

California Department of Managed Health Care Update

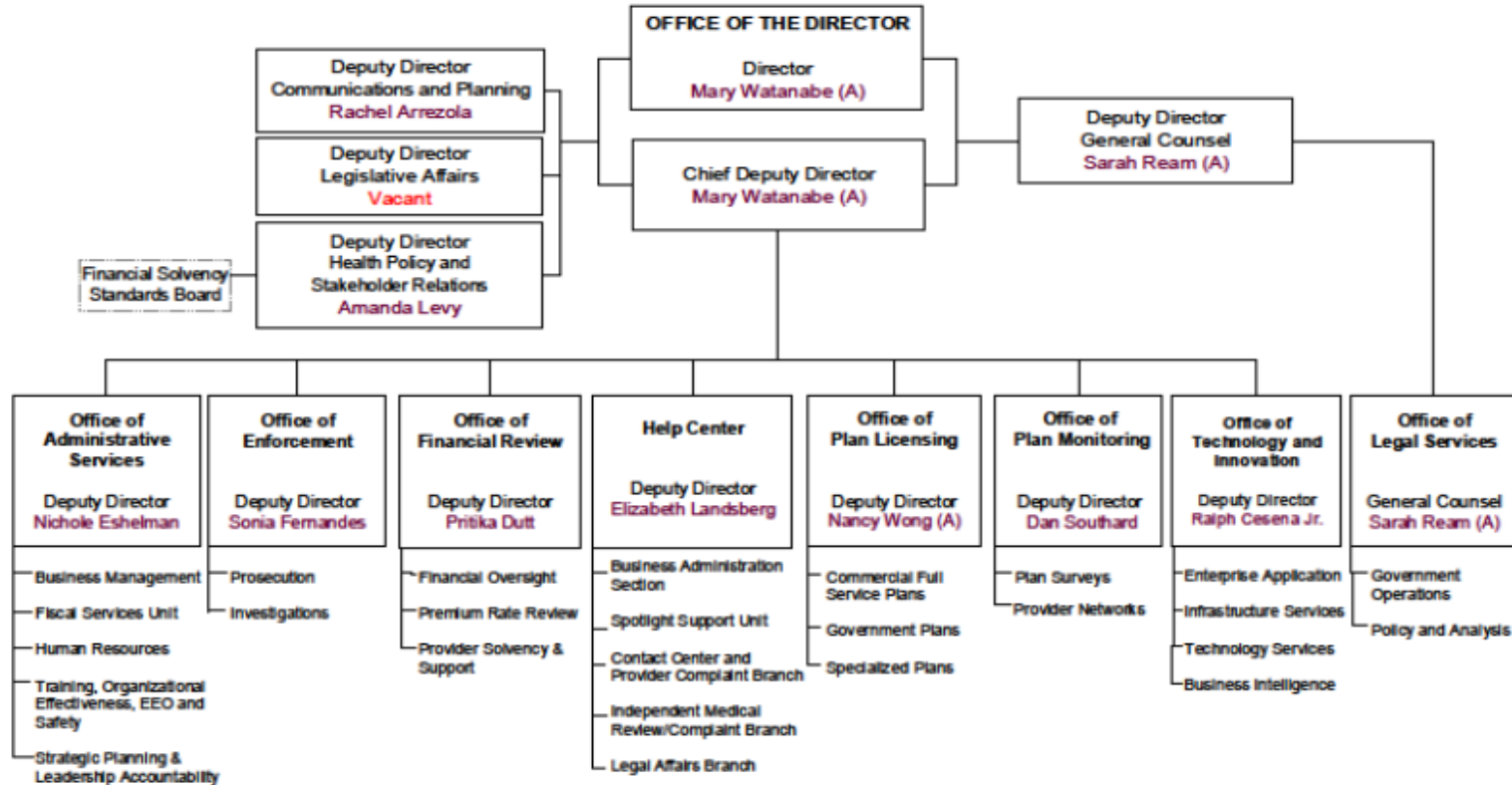
December 2, 2020

Mary Watanabe
Acting Director

DMHC Mission Statement

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

Our Leadership



Our Accomplishments



**\$256
MILLION**

dollars saved on
Health Plan Premiums
through the Rate
Review Program

125

LICENSED HEALTH PLANS



80

FULL SERVICE



45

SPECIALIZED



26.4 MILLION

CALIFORNIANS' HEALTH CARE RIGHTS
ARE PROTECTED BY THE DMHC

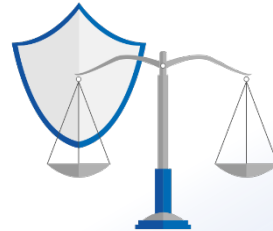
96%

of commercial and public
health plan enrollment is
regulated by the DMHC



