

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

* 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>
Full Service Lives	22.0	22.5	22.6	22.7
• Key Enrollment Blocks:				
<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>
Total Commercial	11.04	11.01	11.01	10.42
<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>
Total Government	8.06	8.43	8.57	8.57

*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
Total-Closely Monitored	41	42	42	41
Total All Plans	109	109	109	108
Percentage	37.6%	38.5%	38.5%	38.0%

*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
Full Service	23	22	23	23
Total Full Service	55	55	55	54
Percentage of Total	41.8%	40.0%	41.8%	40.7%

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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

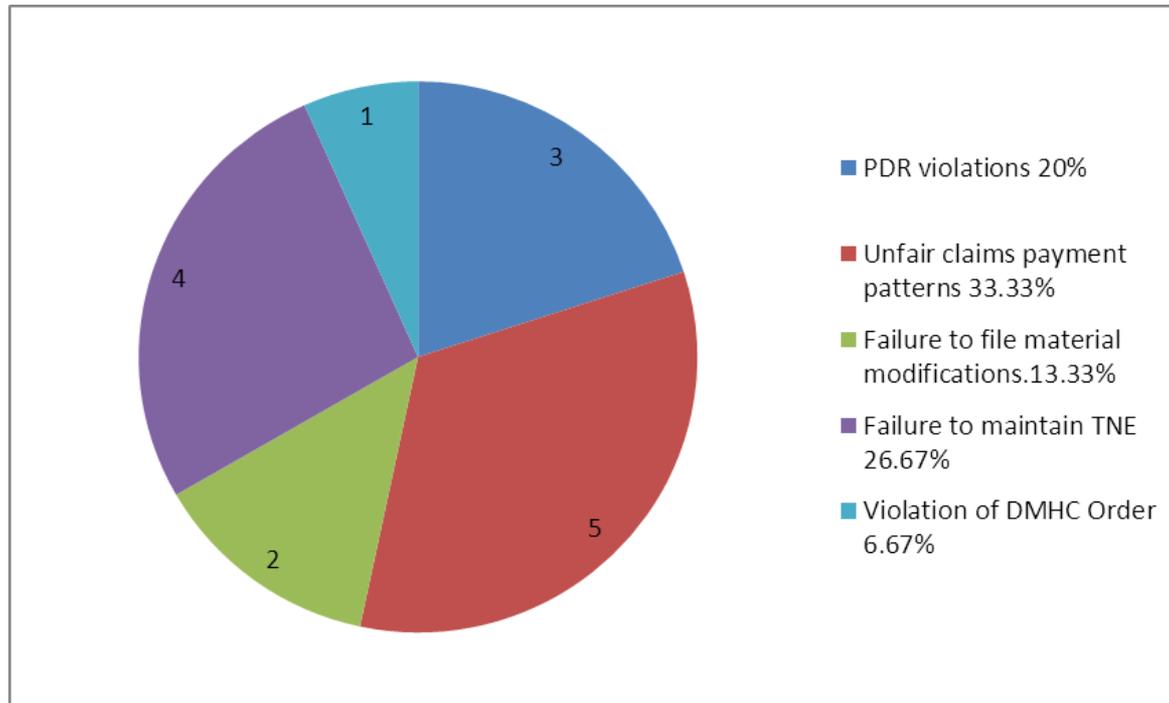
3/31/12

- 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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Questions?

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