

DMHC Newsletter

Protecting consumers' health care rights and
ensuring a stable health care delivery system



Message from the Director



The Department of Managed Health Care (DMHC) recently released the [2021 Annual Report](#) and [Infographic](#) in June. The report highlights the Department's achievements, activities and includes key statistics about the Department throughout the year. As the report notes, the DMHC now protects the health care rights of more than 28 million Californians, and this is a job I and the rest of the Department take very seriously.

The DMHC has continued our important work to protect Californians from the COVID-19 pandemic and ensuring that health plan enrollees have access to appropriate care. I encourage you to visit the [DMHC COVID-19 resource web page](#) as it is updated regularly to include the Department's

latest actions and guidance. Recently, the Department issued guidance on the coverage of COVID-19 therapeutics.

The DMHC posted health plan's proposed rate changes to our website earlier this week, and the public can review the proposed rates and offer comments to the Department as part of our premium rate review program. The DMHC reviews proposed health plan rates and asks health plans questions about their proposed rate changes to make sure health plans are providing detailed information to the public to support rate changes. More information on the rate changes filed with the Department and information on the public comment period is included in this newsletter.

I want to highlight recent enforcement actions taken by the Department to protect consumers and ensure a stable health care delivery system. In June, the DMHC took enforcement actions against Blue Cross of California (Anthem Blue Cross) and Molina Healthcare of California. The DMHC conducted investigations and found several violations, which are detailed further in the articles below.

As we enter wildfire season, I also want to share a reminder that health plans regulated by the DMHC are required to ensure enrollees displaced by wildfires continue to have appropriate access to medically necessary health care services. Our consumer [fact sheet](#) has more information about actions health plans must take during a natural disaster to assist health plan enrollees.

The DMHC Help Center continues to be an important resource available to help health care enrollees resolve issues with their health plans. If you are having a problem with your health plan, like getting timely access to care, receiving an inappropriate charge or bill, or have been denied care or treatment, I encourage you to first contact your health plan to file an appeal. If you are

dissatisfied with your health plan's response, or if your health plan does not resolve the issue within 30 days for non-urgent issues, contact the DMHC Help Center for assistance at 1-888-466-2219 or www.HealthHelp.ca.gov. If you have an urgent health issue, please contact the DMHC Help Center immediately.

Thank you for your support and continued interest in the DMHC.
Sincerely,

Mary Watanabe

Director
California Department of Managed Health Care

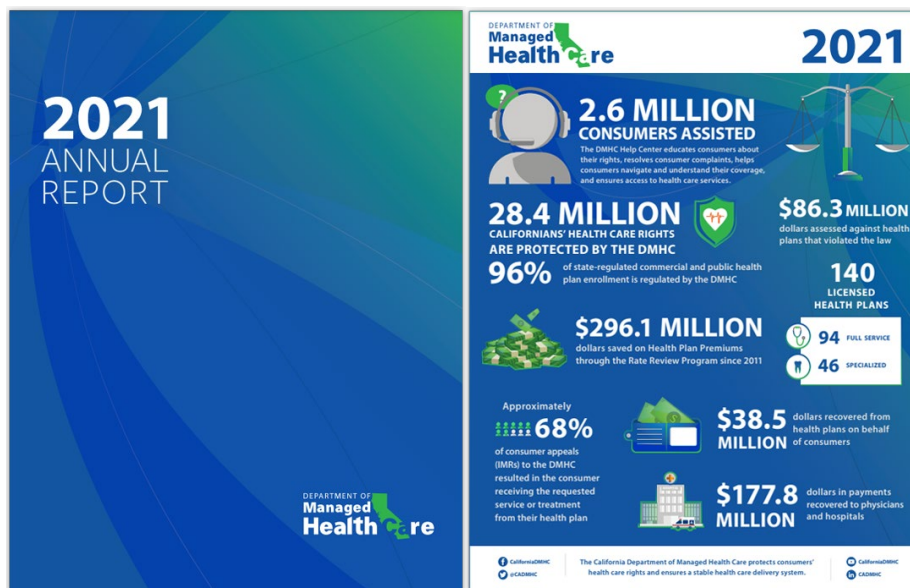
DMHC 2021 Annual Report

The DMHC released the 2021 Annual Report and Infographic, highlighting the Department's achievements and activities during the year.

