

4150 Department of Managed Health Care

The mission of the Department of Managed Health Care (DMHC) is to help California consumers resolve problems with their health plans, protect the rights of health plan enrollees, and work to provide a financially solvent and stable managed health care system through:

- Administering and enforcing the body of statutes collectively known as the Knox-Keene Health Care Service Plan Act of 1975, as amended.
- Operating the 24-hour-a-day Help Center.
- Licensing and overseeing all Health Maintenance Organizations (HMOs) and some Preferred Provider Organizations (PPOs) in the state. Currently, approximately 20 million Californians are enrolled in health plans regulated by the DMHC.
- Convening the Financial Solvency Standards Board (FSSB), comprised of consumer representatives and experts in the medical, financial, and health plan industries. The FSSB advises the Director on matters of financial solvency that affect the delivery of health care services, including health plans' oversight of delegated medical groups, and develops and recommends financial solvency requirements and standards relating to health plan operations.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
30 Health Plan Program	-	275.8	269.0	\$-	\$56,292	\$52,107
50.01 Administration	-	77.0	77.0	-	9,846	10,711
50.02 Distributed Administration	-	-	-	-	-9,846	-10,711
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	352.8	346.0	\$-	\$56,292	\$52,107
FUNDING				2011-12*	2012-13*	2013-14*
0890 Federal Trust Fund				\$-	\$5,391	\$691
0933 Managed Care Fund				-	49,715	48,677
0995 Reimbursements				-	1,186	2,739
TOTALS, EXPENDITURES, ALL FUNDS				\$-	\$56,292	\$52,107

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 1340-1399.818 inclusive; California Code of Regulations, Title 28, sections 1000-1300.826.

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Coordinated Care Initiative: Dual Eligible Demonstration Project	\$-	\$-	-	\$-	\$2,218	16.5
• Medi-Cal Managed Care Rural Expansion	-	-	-	-	510	3.5
• Medi-Cal Dental Managed Care Program: Expand Oversight	-	-	-	-	378	2.0
• Health Premium Rate Review: Permanent Resources	-	-	-	-	344	2.0
Totals, Workload Budget Change Proposals	\$-	\$-	-	\$-	\$3,450	24.0
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$1,299	-	\$-	\$190	-
• Retirement Rate Adjustment	-	568	-	-	568	-
• Limited Term Positions/Expiring Programs	-	-	-	-	-3,908	-25.8
• One-Time Cost Reductions	-	-	-	-	-64	-
• AB 1494 (Chapter 28, Statutes of 2012): Healthy Families Transition to Medi-Cal	-	400	1.0	-	-	-
• Miscellaneous Adjustments	-	4,640	4.0	-	-112	-
Totals, Other Workload Budget Adjustments	\$-	\$4,309	5.0	\$-	-\$3,326	-25.8

* Dollars in thousands, except in Salary Range.

4150 Department of Managed Health Care - Continued

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Totals, Workload Budget Adjustments	\$-	\$4,309	5.0	\$-	\$124	-1.8
Totals, Budget Adjustments	\$-	\$4,309	5.0	\$-	\$124	-1.8

PROGRAM DESCRIPTIONS

30 - HEALTH PLAN PROGRAM

The Health Plan Program's objective is to ensure the accessibility and availability of medically necessary health care delivered to the public with appropriate quality of care oversight and through financially sound managed care plans. Through focused collaboration and coordination, these programs advance sound health policy and "The Right Care at the Right Time" for all California enrollees. The program licenses health care service plans, conducts routine and non-routine financial exams and medical surveys, works to implement the federal health care reform provisions in California including health plan premium rate review, and operates a consumer services toll-free complaint line (1-888-466-2219).

50 - ADMINISTRATION

The Administration Program provides services essential for the administration of the Department and its programs, including the Executive Office, Administrative Services, and Information Technology Support.

