

California Department of Managed Health Care Update

December 9, 2019

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Acting Chief Deputy Director

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DMHC Mission Statement

The California Department of Managed Health Care protects consumers' health care rights and ensures a stable health care delivery system.

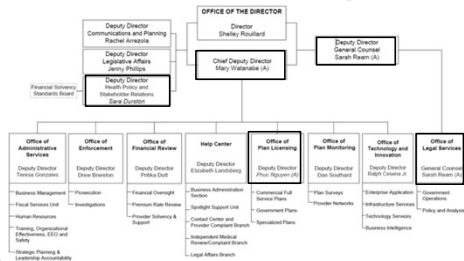
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Our Leadership



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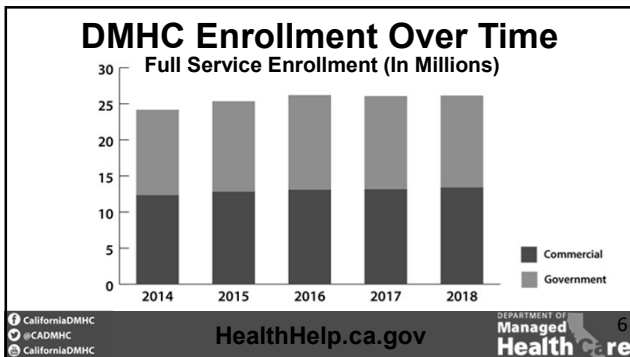
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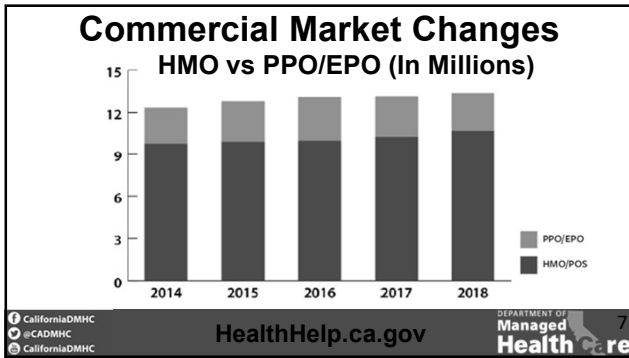
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DMHC Priorities

- Oversight of Delegates
- Timely Access to Care Regulation
- Prescription Drug Cost Transparency
- Behavioral Health
- Mergers & Acquisitions
- Provider Directories
- Encounter Data

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Oversight of Delegated Entities

- Holding plans accountable for the behavior of their delegates
- “Delegates” broadly defined, includes all entities that are delegated responsibility for Knox Keene Act-regulated functions, not just RBOs
- New Regulations
 - General Licensure Requirements (“Risk”)
 - Financial Solvency of RBOs

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Timely Access to Care & Annual Network Review Regulation

- Sets out a methodology for measuring provider appointment availability
- Establishes a rate of compliance plans must meet
- Specifies what is included in Annual Network Report
- Informal stakeholder process prior to submission to OAL

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Prescription Drug Cost Transparency

- Prescription Drug Cost Transparency Report (SB 17)
- Pharmacy Benefit Manager Reporting Task Force (AB 315)

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Behavioral Health

- High priority for the Administration
- Medi-Cal and Commercial access to services
- Surgeon General work on ACEs
- Future stakeholder engagement

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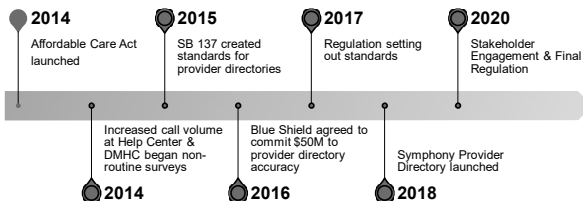
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Mergers & Acquisitions

- **Merger Mania 1.0 (2015-2016)**
 - Blue Shield/Care 1st
 - Centene/Health Net
 - Aetna/Humana
- **Merger Mania 2.0 (2018)**
 - CVS/ Aetna
 - Optum/DaVita
 - Cigna/ Express Scripts
- **Merger Mania 3.0 (2019)**
 - Centene/WellCare
 - Anthem/ Beacon
 - Several specialized health plans

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Provider Directories



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Provider Directories

- Symphony Provider Directory Utility
- SB 137 (Hernandez, 2015)
- Uniform Provider Directory Standards
 - Final Regulation January 1, 2021
 - Stakeholder Process

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Encounter Data Initiative

- Encounter Data Reporting Issues
- The Importance of Accurate Encounter Data Reporting
- Industry Solution

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Newly Enacted Regulations

- General Licensure — Effective July 1, 2019
- Risk Bearing Organization (RBO) Requirements (Financial Solvency) — Effective Oct. 1, 2019
- Cancellations, Rescissions and Non-renewals (AB 2470) — Effective Oct. 1, 2019
- Standard Formulary Template (SB 1052) — Effective Oct. 1, 2019

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Upcoming Regulations

- Timely Access Methodology
- Dental Matrix (SB 1008)
- Provider Directories (SB 137)
- Out-of-Pocket Maximum Tracking

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Upcoming Regulations

- Prescription Drug Tiering (AB 339)
- Large Group Rates (SB 546) and Prescription Drug Cost Transparency (SB 17)
- Financial Reporting Requirements
- Help Center

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2019 Enacted Bill Summary

- AB 290 (Wood): Establishes various requirements and default rates for third-party entities that pay health coverage premiums on behalf of enrollees.
- AB 577 (Eggman): Requires continuity-of-care coverage for maternal mental health conditions.
- AB 651 (Grayson): Prohibits balance billing by air ambulance providers.

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2019 Enacted Bill Summary

- AB 731 (Kalra): Establishes a rate review process for the large group market.
- AB 744 (Aguiar-Curry): Establishes payment parity for telehealth services.
- AB 954 (Wood): Requires dental plan contracts with dental providers to include various requirements related to third party access and network rental.

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2019 Enacted Bill Summary

- AB 1309 (Bauer-Kahan): Shifts the open enrollment start date (from October 15 to November 1) and end date (from January 15 to January 30) beginning in 2020.
- AB 1802 (Health Committee): Corrects drafting error related to claim reimbursement rules when health plans delegate claims payments to other entities; updates DMHC contact info in health plan documents.

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2019 Enacted Bill Summary

- SB 129 (Pan): Expands health plan enrollment reporting to include individual and small group products sold inside and outside Covered California, and multiple employer welfare arrangements.
- SB 159 (Wiener): Allows pharmacists to directly provide pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP); prohibits health plans from subjecting PrEP and PEP to prior authorization or step therapy.

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2019 Enacted Bill Summary

- SB 260 (Hurtado): Allows Covered California to automatically enroll individuals who lose Medi-Cal coverage into coverage on the Exchange and amends existing enrollee notice requirements.
- SB 343 (Pan): Requires health plans that exclusively contract with no more than two medical groups to report rate information consistent with requirements for all other health plans.

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2019 Enacted Bill Summary

- SB 407 (Monning): Establish various requirements related to Medigap coverage.
- SB 583 (Jackson): Conforms California law with federal law requirements for clinical trial coverage.
- SB 600 (Portantino): Clarifies that fertility preservation is a basic health care service under existing law.
- SB 784 (Health Committee): Conforms California's Medigap laws with federal law.



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Questions

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