



Provider Solvency Update

**FSSB Meeting
May 10, 2012**



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Provider Solvency Unit

- Financial Survey Reviews
- Claims Settlement Practices Reviews
- Monitor the Corrective Action Plan Process and approve Corrective Action Plans
- Claims Exams



Risk Bearing Organization (RBO) Financial Reporting

There are 185 Risk Bearing Organizations that file survey reports :

Annual:

- All RBOs file Annual Survey Reports (based on audited financial statements)

Quarterly:

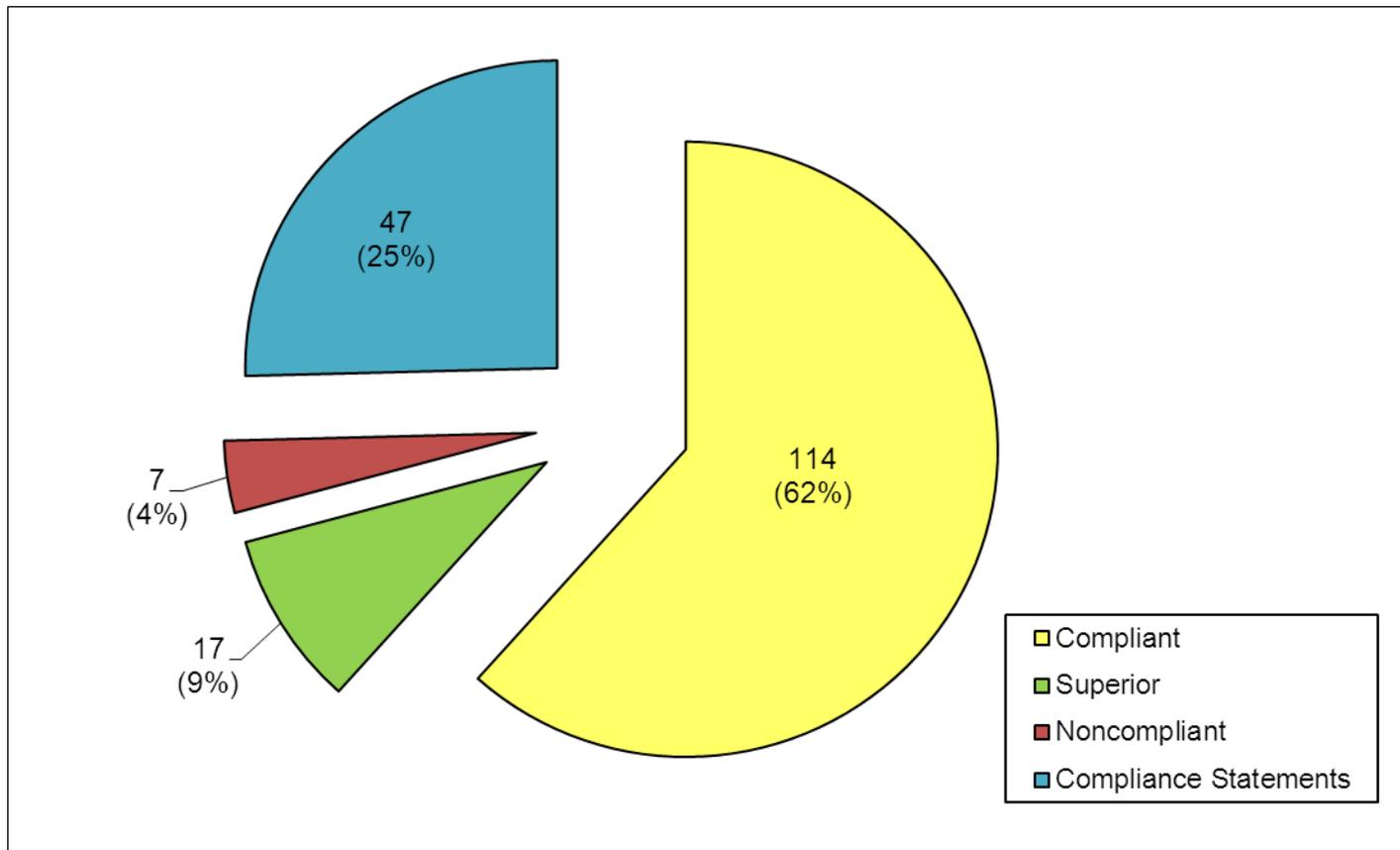
- 138 RBOs file Quarterly Survey Reports
- 47 RBOs file Compliance Statements

Monthly:

