April 7, 2015

ADVANCE NOTICE OF ADOPTION OF EMERGENCY REGULATIONS
TITLE 10. INVESTMENT
CHAPTER 12. CALIFORNIA HEALTH BENEFIT EXCHANGE
ARTICLE 12. MEDI-CAL MANAGED CARE PLAN ENROLLMENT ASSISTANCE

This notice is sent in accordance with Government Code Section 11346.1(a)(2), which requires that State of California agencies give a five working day advance notice of intent to file emergency regulations with the Office of Administrative Law (OAL). The California Health Benefit Exchange ("Exchange") intends to file an Emergency Rulemaking package with the Office of Administrative Law (OAL) that establishes the Navigator program and changes previously adopted enrollment assistance program regulations. As required by subdivisions (a)(2) and (b)(2) of Government Code Section 11346.1, this notice appends the following: (1) the specific language of the proposed regulation and (2) the Finding of Emergency, including specific facts demonstrating the need for immediate action, the authority and reference citations, the informative digest and policy statement overview, attached reports, and required determinations.

The Exchange plans to file the Emergency Rulemaking package with OAL at least five working days from the date of this notice. If you would like to make comments on the Finding of Emergency or the proposed regulations (also enclosed), they must be received by both the Exchange and the Office of Administrative Law within five calendar days of the date this is posted on the OAL website. Responding to these comments is at the Exchange's discretion.

Comments should be sent simultaneously to:

California Health Benefit Exchange
Attn: Tessa Hammer
1601 Exposition Blvd
Sacramento, CA 95815

Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento, CA 95814

Upon filing, OAL will have ten (10) calendar days within which to review and make a decision on the proposed emergency rule. If approved, OAL will file the regulations with the Secretary of State, and the emergency regulations will become effective for two years from the initial date of adoption or until revised by the Board. (Government Code section 100504 (a)(6)) Please note that this advance notice and comment period is not intended to replace the public's ability to comment once the emergency regulations are approved.

You may also view the proposed regulatory language and Finding of Emergency on the Exchange's website at the following address: hbex.coveredca.com/regulations

If you have any questions regarding this Advance Notice, please contact Tessa Hammer at (916) 228-8232 or email Tessa.Hammer@Covered.ca.gov.

FINDING OF EMERGENCY

The Director of the California Health Benefit Exchange finds an emergency exists and that this proposed emergency regulation is necessary to address a situation that calls for immediate action to avoid serious harm to the public peace, health, safety, or general welfare.

Government Code section 100504(a)(6) provides:

"…Until January 1, 2016, any necessary rules and regulations may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2, including subdivisions (e) and (h) of Section 11346.1, any emergency regulation adopted pursuant to this section shall not be repealed by the Office of Administrative Law until revised or repealed by the board, except that an emergency regulation adopted pursuant to this section shall be repealed by operation of law unless the adoption, amendment, or repeal of the regulation is promulgated by the board pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code within two years of the initial adoption of the emergency regulation. Notwithstanding subdivision (h) of Section 11346.1, until January 1, 2017, the Office of Administrative Law may approve more than two readoptions of an emergency regulation adopted pursuant to this section."

These regulations will expire two years from the date they are adopted.

DEEMED EMERGENCY

The Exchange may "Adopt rules and regulations, as necessary. Until January 1, 2016, any necessary rules and regulations may be adopted as emergency regulations in accordance with the Administrative Procedures Act. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare." (Gov. Code § 100504(a)(6))

AUTHORITY AND REFERENCE

Authority: Government Code Sections 100503 and 100504.
Reference: Government Code Section 100503; 45 CFR 155.260.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Documents to be incorporated by reference:

None.

Summary of Existing Laws

Under the federal Patient Protection and Affordable Care Act (PPACA), each state is required, by January 1, 2014, to establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. Existing state law, the California Patient Protection and Affordable Care Act, established the California Health Benefit Exchange within state government. (Gov. Code § 100500 et seq.) The Exchange must provide for the processing of applications and the enrollment and disenrollment of enrollees. (Gov. Code § 100503(h))

After an evaluation of current regulations, specifically Articles 8 and 10 of Title 10, Chapter 12, the Exchange has determined that these proposed regulations are not inconsistent or incompatible with any existing regulations.

MATTERS PRESCRIBED BY STATUTE APPLICABLE TO THE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

None.

LOCAL MANDATE

The Executive Director of the California Health Benefit Exchange has determined that this proposed regulatory action does not impose a mandate on local agencies or school districts.

