

Provider Solvency Update

May 9, 2013

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Supervising Examiner

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DEPARTMENT OF
**Managed
Health Care**

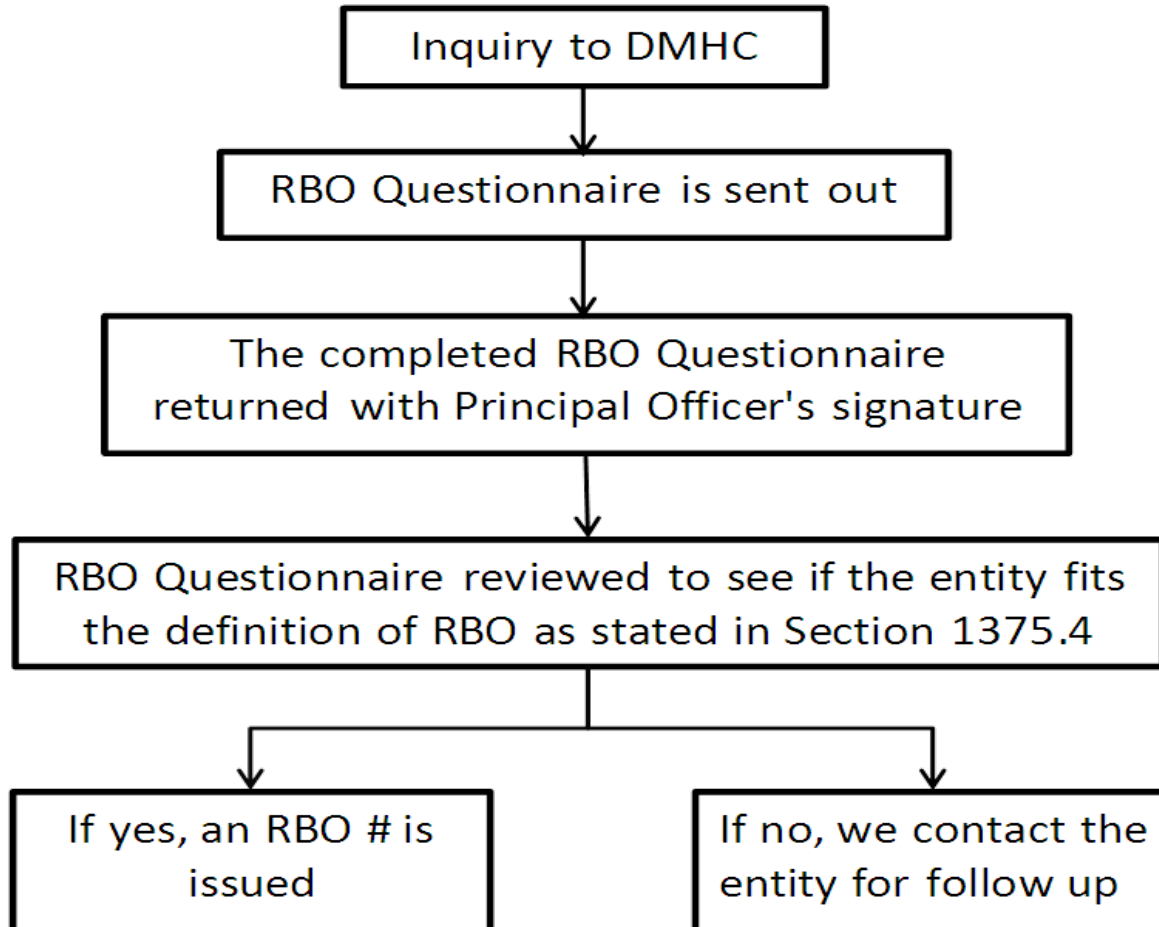


Provider Solvency Unit

- Financial Survey Reviews
- Claims Settlement Practices Reviews
- Approve and monitor the Corrective Action Plan Process
- Claims and Provider Dispute Resolution Audits

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How to Obtain an RBO



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

181 Risk Bearing Organizations file survey reports :

Annual:

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

Quarterly:

