

Provider Solvency Update

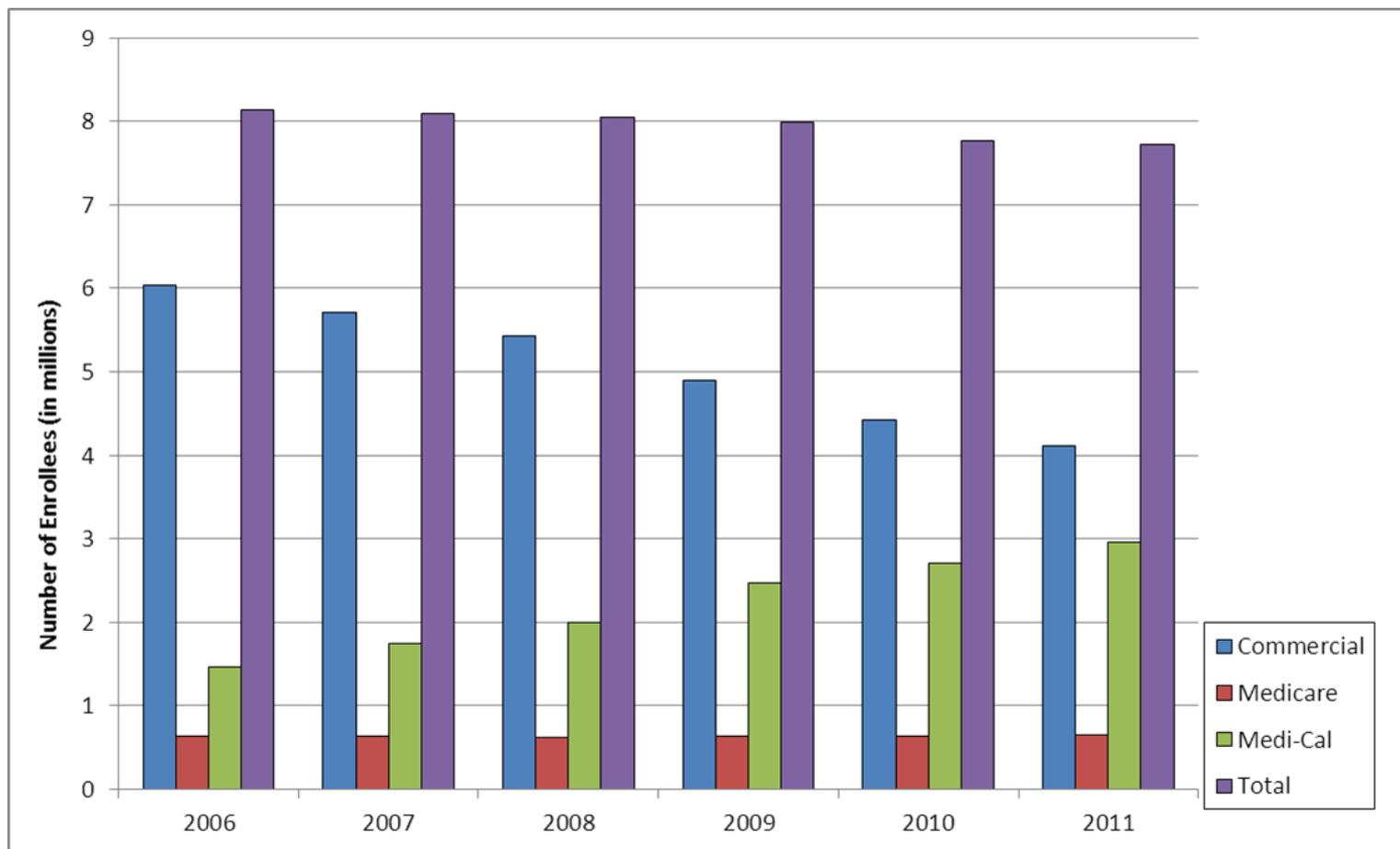
August 9, 2012

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Total Medical Group Enrollment by Business Type



2

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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 and Provider Dispute Resolution Audits