**2.4 MILLION
CONSUMERS ASSISTED**

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



**\$80
MILLION**

dollars assessed
against health plans
that violated the law



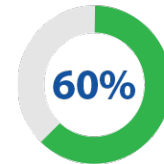
**\$115.2
MILLION**

dollars in payments
recovered to physicians
and hospitals



**\$34
MILLION**

dollars recovered
from health plans on
behalf of consumers

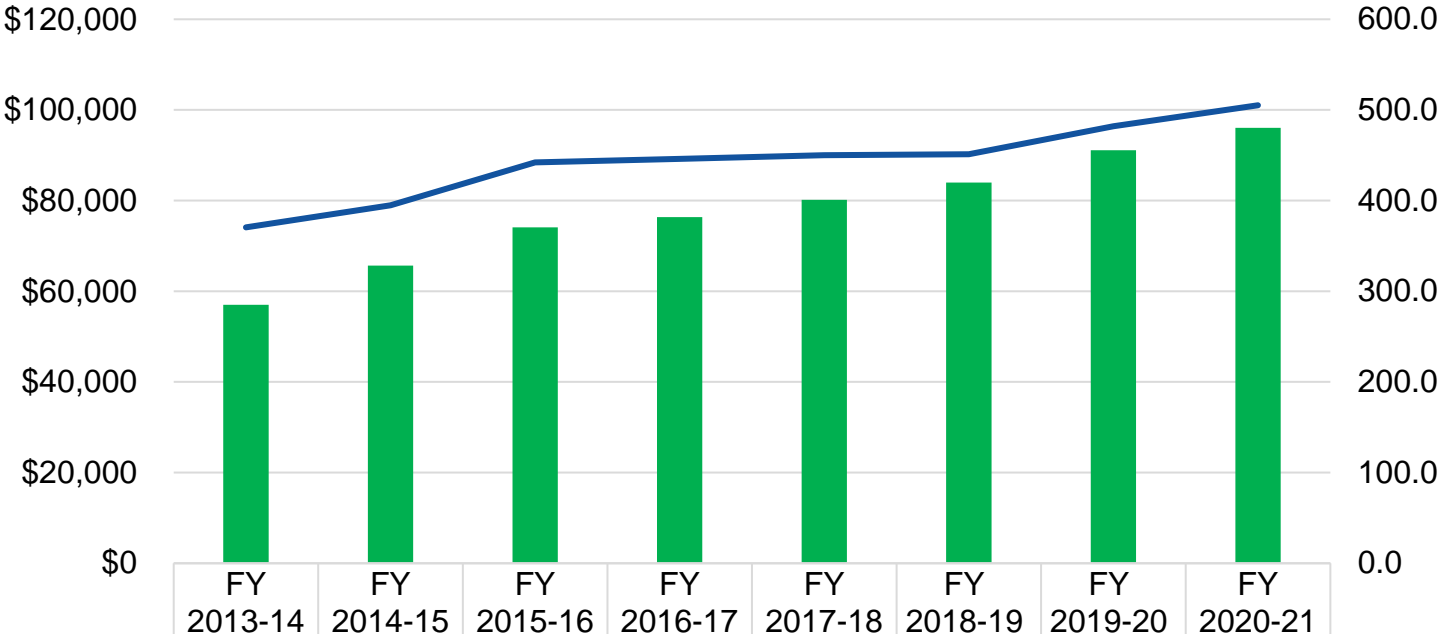


INDEPENDENT MEDICAL REVIEW (IMR)

Approximately **60%** of consumer appeals (IMRs) to the DMHC resulted in the consumer receiving the requested service or treatment from their health plan.

