The DMHC:

Consumer Protection and Market Regulation

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DMHC Overview

- **Founded by consumers in 2000 as the only stand-alone HMO government agency watchdog in the U.S.**
- **Oversees 110 full service and specialized health plans serving nearly 21 million enrollees**
- **Seeks to ensure a financially stable and affordable system of managed care**
- **Funded by health plan assessments**

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CA Consumer Protection Legacy

- First stand-alone HMO watchdog agency (2000)
- First in nation to establish Independent Medical Review (IMR) (2001)
- First in nation to ban "balance billing" of consumers for ER services (2008)
- Ended illegal rescissions of coverage and fined plans a total of nearly $14 million (2009)
- First in nation to require health plans to provide interpreters and translated materials (2009)
- First in nation to shorten time for scheduling appointments with doctors and specialists (2010)

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DMHC Oversight Functions

Licensing health plans

- Conducts health plan financial exams every three years

Risk-bearing organization (RBO) financial solvency

- Monitors approximately 183 RBOs

Enforcement

- Collected more than $35 million in fines against health plans over the past ten years

Help Center

- Assisted more than a million consumers in the past ten years
- Conduct medical surveys of plans every three years

Provider Oversight

- Collected nearly $25 million in additional payments to providers since 2005

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The DMHC Help Center -- A Model for Assisting Consumers

- Assists consumers five days a week from 7 am - 7 pm; on-call staff available for urgent after hours problems
- Staffed by patient rights advocates, health care professionals, and consumer service representatives
- Resolves consumer complaints and provides information about health plan coverage and patient rights
- Administers the Independent Medical Review process for denials of requests for medically necessary, experimental/investigational, or emergency services
- Designated as lead to provide first stop help for questions and problems with health care coverage
- Responsibility for eligibility and enrollment in public programs resides in CHHS departments

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Help Center Statistics - 2010

- **Provided personal assistance from a Help Center agent to more than 50,000 consumers**
- **Responded to 1,200 emails and more than 9,500 letters, and resolved more than 4,700 formal grievances regarding issues with health care coverage**
- **Resolved nearly 1,800 consumer grievances involving health care service/treatment denials through the IMR process**
- **Provided referral assistance to more than 10,000 consumers, coordinating with agencies such as Medi-Cal, MRMIB, California Dept of Insurance, CMS, HICAP and the Employee Benefits Security Administration**
- **Able to assist Limited English Proficiency consumers in more than 100 languages; provided interpretation and translated materials in threshold languages**

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HCR Implementation

Member of Governor's Task Force

- Chaired the Insurance Market Workgroup

Conducted analysis of significant ACA provisions

- Comprehensive assessment of more than 20 major provisions

Participated in state and federal workgroups

- More than 20 DMHC staff members involved
- Participating on more than a dozen separate workgroups

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HCR Implementation

(continued)

Received grant funding

- Rate review -- $1 million in funding
- Consumer assistance -- $4.1 million in funding
- Developing multi-year rate review application

Provided input to federal policymakers

- Responded to more than 20 requests for information and comment

Implemented near term changes

- Plan guidance is final for rate filing system, high-risk program, pre-ex for kids
- Draft guidance pending for rate review, coverage termination

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Help Center Data Reported to Federal Government

First quarterly report of Help Center contacts received Oct. 15, 2010 – April 15, 2011:

- **22,073 total records submitted**
- 314 were uninsured - referrals made to Medi-Cal, CHIP, Medicare, Uninsured Help Line (referrals to brokers)
- 15,745 were privately insured consumers - referrals made to HC attorneys/staff, health plans, CDI, DOL, MRMIB, other
- 4,336 were consumers in publicly-funded coverage - referred to HC staff or appropriate agency
- 1,678 were in other coverage (Medicare = 666; Self-Funded = 428; State, Local Gov't Plan = 584) – referred to HC staff or appropriate agency

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Policy Implications for California

Conforming/Implementing Legislation

- Enacted and still needed

Increased Financial Oversight of Plans

- New rate review programs
- Medical loss ratio rules

Leveling the Market for Plans

- Greater uniformity of health insurance regulation

Development of Risk Adjustment Mechanisms

- New federal and state programs

Essential Benefit Mandates

- PPACA – has ten categories vs. 49 mandates in KKA

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