- 7 RBOs file monthly financial statements



Status of All Risk Bearing Organizations

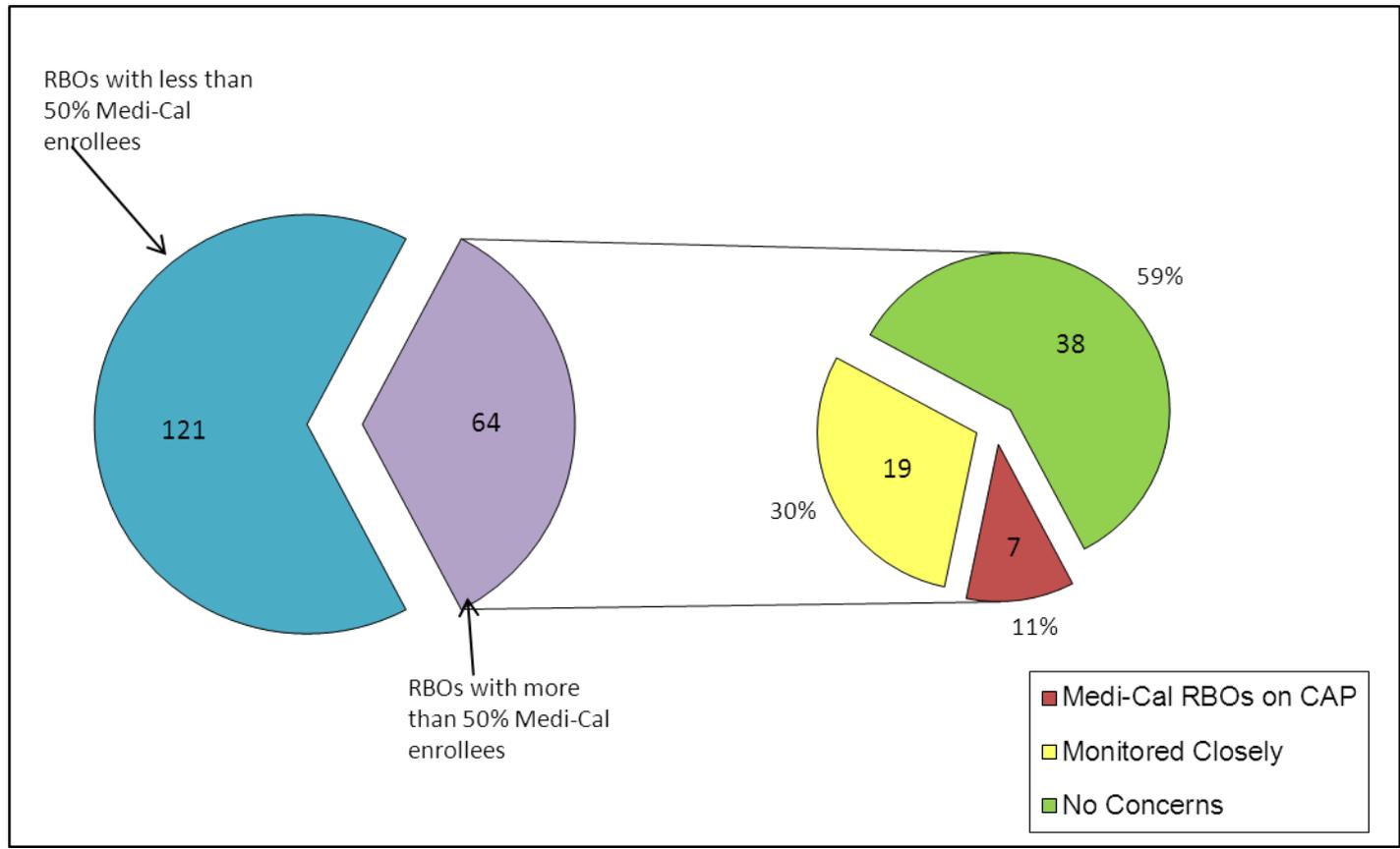


There were 185 RBO reports filed for 12/31/11



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Status of RBOs with Greater than 50% Medi-Cal Enrollment