June 2020

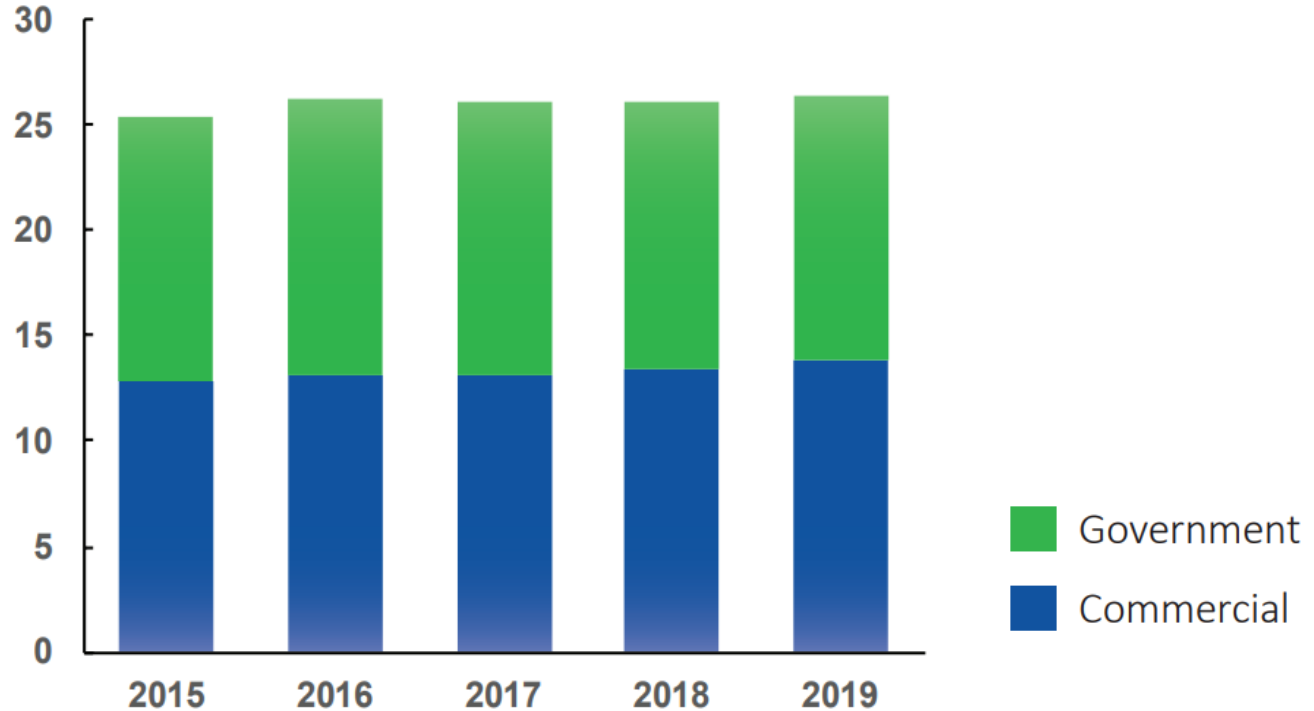
DMHC Funding and Positions



 Funding (in thousands)	\$57,013	\$65,659	\$74,091	\$76,328	\$80,167	\$83,953	\$91,093	\$96,034
 Authorized Positions	370.5	394.8	442.0	446.0	450.0	451.0	482.0	505.0

DMHC Enrollment Over Time

Full Service Enrollment (In Millions)



DMHC's Response to COVID-19

- Issued 20 All Plan Letters from March 5, 2020 to November 20, 2020.
- Emergency Regulation Regarding COVID-19 Diagnostic Testing.
- Fact Sheets Regarding Coverage Options and COVID-19 Testing.
- COVID-19 Updates Webpage.

