

Provider Solvency Update

February 11, 2013

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Supervising Examiner

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Provider Solvency Unit

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

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Risk Bearing Organization (RBO) Financial Reporting As of 9/30/12

184 Risk Bearing Organizations file survey reports :

Annual:

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

Quarterly:

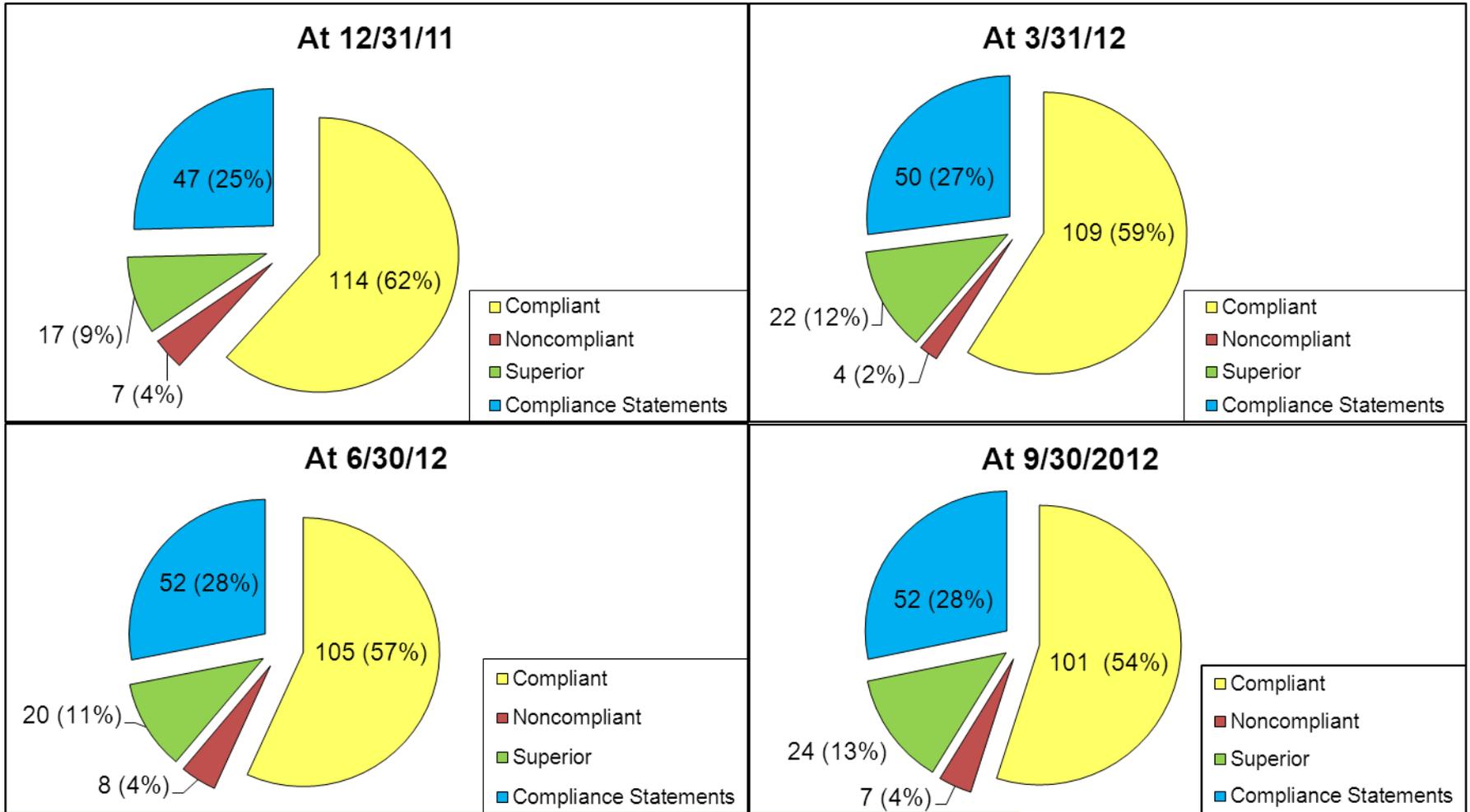
- 132 RBOs file Quarterly Survey Reports
- 52 RBOs file Compliance Statements

