



FINANCIAL SOLVENCY STANDARDS BOARD MEETING

November 3, 2010

Department of Managed Health Care





Financial Solvency Standards Board ACO Pilot

- Establish ACO “Pilot” oversight requirements
 - Insure financial stability and patient protection
 - Foster innovation and experimentation
 - Adapt as we learn

- Tee up what we’re thinking
 - Measure support for ideas
 - Generate specific discussion on a few criteria



ACO “Pilot” Requirements

- Register ACO with the department
- Provide the department with organizational information and/or copy of all ACO contacts and agreements
- Department assesses ACO risk profile
 - Shared savings; no downside risk; nothing required
 - Professional risk; Apply SB260 reporting reqmts
 - Global/Institutional Risk; SB260 reporting plus



ACO Financial Oversight with Global/Institutional Risk

- Two year pilot program
- Restricted Deposit
- Minimum TNE based on revenue
- Minimum working capital
- Minimum cash requirement for cash-to-claims
- Will need licensure at end of Pilot to continue

- Responsibility for claims?
- Insurance, re-insurance?



ACO Financial Oversight with Global/Institutional Risk

	RBO	ACO Pilot +	License
Restricted Deposit	No		\$300K
Minimum TNE	\$1		\$1Million
Cash to claims	.75		NA
Minimum WC	\$1		NA
Claims Timeliness	95%	95%	95%
Financial Filing	Qtr, Annual	Qtr, Annual	Qtr, Annual
Annual Audit	Yes	Yes	Yes



Questions?

Something we missed?