FISCAL IMPACT ESTIMATES (Attached Form 399)

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Section 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies.

COSTS OR SAVINGS TO STATE AGENCIES AND TO FEDERAL FUNDING (Attached Form 399)

The proposal results in costs to the California Health Benefit Exchange, which is currently funded by federal grant money and will become financially self-sufficient in 2016. The proposal does not result in any costs or savings to any other state agency.

Medi-Cal Managed Care Plan Enrollment Assistance

Article 12

§ 6900. Definitions

(a) For purposes of this Article, the following terms shall have the following associated meanings:

(1) Authorized Contact: The individual appointed by the Certified Medi-Cal Managed Care Plan entity to manage the agreement executed with the Exchange pursuant to this Article.

(2) Medi-Cal Managed Care Plan: An entity contracting with the Department of Health Care Services (DHCS) to provide health care services to enrolled Medi-Cal beneficiaries under Chapter 7, commencing with section 14000, or Chapter 8, commencing with section 14200, of Division 9, Part 3, of the Welfare and Institutions Code.

(3) Certified Medi-Cal Managed Care Plan Enroller: An individual that is an employee or contractor of a Certified Medi-Cal Managed Care Plan who provides enrollment assistance pursuant to the agreement executed with the Exchange pursuant to this Article.

(4) Primary Contact: The individual appointed by the Certified Medi-Cal Managed Care Plan to be the liaison with the Exchange.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6901. Eligibility

(a) All California Medi-Cal Managed Care Plans as defined in section 6900 are eligible to apply to become a Certified Medi-Cal Managed Care Plan with the Exchange.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6902. Application

(a) A Medi-Cal Managed Care Plan may apply to register as a Certified Medi-Cal Managed Care Plan according to the following process:

(1) The entity shall submit an application containing all information, documentation, and declarations required in subdivision (b) of this section.

(2) The application shall demonstrate that the entity is capable of carrying out at least those duties described in section 6906 and has existing relationships, or could readily

establish relationships, with employers and employees, consumers (including uninsured and underinsured consumers), or self-employed individuals likely to be eligible for enrollment in a Qualified Health Plan (QHP) or an insurance affordability program.

(3) The Exchange shall review the application and, if applicable, request any additional or missing information necessary to determine eligibility.

(4) Entities who have submitted a completed application and demonstrated ability to meet the above requirements shall:

(A) Submit the following:

1. An executed agreement conforming to the Roles and Responsibilities defined in section 6906; and

2. Proof of general liability insurance with coverage of not less than $1,000,000 per occurrence with the Exchange named as an additional insured, and workers compensation insurance.

(5) Entities who are eligible based on their completed application and who complete and pass the training requirements established pursuant to section 6905 shall be registered as a Certified Medi-Cal Managed Care Plan by the Exchange and assigned a Certified Medi-Cal Managed Care Plan Number. If the designee fails to complete the training requirements set forth in section 6905 within 30 calendar days of completing the requirements in (a)(4)(A) of this section, the applicant shall be deregistered.

(b) A Certified Medi-Cal Managed Care Plan application shall contain the following information:

(1) Full name;

(2) Legal name;

(3) Primary e-mail address;

(4) Primary phone number;

(5) Secondary phone number;

(6) Fax number;

(7) An indication of whether the entity prefers to communicate via e-mail, phone, fax, or mail;

(8) Website address;

(9) Federal Employment Identification Number;

(10) State Tax Identification Number;

(11) Identification of applicant's status as a Medi-Cal Managed Care Plan and a copy of supporting documentation;

(12) Identification of the type of organization and, if applicable, a copy of the license or other certification;

(13) Identification of the counties served;

(14) A certification that the applicant and all of its employees comply with section 6907;

(15) Indication of whether the entity serves families of mixed immigration status;

(16) An indication of whether the entity serves individuals with disabilities and, if so, the disability(ies) served;

(17) For the primary site and each sub-site, the following information:

(A) Site Location Address;

(B) Mailing Address;

(C) County;

(D) Contact name;

(E) Primary e-mail address;

(F) Primary phone number;

(G) Secondary phone number;

(H) Hours of operation;

(I) Estimated number of individuals served annually;

(J) Spoken languages;

(K) Written languages;

(L) An indication of whether the entity or individual offers services in sign language;

(M) Ethnicities served; and

(N) Estimated number of individuals served by age.