The DMHC regulates the majority of health care coverage in California including 96% of commercial and public enrollment in state-regulated health plans. In 2021, 94 full service health plans licensed by the DMHC provided health care services to 28.4 million Californians. This included approximately 13.9 million commercial enrollees and approximately 14.5 million government enrollees. In addition to full-service health plans, the DMHC oversees 46 specialized health plans including chiropractic, dental, vision, behavioral health (psychological), and pharmacy. As of the end of 2021, the DMHC has assisted 2.6 million consumers through the Department's Help Center.

The Department's mission is to protect consumers' health care rights and ensure a stable health care delivery system. To help achieve this mission, the DMHC Help Center educates consumers about their health care rights, helps them resolve complaints with their health plans, assists consumers in navigating their health coverage and ensures consumers can access necessary health care services.

Select an image below to read the 2021 Annual Report or Infographic:



California's Commitment to Reproductive Health Care Rights

Following the U.S. Supreme Court's decision in *Dobbs v. Jackson Women's Health Organization*, Governor Newsom signed legislation to help [protect patients and providers](#) in California from civil liability for providing, aiding, or receiving abortion care in the state. In addition, Governor Newsom and the governors of Oregon and Washington [launched a new Multi-State Commitment](#) to defend access to reproductive health care and protect patients and providers.

California Health and Human Services Agency (CalHHS) Secretary Dr. Mark Ghaly, Department of Health Care Services Director Michelle Baass and DMHC Director Watanabe also issued a joint statement reaffirming their commitment to uphold the state's strong protections around reproductive health care rights:

"...We remain committed to upholding and expanding protections that ensure the health and wellbeing of anyone seeking critical reproductive services. And we will protect reproductive health care rights by making sure health plans follow the law.

"We are here to help, if a health plan denies, changes, or delays medical services, we urge Californians to contact our Help Center at 1-888-466-2219 or visit our [website](#)."

Read the full statement on the DMHC [website](#).

DMHC Reviews 2023 Health Plan Rate Filings

Under state law, proposed premium rate changes for individual and small group health plans must be filed with the DMHC. Actuaries perform an in-depth review of these proposed changes and ask health plans to demonstrate that proposed rate changes are supported by data, including underlying medical costs and trends. The DMHC does not have the authority to approve or deny rate increases; however, the Department's rate review efforts hold health plans accountable through transparency, ensure consumers get value for their premium dollar and saves Californians money.

If the DMHC finds a health plan rate change is not supported, the DMHC negotiates with the plan to reduce the rate, called a modified rate. If the health plan refuses to modify its rate, the Department can find the rate to be unreasonable, and the health plan must notify members of the unreasonable finding.

The DMHC received and is currently reviewing 14 individual rate filings with an effective date of January 1, 2023. This includes 13 on-exchange filings. A new entrant for the 2023 plan year, Aetna Health of California, Inc., will offer individual products on-exchange.

Health plans were asked to provide the estimated impact of COVID-19 on their proposed rates. The DMHC is working to closely analyze the impact of COVID-19 on health care premiums, medical costs, utilization of services and medical loss ratio. For the 14 individual rate filings, the proposed rate increases range from 1.92% to 13.50%. Health plans projected their proposed rates with the assumption that the additional premium subsidies available under the American Rescue Plan Act would be ending on December 31, 2022.

The DMHC has published the proposed rates on the Department's [website](#), and is accepting public comments on the filings.

**Your comments make a
DIFFERENCE!**

Submit comments on health plan premium rate filings that are under review by the DMHC



DEPARTMENT OF
Managed
Health care

DMHC Issues Guidance on National Infant Formula Shortage

The DMHC issued an [All Plan Letter \(APL\)](#) regarding the national shortage of infant formula, which is making it very difficult for patients and caregivers to locate regular (non-medical) formula, as well as specialty or enteral formula for infants, children and adults with special needs.

Health plans must ensure prior authorization or utilization management requirements do not impede a provider's ability to change or modify an enrollee's formula, including when a physician must change the type, size or brand of formula based on availability. The DMHC encourages plans to treat such requests in an expeditious manner.

DMHC Issues Guidance on Coverage of COVID-19 Therapeutics

The DMHC issued an [All Plan Letter \(APL\)](#) regarding commercial health plan coverage of COVID-19 therapeutics, steps plans can take to encourage providers to use therapeutics, when appropriate, and directs plans to submit a description of how the plan is ensuring enrollees who need and are eligible for therapeutics have ready access to such treatment.

