

DIVISION OF FINANCIAL OVERSIGHT

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Suzanne Goodwin-Stenberg
Chief, Division of Financial Oversight

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DFO Responsibilities

- Financial Examinations
- Financial Statement Review
- Review of Health Plan Filings
- Medical Loss Ratio Exams
- Claims Initiative Exams

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Knox-Keene Licensed Plans

	4/15/12	4/15/13
• Full Service Plans	55	60
• Dental Plans	18	18
• Psychological Plans	11	11
• Vision Plans	10	10
• Pharmacy Plans (Medicare Part D)	6	5
• Discount Plans	4	3
• Chiropractic Plans	3	3
• Dental/Vision Plans	2	2
• Grand Total	109*	112**

* Excludes 15 Quality Improvement Fee Plans

** Excludes 14 Quality Improvement Fee Plans

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Full Service Enrollment (in Millions)

	<u>3/31/12</u>	<u>6/30/12</u>	<u>9/30/12</u>	<u>12/31/12</u>
Full Service Lives	22.5	22.5	22.6	22.6*
• Key Enrollment Blocks:				
<u>Commercial lines of business</u>	<u>3/31/12</u>	<u>6/30/12</u>	<u>9/30/12</u>	<u>12/31/12</u>
• Large Group	7.52	7.49	7.46	7.44
• Small Group	1.04	1.04	1.03	1.03
• Individual	0.18	0.17	0.17	0.16
• Point of Service (POS)	0.07	0.07	0.08	0.08
• PPO Group & Individual	<u>1.61</u>	<u>1.58</u>	<u>1.54</u>	<u>1.51</u>
Total Commercial	10.42	10.35	10.28	10.22
<u>Government lines of business</u>				
• Medi-Cal	5.45	5.52	5.55	5.56
• Medicare Risk & Medicare Supplement	2.11	2.18	2.21	2.24
• Healthy Families Program	<u>0.86</u>	<u>0.86</u>	<u>0.85</u>	<u>0.83</u>
Total Government	8.42	8.56	8.61	8.63

*Total Enrollment As Reported by Plans including Plan to Plan enrollees.

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DFO Activities

FY 2010 - FY 2013

Fiscal Year	2010/11	2011/12	YTD * 2012/13
Exams Started	33	24	13
Exams Completed	29	21	13
Claims Initiative Exams Started	2	4	1
Financial Statements Received	1,273	1,286	798
Health Plan Filings Reviewed	2,501	2,192	1553
MLR Exams Started			
- MRMIB	11	10	4
- DHCS	N/A	10	8
- ACA	N/A	N/A	1
MLR Exams Completed			
- MRMIB	11	10	1
- DHCS	N/A	10	2
- ACA	N/A	N/A	0

*Fiscal year 2012/13 information through March 31, 2013

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Closely Monitored Plans

	12/31/2011	9/30/2012	12/31/2012*
Full Service Plans	23	22	22
Dental Plans	6	2	4
Pharmacy Plans	3	3	1
Discount Plans	3	2	2
Psychological Plans	4	3	1
Vision Plans	3	1	2
Total-Closely Monitored	42	33	32
Total All Plans	109	107	107
Percentage	38.5%	30.8%	29.9%

* Approximately 2 million full service enrollees and 2.4 million specialty enrollees are in Closely Monitored Plans

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Closely Monitored Full Service Plans

	12/31/2011	9/30/2012	12/31/2012
Medicare Plans	10	12	11
Medi-Cal Plans	8	5	6
Commercial Plans	5	5	5
Full Service	23	22	22
Total Full Service	55	55	55
Percentage of Total	41.8%	40.0%	40.0%

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Details of Closely Monitored Plans as of December 31, 2012

	Plans as of 12/31/12	Newly Licensed	Negative OCF	Downward Trend	FVC	Surrendering License
Full Service Plans						
♦ Medicare Plans	11	1	5	0	5	0
♦ Medi-Cal Plans	6	1	1	1	3	0
♦ Commercial Plans	5	0	1	0	4	0
Dental Plans	4	0	1	0	2	1
Pharmacy Plans	1	0	1	0	0	0
Discount Plans	2	0	0	0	2	0
Psychological Plans	1	0	0	1	0	0
Vision Plans	2	0	0	0	2	0
Total-Closely Monitored	32	2	9	2	18	1
Total All Plans	107	107	107	107	107	107
Percentage	29.9%	1.9%	8.4%	1.9%	16.8%	0.9%

OCF – Operating Cash Flow

FVC – Financial Viability Concerns

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TNE Deficient Plans

As of QE 12/31/2011

- 1 Dental Plan, 1 Full Service Plan
- 17,215 dental lives, 1 full service life

As of QE 9/30/2012

- 1 Full Service Plan, 17,654 lives

As of QE 12/31/2012

- 1 Dental Plan, 14,967 lives

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Plan Reserves-

As Percentage of TNE over Minimum Required TNE

	12/31/11	12/31/12
• Commercial Plans (7)	894%	970%
— For Profit	469%	414%
— Not-for-Profit	1,089%	1,215%
• Regional Medi-Cal Plans*	484%	397%
• Medi-Cal (County Organized Health System & Local Initiatives)*	388%	374%

* Excludes 1 outlier plan in each category

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Questions?

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