



AB 326 (L. Rivas): Consumer Participation Program

The Department of Managed Health Care (DMHC) oversees the health care of nearly 15 million Californians. When seeking input, DMHC should hear not just from health plans, providers, and industry associations, but also from representatives of patients and the public. To ensure this, the “[Consumer Participation Program](#)” was enacted in 2003 with the passage of [AB 1092 \(Sher\) in 2002](#). It allows the DMHC Director to award reasonable advocacy and witness fees to any person or organization that represents the interest of consumers and has made a substantial contribution on behalf of consumers to the adoption of any regulation, or to an order or decision made by the Director, if the order or decision has the potential to impact a significant number of enrollees. Often, these awarded organizations have a demonstrated track record representing vulnerable, low-income consumers, immigrants, and communities of color.

CONTINUING CONSUMER REPRESENTATION: The original 2002 bill had a five-year sunset since the program was considered to be new and experimental. But for the past fifteen years, it this program has been key in keeping consumer voices at the table and helping increase the representation of underserved communities, which has been documented annually in reports to the Legislature. Because of this, the sunset has been extended multiple times, through the budget process. The program is currently scheduled to sunset again in 2024. AB 326 (Rivas) would extend the Consumer Participation Program indefinitely.

How does the Consumer Participation Program work?

NO GENERAL FUND: The Consumer Participation Program is funded from fees imposed on health plans licensed by the state of California. It is not funded through the state General Fund. The authorizing statute specifies that total awards may not exceed \$350,000 each fiscal year, and the DMHC Director has discretion to award these fees to eligible parties.

ACCOUNTABILITY: To maintain appropriate oversight and accountability, regulations adopted to implement the Consumer Participation Program include specifications for eligibility of participation, rates of compensation, and the procedures for seeking compensation. Further, implementing regulations required that an applicant for an award demonstrate a record of advocacy on behalf of health care consumers in administrative or legislative proceedings in order to determine that the applicant is truly representing the interests of consumers.

TRANSPARENCY: Finally, to ensure transparency, DMHC publishes a report to the Legislature and makes information publically available on their website related to opportunities and awards connected to the Consumer Participation Program.

AB 326 (L. Rivas) would permanently establish the [Consumer Participation Program](#) within the Department of Managed Health Care given the proven track record of its success.¹

¹ <https://www.dmhc.ca.gov/AbouttheDMHC/OpportunitiestoParticipate.aspx>