



Policy and Procedure No: CO 18.2		Revision No: 2
Division: Care Management		
Department: Compliance		
Title: DMHC Annual Antifraud Report Requirements		
Effective Date: 7/1/2019		
Supersedes Policy No: CO 18.0, CO 18.1		
Reviewed/Revised by: Sandra Holzner		Review/Revision Date: 12/12/2025
Approving Committee: Compliance Committee		Date: 12/15/2025
Executive Oversight Committee Date: 12/16/2025		

Purpose:

To describe PHC California’s (the Health Plan) policy and procedure on the Department of Managed Health Care (DMHC/the Department) Annual Antifraud Plan Report requirements.

Policy:

1. Pursuant to Health and Safety Code section 1348, subdivision (a), every plan licensed to do business in this state is required to establish an antifraud plan. The purpose of the antifraud plan is to organize and implement an antifraud strategy to identify and reduce costs to the plans, providers, subscribers, enrollees, and others caused by fraudulent activities, and to protect consumers in the delivery of health care services through the timely detection, investigation, and prosecution of suspected fraud.
2. Section 1348, subdivision (c), requires every plan that establishes an antifraud plan pursuant to section 1348, subdivision (a), to provide to the director an annual written report which, at a minimum, includes the following information:
 - a. Describes the plan’s efforts to deter, detect, and investigate fraud, and to report cases of fraud to a law enforcement agency.
 - b. Number of cases prosecuted to the extent known by the plan.
3. The annual report may also include recommendations by the plan to improve efforts to combat health care fraud.
4. Plans subject to the provisions of section 1348, subdivision (c), must file the annual report with the director to maintain compliance.
5. The Department recognizes Medicare Plans offering Medicare Parts A, B, C, D, and Medicare supplemental coverage have a separate annual antifraud filing requirement under Center for Medicare & Medicaid Services’ (CMS) program requirements (42 C.F.R. § 422.503(b)(4)(vi)). Fraud, waste, and abuse prevention measures were incorporated into required Part C and D compliance plans effective January 1, 2009 (72 Fed. Reg. 68700, 68702). For plan years beginning January 1, 2011, amendments explicitly clarified what constitutes an “effective” compliance program (72 Fed. Reg. 19678, 19688). Medicare plans are not exempt from their obligation to comply with the other requirements of the Knox-Keene Act that bar unfair business practices by solicitors and representatives marketing Medicare products (Health & Safety Code section 1361.1). For this reason and based on the Department’s authority over Medicare antifraud activities under section

1361.1, Medicare plans are directed to annually file an attestation with the Department affirming that they have complied with federal CMS antifraud requirements.

6. A plan's failure to comply with the above requirements may result in disciplinary proceedings against the plan pursuant to Section 1386, including, but not limited to, administrative penalties.

Procedure:

1. No later than thirty (30) days after the end of each calendar year, the Compliance Officer or designee shall submit an Annual Antifraud Plan for the previous year to DMHC via the DMHC Portal.
 - a. The Annual Antifraud Plan must be submitted as a DMHC "Report/Other"
 - b. The report upload must include an E-1 Summary of E-Filing and J-6
2. The Antifraud Plan shall include the following information:
 - a. Describes the plan's efforts to deter, detect, and investigate fraud, and to report cases of fraud to a law enforcement agency; and,
 - b. Number of cases prosecuted to the extent known by the plan.

Definitions:

N/A

Monitoring:

This policy is updated, as necessary, reviewed and approved annually by the Care Management Compliance Committee.

References:

1. Health and Safety Code section 1348, subdivision (a).
2. Health and Safety Code section 1348, subdivision (c).
3. Health & Safety Code section 1361.1.
4. DMHC All Plan Letter (APL) 22-025, [Health Plan Requirement to File Annual Antifraud Report](#), published November 1, 2022.

