

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

	12/31/11	12/31/12
• Full Service Plans	55	55
• Dental Plans	19	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	1	2
• Grand Total	109*	107*

* Excludes 15 Quality Improvement Fee Plans

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Full Service Enrollment (in Millions)

	<u>12/31/11</u>	<u>3/31/12</u>	<u>6/30/12</u>	<u>9/30/12</u>
Full Service Lives	22.4	22.5	22.5	22.6*
• Key Enrollment Blocks:				
<u>Commercial lines of business</u>	<u>12/31/11</u>	<u>3/31/12</u>	<u>6/30/12</u>	<u>9/30/12</u>
• Large Group	8.01	7.52	7.49	7.46
• Small Group	1.03	1.04	1.04	1.03
• Individual	0.19	0.18	0.17	0.17
• Point of Service (POS)	0.11	0.07	0.07	0.08
• PPO Group & Individual	<u>1.67</u>	<u>1.61</u>	<u>1.58</u>	<u>1.54</u>
Total Commercial	11.01	10.42	10.35	10.28
<u>Government lines of business</u>				
• Medi-Cal	5.49	5.45	5.52	5.55
• Medicare Risk & Medicare Supplement	2.07	2.11	2.18	2.21
• Healthy Families Program	<u>0.86</u>	<u>0.86</u>	<u>0.86</u>	<u>0.85</u>
Total Government	8.42	8.42	8.56	8.61

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

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DFO Activities

FY 2008-FY 2013

Fiscal Year	2008/09	2009/10	2010/11	2011/12	YTD * 2012/13
Exams Started	32	22	33	24	12
Exams Completed	32	25	29	21	9
Claims Initiative Exams Started	N/A	5	2	4	1
Financial Statements Received	1,261	1,610	1,273	1,286	559
Health Plan Filings Reviewed	2,981	2,603	2,358	2,232	1185
MLR Exams Completed (MRMIB)	11	13	11	10	0
MLR Exams Started (DHCS)	N/A	N/A	N/A	10	7
MLR Exams Completed (DHCS)	N/A	N/A	N/A	10	0

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

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Closely Monitored Plans

	9/30/2011	6/30/2012	9/30/2012*
Full Service Plans	22	22	22
Dental Plans	7	2	2
Pharmacy Plans	5	4	3
Discount Plans	3	2	2
Psychological Plans	2	2	3
Vision Plans	3	2	1
Total-Closely Monitored	42	34	33
Total All Plans	109	106	107
Percentage	38.5%	32.1%	30.8%

* Approximately 1.62 million full service enrollees and 6.8 million specialty enrollees are in Closely Monitored Plans

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Closely Monitored Full Service Plans

	9/30/2011	6/30/2012	9/30/2012
Medicare Plans	13	11	12
Medi-Cal Plans	7	5*	6*
Commercial Plans	2	6	5
Full Service	22	22	23*
Total Full Service	55	54*	56*
Percentage of Total	40.0%	40.7%	41.1%

*Includes 1 County Organized Health Plan that does not have a Knox-Keene license.

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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 3/31/2012

- 1 Dental Plan, 16,998 lives

As of QE 6/30/2012

- 1 Dental Plan, 16,998 lives

As of QE 9/30/2012

- 1 Full Service Plan, 17,654 lives

As of ME 11/30/2012

- 1 Full Service Plan, 34,898 lives

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Plan Reserves-

As Percentage of TNE over Minimum Required TNE

	9/30/11	9/30/12
• Commercial Plans (7)	985%	1,067%
— For Profit	490%	427%
— Not-for-Profit	1,212%	1,365%
• Regional Medi-Cal Plans*	451%	463%
• Medi-Cal (County Organized Health System & Local Initiatives)*	359%	371%

* Excludes 1 outlier plan in each category

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AB 1083

- Adds Section 1348.95 to the Health and Safety Code.
- Starting March 1, 2013, changes enrollment reporting requirements for full service health care service plans.
- Requires every full service health care service plan to provide the number of enrollees, by product type, as of December 31st of the prior year. Product types include, but are not limited to HMO, Point-of-Service, PPO, grandfathered, and Medi-Cal managed care.
- Reporting forms for the submission of financial statements have been modified to meet reporting requirements of AB 1083.
(Report #4: Enrollment and Utilization Table)

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ANNUAL REPORT

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

	1	2	3	4	5	6	7	8	9	10	11	12	13
Source of Enrollment	Total Enrollees At End of Previous Period	Additions During Period	Terminations During Period	Total Enrollees at End of Period	Grandfathered Enrollees (also included in Column 5)	Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period - Physicians	Total Member Ambulatory Encounters for Period - Non-Physicians	Total Member Ambulatory Encounters for Period	Total Patient Days Incurred	Annualized Hospital Days/1000	Average Length of Stay	
1. Large Group Commercial				0					0			0	
2. Medicare Risk				0					0			0	
3. Medicare Supplement				0					0			0	
4. Medi-Cal Risk				0					0			0	
5. Individual				0					0			0	
6. Point of Service - Individual				0					0			0	
7. Point of Service - Small Group				0					0			0	
8. Point of Service - Large Group				0					0			0	
9. Small Group Commercial				0					0			0	
10. Healthy Families				0					0			0	
11. AIM				0					0			0	
12. Medicare Cost				0					0			0	
13. ASO				0		N/A	N/A	N/A	0	N/A	N/A	N/A	N/A
14. PPO Individual				0					0			0	
15. PPO Small Group				0					0			0	
16. PPO Large Group				0					0			0	
17. Aggregate Contracted from Other Plans	0	0	0	0		0	0	0	0	0	N/A	N/A	N/A
18. Aggregate Other Source of Enrollment	0	0	0	0		0	0	0	0	0	N/A	N/A	N/A
19. Total Membership	0	0	0	0		0	0	0	0	0	N/A	N/A	N/A

Questions?

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