(18) A certification by the Authorized Contact that the information presented is true and correct to the best of the signer's knowledge;

(19) For each Assister to be affiliated with the applicant,

(A) All information required by section 6903 that is not already included elsewhere in the application; and

(B) An indication of whether he or she is certified by the Exchange and, if applicable, the certification number.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6903. Certified Medi-Cal Managed Care Plan Enroller Application

(a) An individual may become a Certified Medi-Cal Managed Care Plan Enroller according to the following process:

(1) The individual shall:

(A) Submit the following:

1. All information, documentation, and declarations required in subdivision (b) of this section; and

2. An executed agreement conforming to the Roles and Responsibilities defined in section 6906.

(B) Within 90 calendar days of completing the requirements in (a)(1)(A) of this section:

1. Submit fingerprinting images in accordance with section 6904 (a);

2. Disclose to the Exchange all criminal convictions and administrative actions taken against the applicant;

3. Complete the required training established in section 6905; and

4. Pass the required certification exam pursuant to section 6660(d) of Article 8.

(2) Individuals who complete the above requirements and pass the Certified Medi-Cal Managed Care Plan Enroller Fingerprinting and Criminal Record Check described in section 6904 shall be certified as a Certified Medi-Cal Managed Care Plan Enroller by the Exchange.

(b) An individual's application to become a Certified Medi-Cal Managed Care Plan Enroller shall contain the following information:

(1) Name, e-mail address, primary and secondary phone number, and preferred method of communication;

(2) Driver's License Number or Identification Number issued by the California Department of Motor Vehicles. If neither is available, the applicant may provide any other unique identifier found on an identification card issued by a federal, state, or local government agency or entity;

(3) Identification of the Certified Medi-Cal Managed Care Plan that the individual will affiliate with;

(4) Affiliated Certified Medi-Cal Managed Care Plan's primary site location address;

(5) Site(s) to be served by the individual;

(6) Mailing Address of the primary site for the Certified Medi-Cal Managed Care Plan;

(7) An indication of the languages that the Certified Medi-Cal Managed Care Plan Enroller can speak;

(8) An indication of the languages that the Certified Medi-Cal Managed Care Plan Enroller can write;

(9) Disclosure of all criminal convictions and administrative actions taken against the individual;

(10) A certification by the individual that:

(A) The individual complies with section 6907;

(B) The individual is a natural person of not less than 18 years of age; and

(C) The statements made in the application are true, correct and complete to the best of his or her knowledge and belief.

(11) For the individual applying to become a Certified Medi-Cal Managed Care Plan Enroller, signature and date signed; and

(12) For the Authorized Contact from the Certified Medi-Cal Managed Care Plan that the individual will be affiliated with, name, signature, and date signed.

(c) A Certified Medi-Cal Managed Care Plan shall notify the Exchange of every individual to be added or removed as an affiliated Certified Medi-Cal Managed Care Plan Enroller. Such notification shall include:

(1) Name of the Certified Medi-Cal Managed Care Plan and the Certified Medi-Cal Managed Care Plan Number;

(2) Name and signature of the Authorized Contact from the Certified Medi-Cal Managed Care Plan;

(3) Name, e-mail, and primary phone number of the individual to be added or removed;

(4) Effective date for the addition or removal of the individual; and

(5) An indication of whether the individual is certified as a Certified Medi-Cal Managed Care Plan Enroller.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6904. Fingerprinting and Criminal Record Checks

(a) Subdivisions 6658 (a) – (c) of Article 8 apply to individuals seeking certification pursuant to this Article.

(b) Background check costs for individuals seeking certification under this Article shall be paid by the Certified Medi-Cal Managed Care Plan.

Note: Authority cited: Sections 1043 and 100504, Government Code. Reference: section 100502, Government Code; section 11105, Penal Code.

§ 6905. Training Requirements

(a) All individuals or entities who carry out functions pursuant to this Article shall complete training as outlined in section 6660 of Article 8.

(b) Medi-Cal Managed Care Plans shall ensure that any affiliated Certified Medi-Cal Managed Care Plan Enrollers do not perform any consumer assistance functions if more than twelve months have passed since the Medi-Cal Managed Care Plan Enroller passed the certification exam in section 6660(d) of Article 8.