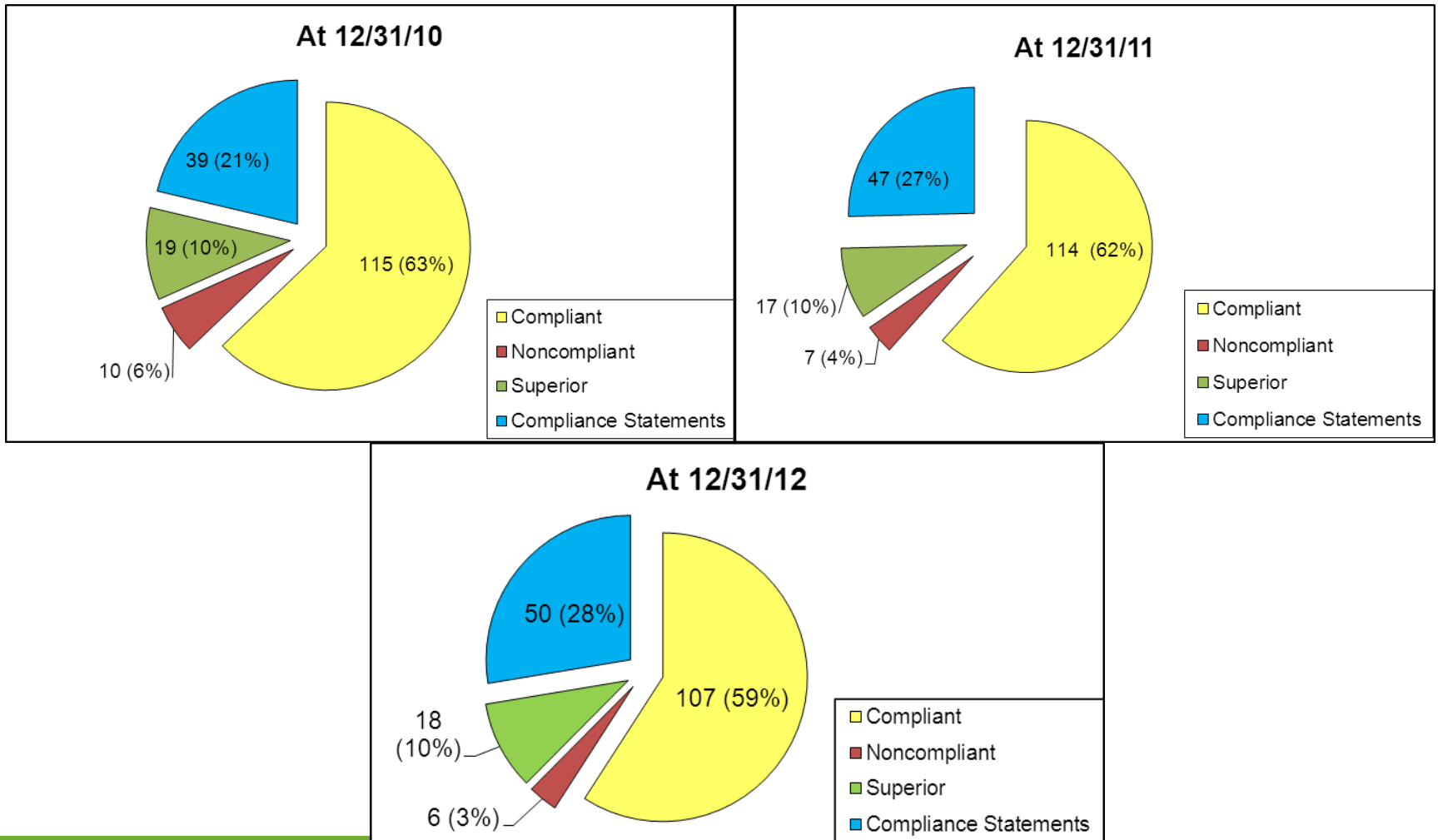
- 131 RBOs file Quarterly Survey Reports
- 50 RBOs file Compliance Statements

Monthly:

- 3 RBOs file monthly financial statements

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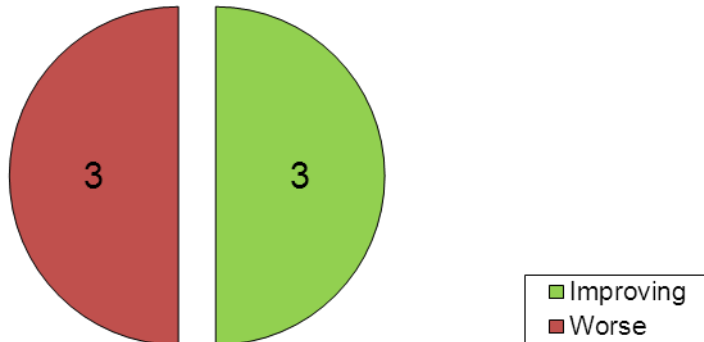
Status of All Risk Bearing Organizations