Risk Bearing Organization (RBO) Financial Reporting As of 3/31/12

There are 185 Risk Bearing Organizations that file survey reports :

Annual:

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

Quarterly:

- 135 RBOs file Quarterly Survey Reports
- 50 RBOs file Compliance Statements

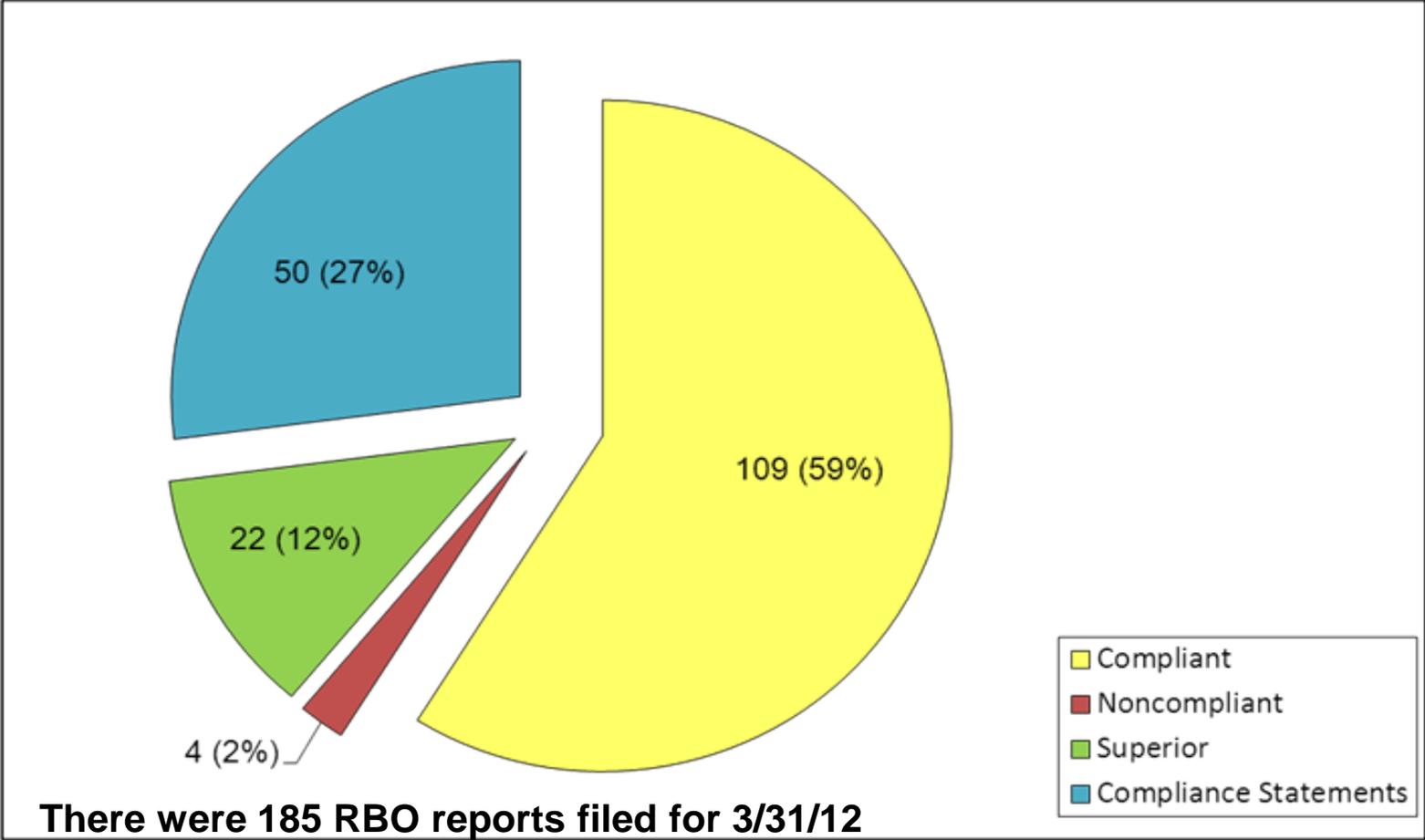
Monthly:

