

**DIVISION OF FINANCIAL OVERSIGHT
UPDATE TO THE FSSB
MAY 10, 2012**

RECENT ACTIVITIES



DFO Responsibilities

- Financial Examinations
- Financial Statement Reviews
- Review of Health Plan Filings
- Medical Loss Ratio Exams
- Claims Initiative Exams

Knox-Keene Licensed Plans

* Excludes 15 Quality Improvement Fee Plans

Full Service Enrollment*

(in Millions)

	<u>3/31/11</u>	<u>6/30/11</u>	<u>9/30/11</u>	<u>12/31/11</u>
Full Service Lives	21.8	22.0	22.5	22.6
● Key Enrollment Blocks:				
<u>Commercial lines of business</u>	<u>3/31/11</u>	<u>6/30/11</u>	<u>9/30/11</u>	<u>12/31/11</u>
● Large Group	8.15	8.11	8.10	8.00
● Small Group	0.96	0.96	0.96	1.02
● Individual	0.20	0.20	0.19	0.18
● Point of Service (POS)	0.12	0.11	0.11	0.11
● PPO Group & Individual	<u>1.67</u>	<u>1.66</u>	<u>1.65</u>	<u>1.66</u>
Total Commercial	11.10	11.04	11.01	10.97
<u>Government lines of business</u>				
● Medi-Cal	5.10	5.22	5.39	5.49
● Medicare Risk & Medicare Supp	2.00	2.02	2.04	2.06
● Healthy Families Program	<u>0.96</u>	<u>0.99</u>	<u>1.00</u>	<u>1.00</u>
Total Government	8.06	8.23	8.43	8.55

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

Health Plan Updates

- Claims Initiative results show fewer violations
- Surrenders
- Mergers
- Acquisitions
- Applications

DFO Activities FY2007-FY2012

Fiscal Year	2007/08	2008/09	2009/10	2010/11	YTD * 2011/12
Exams Completed	39	32	25	29	15
Exams Started	46	32	22	33	17
Claims Initiative Exams Started	N/A	N/A	5	2	3
Financial Statements Received	1,506	1,261	1,610	1,273	1103
Health Plan Filings Reviewed	2,146	2,981	2,603	2,358	1897
MLR Exams Started (MRMIB)	13	11	13	11	8
MLR Exams Started (DHCS)	N/A	N/A	N/A	N/A	10

*Fiscal year 2011/12 info through Dec 31

Closely Monitored Plans

	3/31/2011	6/30/2011	9/30/2011	12/31/2011*
Full Service Plans	22	23	22	23
Dental Plans	5	6	7	6
Pharmacy Plans	4	5	5	3
Discount Plans	3	3	3	3
Psychological Plans	1	2	2	4
Vision Plans	1	2	3	3
Total-Closely Monitored	36	41	42	42
Total All Plans	110	109	109	109
Percentage	32.7%	37.6%	38.5%	38.5%

*2.1 million full service enrollees and 2.7 million specialty enrollees are in Closely Monitored Plans

Closely Monitored Full Service Plans

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

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 3/31/2012**
 - 1 Dental Plan, 16,975 dental lives

PLAN RESERVES - As Percentage of TNE over Minimum Required TNE

12/31/11

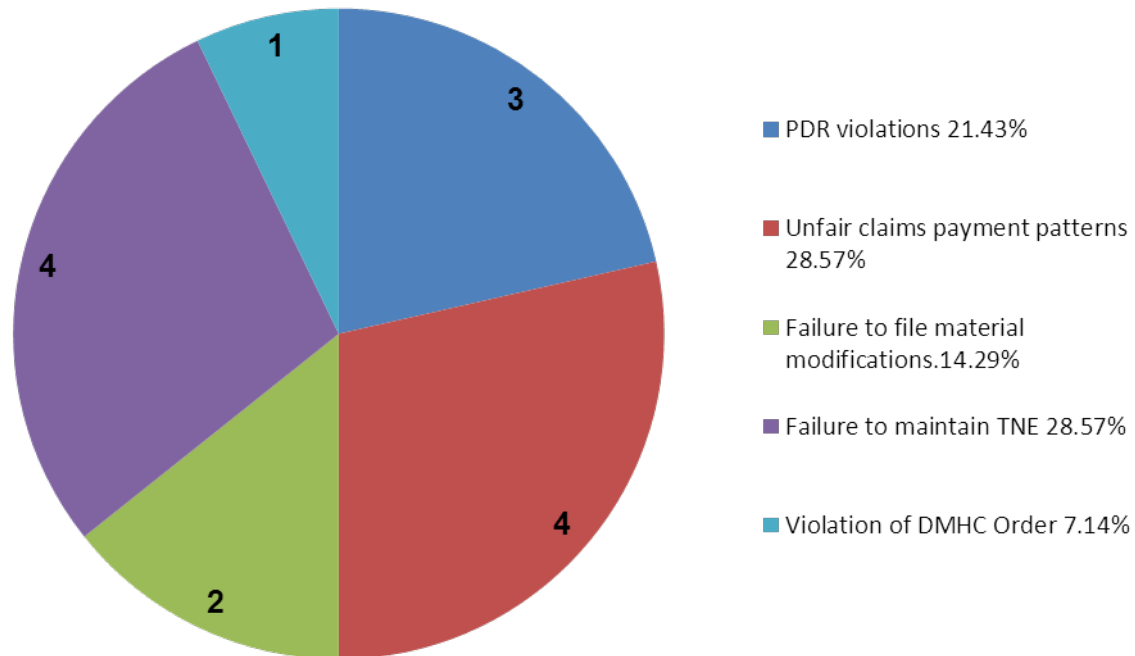
- Commercial Plans (7)
 - For Profit 469%
 - Not-for-Profit 1,089%

- Regional Medi-Cal Plans* 484%

- Medi-Cal (County Organized Health System & Local Initiatives) * 388%

*Excludes 1 outlier plan in each category

Enforcement Referrals For FY 2011-2012 (Total of 10 Referrals totaling 14 violations)



WHAT'S NEXT

- Federal medical loss ratio reporting due 6/1
 - Completing changes to financial web portal to accept federal rebate form
 - Completed testing of form submission with health plans
- Completing filing instructions for communication to health plans

Questions?