come down to an "ongoing relationship" between the insurance industry and elected officials who value the experience.

Staffing it with your colleagues could just be a matter of convenience. But Caplan was still puzzled by the arrangement.

"That does strike me as odd," he said. "Insurance people would not be useless. I just wouldn't think you would need a lot of them."

'WE WANT TO SAVE LIVES'

The task force's goals include finding ways to test more people who aren't showing signs of COVID-19 and ensuring 90 percent of Californians are within an hour's drive of a testing site, according to the Newsom administration.

Newsom has also charged the team with accelerating turnaround time for results, [evaluating new types of tests](#) and ensuring there are enough workers to conduct them.

Markovich says the task force increased testing by coordinating supply chain logistics – determining which testing sites had shortages of equipment like swabs and finding equipment for them. Now that the state's capacity has increased, the task force is working to encourage more people to get tested and make sure people know that tests are no longer just reserved for sick people and essential workers, although those groups are still prioritized.

The task force aims to average more than 60,000 tests per day by the end of the month, Dean said. Doctors are well-represented on the task force and said tapping private sector expertise was essential given the magnitude of the problem, Dean said.

"This wasn't something government could solve alone," she said.