



## **Consumer Participation Program Report**

**Fiscal Year 2016-2017**

**February 15, 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 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 during the prior fiscal year under the DMHC's Consumer Participation Program (CPP) to the appropriate policy and fiscal committees of the Legislature. 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. This report covers Fiscal Year 2016-2017.

### **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 submit a Petition to Participate and an Application for an Advocacy Award. These applications are available on the DMHC's public website at:

<https://wpsso.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 CPP awards may be available. A person or organization that is interested in seeking an award for participation must submit a Petition to Participate.

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 submits an Application for an Advocacy Award. If a person or organization made a substantial contribution to the final regulation, order, or decision, within the meaning of California Code of Regulations, title 28, section 1010, subdivision (b)(14), it may be eligible for compensation.

### **Current Update**

Since the CPP became effective on July 1, 2003, the DMHC approved 57 Petitions to Participate and 32 Applications for an Advocacy Award.

### Fiscal Year 2016-2017

During the reporting period from July 1, 2016 to June 30, 2017, the DMHC did not approve any new Petitions to Participate. Pursuant to California Code of Regulations, title 28, section 1010, effective April 1, 2016, applicants that have an approved Petition to Participate on file are not required to submit another Petition to Participate as long as the information remains true and accurate.

During the reporting period, the DMHC approved five (5) Applications for an Advocacy Award. The total amount awarded was \$49,538.50. All of the Applications for an Advocacy Award were approved on December 16, 2016, as follows:

- Consumers Union of United States, Inc. was awarded \$12,200.00 for its substantial contribution regarding the DMHC's decision on Centene Corporation's acquisition of Health Net of California, Inc.
- The Western Center on Law and Poverty, Inc. was awarded \$3,148.50 for its substantial contribution regarding the DMHC's decision on Centene Corporation's acquisition of Health Net of California, Inc.
- Health Access of California was awarded \$12,355.00 for its substantial contribution regarding the DMHC's decision on Centene Corporation's acquisition of Health Net of California, Inc.
- Consumers Union of United States, Inc. was awarded \$6,687.50 for its substantial contribution regarding the DMHC's decision on Aetna, Inc.'s acquisition of Humana, Inc.
- Health Access of California was awarded \$15,147.50 for its substantial contribution regarding the DMHC's decision on Aetna, Inc.'s acquisition of Humana, Inc.