DETAILED EXPENDITURES BY PROGRAM

		2011-12*	2012-13*	2013-14*
PROGRAM REQUIREMENTS				
30	HEALTH PLAN PROGRAM			
	State Operations:			
0890	Federal Trust Fund	\$-	\$5,391	\$691
0933	Managed Care Fund	-	49,715	48,677
0995	Reimbursements	-	1,186	2,739
	Totals, State Operations	\$-	\$56,292	\$52,107
ELEMENT REQUIREMENTS				
30.10	Health Care Service Plans	\$-	\$56,292	\$52,107
	State Operations:			
0890	Federal Trust Fund	-	5,391	691
0933	Managed Care Fund	-	49,715	48,677
0995	Reimbursements	-	1,186	2,739
	TOTALS, EXPENDITURES			
	State Operations	-	56,292	52,107
	Totals, Expenditures	\$-	\$56,292	\$52,107

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	-	347.8	322.0	\$-	\$23,280	\$23,451
Total Adjustments	-	5.0	24.0	-	315	1,465
Net Totals, Salaries and Wages	-	352.8	346.0	\$-	\$23,595	\$24,916
Staff Benefits	-	-	-	-	8,966	9,468
Totals, Personal Services	-	352.8	346.0	\$-	\$32,561	\$34,384
OPERATING EXPENSES AND EQUIPMENT						
				\$-	\$23,731	\$17,723
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$-	\$56,292	\$52,107
(State Operations)						

* Dollars in thousands, except in Salary Range.

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DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0890 Federal Trust Fund			
APPROPRIATIONS			
Budget Act appropriation	\$-	\$755	\$691
Adjustment per Section 3.60	-	3	-
Adjustment per Section 3.90	-	-7	-
Budget Adjustment	-	4,640	-
TOTALS, EXPENDITURES	\$-	\$5,391	\$691
0933 Managed Care Fund			
APPROPRIATIONS			
Budget Act appropriation	\$-	\$50,042	\$48,677
Allocation for employee compensation	-	118	-
Adjustment per Section 3.60	-	565	-
Adjustment per Section 3.90	-	-1,410	-
Chapter 28, Statutes of 2012	-	400	-
TOTALS, EXPENDITURES	\$-	\$49,715	\$48,677
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$-	\$1,186	\$2,739
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$-	\$56,292	\$52,107

FUND CONDITION STATEMENTS

	2011-12*	2012-13*	2013-14*
0933 Managed Care Fund ^s			
BEGINNING BALANCE	\$12,184	\$17,197	\$5,485
Prior year adjustments	3,243	-	-
Adjusted Beginning Balance	\$15,427	\$17,197	\$5,485
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	40,910	39,806	47,277
150300 Income From Surplus Money Investments	113	100	100
161900 Other Revenue - Cost Recoveries	1,106	800	800
Transfers and Other Adjustments:			
TO3209 To Office of Patient Advocate Trust Fund per Chapter 552, Statutes of 2011	-	-2,374	-2,273
Total Revenues, Transfers, and Other Adjustments	\$42,129	\$38,332	\$45,904
Total Resources	\$57,556	\$55,529	\$51,389
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	47	55	-
2400 Department of Managed Health Care (State Operations)	40,199	-	-
4150 Department of Managed Health Care (State Operations)	-	49,715	48,677
8880 Financial Information System for California (State Operations)	113	274	230
Total Expenditures and Expenditure Adjustments	\$40,359	\$50,044	\$48,907
FUND BALANCE	\$17,197	\$5,485	\$2,482
Reserve for economic uncertainties	17,197	5,485	2,482
3133 Managed Care Administrative Fines and Penalties Fund ^s			
BEGINNING BALANCE	\$3,285	\$1,025	\$935

* Dollars in thousands, except in Salary Range.