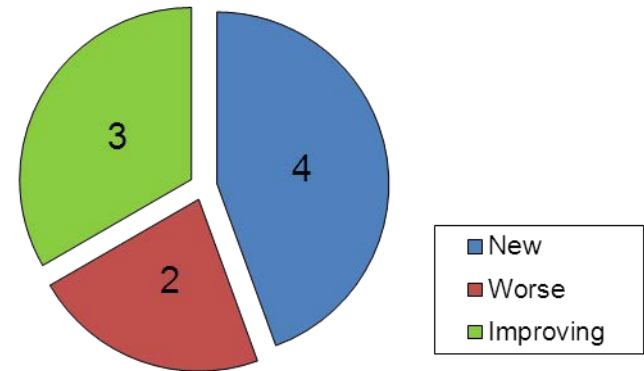
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Corrective Action Plan (CAP) Status

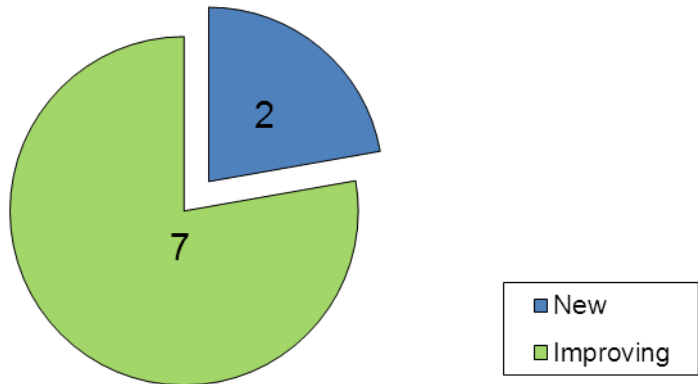
CAP Status at 3/31/2012



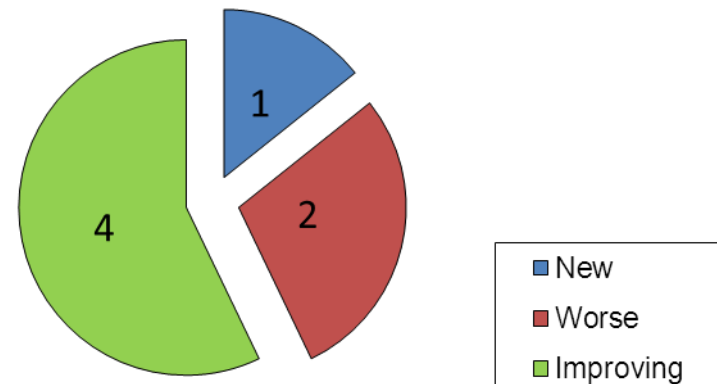
CAP Status at 6/30/2012



CAP Status at 9/30/2012



CAP Status at 12/31/12



CAP Status from 12/31/2012 filings

At Quarter Ended December 31, 2012, there were 7 active CAPs:

- 3 RBOs were non-compliant with claims timeliness
- 2 RBOs were non-compliant with tangible net equity and working capital
- 2 RBOs were non-compliant with tangible net equity, working capital, cash-to-claims, and claims timeliness