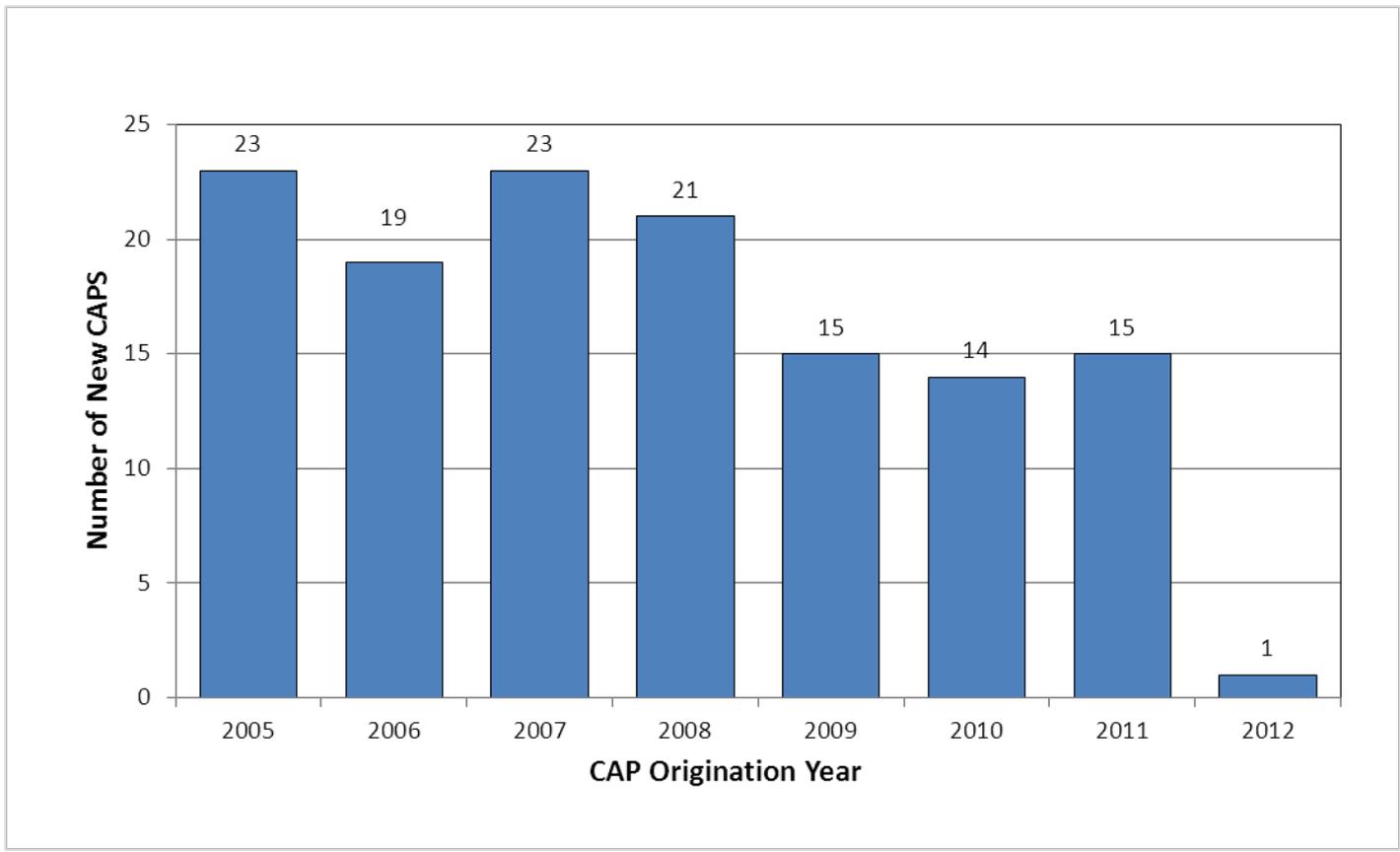


Based on December 31, 2011 Quarterly Financial Survey



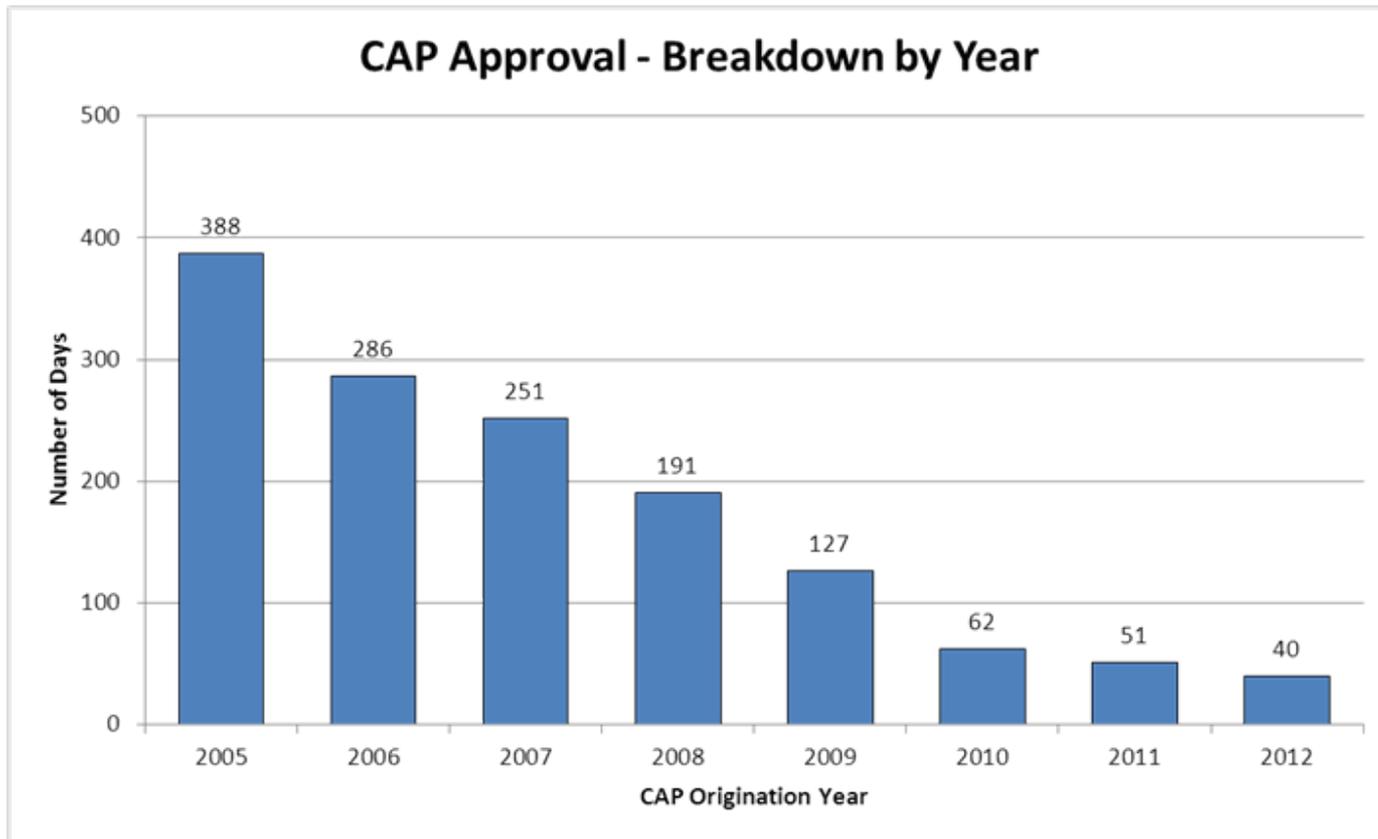
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RBO Corrective Action Plans (CAP) By Year Originated 2005-2012





