

DIVISION OF FINANCIAL OVERSIGHT UPDATE TO THE FSSB

November 18, 2013

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DFO Updates

1. # of Licensed Plans
2. Enrollment
3. Tangible Net Equity of Plans
4. Closely Monitored Plans
5. TNE Deficient Plans

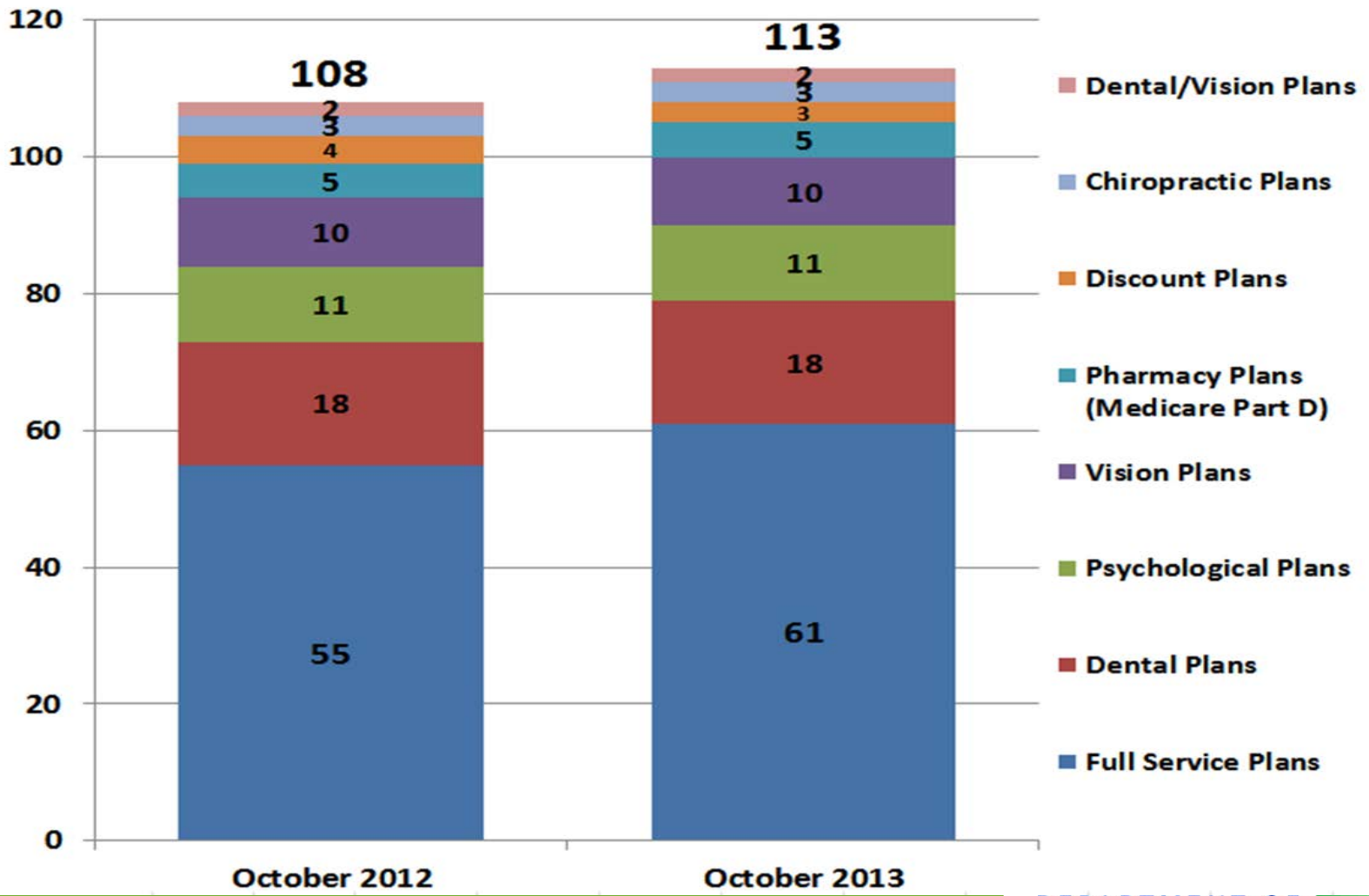
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DFO Responsibilities