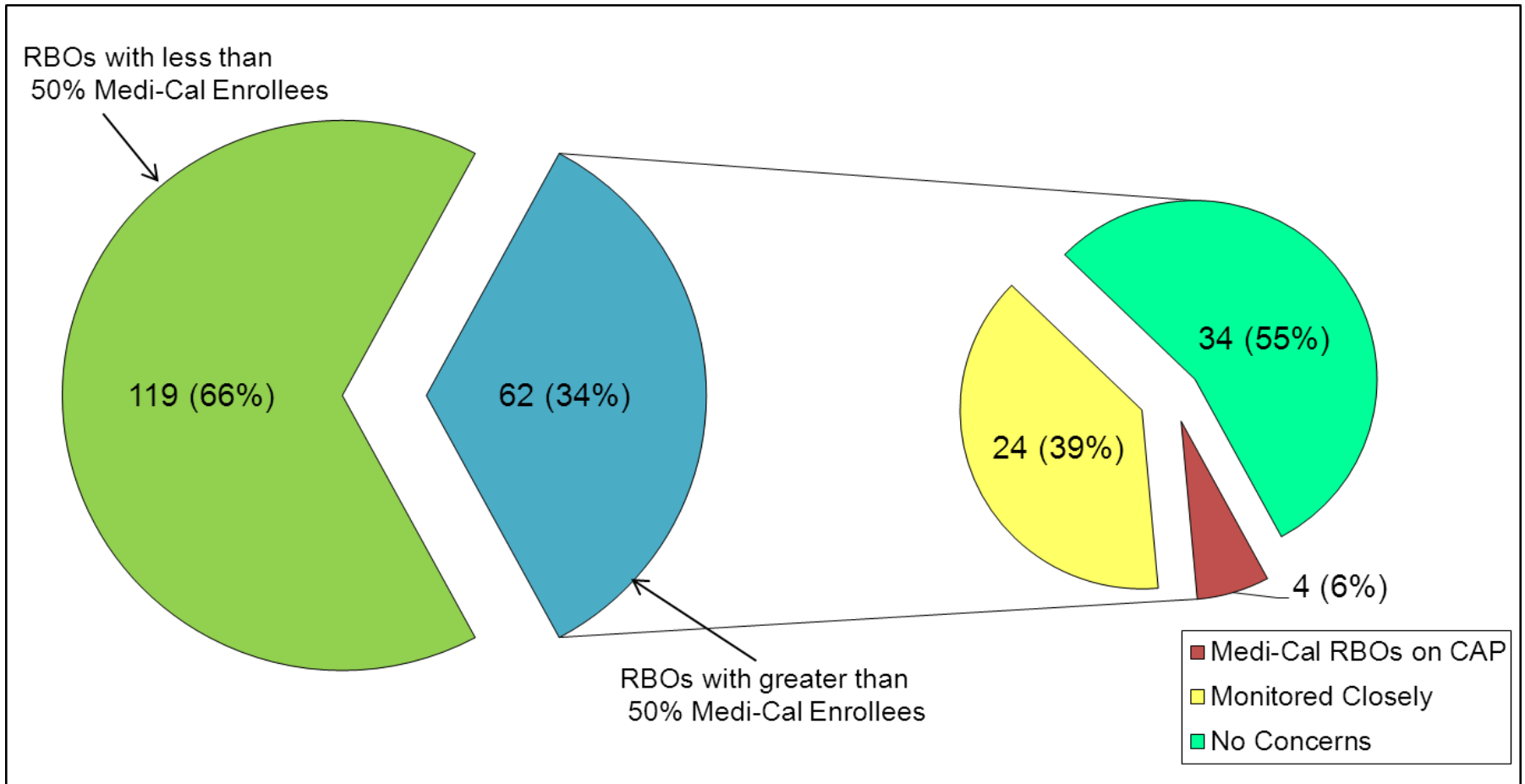
Current CAP Status As of May 1, 2013

From the 6 continuing CAPs at Quarter Ended 12/31/12:

- 5 are meeting their CAP projections
- 1 RBO was de-delegated

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Status of RBOs with Greater than 50% Medi-Cal Enrollment at December 31, 2012

