



## **Consumer Participation Program Report**

**Fiscal Year 2015-2016**

**March 28, 2017**

## **Consumer Participation Program Report Fiscal Year 2015-2016**

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 all 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, requires the DMHC to annually report awards issued under the DMHC's Consumer Participation Program (CPP), for the prior fiscal year, to the appropriate policy and fiscal committees of the Legislature before March 1. SB 1092 requires the report to include the amount awarded, the individual or organization awarded, and the orders, decisions, and regulations pursuant to which the awards were made. The DMHC last issued a report for fiscal year 2012-2013. No awards were issued for fiscal year 2013-2014 or fiscal year 2014-2015. This report covers fiscal year 2015-2016.

### **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. Pursuant to Title 28 of the California Code of Regulations, section 1010, a person or organization interested in receiving awards through the CPP must complete the following two applications: 1) Petition to Participate, and 2) Application for an Advocacy Award (previously called "Awards of Advocacy and Witness Fees"). These applications are available on the DMHC's public website at: <https://wps0.dmhc.ca.gov/cpp/newAccountStep1.aspx>.

A person or organization intending to seek an award must submit to the DMHC Director a Petition to Participate, giving notice that the person or organization represents the interests of consumers and intends to claim compensation. For rulemaking proceedings, the request 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 guidance, order, or decision, or decision not to issue an order or decision.

Periodically, the DMHC Director may identify regulatory proceedings in which he or she believes consumer participation would be helpful and anticipates that fees may be awarded. A person or organization desiring to participate in a proceeding and seeking an award shall electronically submit a Petition to Participate in a proceeding.

After the issuance of a final regulation, order, or decision by the DMHC Director in the proceeding, a person or organization eligible for an award of compensation may submit an Application for an Advocacy Award. A person or organization that makes a substantial contribution may be eligible for full compensation.

### **DMHC Efforts to Improve the Consumer Participation Program**

Effective April 1, 2016, the DMHC amended Title 28 of the California Code of Regulations, section 1010, to streamline the process for persons and organizations to participate in the CPP. Previously, applicants were required to submit a “Request for Finding of Eligibility to Participate and Seek Compensation” in order to verify eligibility for the CPP. Eligibility requirements are now included in the existing “Petition to Participate in a Proceeding” application instead.

### **Current Update**

Since the CPP became effective on July 1, 2003, the DMHC approved 57 Petitions to Participate and 27 Applications for an Advocacy Award.

#### Fiscal Year 2013-2014

During the reporting period from July 1, 2013 to June 30, 2014, the DMHC approved two (2) Petitions to Participate, but did not approve any Applications for an Advocacy Award.

#### Fiscal Year 2014-2015

During the reporting period from July 1, 2014 to June 30, 2015, the DMHC did not approve any Petitions to Participate or Applications for an Advocacy Award.

#### Fiscal Year 2015-2016

During the reporting period from July 1, 2015 to June 30, 2016, the DMHC approved fourteen (14) Petitions to Participate. On June 28, 2016, the DMHC approved the following three (3) Applications for an Advocacy Award:

- Michael Johnson was awarded \$18,270.00 for his substantial contribution regarding California Physicians’ Service’s acquisition of Care 1<sup>st</sup> Health Plan.
- Health Access of California was awarded \$21,725.00 for its substantial contribution regarding California Physicians’ Service’s acquisition of Care 1<sup>st</sup> Health Plan.
- Consumers Union of United States, Inc. was awarded \$56,588.75 for its substantial contribution regarding California Physicians’ Service’s acquisition of Care 1<sup>st</sup> Health Plan.