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

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Knox-Keene Licensed Plans



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Full Service Enrollment*

(in Millions)

9/30/12 12/31/12 3/31/13 6/30/13

| | | | | |
|---------------------------|-------------|-------------|-------------|-------------|
| Full Service Lives | 22.6 | 22.6 | 22.4 | 22.7 |
|---------------------------|-------------|-------------|-------------|-------------|

Key Enrollment Blocks:

| | | | | |
|------------------|-------|-------|-------|-------|
| Total Commercial | 10.28 | 10.22 | 10.10 | 10.06 |
| Total Government | 8.61 | 8.63 | 8.72 | 9.07 |

*Total Enrollment as reported by Plans including Plan to Plan enrollees.

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Commercial Enrollment

(in Millions)

9/30/12 12/30/12 3/31/13 6/30/13

| | | | | |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| Total HMO | 8.74 | 8.71 | 8.55 | 8.50 |
| Large Group | 7.46 | 7.44 | 7.31 | 7.26 |
| Small Group | 1.03 | 1.03 | 1.00 | 1.00 |
| Individual | 0.17 | 0.16 | 0.16 | 0.15 |
| Point of Service | 0.08 | 0.08 | 0.08 | 0.09 |
| PPO (Group & Ind.) | <u>1.54</u> | <u>1.51</u> | <u>1.55</u> | <u>1.56</u> |
| Total Commercial | 10.28 | 10.22 | 10.10 | 10.06 |

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Government Enrollment

(in Millions)

| | <u>9/30/12</u> | <u>12/31/12</u> | <u>3/31/13</u> | <u>6/30/13</u> |
|-------------------------|----------------|-----------------|----------------|----------------|
| Medi-Cal | 5.55 | 5.56 | 5.91 | 6.60 |
| Medicare | 2.21 | 2.24 | 2.29 | 2.32 |
| Healthy Families | <u>0.85</u> | <u>0.83</u> | <u>0.52</u> | <u>0.15</u> |
| Total Government | 8.61 | 8.63 | 8.72 | 9.07 |

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Closely Monitored Plans

| | 6/30/2012 | 3/31/2013 | 6/30/2013* |
|---------------------|-----------|-----------|------------|
| Full Service Plans | 21 | 24 | 26 |
| Dental Plans | 2 | 4 | 5 |
| Pharmacy Plans | 4 | 1 | 1 |
| Discount Plans | 2 | 2 | 2 |
| Psychological Plans | 2 | 2 | 2 |
| Vision Plans | <u>2</u> | <u>2</u> | <u>2</u> |
| Total | 33 | 35 | 38 |

*Approximately 1.4M full service enrollees & 2.5M specialty enrollees are in Closely Monitored Plans

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Closely Monitored Full Service Plans

as of June 30, 2013

| | 6/30/2012 | 6/30/2013 |
|------------------|-----------|-----------|
| Medicare Plans | 11 | 12 |
| Medi-Cal Plans | 4 | 6 |
| Commercial Plans | <u>6</u> | <u>8</u> |
| Total | 21 | 26 |

