



Policy and Procedure No: CO 20.1		Revision No: 1
Division: Care Management		
Department: Compliance		
Title: DMHC Review of Records		
Effective Date: 1/1/2025		
Supersedes Policy No: CO 20.0		
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:

The purpose of this Policy is to ensure adherence PHC California (the Health Plan) to Assembly Bill 3221.

Policy:

1. Effective January 1, 2025, all records, books and papers of a plan, management company, solicitor, solicitor firm, and any provider or subcontractor providing health care or services to a plan, management company, solicitor, or solicitor firm to be open to inspection, including through electronic means, by the Director.
2. Pursuant to a request by the Director to inspect the records, books, and papers, requires the plan, management company, solicitor, or solicitor firm, and a provider or subcontractor providing health care or other services to a plan, management company, solicitor, or solicitor firm to:
 - a. Furnish in electronic media records, books, and papers that are possessed in electronic means, and
 - b. Conduct a diligent review of the records, books, and papers and make every effort to furnish those responsive to the Director’s request.
3. Requires, to the greatest extent feasible, all records, books, and papers to be furnished in a format that is digitally searchable.
4. In connection with an investigation or action authorized by Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code, allows the Director to:
 - a. Inspect and copy records, books and papers, and
 - b. Seek relief from an administrative law proceeding if a plan, management company, solicitor, or solicitor firm, and a provider or subcontractor providing health care or other services to a plan, management company, solicitor, or solicitor firm fails to fully or timely respond to a duly authorized request for production or records, books, and papers.
5. Clarifies that “records, books, and papers” include records, books, and papers that are possessed in any medium, including electronic media.
6. If requested by the DMHC, all records, books and papers will be preserved until furnished.

Procedure:

1. The Health Plan will make every effort, upon request, to conduct a diligent review of all records, books, and papers and furnish all electronic media records, books, and papers possessed electronically to the Department of Managed Health Care (DMHC).
 - a. This applies to all solicitors, solicitor firms, and any plan subcontractor that provides services to the Health Plan.
 - b. This Health Plan will provide any requested documents in a digitally searchable format, to the greatest extent possible.
2. The Compliance Officer is responsible for ensuring that all requests comply with the requirements outlined above. If necessary, the Compliance Officer will work with the Deputy General Counsel and the Chief Information Officer to ensure all documents are produced and preserved.
3. The National Director of Provider Relations and Contracting will ensure that all contracts that are subject to these requirements are compliant with AB 3221.

Definitions:

1. N/A

Monitoring:

This Policy and Procedure will be reviewed and approved by the Compliance Committee annually.

Reference:

1. DMHC All Plan Letter (APL), 24-023- Newly Enacted Statutes Impacting Health Plans (2024 Legislative Session), published December 20, 2024.
2. Health & Safety Code §§ 1380, 1381 and 1386.
3. AB 3221 (Pellerin, Ch. 760, Stats. 2024).