CAP Approval Time 2005 - 2012

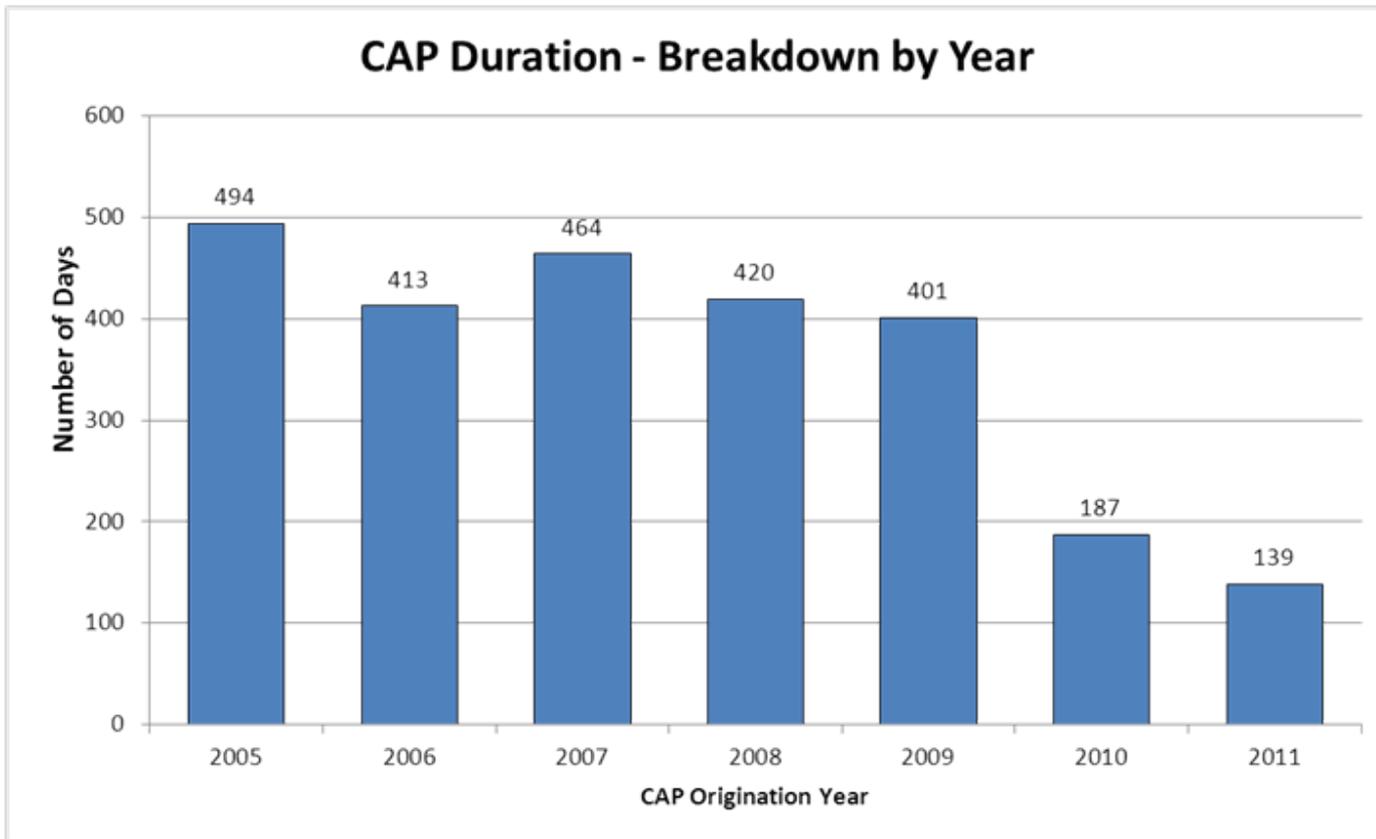


From Initial Date of Non-Compliance to Date Approved