- 4 RBOs file monthly financial statements

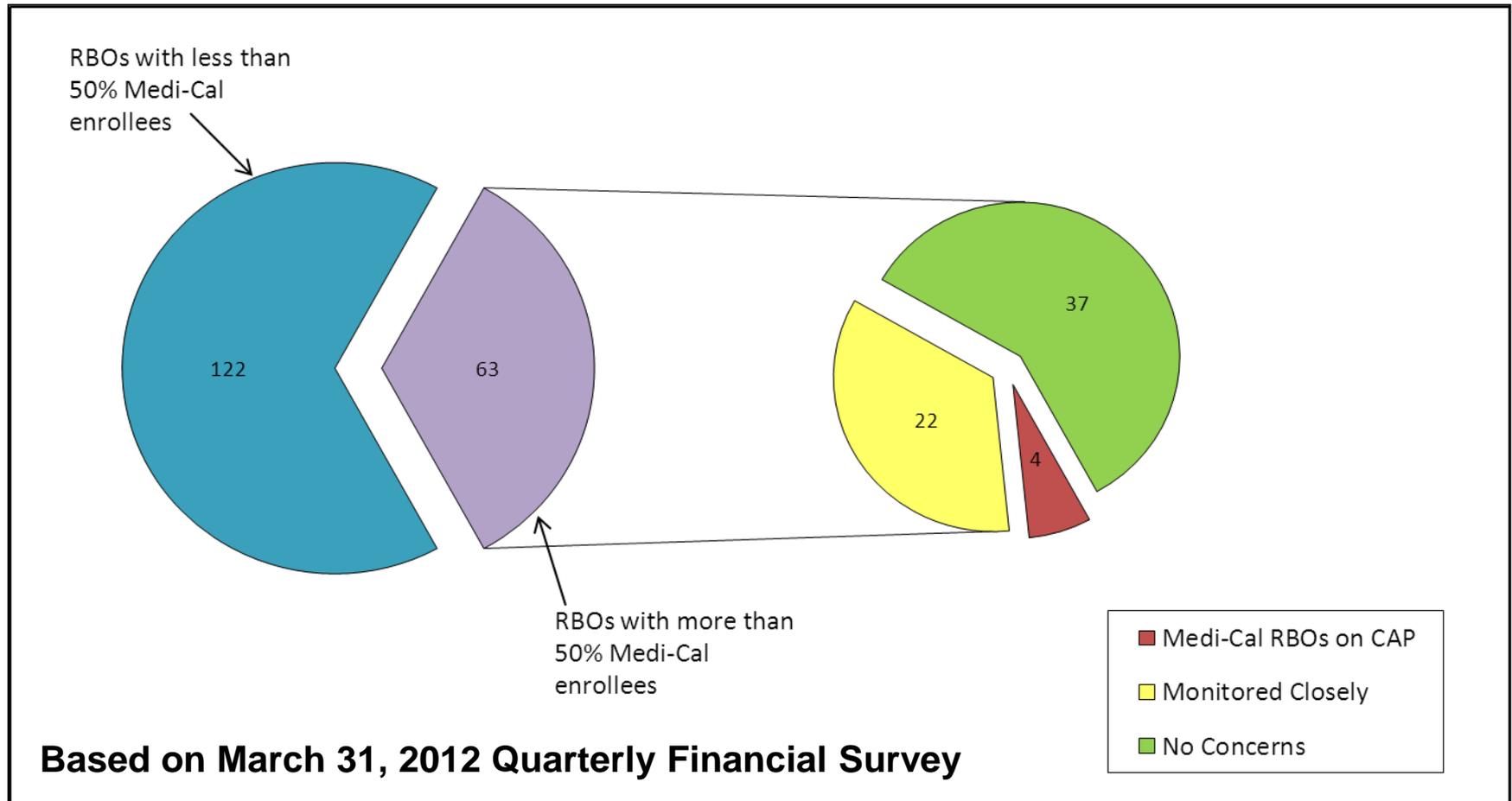
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