Note: Authority cited: Section 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6906. Roles & Responsibilities

(a) Certified Medi-Cal Managed Care Plans and Certified Medi-Cal Managed Care Plan Enrollers shall perform the following functions:

(1) Maintain expertise in eligibility, enrollment, and program specifications;

(2) Provide information and services in a fair, accurate, and impartial manner, which includes: providing information that assists consumers with submitting the eligibility application; clarifying the distinctions among health coverage options, including QHPs; and helping consumers make informed decisions during the health coverage selection process. Such information must acknowledge other health programs (i.e., Medi-Cal and Children's Health Insurance Programs);

(3) Facilitate selection of a QHP and/or insurance affordability programs;

(4) Provide referrals to any applicable office of health insurance Consumer Assistance or health insurance ombudsman established under section 2793 of the Public Health Service Act, 42 U.S.C. § 300gg-93, or any other appropriate State agency or agencies, for any enrollee with a grievance, complaint, or question regarding their health plan, coverage, or a determination under such plan or coverage;

(5) Comply with the privacy and security requirements in 45 C.F.R. § 155.260;

(6) Ensure that voter registration assistance is available in compliance with section 6462 of Article 4 of this Chapter; and

(7) Comply with any applicable federal or state laws and regulations.

(b) To ensure that information provided as part of any Consumer Assistance is culturally and linguistically appropriate to the needs of the population being served, including individuals with limited English proficiency, a Certified Medi-Cal Managed Care Plan and its affiliated Certified Medi-Cal Managed Care Plan Enrollers shall comply with the requirements of section 6664(b)(1) through (b)(6) of Article 8.

(c) To ensure that Consumer Assistance is accessible to people with disabilities, Certified Medi-Cal Managed Care Plans and affiliated Certified Medi-Cal Managed Care Plan Enrollers shall comply with the requirements of section 6664(c)(1) through (c)(5) of Article 8.

(d) To ensure that no consumer is discriminated against, Certified Medi-Cal Managed Care Plans and Certified Medi-Cal Managed Care Plan Enrollers shall provide the same level of service to all individuals regardless of age, disability, culture, sexual orientation, or gender identity and seek advice of experts when needed.

(e) Certified Medi-Cal Managed Care Plan Enrollers shall complete the Certified Enrollment Counselor section of a consumer's application to the Exchange, including the following:

(1) Name and certification number of the Certified Medi-Cal Managed Care Plan Enroller;

(2) Name of the Certified Medi-Cal Managed Care Plan and the Certified Medi-Cal Managed Care Plan Number; and

(3) Signature and date of signature by the Certified Medi-Cal Managed Care Plan Enroller.

(f) If any of the information listed in subdivision (e) of this section is not included on the consumer's original application, it shall not be added at a later time.

(g) Certified Medi-Cal Managed Care Plan Enrollers shall wear the badge issued by the Exchange at all times when providing assistance pursuant to this Article.

(h) The Certified Medi-Cal Managed Care Plan and Certified Medi-Cal Managed Care Plan Enroller shall never:

(1) Have a conflict of interest as defined in section 6907;

(2) Mail the paper application for the consumer;

(3) Coach the consumer to provide inaccurate information on the application regarding income, residency, immigration status and other eligibility rules;

(4) Coach or recommend one plan or provider over another;

(5) Accept any premium payments from the consumer;

(6) Input any premium payment information on behalf of the consumer;

(7) Pay any part of the premium or any other type of consideration to or on behalf of the consumer;

(8) Induce or accept any type of direct or indirect remuneration from the consumer;

(9) Intentionally create multiple applications from the same household, as defined in 45 C.F.R. § 435.603(f);

(10) Invite, influence, or arrange for an individual whose existing coverage through an eligible employer-sponsored plan is affordable and provides minimum value, as described in 26 USC § 36B(c)(2)(C)) and in 26 C.F.R. § 1.36B-2(c)(3)(v) and (vi), to separate from employer-based group health coverage;

(11) Solicit any consumer for application or enrollment assistance by going door-to-door or through other unsolicited means of direct contact, including calling a consumer to provide application or enrollment assistance without the consumer initiating the contact, unless the consumer has a pre-existing relationship with the individual Certified Medi-Cal Managed Care Plan Enroller or Certified Medi-Cal Managed Care Plan and other applicable State and Federal laws are otherwise complied with; or

(12) Initiate any telephone call to a consumer using an automatic telephone dialing system or an artificial or prerecorded voice, except in cases where the individual Certified Medi-Cal Managed Care Plan Enroller or Certified Medi-Cal Managed Care Plan has a relationship with the consumer and so long as other applicable State and Federal laws are otherwise complied with.