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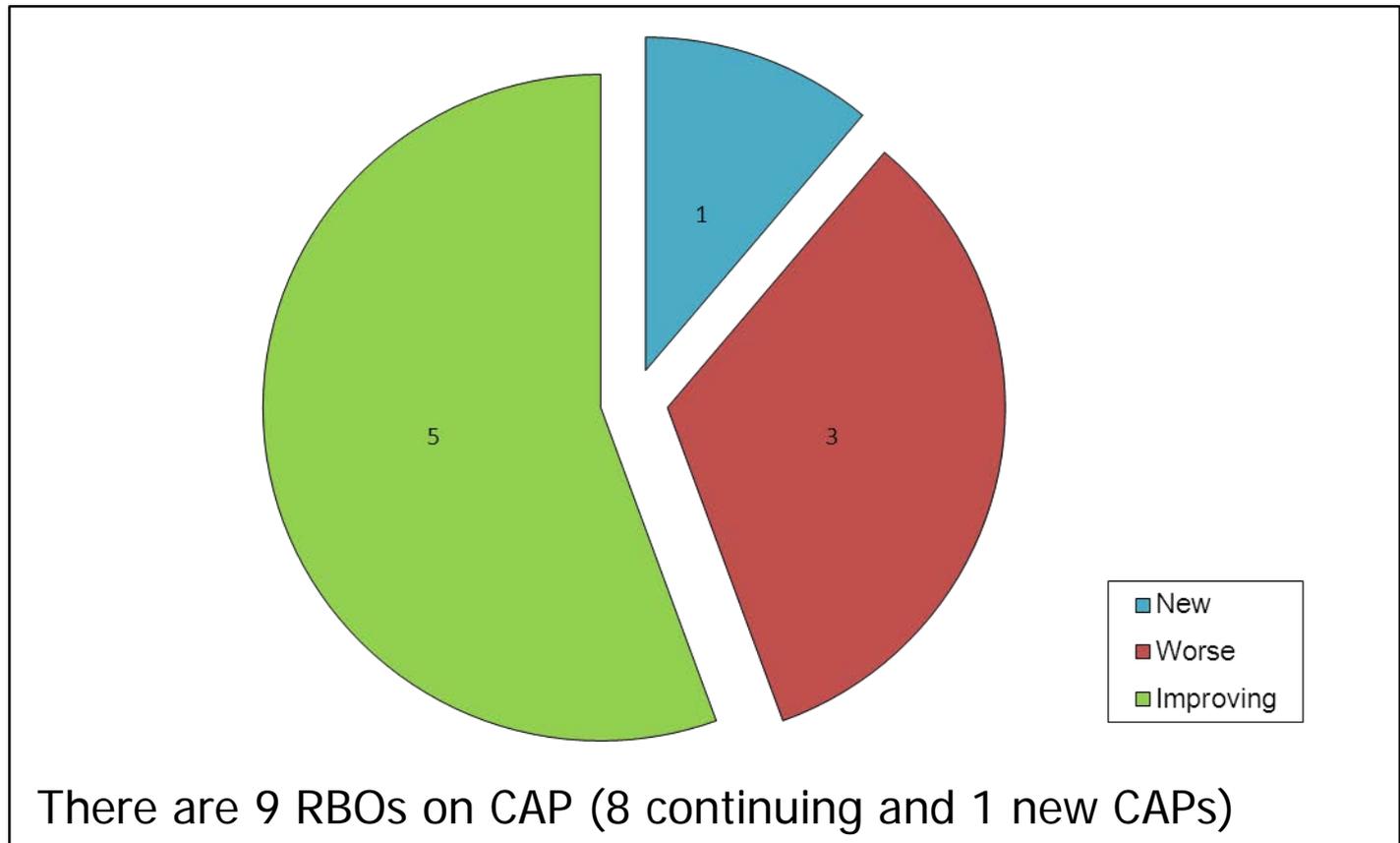
Average CAP Duration from Start to Finish 2005 - 2012





