



Welcome to California

# DMHC – Looking to the Future

Presentation by

***DMHC Interim Director Ed Heidig***

for the

***California Association of Dental Plans***

Annual Conference

June 3, 2011





Welcome to California

# DMHC Update

- **Staffing**
  - Number of employees today -- 283
  - Number of employees one year ago -- 292
- **Key Personnel Changes since 2010:**
  - Interim Director – Ed Heidig
  - Acting Deputy Director for Plan and Provider Relations – Maureen McKennan
  - Acting Assistant Deputy Director of Enforcement – Debra Denton
  - Acting Chief, Division of Financial Oversight – Dennis Balmer
  - Assistant Chief Counsel, Division of Licensing (Government Plans) -- Gary Baldwin
  - Acting Assistant Deputy Director of Provider Oversight – Lora Gilmore
  - Legislative Coordinator – Amal Abu-Rahma



Welcome to California

# Internal Efficiency Initiatives and outcomes

- The Provider Complaint Unit has received more than 27,000 provider complaints and has recovered more than \$21.9 million in payments owed to physicians and hospitals
- E-filing has reduced paperwork and compliance time for plans
- Web-based provider complaint system
- 2009 streamlined financial exam system to detect negative financial trends
- Current project – new web portal to speed evaluation of a plan's network adequacy when contracts with medical groups and hospitals are terminated





# Enforcement Statistics

- ***From its inception through 2010, the DMHC imposed more than \$35,478,319 in fines and penalties to health plans that were in violation of the law.***
- In Fiscal Year 2010-2011 alone, there were 451 enforcement actions, with \$4,816,500 in penalties collected
- The most common violations (outside of grievances cases) in fiscal year 2010/11:
  - 1371 (Failure to play claims timely) – 10 cases
  - 1300.71.38 (Dispute Resolution Mechanism) – 10 cases
  - 1300.71 (Claims settlement practices) – 9 cases
  - 1371.35 (Time limits for reimbursement, contest, or denial of claims) – 9 cases
  - 1300.76 (TNE) – 3 cases
  - 1371.8 (Rescission of modification of services) – 3 cases
  - 1388 (Discipline of a solicitor) – 2 cases



Welcome to California

# 2011 Priorities

- Implementation of Health Care Reform
  - Applying the more than \$5 million received in federal grant funding to date
    - Rate review -- \$1 million
    - Consumer assistance -- \$4.1 million
  - More than 20 staff were involved in analyzing more than 20 major provisions of the voluminous new laws, and drafted guidance on major provisions, including:
    - Rate review process
    - Guaranteed issue for children
    - Prohibition on rescission (*except for cases of fraud*)
    - Dependent coverage for adult children up to age 26



# 2011 Priorities

- Implementing the 1115 Waiver to transfer Senior, Blind and Disabled Medi-Cal recipients into managed care
  - By January 2012, nearly 400,000 SBD enrollees in 16 counties will be transitioned
  - DMHC will be performing certain functions in conjunction with DHCS
  - Performing financial audits every three years for 27 plans fitting the Medi-Cal managed care model
  - Conducting quarterly network adequacy assessments every three years
  - Conducting medical survey of each plan every three years -  
- addressing utilization management, continuity of care, accessibility, member complaints and quality management
- Keeping Medi-Cal managed care plans solvent
  - Working with FSSB to develop additional tools to keep Medi-Cal managed care plans solvent
  - Challenges include contracting, reimbursement, utilization