

# **DIVISION OF FINANCIAL OVERSIGHT UPDATE TO THE FSSB**

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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

• Full Service Plans	54
• Dental Plans	19
• Psychological Plans	11
• Vision Plans	10
• Pharmacy Plans (Medicare Part D)	6
• Discount Plans (2 full service, 2 dental)	4
• Chiropractic Plans	3
• Dental/Vision Plans	1
• Grand Total	108*

\* Excludes 15 Quality Improvement Fee Plans

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# Full Service Enrollment\*

## (in Millions)

	<u>6/30/11</u>	<u>9/30/11</u>	<u>12/31/11</u>	<u>3/31/12</u>
<b>Full Service Lives</b>	22.0	22.5	22.6	22.7
• <b>Key Enrollment Blocks:</b>				
<u>Commercial lines of business</u>	<u>6/30/11</u>	<u>9/30/11</u>	<u>12/31/11</u>	<u>3/31/12</u>
• Large Group	8.11	8.10	8.01	7.52
• Small Group	0.96	0.96	1.03	1.04
• Individual	0.20	0.19	0.19	0.18
• Point of Service (POS)	0.11	0.11	0.11	0.07
• PPO Group & Individual	<u>1.66</u>	<u>1.65</u>	<u>1.67</u>	<u>1.61</u>
<b>Total Commercial</b>	<b>11.04</b>	<b>11.01</b>	<b>11.01</b>	<b>10.42</b>
<u>Government lines of business</u>				
• Medi-Cal	5.22	5.39	5.49	5.45
• Medicare Risk & Medicare Supp	2.02	2.04	2.07	2.11
• Healthy Families Program	<u>0.96</u>	<u>1.00</u>	<u>1.01</u>	<u>1.01</u>
<b>Total Government</b>	<b>8.06</b>	<b>8.43</b>	<b>8.57</b>	<b>8.57</b>

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

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# DFO Activities

## FY2007-FY2012

Fiscal Year	2007/08	2008/09	2009/10	2010/11	2011/12
Exams Completed	39	32	25	29	18
Exams Started	46	32	22	33	21
Claims Initiative Exams Started	N/A	N/A	5	2	3
Financial Statements Received	1,506	1,261	1,610	1,273	1,286
Health Plan Filings Reviewed	2,146	2,981	2,603	2,358	2,232
MLR Exams Started (MRMIB)	13	11	13	11	10
MLR Exams Started (DHCS)	N/A	N/A	N/A	N/A	10

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# Closely Monitored Plans

	6/30/2011	9/30/2011	12/31/2011	3/31/2012*
Full Service Plans	23	22	23	23
Dental Plans	6	7	6	4
Pharmacy Plans	5	5	3	4
Discount Plans	3	3	3	3
Psychological Plans	2	2	4	2
Vision Plans	2	3	3	5
<b>Total-Closely Monitored</b>	<b>41</b>	<b>42</b>	<b>42</b>	<b>41</b>
<b>Total All Plans</b>	<b>109</b>	<b>109</b>	<b>109</b>	<b>108</b>
<b>Percentage</b>	<b>37.6%</b>	<b>38.5%</b>	<b>38.5%</b>	<b>38.0%</b>

\*1.9 million full service enrollees and 3 million specialty enrollees are in Closely Monitored Plans

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# Closely Monitored Full Service Plans

	6/30/2011	9/30/2011	12/31/2011	3/31/2012
Medicare Plans	14	13	10	12
Medi-Cal Plans	5	7	8	7
Commercial Plans	4	2	5	4
<b>Full Service</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>23</b>
<b>Total Full Service</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>54</b>
<b>Percentage of Total</b>	<b>41.8%</b>	<b>40.0%</b>	<b>41.8%</b>	<b>40.7%</b>

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# TNE Deficient Plans

## As of QE 6/30/2011

- 2 Vision Plans, 1 Dental Plan
- 56,603 specialty lives

## As of QE 9/30/2011

- 1 Vision Plan, 1 Dental Plan
- 18,346 specialty lives

## As of QE 12/31/2011

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

## As of ME 6/30/2012

- 1 Dental Plan, 16,998 lives

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# PLAN RESERVES - As Percentage of TNE over Minimum Required TNE

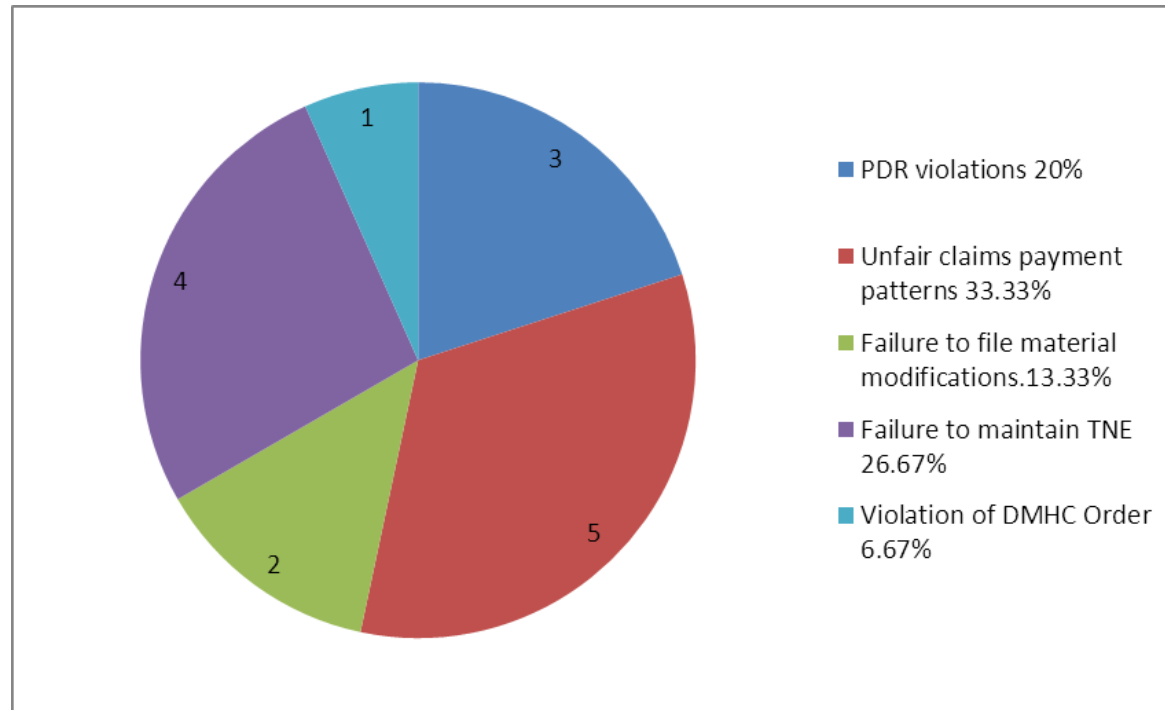
3/31/12

- Commercial Plans (7)
  - For Profit 430%
  - Not-for-Profit 1,091%
- Regional Medi-Cal Plans\* 470%
- Medi-Cal (County Organized Health System & Local Initiatives) \* 383%

\* Excludes 1 outlier plan in each category

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# Enforcement Referrals For FY 2011-2012 (Total of 11 Referrals totaling 15 violations)



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