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CAP Status



Based on December 31, 2011 Quarterly Financial Survey



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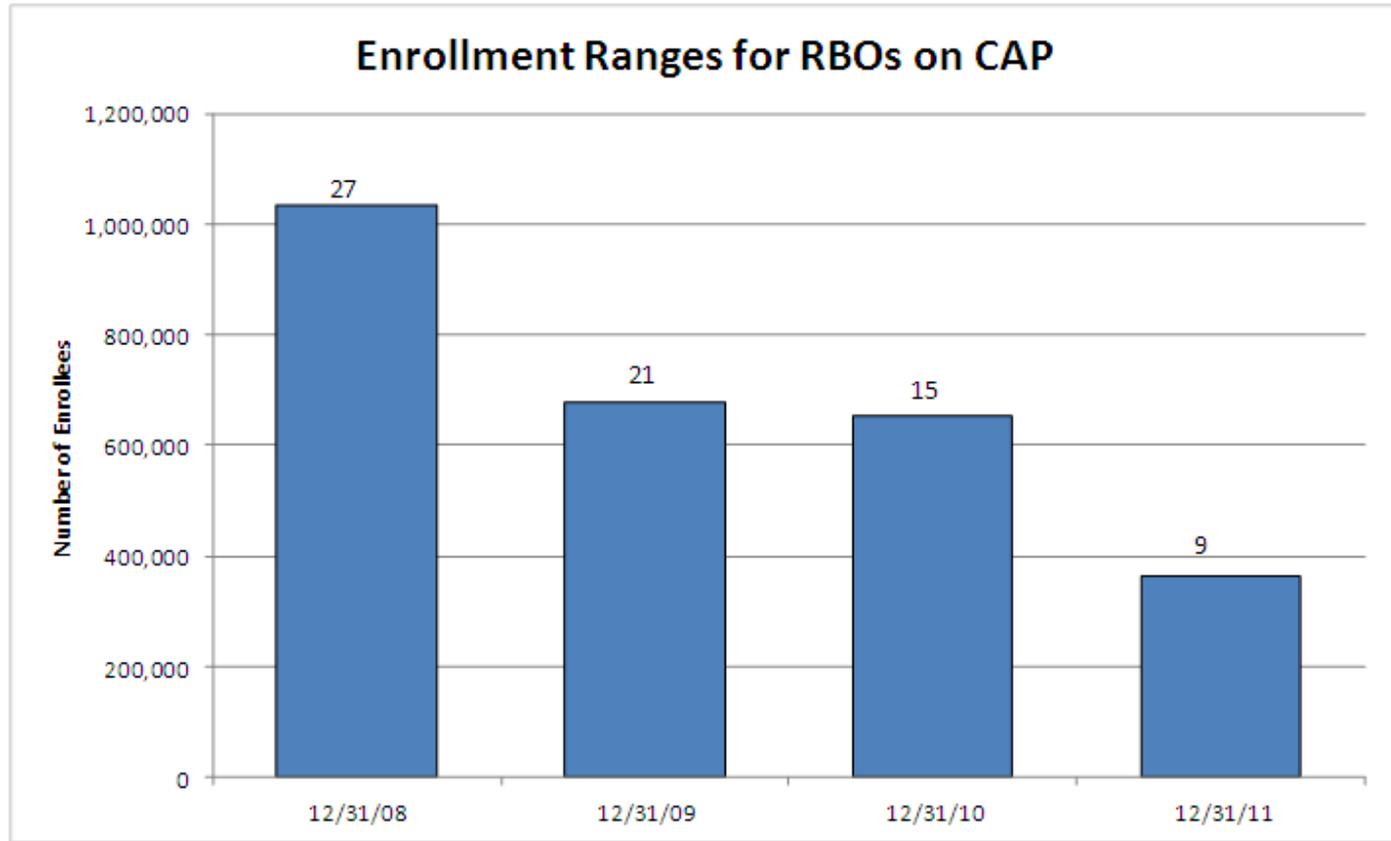
CAP Status from 12/31/11 filings

