



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?