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TNE Deficient Plans

As of Quarter End 6/30/2013

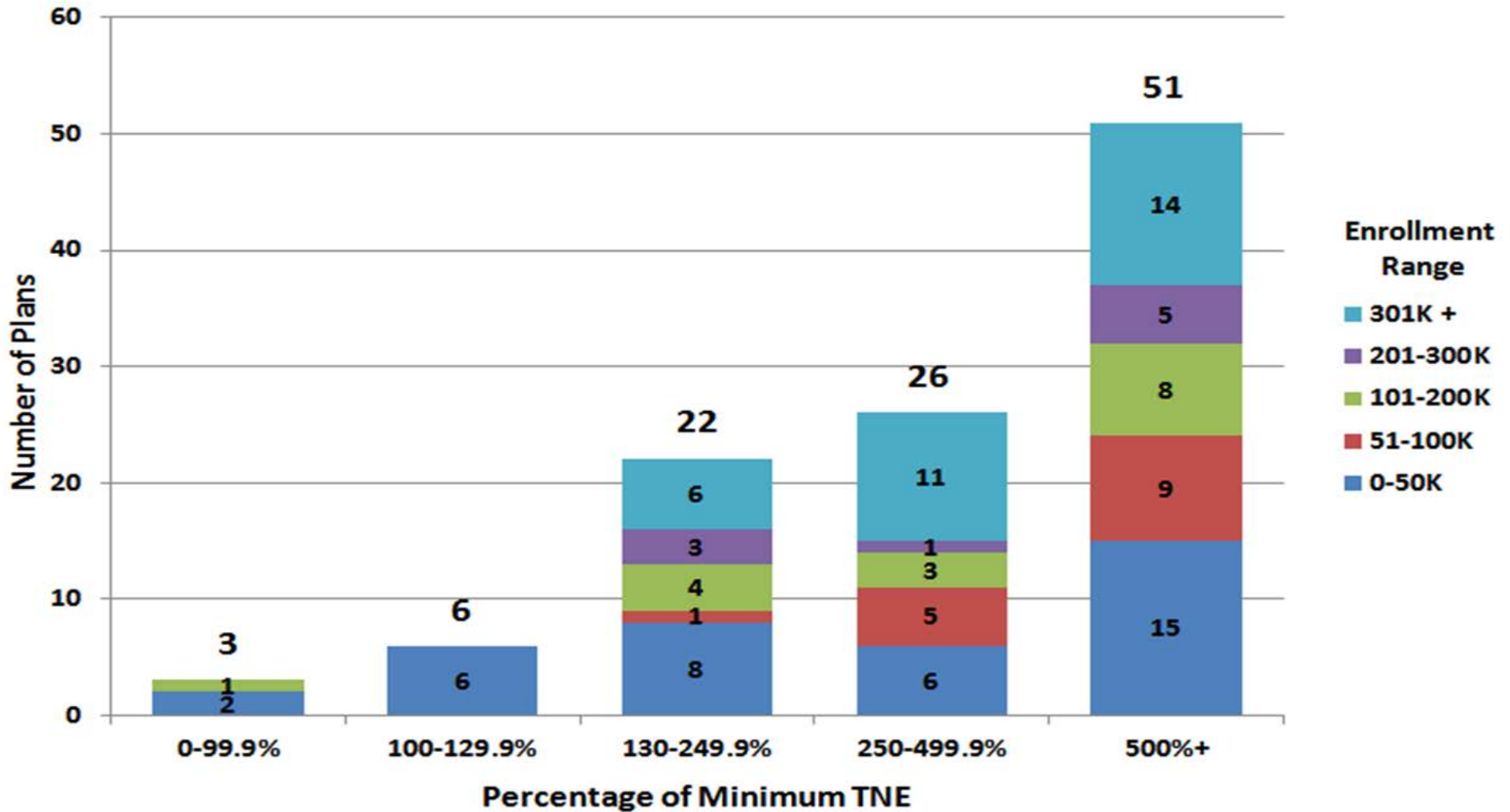
—3 Full Service Plans, 162,995 lives

As of Month End 8/31/2013