- Of the eight continuing CAPs:
 - 5 improving (meeting their CAP milestones)
 - 1 submitted revised projections which was approved during Quarter 1, 2012
 - 1 was audited for claims compliance
 - 1 declining (enforcement action taken for failure to meet final/approved CAP)
- One new CAP was received during Quarter 4, 2011
- Four CAPs have been completed since last FSSB meeting in February, 2012. These four groups are reporting compliance with all solvency criteria.



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Enrollment Ranges for RBOs on a CAP





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CAP Status @ 3/31/12 monthly reporting

9 active CAPs:

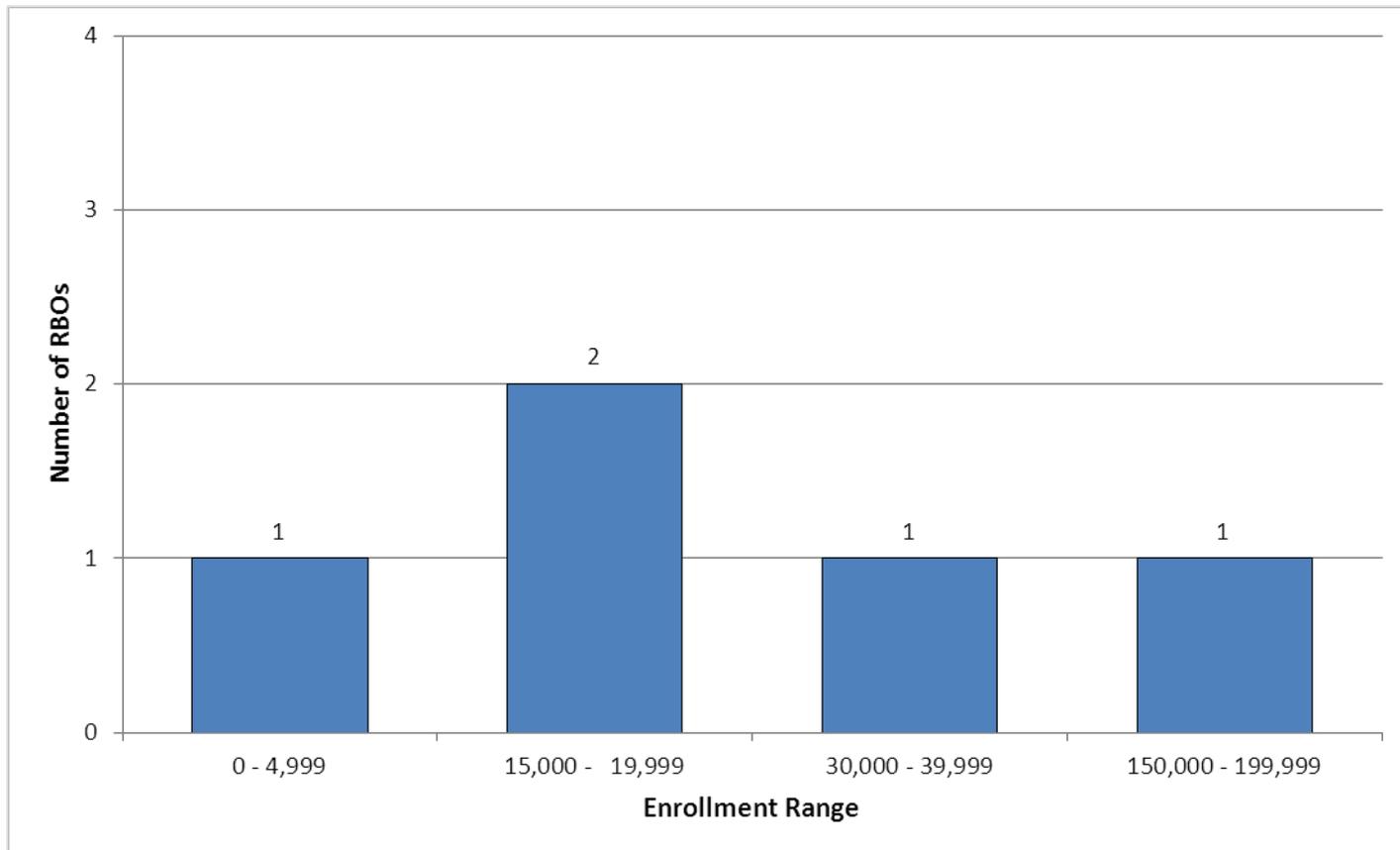
- 4 RBOs are meeting the final CAP projections
- 5 RBOs are not meeting the final CAP projections