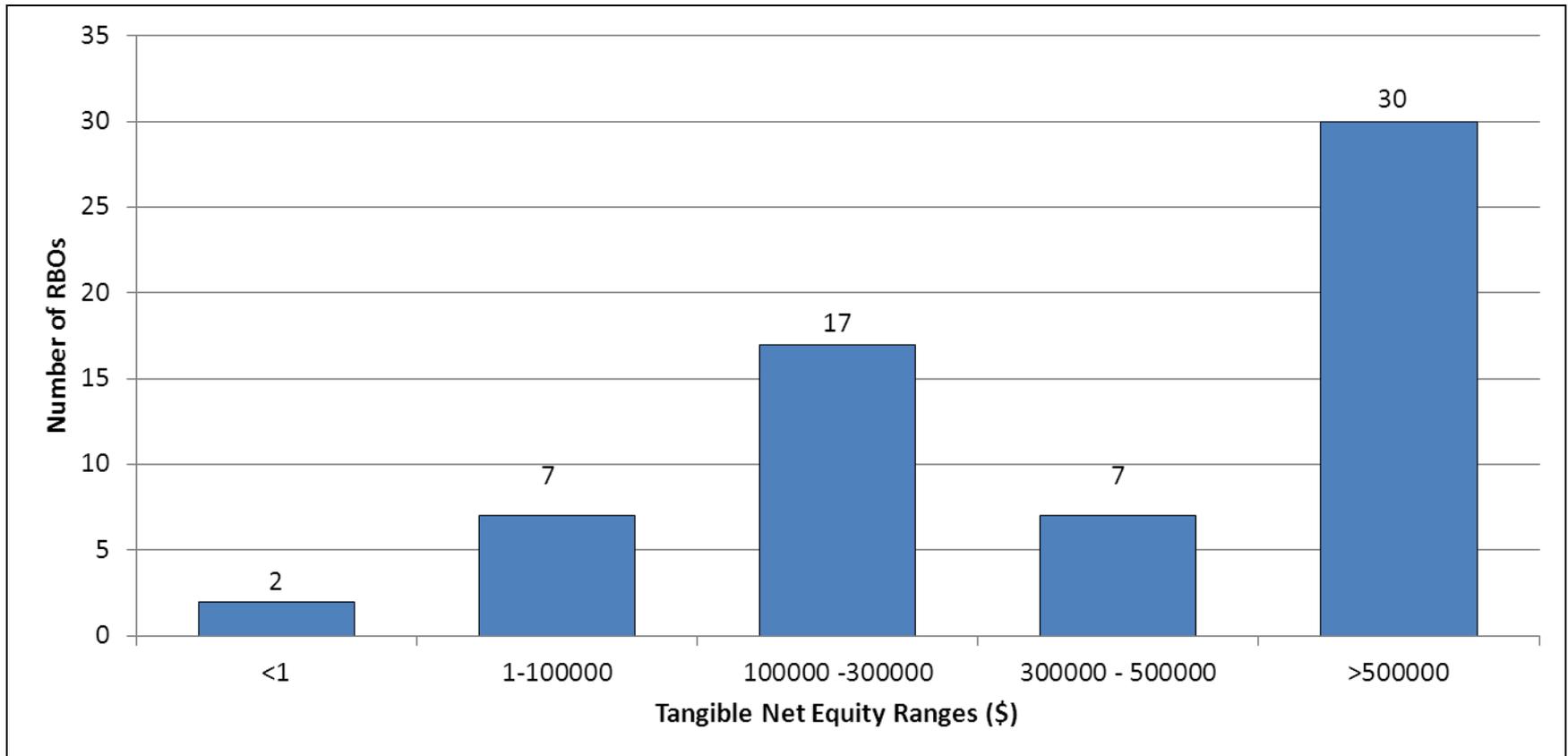
Status of All Risk Bearing Organizations