(i) Certified Medi-Cal Managed Care Plan Enrollers shall report to the Exchange any subsequent arrests for which they have been released on bail or personal recognizance and criminal convictions, received by the Exchange in accordance with section 6456 (c) of Article 4, and administrative actions taken by any other agency, within 30 calendar days of the date of each occurrence.

(j) Certified Medi-Cal Managed Care Plans shall notify the Exchange of any change in Contact information for the Certified Medi-Cal Managed Care Plan or its Certified Medi-Cal Managed Care Plan Enrollers.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

§ 6907. Conflict of Interest

(a) Certified Medi-Cal Managed Care Plan and Certified Medi-Cal Managed Care Plan Enrollers shall:

(1) Comply with applicable State law related to the sale, solicitation, and negotiation of insurance products, including applicable State law related to agent, broker, and producer licensure;

(2) Create a written plan to remain free of conflicts of interest while carrying out functions under this Article;

(3) Provide information to consumers about the full range of QHP options and insurance affordability programs for which they are eligible;

(4) Disclose to each consumer who receives application assistance from the entity or individual:

(A) Any lines of insurance business which the entity or individual intends to sell while carrying out the Consumer Assistance functions;

(B) Any existing employment relationships, or any former employment relationships within the last five years, with any health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance, including any existing employment relationships between a spouse or domestic partner and any health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance; and

(C) Any existing or anticipated financial, business, or contractual relationships with one or more health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance.

(b) Medi-Cal Managed Care Plan Enrollers who are licensed insurance agents with the California Department of Insurance shall:

(1) Comply with 45 C.F.R. section 155.220;

(2) Execute an agreement with the Exchange that complies with 45 C.F.R. section 155.220;

(3) While a Certified Medi-Cal Managed Care Plan Enroller, not receive any direct or indirect consideration from any health insurance issuer or stop loss insurance issuer, other than compensation on a salary or contractual basis from the Medi-Cal Managed Care Plan, in connection with the enrollment of any individuals in a QHP or non-QHP;

(4) Not be certified concurrently by the Exchange pursuant to Article 10 of this Chapter.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code; and 45 C.F.R. §155.220.

§ 6908. Suspension and Revocation

(a) Each of the following shall be justification for the Exchange to suspend or revoke the certification of any Certified Medi-Cal Managed Care Plan or Certified Medi-Cal Managed Care Plan Enroller:

(1) Failure to comply with all applicable federal or state laws or regulations; and

(2) A potentially disqualifying administrative action or criminal record which is substantially related to the qualifications, functions, or duties of the specific position of the entity or individual, under sections 6903 and 6904.

(b) Following the receipt of a determination pursuant to this section that disqualifies an individual or entity from certification, the entity or individual is not eligible to reapply for certification for two years.

Note: Authority cited: Sections 100502 and 100504, Government Code. Reference: Sections 100502 and 100503, Government Code.

STATE OF CALIFORNIA — DEPARTMENT OF FINANCE

ECONOMIC AND FISCAL IMPACT STATEMENT (REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME	CONTACT PERSON	EMAIL ADDRESS	TELEPHONE NUMBER
California Health Benefit Exchange	Tessa Hammer	Tessa.Hammer@covered.ca	916-228-8232

DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400	NOTICE FILE NUMBER
Enrollment Assistance - Medi-Cal Managed Care Plan Program	Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- ☐ a. Impacts business and/or employees
- ☐ b. Impacts small businesses
- ☐ c. Impacts jobs or occupations
- ☐ d. Impacts California competitiveness
- ☐ e. Imposes reporting requirements
- ☐ f. Imposes prescriptive instead of performance
- ☐ g. Impacts individuals
- ☐ h. None of the above (Explain below): _____

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

2. The _____ (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- ☐ Below $10 million
- ☐ Between $10 and $25 million
- ☐ Between $25 and $50 million
- ☐ Over $50 million *[If the economic impact is over $50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: _____

Describe the types of businesses (Include nonprofits): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: ☐ Statewide ☐ Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

Describe the types of jobs or occupations impacted: _____

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ YES ☐ NO

If YES, explain briefly: _____

ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? $ _____

   a. Initial costs for a small business: $ _____ Annual ongoing costs: $ _____ Years: _____

   b. Initial costs for a typical business: $ _____ Annual ongoing costs: $ _____ Years: _____

   c. Initial costs for an individual: $ _____ Annual ongoing costs: $ _____ Years: _____

   d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* $ _____

4. Will this regulation directly impact housing costs? ☐ YES ☐ NO

   If YES, enter the annual dollar cost per housing unit: $ _____

   Number of units: _____

5. Are there comparable Federal regulations? ☐ YES ☐ NO

   Explain the need for State regulation given the existence or absence of Federal regulations: _____

   Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: $ _____

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: _____

2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

   Explain: _____

3. What are the total statewide benefits from this regulation over its lifetime? $ _____

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: _____

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: $ _____ Cost: $ _____

Alternative 1: Benefit: $ _____ Cost: $ _____

Alternative 2: Benefit: $ _____ Cost: $ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ YES ☐ NO

Explain: _____

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises **exceed $10 million**? ☐ YES ☐ NO

If YES, complete E2. and E3
If NO, skip to E4

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost $ _____ Cost-effectiveness ratio: $ _____

Alternative 1: Total Cost $ _____ Cost-effectiveness ratio: $ _____

Alternative 2: Total Cost $ _____ Cost-effectiveness ratio: $ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding $50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through12 months after the major regulation is estimated to be fully implemented?

☐ YES ☐ NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: _____

The incentive for innovation in products, materials or processes: _____

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ _____

☐ a. Funding provided in _____

Budget Act of _____ or Chapter _____, Statutes of _____

☐ b. Funding will be requested in the Governor's Budget Act of _____

Fiscal Year: _____

☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

☐ a. Implements the Federal mandate contained in _____

☐ b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

_____

☐ e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

☐ 3. Annual Savings. (approximate)

$ _____

☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

☒ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

☐ 6. Other. Explain _____

_____

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ _____

It is anticipated that State agencies will:

☐ a. Absorb these additional costs within their existing budgets and resources.

☐ b. Increase the currently authorized budget level for the _____ Fiscal Year

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ _____

☐ 3. No fiscal impact exists. This regulation does not affect any State agency or program.

☒ 4. Other. Explain Estimated impact to State (sustainability) Funds is $130,434 in FY 2014-2015 for the Medi-Cal Managed Care Plan program. See Attachment. There is no impact to the General Fund.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ _____

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ _____

☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

☐ 4. Other. Explain _____

FISCAL OFFICER SIGNATURE	DATE
	3/27/15

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY	DATE
	3/30/15

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER	DATE

Personal Services (PS) & Operating Expenses & Equipment (OE&E) Costs

Classification	Cost (per classification)					Staffing Level[4/]	Total Cost
	Salary Cost[1/]	Benefits[2/]	Total PS	OE&E[3/]	PS + OE&E		
Sales Director	$ 8,500	$ 3,315	**$ 11,815**	$ 400	**$ 12,215**	1.0	$ 12,215
CEA Level B	$ 8,482	$ 3,308	**$ 11,790**	$ 800	**$ 12,590**	1.0	$ 12,590
SSM II	$ 11,480	$ 4,477	**$ 15,957**	$ 1,200	**$ 17,157**	1.0	$ 17,157
SSM I	$ 10,456	$ 4,078	**$ 14,534**	$ 1,200	**$ 15,734**	1.0	$ 15,734
Office Tech	$ 1,819	$ 709	**$ 2,528**	$ 400	**$ 2,928**	1.0	$ 2,928
Assoc. Gov. Program Analyst (AGPA)	$ 18,191	$ 7,094	**$ 25,285**	$ 2,400	**$ 27,685**	2.0	$ 55,371
AGPA - Retired Annuitant	$ 4,169	$ 319	**$ 4,488**	$ -	**$ 4,488**	1.0	$ 4,488
SSA - Retired Annuitant	$ 2,311	$ 177	**$ 2,488**	$ -	**$ 2,488**	4.0	$ 9,951
Total	$ 65,408	$ 23,478	**$ 88,886**	$ 6,400	**$ 95,286**	12.0	**$ 130,434**

1. Salary calculations based off of mid-step of classification and prorated based on the amount of time dedicated to the development of the Medi-Cal Managed Care Plan Program.
2. Benefits calculated via standard benefit rate (39% for Perm Full-time and 7.65% for Temp Help).
3. OE&E includes annual standard complement at $8,000 for Perm Full-time only, prorated based on the same parameters as salary.
4. Staffing level and associated classifications provided by program.

Contract Costs

Contract/Contractor	Amount
Total	**$ -**

Total Summary

Cost Category	Amount
Total PS & OE&E	$ 130,434
Total Contracts	$ -
Total Cost	**$ 130,434**