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	2011-12*	2012-13*	2013-14*
Prior year adjustments	<u>4</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$3,289	\$1,025	\$935
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	5	3	1
164300 Penalty Assessments	1,147	1,000	900
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Item 4280-112-3133, Budget Acts	-2,416	-93	-50
TO8034 To Medically Underserved Account for Physicians, Health Professions Education	-1,000	-1,000	-1,000
Fund per Chapter 607, Statutes 2008 Section 12(a)			
Total Revenues, Transfers, and Other Adjustments	<u>-\$2,264</u>	<u>-\$90</u>	<u>-\$149</u>
Total Resources	<u>\$1,025</u>	<u>\$935</u>	<u>\$786</u>
FUND BALANCE	\$1,025	\$935	\$786
Reserve for economic uncertainties	1,025	935	786

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Authorized Positions	-	347.8	322.0	\$-	\$23,280	\$23,451
Workload and Administrative Adjustments:				Salary Range		
Office of Legal Services						
Research Program Spec II	-	-	-1.0	5,309-6,451	-	-77
Research Program Spec I	-	-	-1.0	5,064-5,874	-	-71
Attorney	-	-	-1.0	4,674-7,828	-	-94
Assoc Gov Prog Analyst	-	-	-1.0	4,400-5,348	-	-64
Director's Office						
Research Program Spec II	-	-	1.0	5,309-6,451	-	77
Research Program Spec I	-	-	1.0	5,064-5,874	-	71
Attorney	-	-	1.0	4,674-7,828	-	94
Assoc Gov Prog Analyst	-	-	1.0	4,400-5,348	-	64
Division of Licensing						
Attorney III (1.0 LT thru 6-30-13)	-	1.0	-	7,682-9,478	103	-
Consumer Assistance Program Federal Grant 2						
Research Program Spec I (2.0 LT thru 6-30-13)	-	2.0	-	5,064-5,874	109	-
Health Program Spec I (1.0 LT thru 6-30-13)	-	1.0	-	4,833-5,874	54	-
Assoc Gov Prog Analyst (1.0 LT thru 6-30-13)	-	1.0	-	4,400-5,348	49	-
Totals Workload Adjustments	-	5.0	-	\$-	\$315	\$-
Proposed New Positions:						
Help Center						
Attorney III (1.5 LT thru 6-30-16)	-	-	1.5	7,682-9,478	-	154
Health Program Spec II (1.0 LT thru 6-30-16)	-	-	1.5	5,309-6,451	-	106
Nurse Evaluator II (1.0 LT thru 6-30-16)	-	-	1.5	4,917-6,269	-	101
AHCSPA (1.0 LT thru 6-30-16)	-	-	2.0	4,400-5,348	-	117
Assoc Govtl Prog Analyst (1.0 LT thru 6-30-16)	-	-	1.5	4,400-5,348	-	87
Office Techn (1.0 LT thru 6-30-16)	-	-	1.0	2,686-3,264	-	36
Consumer Assist Tecn (5.0 LT thru 6-30-16)	-	-	7.0	2,638-3,209	-	246
Division of Financial Oversight						
Corp Examiner IV Spec (2.0 LT thru 6-30-16)	-	-	2.0	5,561-7,796	-	160
Corporation Examiner	-	-	1.0	4,009-6,450	-	63
Provider Solvency and Complaints						

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	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Corporation Examiner (2.0 LT thru 6-30-16)	-	-	2.0	4,009-6,450	-	126
Division of Licensing						
Health Program Spec I (1.0 LT thru 6-30-16)	-	-	1.0	4,833-5,874	-	64
Rate Review						
Senior Life Actuary	-	-	1.0	7,667-10,177	-	107
Assoc Life Actuary	-	-	1.0	7,037-9,320	-	98
Totals Proposed New Positions	-	-	24.0	\$-	\$-	\$1,465
Total Adjustments	-	5.0	24.0	\$-	\$315	\$1,465
TOTALS, SALARIES AND WAGES	-	352.8	346.0	\$-	\$23,595	\$24,916

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