Emergency Regulation

Emergency Regulation Regarding Coverage of COVID-19 Testing:

- Effective July 17, 2020.
- Outlines the circumstances under which plans must cover testing and clarifies when cost-sharing is allowed.
- Remains in effect through May 14, 2021.

Emergency Regulation

1. For a person *with symptoms or exposure* to COVID-19, plan must cover testing at zero cost share. Enrollee can go in or out of network.
2. For an “*essential worker*” with *no symptoms or exposure*, plan must provide a testing appointment within 48 hours. If plan does not, enrollee can go out-of-network. Ordinary cost-sharing applies.
3. For a person who is *not an “essential worker,”* and who has *no symptoms or exposure*, plan must cover test when medically necessary. Must provide a testing appointment within 96 hours. Ordinary cost-sharing applies.

Regulations in Process

- Timely Access to Care
- SB 855, Mental Health Parity
- Provider Directories (SB 137)
- Help Center “Clean Up”
- Out-of-Pocket Maximum Tracking
- Prescription Drug Tiering on Plan Formularies (AB 339)

AB 80 (Budget Committee)

Effective July 1, 2020:

- Revises the permitted range for the actuarial value of specified nongrandfathered bronze-level health plans.
- Provides the DMHC with authority to take enforcement action if a health plan is not in compliance with the requirements related to the Health Care Payments Data Program administered by the Office of Statewide Health Planning and Development.

AB 1124 (Maienschein)

- No later than May 1, 2021, the DMHC may approve two 4-year pilot programs that would permit risk-bearing organizations and restricted health plans to undertake risk-bearing arrangements with either a qualifying voluntary employees' beneficiary association (VEBA) or a qualifying trust fund.
- Pilot duration: January 1, 2022 through December 31, 2025.
- DMHC report to the Legislature by January 1, 2027.

AB 2118 (Kalra)

- Beginning October 1, 2021, requires full-service health plans to annually report specified rate information on premiums, cost sharing, benefits, enrollment, and trend factors for products in the individual and small group markets.
- Reporting on enrollee share of premium and on enrollment by benefit design, deductible, or share of premium delayed until 2023.

AB 2157 (Wood)

- Effective January 1, 2021, revises the requirements of the Independent Dispute Resolution Process (IDRP) to address the confidentiality of evidence submitted for review, the qualification of IDRP reviewers, and the scope of IDRP review.
- Consistent with recent changes made to the IDRP.

SB 406 (Pan)

- Effective September 29, 2020, codifies select Affordable Care Act requirements into state law:
 - Ban on lifetime and annual limits on essential health benefits.
 - Coverage of preventive services without cost-sharing.
- Extends the sunset date of the California Health Benefits Review Program by two years.

SB 855 (Wiener)

- Prohibits use of "discretionary authority" contract provisions.
- Amends California's mental health parity statute, requiring full-service health plans in group and individual markets to cover treatment for all medically necessary mental health and substance use disorders listed in the most recent version of the Diagnostic and Statistical Manual of Mental Disorders (DSM).
- Defines "medically necessary treatment of a mental health or substance use disorder."

SB 855 (Wiener)

- Requires plans to arrange coverage for medically necessary out-of-network mental health and substance use disorder treatment services when in-network options within geographic and timely access standards are not available.
- Sets criteria for the use of clinical guidelines when making medical necessity and level of care placement decisions for mental health or substance use disorder treatment.
- Requires plans to establish specified procedures to ensure compliant utilization review processes.

DMHC Priorities

- Behavioral Health
- Telehealth
- Network Adequacy and Timely Access to Care
- Health Equity
- Provider Directories
- Encounter Data