



Consumer Participation Program Report

Fiscal Year 2017-2018

November 20, 2018

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The Department of Managed Health Care (DMHC) protects consumers' health care rights and ensures a stable health care delivery system. As part of this mission, the DMHC licenses and regulates health care service plans (health plans) under the Knox-Keene Health Care Service Plan Act of 1975. The DMHC regulates the vast majority of commercial health plans and products in the large group, small group, and individual markets, including most of the health plans that participate in Covered California.

SB 1092 (Sher, Chapter 792, Statutes of 2002), as codified in Health and Safety Code section 1348.9, subdivision (f), requires the DMHC to annually report awards issued during the prior fiscal year under the DMHC's Consumer Participation Program (CPP) to the appropriate policy and fiscal committees of the Legislature. The report must include the amount of reasonable advocacy and witness fees awarded, the individuals or organizations to whom advocacy and witness fees were awarded, and the orders, decisions, and regulations pursuant to which the awards were made. This report covers Fiscal Year 2017-2018.

Background

The CPP allows the DMHC Director to award reasonable advocacy and witness fees to any person or organization that has a record of advocacy on behalf of health care consumers if the person or organization makes a substantial contribution to a DMHC administrative or legislative proceeding resulting in the adoption of a regulation, or in an order or decision of the Director that has the potential to impact a significant number of consumers. Periodically, the DMHC Director may identify specific regulatory proceedings in which he or she believes consumer participation would be helpful and anticipates that CPP awards may be available. Pursuant to California Code of Regulations, title 28, section 1010, a person or organization interested in receiving awards through the CPP must submit (1) a Petition to Participate and (2) an Application for an Advocacy Award, available on the DMHC's public website at: <https://wps0.dmhc.ca.gov/cpp/newAccountStep1.aspx>.

A Petition to Participate gives notice to the DMHC Director that a person or organization represents the interests of consumers and intends to claim compensation. For rulemaking proceedings, the Petition to Participate must be submitted no later than the end of the final public comment period of the rulemaking proceeding in which the person or organization seeks to participate. For legislatively authorized guidance, orders, or decisions, the Petition to Participate must be submitted within ten (10) working days after the legislatively authorized final guidance, order, or decision, or decision not to issue an order or decision. Within 30 days, the DMHC will review the Petition to Participate and rule on whether or not it will be granted. A person or organization that has an approved Petition to Participate on file (Participant) is not required to submit another Petition to Participate in order to seek an award for a future proceeding as long as the information in the approved Petition to Participate remains true and accurate.

A Participant that has made a substantial contribution to a proceeding may be eligible for compensation. The Participant must submit the Application for an Advocacy Award to the DMHC no later than sixty (60) days following the effective date of a regulation; the effective date of an order or decision by the Director; the decision not to issue an order or decision;

or the date of issuance of legislatively authorized guidance. The DMHC will post the Application for an Advocacy Award on its public website within a reasonable time, and will render a decision within sixty (60) days as to whether compensation will be granted.

Current Update

Since the CPP became effective on July 1, 2003, the DMHC has approved 57 Petitions to Participate and 33 Applications for an Advocacy Award.

Fiscal Year 2017-2018

During the reporting period, the DMHC approved six (6) Applications for an Advocacy Award. The total amount of compensation awarded during the reporting period was \$38,642.50, allocated as follows:

- December 1, 2017: Health Access of California was awarded \$1,487.50 for its substantial contribution regarding the DMHC's consideration and approval of Blue Cross of California's (Anthem) rate filing in the individual market for 2017.
- December 1, 2017: Health Access of California was awarded \$637.50 for its substantial contribution regarding the DMHC's consideration and approval of California Physicians' Service's (Blue Shield) rate filing in the individual market for 2017.
- December 1, 2017: Health Access of California was awarded \$850.00 for its substantial contribution regarding the DMHC's consideration and approval of Kaiser Foundation Health Plan, Inc.'s (Kaiser) rate filing in the individual market for 2017.
- February 20, 2018: Health Access of California was awarded \$10,280.00 for its substantial contribution regarding the DMHC's consideration of Anthem's proposed acquisition of Cigna Corporation.
- February 20, 2018: Consumers Union of United States, Inc. was awarded \$13,087.50 for its substantial contribution regarding the DMHC's consideration of Anthem's proposed acquisition of Cigna Corporation.
- February 20, 2018: Consumers Union of United States, Inc. was awarded \$12,300.00 for its substantial contribution regarding the DMHC's consideration and approval of Anthem's rate filing in the individual market for 2018.

The DMHC did not approve any new Petitions to Participate during the reporting period.

The full decisions are available on the DMHC's public website at:

<https://www.dmhc.ca.gov/AbouttheDMHC/OpportunitiestoParticipate/ApplicationsforanAwardtoParticipate.aspx>.