—1 Full Service Plan, 163,349 lives

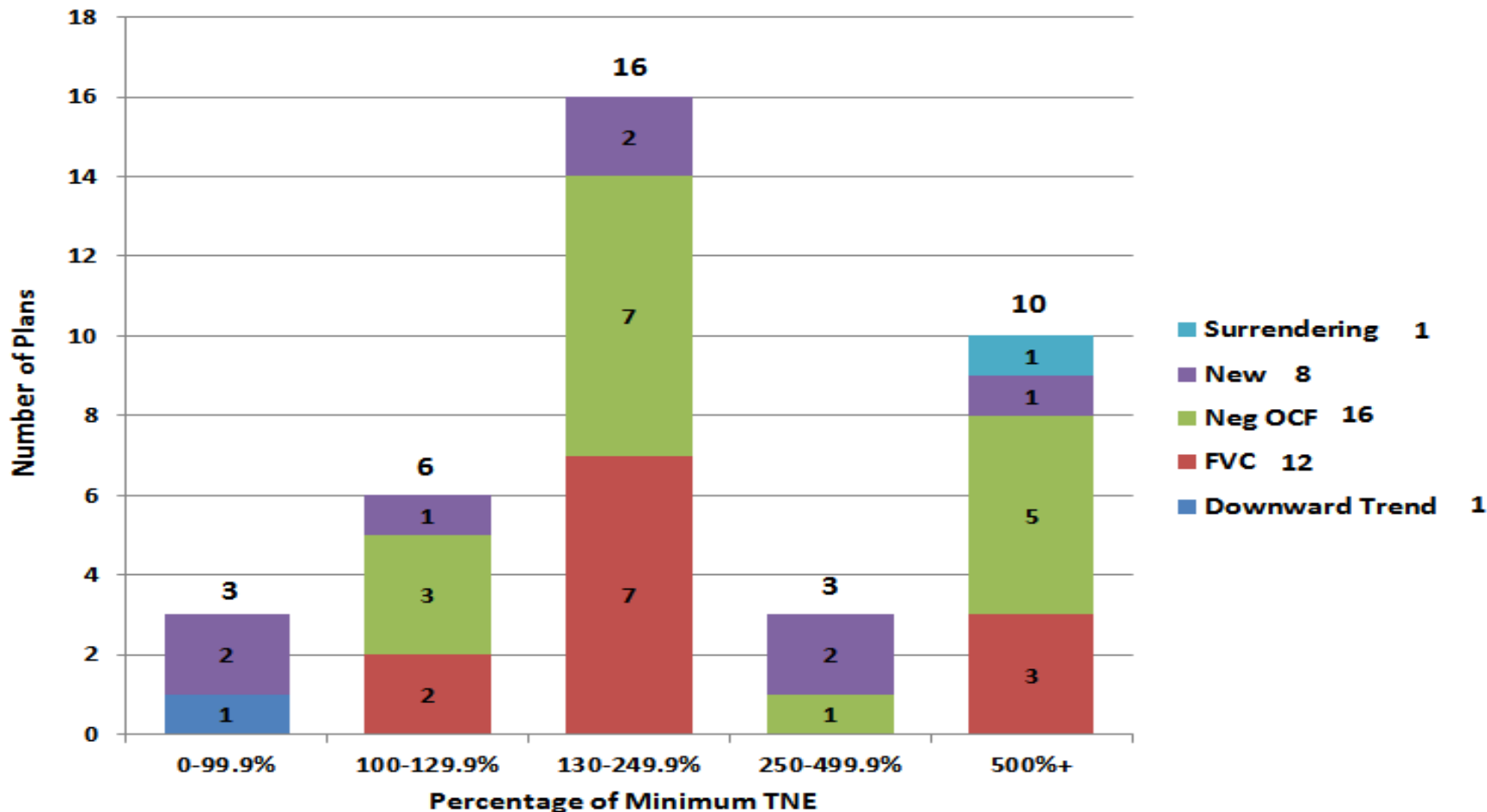
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Tangible Net Equity of Plans as of June 30, 2013