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



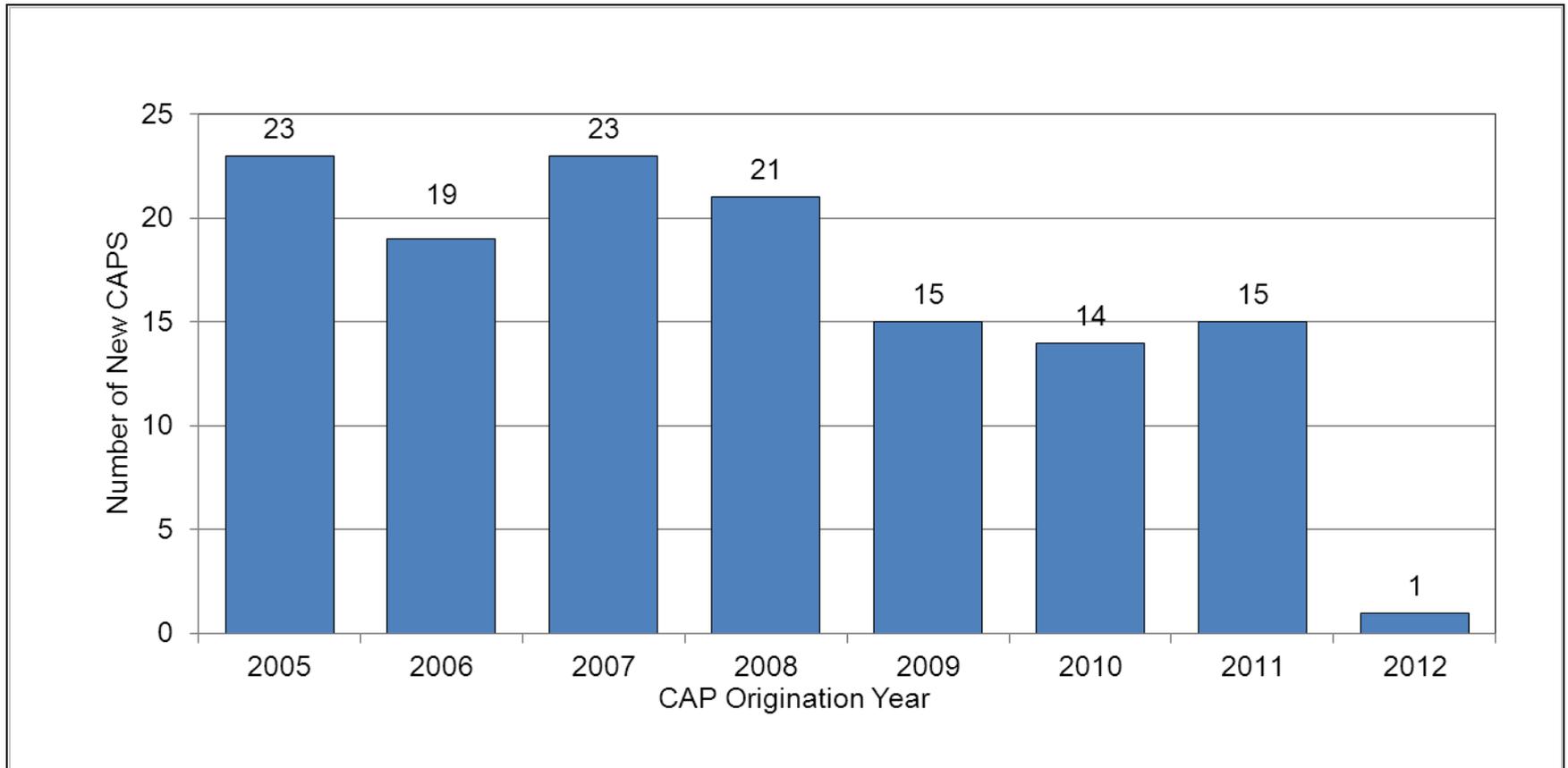
Tangible Net Equity of RBOs with more than 50% Medi-Cal enrollees