Health plans must ensure enrollees for whom a COVID-19 therapeutic is medically necessary have access to these treatments within 48 hours if the plan does not require prior authorization or 96 hours if the plan requires prior authorization. Given treatment should be started as soon as possible after symptoms start, the DMHC strongly urges plans to waive any prior authorization requirements with respect to therapeutics and to ensure enrollees can receive needed treatment as quickly as possible.

DMHC Fines Anthem Blue Cross \$1.1 Million

The DMHC took [enforcement actions](#) totaling \$1,110,000 in fines totaling \$1,110,000 in fines against Anthem Blue Cross to protect consumers. The Department's enforcement actions included a fine of \$750,000 for incorrectly applying office visit costs to enrollee deductibles impacting 6,561 enrollees from 2015 through 2020, and a fine of \$360,000 for failing to mail Explanation of Benefits (EOB) to 363,257 enrollees in 2019. Anthem Blue Cross reported both issues to the Department,

and agreed to pay the fines and complete corrective actions including identifying and reimbursing enrollees impacted by the incorrect office visit costs.

The plan was in violation of the law when it failed to properly exclude certain office visits from enrollee deductibles. These office visits included primary care, and behavioral health office visits. The plan has reimbursed nearly \$9.2 million to 6,561 enrollees.

DMHC Fines Molina Healthcare of California \$1 Million

The DMHC took [enforcement actions](#) against Molina Healthcare of California (Molina) including a \$1 million fine for the plan's failure to timely acknowledge and resolve 29,124 provider disputes between September 2017 and September 2018. The plan paid the fine and implemented corrective actions, including the remediation of \$80.3 million in payments to providers, with an additional \$1.8 million in interest.

Health plans are required to have a Provider Dispute Resolution (PDR) program when a dispute arises over payments to providers. California law requires a health plan to identify and acknowledge each provider dispute within two working days of the date of receipt of an electronic provider dispute, and 15 working days of the date of receipt of a paper provider dispute. Additionally, health plans must resolve each provider dispute or amended provider dispute and issue a written determination stating the pertinent facts and explaining the reasons for the plan's determination within 45 working days after the date of receipt.

Health Plans Must Assist Enrollees Impacted by Wildfires

Health plans must ensure enrollees displaced by natural disasters, including wildfires, continue to have appropriate access to medically necessary health care services. This could include speeding up approvals for care, replacing lost prescriptions and ID cards, or quickly arranging health care at other facilities if a hospital or doctor's office is not available due to the disaster.

A consumer-focused [fact sheet](#) provides more information about what health plans are required to do to help enrollees impacted by a natural disaster.

HEALTH PLAN ASSISTANCE FOR ENROLLEES IMPACTED BY NATURAL DISASTERS

If you've been negatively impacted or displaced by Natural Disasters, including earthquakes, wildfires, and flooding, your health plan is required to help.

WHAT THE DMHC IS DOING TO HELP
The California Department of Managed Health Care (DMHC) requires California health plans to help victims of Natural Disasters, including earthquakes, wildfires and flooding, who are experiencing problems obtaining health care services. This could include speeding up approvals for care, replacing lost prescriptions and ID cards, or quickly arranging health care at other facilities if a hospital or doctor's office is not available due to the disaster.

IF YOU NEED ASSISTANCE, CALL THE DMHC HELP CENTER AT:
1-888-466-2219
Managed Health Care

HEALTH PLAN REQUIREMENTS
Health plans must ensure enrollees displaced by natural disasters continue to have appropriate access to medically necessary health care services.

This may require plans to, among other things:

- Relax time limits for prior authorization, pre-certification, or referrals.
- Suspend prescription refill limitations and permit impacted enrollees to refill their prescriptions at out-of-network pharmacies.
- Allow enrollees to replace medical equipment or supplies.
- Extend filing deadlines for claims.
- Allow enrollees to access appropriate out-of-network providers if in-network providers are unavailable due to the disaster or if enrollees are out of the area due to displacement from the fires.
- Have a toll-free number for affected enrollees to call for answers to questions, including questions about the loss of health insurance ID cards, access to prescription refills, or how to access health care.

You should first contact your health plan for assistance, but if you have problems obtaining services or assistance from your health plan, you can also contact the DMHC Help Center at 1-888-466-2219 (TDD: 1-477-688-9891) or at www.HealthInfo.ca.gov. The DMHC Help Center provides help in all languages, and all services are free.