Monthly:

- 4 RBOs file monthly financial statements

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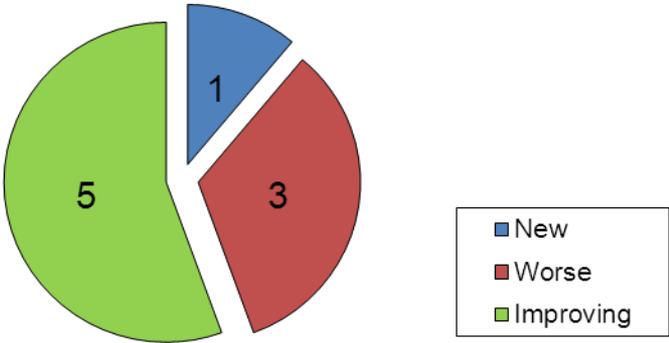
Status of All Risk Bearing Organizations



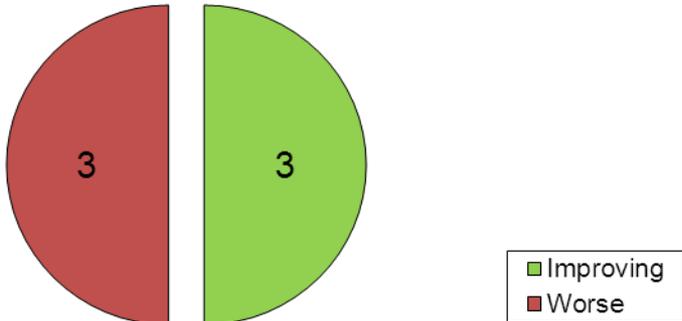
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CAP Status

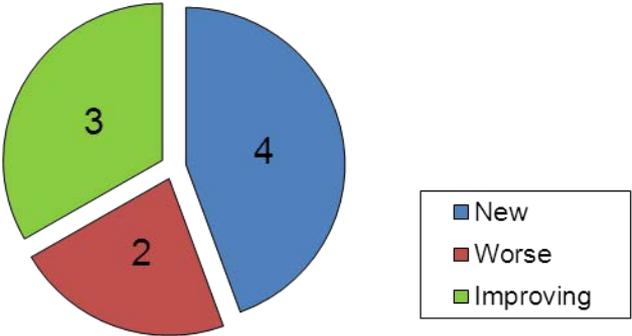
CAP Status at 12/31/2011



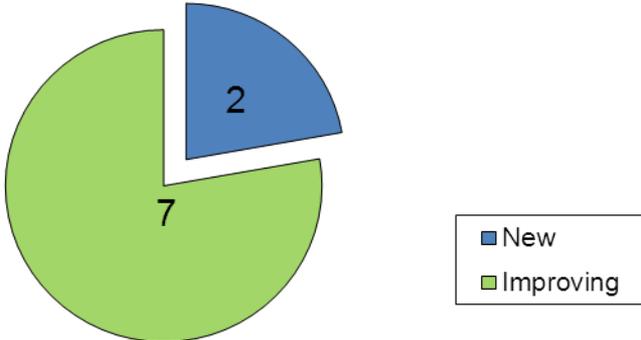
CAP Status at 3/31/2012



CAP Status at 6/30/2012



CAP Status at 9/30/2012



CAP Status from 9/30/2012 filings

At Quarter Ended September 30, 2012, there were 9 active CAPs:

- 4 RBOs were non-compliant with claims timeliness
- 1 RBO was non-compliant with tangible net equity
- 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