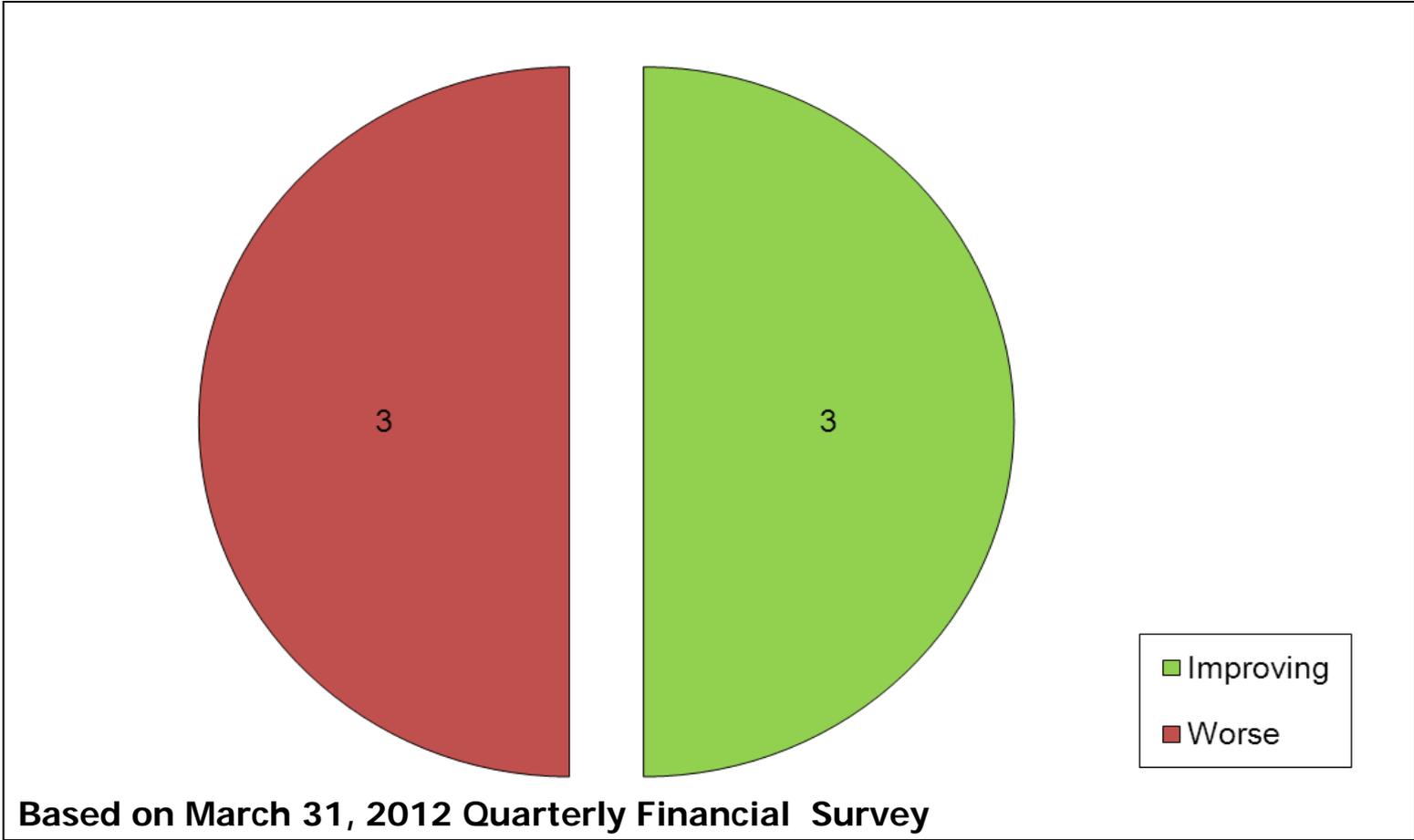
7

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



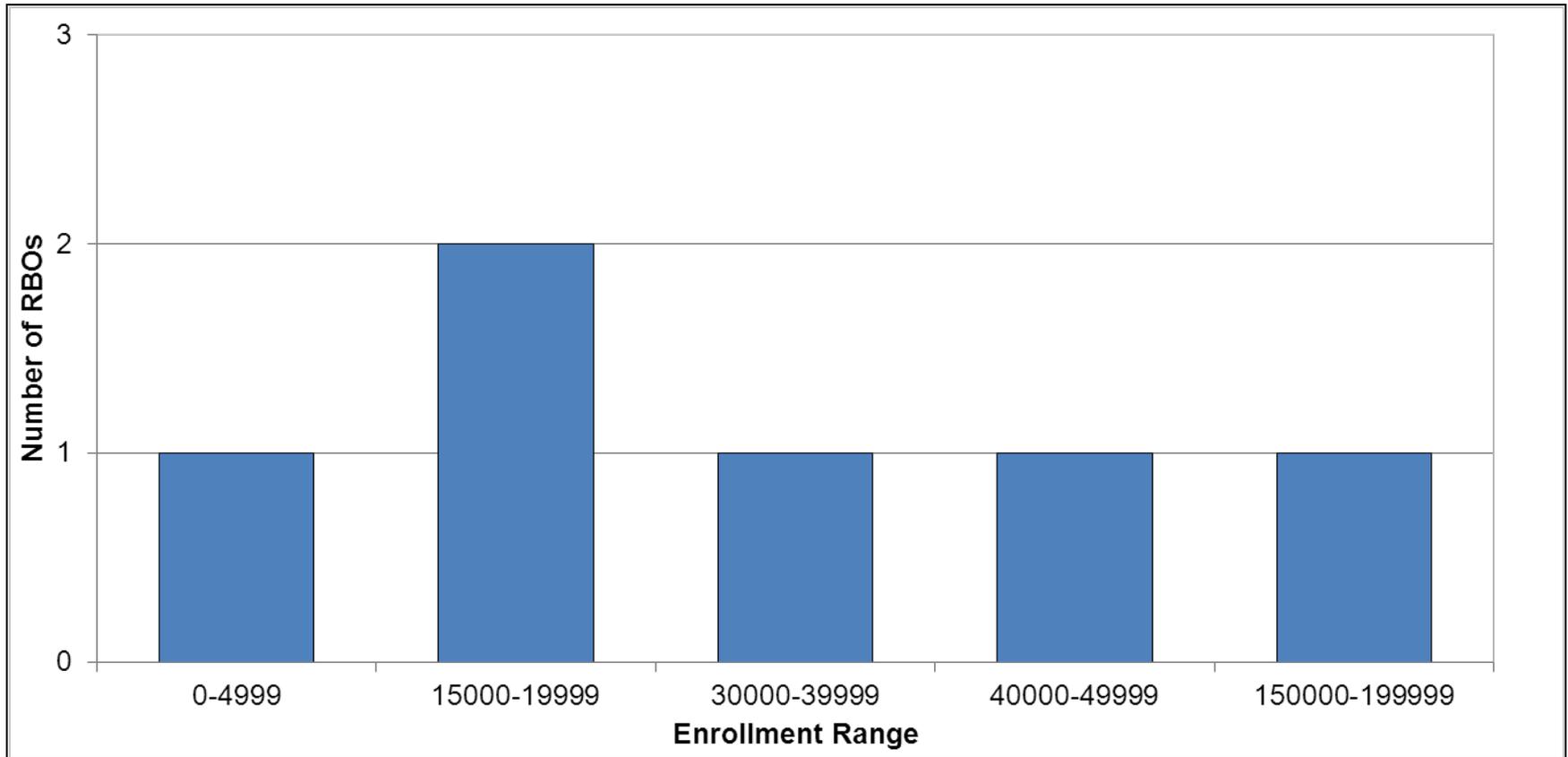
CAP Status



CAP Status from 3/31/2012 filings

- Of the six continuing CAPs:
 - 3 improving (meeting their CAP milestones)
 - 3 declining (2 enforcement action recommended for failure to meet final/approved CAP and 1 is being monitored closely)
- Two CAPs have been completed and are reporting compliance with all solvency criteria since last FSSB meeting in May, 2012. One RBO was dedelegated for failure to meet its final/approved CAP

Enrollment Ranges for RBOs on CAP at 3/31/12



CAP Status @ 6/30/12

Monthly Reporting

6 active CAPs:

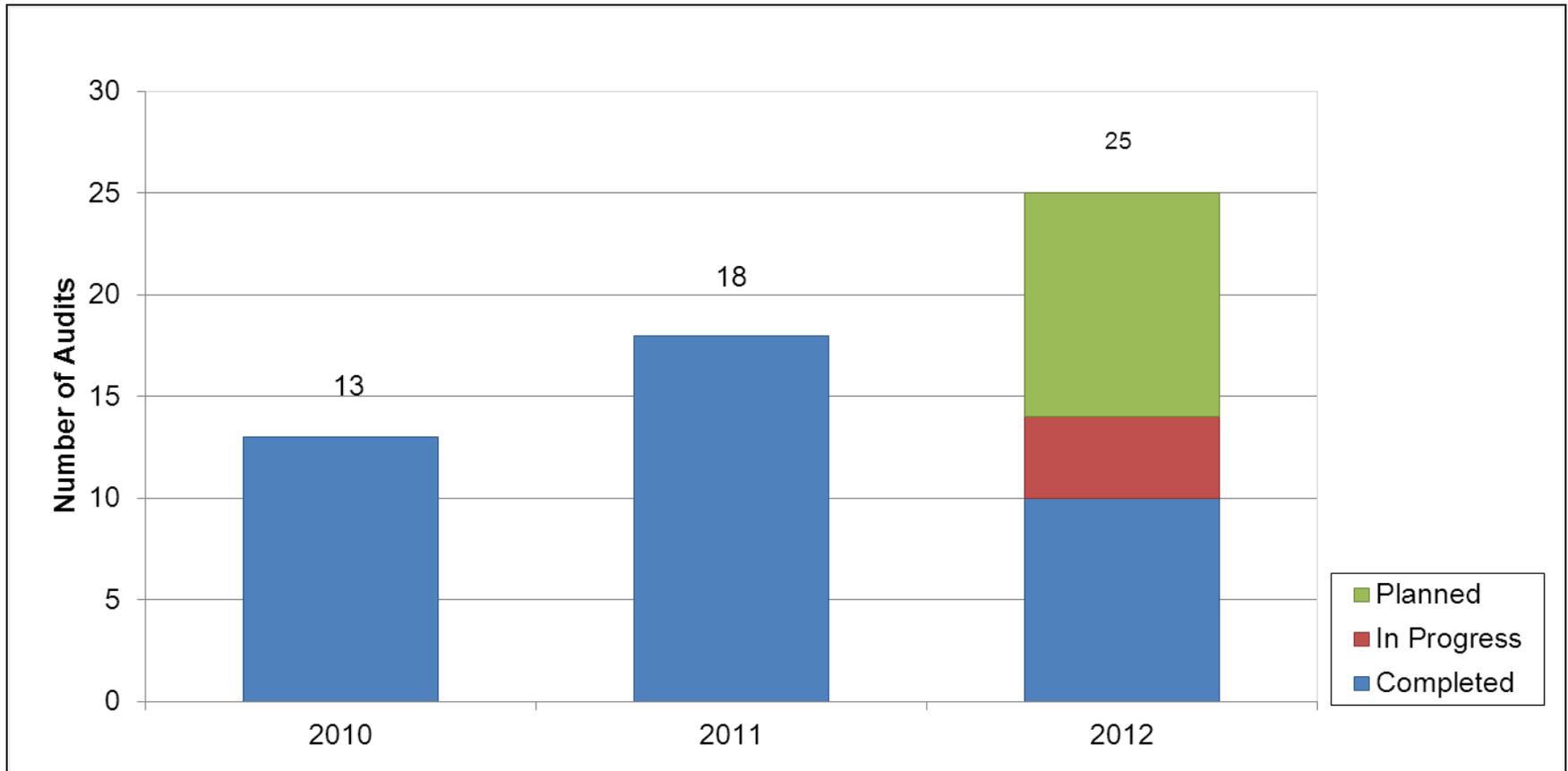
- 3 RBOs are meeting the final CAP projections
- 1 RBO was meeting final CAP and CAP process was completed
- 2 RBOs are not meeting the final CAP projections

Next Steps:

- Enforcement Action

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RBO Audits



RBO Audits

- Observations /Trends:
 - Claims are not paid accurately
 - Claims are not paid within 45 working days
 - Interest is not included or incorrectly calculated
 - Claim not date stamped correctly at time of receipt
 - 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

14

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Questions?

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