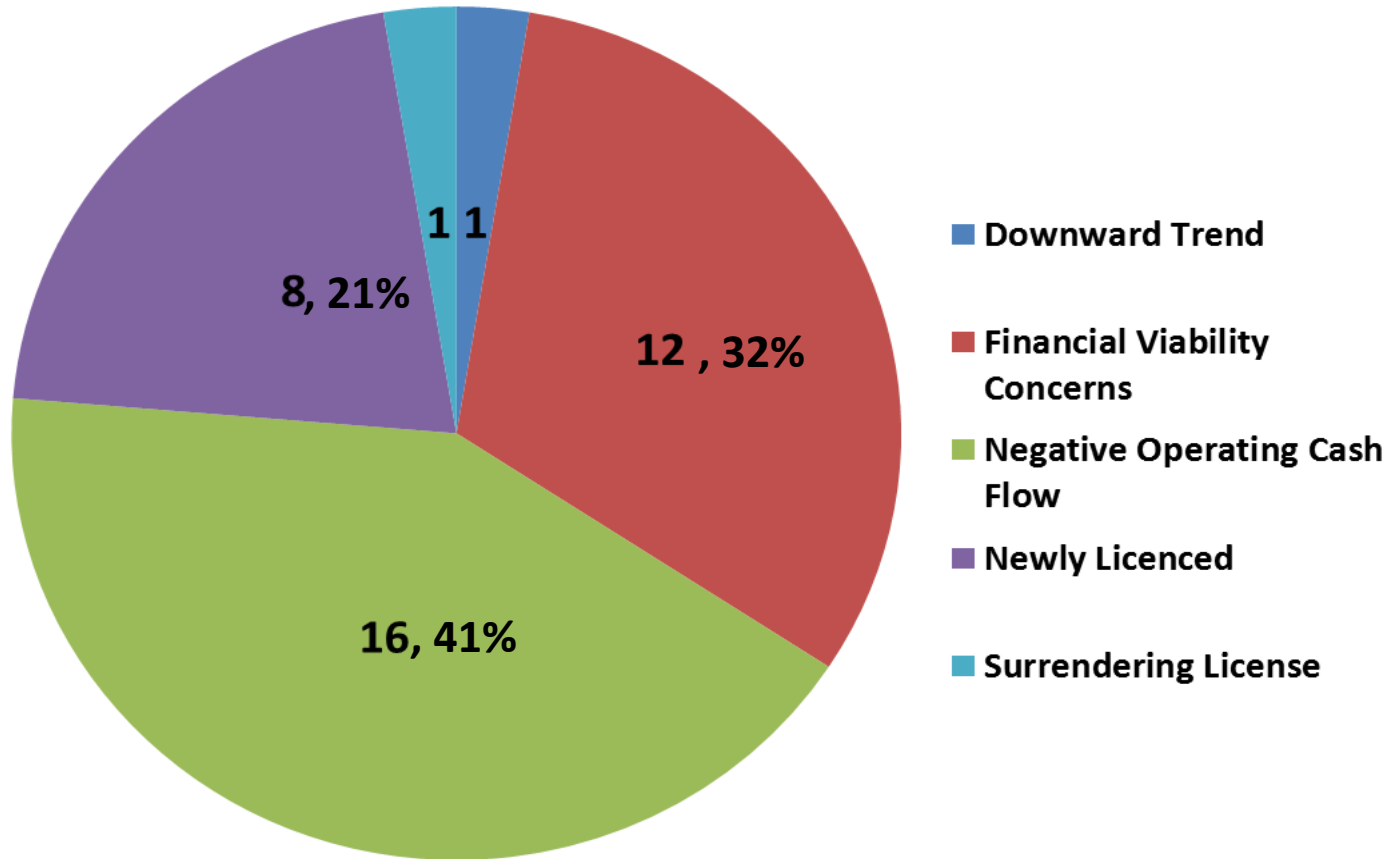
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Tangible Net Equity of Closely Monitored Plans as of June 30, 2013



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Details of Closely Monitored Plans as of June 30, 2013



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Questions?

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