

## California

### I. Scope and Applicability

**A. Who is subject to the state's external review laws?** Health insurance carriers are regulated by either the Department of Managed Care or the Department of Insurance. The California Department of Managed Health Care (DMHC) regulates HMOs and PPOs while the California Department of Insurance (CDI) oversees most PPOs and traditional fee-for-service plans.

1. **HMOs?** Yes.
2. **Insurers?** Yes.
3. **Utilization review organizations?** Yes.
4. **ACOs?** Yes.
5. **PPOs?** Yes.
6. **Third party administrators?** Yes.

**B. What exemptions are provided, if any?** No provision.

### II. Regulatory Information

**A. Responsible state agency.** California Department of Insurance (CDI).

**B. Contact Information.**

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### III. Licensure/Certification Requirements

**A. What are the requirements for any entity to provide external review in this State?** Must be health insurance carriers.

**B. How often must licensure be renewed?** 3 years. Licensure achieved through a competitive request for proposal (RFP) process.

**C. What are the licensure fees?** Not applicable. Certification/licensure achieved through a RFP process.

**D. What documentation is required for licensure?** IRO licensure is secured through a RFP process.

**E. What are the exemptions, if any?** No provision.

### IV. Program Requirements

**A. What are the clinical review criteria?**

When the IMR organization has completed its review of your particular case, they will have determined whether the disputed health care service is medically necessary. This determination is based upon your specific medical needs and any of the following factors:

- Peer-reviewed scientific and medical evidence regarding the effectiveness of the contested health care service
- Nationally recognized professional standards
- Expert opinion
- Generally accepted standards of medical practice
- Treatments that are likely to be effective for your medical condition rather than other treatments that are not.

**B. What are the prohibitions against financial incentives?** See California Insurance Code (CIC) 10169.2(d)(2)(H) and (d)(3)(E).

**C. What are the telephone access standards?** Not addressed in statute.

**D. Are quality assurance programs required?** Yes. See CIC 10169.2(d)(3)

**E. What are the rules regarding the delegation of ER functions?**

**F. What are the confidentiality provisions?** All medical records are confidential throughout the IMR process. The confidentiality of medical records and review materials is subject to all applicable state and federal laws.

### V. Reviewer Qualifications

**A. What qualifications must a reviewer meet to perform ERO?** Must be a qualified medical professional.

**B. Requirements for medical director.** No provision.

**C. Requirement for "same-state" licensure.** No provision.

**HEALTH ER CALIFORNIA****VI. External Review Process****A. Initial Determination****1. Contents of notice of adverse determination.****a. Reasons for adverse determination.** Yes.**2. Notice of appeal rights.** Yes.**3. Appeal requirements.** Yes.**4. Timeframe for determination.**  
Based upon review type.**B. External Review****1. General overview.** An

Independent Medical Review (IMR) is a process in which expert independent medical professionals are selected to review specific medical decisions made by the insurance company. The California Department of Insurance (CDI) administers an Independent Medical Review program that enables you, the insured, to request an impartial appraisal of medical decisions within certain guidelines as specified by the law. Sections 10169 through 10169.5 of the California Insurance Code (CIC), which became effective January 1, 2001, explain the IMR process in detail. In addition, Section 10145.3 explains the IMR process as it relates to experimental or investigational therapies. An IMR can be requested only if the insurance company's decision involves the medical necessity of a treatment, an experimental or investigational therapy for certain medical conditions, or a claims denial for emergency or urgent medical services. It is important to note that the IMR process cannot be used for an insurance company decision that is based on a coverage issue. Only decisions regarding a disputed health care service, as it relates to the practice of medicine, that do **not** involve a coverage issue are qualified for the IMR program. Unlike review procedures available

through the internal appeals/grievance process of health insurance companies and health plans, the IMR request is received, reviewed, and processed by the CDI. When your request qualifies for the IMR program it is sent to the Independent Medical Review organization designated by the CDI. You are required to exhaust the internal appeals/grievance process of your particular insurance company before applying for an IMR with the CDI.

**a. If the appeal is rejected, is there a second level of appeals and are they different?** Yes and no.**b. How must the notice(s) be communicated?** Must be made orally or in writing.**2. What are the filing requirements?****a. What information must be filed by the patient/provider?**

The insured must fill out the following form:

<http://www.insurance.ca.gov/01-consumers/101-help/upload/CSD003-IMR.pdf>

**3. What is the timeframe for determination?****a. For standard appeals?** 30 working days upon receipt.**b. For expedited appeals?** 24 hours.**c. For experimental appeals?** 35 days.**4. What are the requirements for final notification?** Must be made orally or in writing.**5. Is there more key information?** Two programs in California regulate ER. Under the DMHC IMR Contract, the IRO provides independent dispute resolution process (IDRP) services to the Department of Managed Health Care (DMHC) to help resolve reimbursement disputes between health plans and non-

contracted providers. Under the CDI IMR Contract, the IRO provides independent medical reviews addressing the full spectrum of health care issues including medical necessity, experimental therapies, and emergent and urgent care issues for the CDI

## **VII. Recognition of URAC Accreditation Status**

- A. Does the state recognize URAC accreditation?** No.
- B. Which of the state's requirements are waived for URAC-accredited organizations?** Not applicable.

## **VIII. ACA Compliant**

- A. Does the state meet ACA requirements?** Yes, meets parallel.

## **IX. Informative Links**

- A.** <http://www.insurance.ca.gov/01-consumers/110-health/60-resources/01-imr/>
- B.** [http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=1.&article=3.5](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=1.&article=3.5)
- C.** [http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=1.&article=2.5](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=1.&article=2.5)
- D.** <http://www.dmhc.ca.gov/LawsRegulations.aspx#.VMjxDUf-BI>