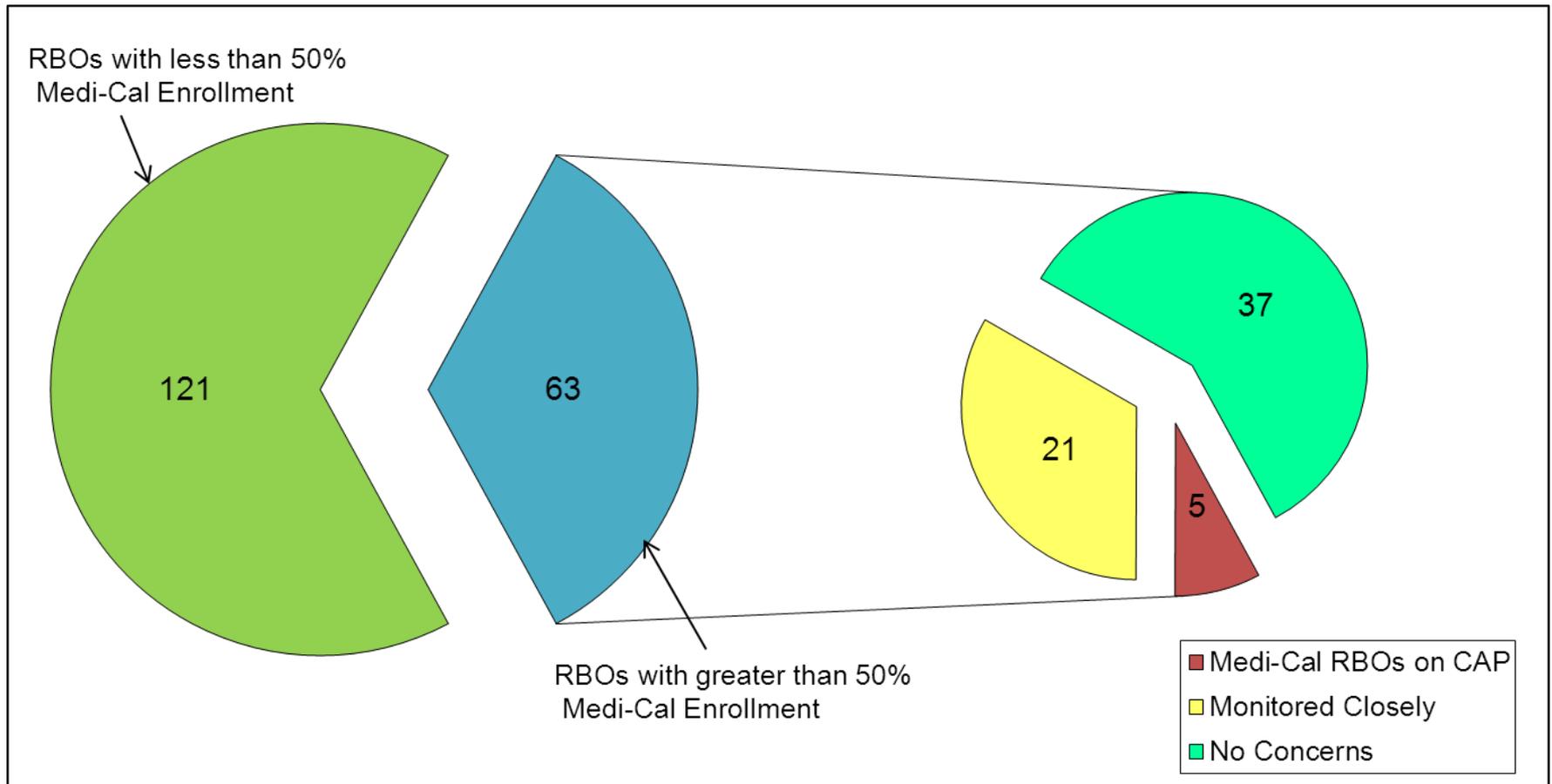
Current CAP Status @ 1/20/2013

From the 7 continuing CAPs at Quarter Ended 9/30/2012:

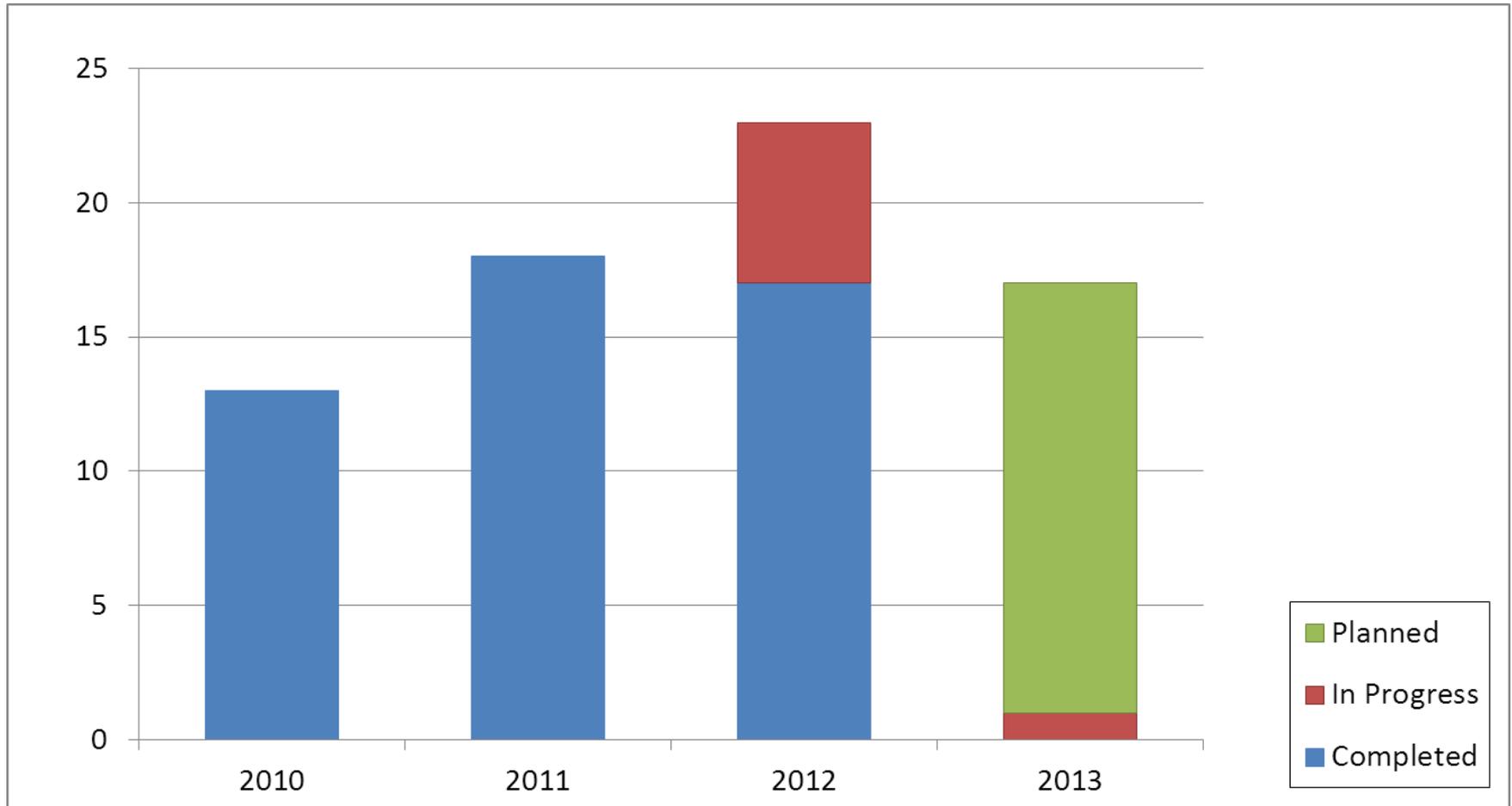
- 5 are meeting their CAP projections
- 2 RBOs completed their CAP successfully

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Status of RBOs with Greater than 50% Medi-Cal Enrollment at September 30, 2012



RBO Audits



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Common RBO Audits Findings

- Interest/penalty is not included or is incorrectly calculated on late claims and PDR
- Checks are not cleared within best practice guidelines
- Claims are not paid accurately and/or processed within 45 working days
- Claim not date stamped correctly at time of receipt
- Claims are not forwarded within 10 working days
- Claims/PDR are not acknowledged timely

RBO Deficiencies Identified in DMHC Claims Audit for 2012

Types of Deficiencies	RBO#1	RBO#2	RBO#3	RBO#4	RBO#5	RBO#6	RBO#7	RBO#8	RBO#9	RBO#10	RBO#11	Total
Claims/PDR are not paid accurately and/or processed timely			1	1		1			1		1	5
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	11
Check Clear Date								1			1	2
Claim/PDR date stamped incorrectly at time of receipt	1				1	1						3
Claims are not forwarded within 10 working days					1							1
Claims/PDR are not acknowledged timely					1						1	2

Questions?

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