May 2021

State Resources and Information on COVID-19

Let's Get to **ImmUnity!** Protect yourself, family, friends & your community. Get Vaccinated & Boosted!

Need help with your Health Plan? Call 1-888-466-2219 or visit us at [HealthHelp.ca.gov](https://www.healthhelp.ca.gov)

The DMHC is taking action to protect consumers' health care rights and ensure a stable health care delivery system during the COVID-19 state of emergency. The DMHC's [COVID-19 resource web page](#) includes more information about the Department's actions, including the following consumer fact sheets on coverage options, testing and vaccines.



[Coverage Options Fact Sheet](#)
([English](#), [Spanish](#))



[Consumer Fact Sheet on COVID-19 Testing](#)
([English](#), [Spanish](#))



[COVID-19 Vaccine Fact Sheet](#) ([English](#), [Spanish](#))

Departments throughout the state are working to respond to COVID-19 and ensure Californians have the resources they need to stay safe and healthy. As the pandemic evolves, information can change quickly. It is important that you are getting the most up-to-date information from reliable sources. You can find additional state resources below to stay informed on the latest information and guidance regarding COVID-19.

- [COVID19.ca.gov](https://www.covid19.ca.gov)
- [CDPH COVID-19 Updates](#)
- [DHCS COVID-19 Response](#)

Regulation Update

Summary of Dental Benefits and Coverage Disclosure Matrix

The purpose of this regulation is to implement requirements for a uniform benefits and coverage disclosure matrix that must be used by health care service plans that issue, sell, renew, or offer a contract that covers dental services in California. This regulation will help ensure that consumers may more easily compare a summary of dental benefits offered by various health care service plans. A third comment period for the formal adoption of the regulation closed on June 10, 2022. The DMHC is currently finalizing the package for submission to OAL.

DMHC Help Center

The DMHC Help Center educates consumers about their health care rights, resolves consumer complaints, helps consumers navigate and understand their coverage and ensures access to appropriate health care services.

The first step is to file a grievance or appeal with your health plan if you are experiencing an issue with your health plan, including getting timely access to care, receiving an inappropriate charge or bill, or been denied care or treatment. Contact the DMHC Help Center for assistance if you are not satisfied with your health plan's resolution of the grievance or have been in the grievance process for 30 days for non-urgent issues. If you have an urgent health issue, please contact the DMHC Help Center immediately. The DMHC Help Center can be reached at 1-888-466-2219 or www.HealthHelp.ca.gov.

If a health plan denies, changes or delays a request for medical services, denies payment for emergency treatment or refuses to cover experimental or investigational treatment, a health plan enrollee can apply for an Independent Medical Review (IMR) through the DMHC Help Center. Independent providers will review the case, and the health plan must follow the IMR determination. Approximately 68% of consumers who file an IMR with the DMHC receive their requested service or treatment from their health plan. For more information, please visit www.HealthHelp.ca.gov.

DMHC Career Opportunities

The DMHC is always seeking smart, talented and enthusiastic people to join our team. More information about careers with the DMHC is located on the [CalCareers website](#).

DMHC Web Banners

The DMHC created the following web banners to help raise consumer awareness of the DMHC Help Center.

If your organization is interested in hosting the DMHC web banners on your website, please visit the DMHC [website](#) or email stakeholder@dmhc.ca.gov. The web banners are also available in additional languages, including Spanish.

Assistance is Fast, Free & Confidential

Approximately 68% of consumer appeals (IMRs) to the DMHC resulted in the consumer receiving the requested service or treatment from their health plan

Call: 1-888-466-2219 | Visit: HealthHelp.ca.gov

68%

The graphic features a blue header with white text, a main text area with bold black text, a call-to-action button with white text on a blue background, and a circular icon on the right containing the number 68% and a grid of 10 stylized human figures (8 green, 2 white).



The DMHC Protects the
Health Care Rights of
28.4 Million Californians

[Learn More](#)

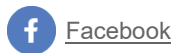
1-888-466-2219

HAVE A PROBLEM WITH YOUR HEALTH PLAN? CONTACT THE DMHC

HealthHelp.ca.gov



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About DMHC:

The DMHC protects the health care rights of 28.4 million Californians and ensures a stable health care delivery system. The Department has helped 2.6 million Californians resolve health plan problems through the Help Center. Information and assistance is available at www.HealthHelp.ca.gov or by calling 1-888-466-2219.