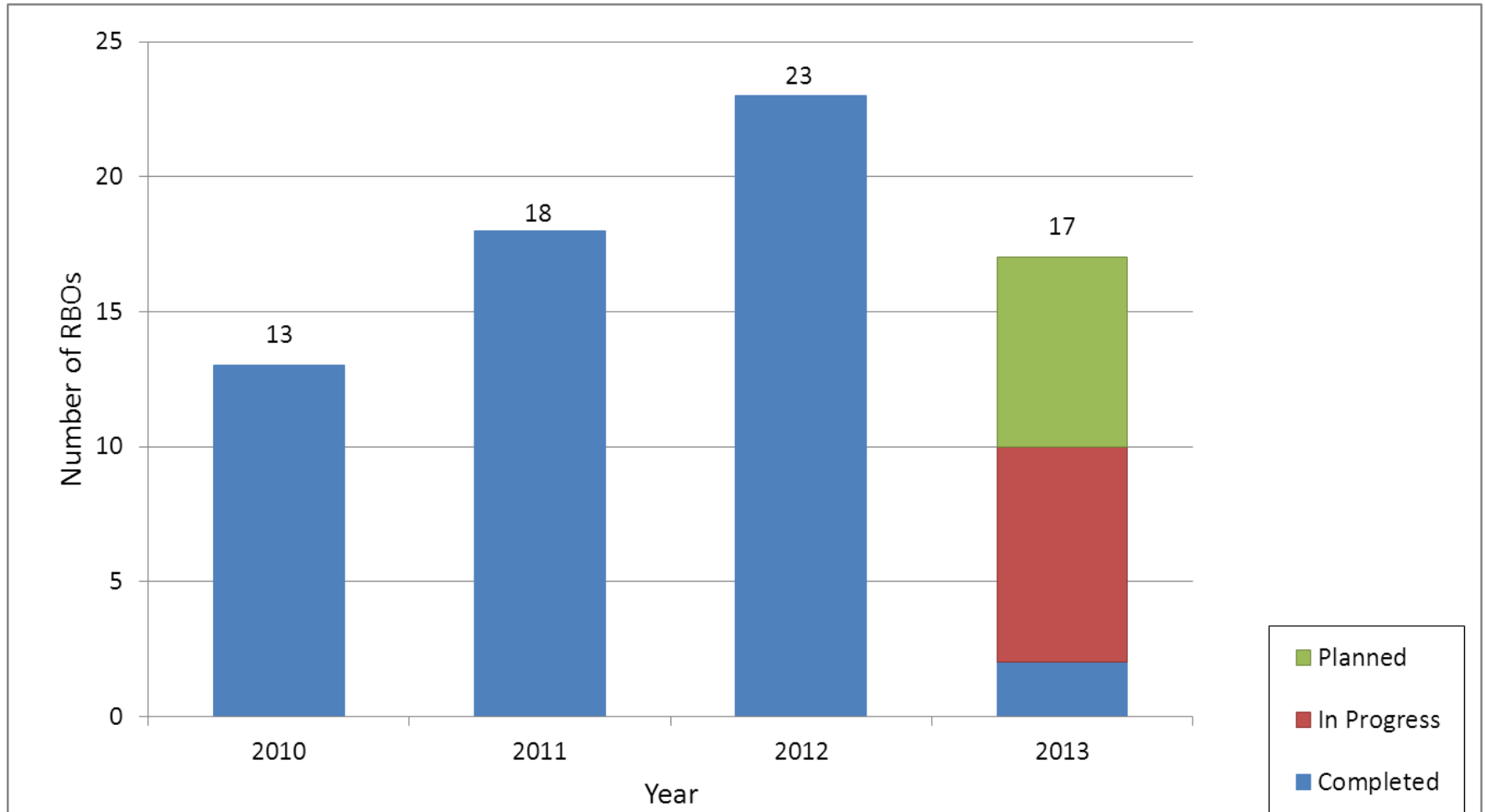


Status of RBOs with Greater than 50% Medi-Cal Enrollment in 2012

	Number of RBOs with less than 50% Medi-Cal Enrollees	Number of RBOs with more than 50% Medi-Cal Enrollees	Number of Medi-Cal RBOs on Corrective Action Plan	Number of Medi-Cal RBOs Monitored Closely	Number of Medi-Cal RBOs with Financial No concerns
Quarter 4, 2012	119	62	4	24	34
Quarter 3, 2012	121	63	5	21	37
Quarter 2, 2012	121	64	5	25	34
Quarter 1, 2012	122	63	4	22	37

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RBO Claims Audits



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RBO Deficiencies Identified in DMHC Claims Audit for 2012

Types of Deficiencies	RBO #1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13	#14	#15	#16	#17	#18	Total
Claims/PDR are not paid accurately and/or processed timely			1	1		1			1		1		1	1	1	1	1	1	11
Interest and/or penalty is not included or incorrectly for late claims and/or PDR	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	17
Checks not cleared with the best practice guidelines								1			1							1	3
Claim/PDR date stamped incorrectly at time of receipt	1				1	1												1	4
Claims are not forwarded within 10 working days					1														1
Claims/PDR are not acknowledged timely					1	1													2

Questions?

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