Next Steps:

- Discussions with RBOs
- Discussions with health plans
- Possible administrative action



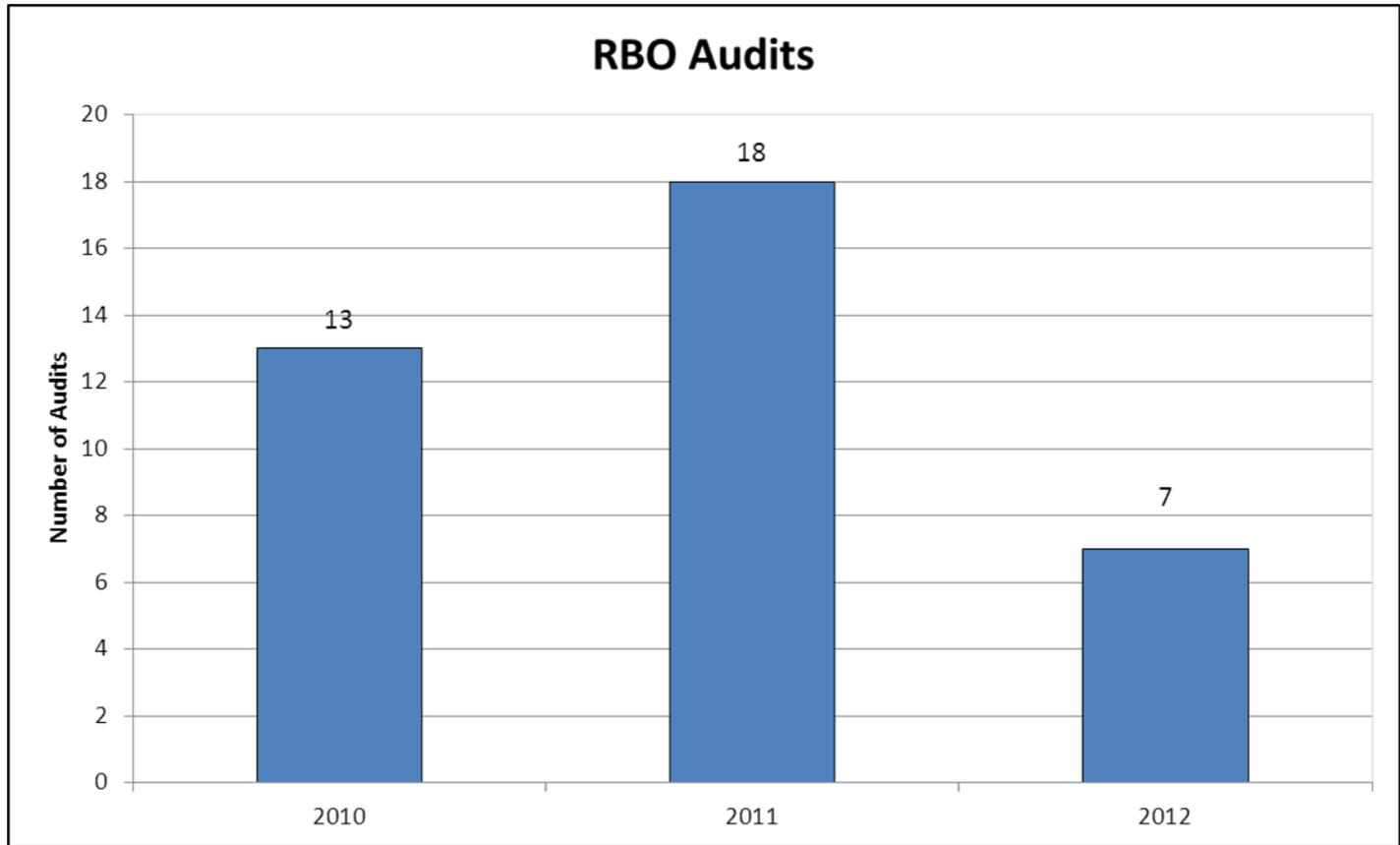
Enrollment Ranges for RBOs not meeting final CAP at 3/31/12





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RBO Audits





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RBO Audits

- Observations :
 - Claims are not paid accurately
 - Claims are not paid within 45 working days
 - Interest is not included or incorrectly calculated
 - Incorrect denial of claims
 - Failure to recognize provider's complaint as a provider dispute
 - Claims are not forwarded within 10 working days
 - Claims are not acknowledged timely



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Questions?