

4150 Department of Managed Health Care

The Department of Managed Health Care protects health care consumers and ensures a stable health care delivery system in California. The Department achieves this mission by:

- Licensing and regulating the full scope of managed care models, including all Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Exclusive Provider Organizations (EPO), Point-of-Service (POS) products and Medi-Cal managed care plans. The Department also licenses and conducts financial reviews of Medicare Advantage and Part D plans and licenses and regulates specialized health plans including chiropractic, dental, vision, psychological (behavioral health) and pharmacy.
- Enforcing the Knox-Keene Health Care Service Plan Act of 1975, as amended.
- Conducting medical surveys and financial examinations to verify that health plans are complying with the law and are financially stable to serve their enrollees.
- Operating a 24-hour-a-day Help Center to resolve health care consumer complaints and administer the Independent Medical Review program.
- Reviewing proposed health plan rate changes for sufficient justification and reasonableness.
- Monitoring the financial solvency of the medical groups with whom health plans contract to provide health benefits to their enrollees.
- Convening the Financial Solvency Standards Board, comprised of people with expertise in the medical, financial and health plan industries, to advise the Director on strategies to keep the managed care industry financially stable.

3-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
3870	Health Plan Program	512.3	715.5	724.0	\$106,924	\$165,492	\$163,070
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		512.3	715.5	724.0	\$106,924	\$165,492	\$163,070

FUNDING		2022-23*		2023-24*	2024-25*
0933	Managed Care Fund	\$106,924		\$165,492	\$163,070
TOTALS, EXPENDITURES, ALL FUNDS		\$106,924		\$165,492	\$163,070

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 1340-1399.874 inclusive; California Code of Regulations, Title 28, sections 1000-1300.826.

DETAILED BUDGET ADJUSTMENTS

			2023-24*			2024-25*		
			General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments								
Other Workload Budget Adjustments								
•	Other Post-Employment Benefit Adjustments		\$-	\$-250	-	\$-	\$-306	-
•	Salary Adjustments		-	3,004	-	-	3,181	-
•	Benefit Adjustments		-	1,694	-	-	2,173	-
Totals, Other Workload Budget Adjustments			\$-	\$4,448	-	\$-	\$5,048	-
Totals, Workload Budget Adjustments			\$-	\$4,448	-	\$-	\$5,048	-
Totals, Budget Adjustments			\$-	\$4,448	-	\$-	\$5,048	-

PROGRAM DESCRIPTIONS

3870 - HEALTH PLAN PROGRAM

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

4150 Department of Managed Health Care - Continued

The Health Plan Program's primary objective is to regulate managed health care plans and assist consumers to resolve disputes with health plans. The program's key functions to achieve this objective are to: license managed health care plans, conduct routine and non-routine financial exams and medical surveys, review proposed premium rate increases, assist consumers with health care issues and enable managed health care patients to receive the medical care and services to which they are entitled, and operate a consumer services toll-free complaint line (1-888-466-2219).

DETAILED EXPENDITURES BY PROGRAM

		<u>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
	PROGRAM REQUIREMENTS			
3870	HEALTH PLAN PROGRAM			
	State Operations:			
0933	Managed Care Fund	\$106,924	\$165,492	\$163,070
	Totals, State Operations	\$106,924	\$165,492	\$163,070
	TOTALS, EXPENDITURES			
	State Operations	106,924	165,492	163,070
	Totals, Expenditures	\$106,924	\$165,492	\$163,070

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
PERSONAL SERVICES						
Baseline Positions	610.0	715.5	724.0	\$60,992	\$72,463	\$73,034
Other Adjustments	-97.7	-	-	-6,483	3,004	3,181
Net Totals, Salaries and Wages	512.3	715.5	724.0	\$54,509	\$75,467	\$76,215
Staff Benefits	-	-	-	28,495	41,955	42,709
Totals, Personal Services	512.3	715.5	724.0	\$83,004	\$117,422	\$118,924
OPERATING EXPENSES AND EQUIPMENT				\$23,822	\$47,720	\$43,796
SPECIAL ITEMS OF EXPENSES				98	350	350
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$106,924	\$165,492	\$163,070

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2022-23*	2023-24*	2024-25*
0933 Managed Care Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$106,924	\$161,044	\$163,070
Allocation for Employee Compensation	-	3,004	-
Allocation for Other Post-Employment Benefits	-	-250	-
Allocation for Staff Benefits	-	1,694	-
Totals Available	\$106,924	\$165,492	\$163,070
TOTALS, EXPENDITURES	\$106,924	\$165,492	\$163,070
Total Expenditures, All Funds, (State Operations)	\$106,924	\$165,492	\$163,070

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4150 Department of Managed Health Care - Continued**FUND CONDITION STATEMENTS**

	2022-23*	2023-24*	2024-25*
<u>0933 Managed Care Fund^s</u>			
BEGINNING BALANCE	\$26,266	\$52,110	\$26,941
Prior Year Adjustments	1,536	-	-
Adjusted Beginning Balance	\$27,802	\$52,110	\$26,941
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129400 Other Regulatory Licenses and Permits	139,103	145,882	166,844
4163000 Investment Income - Surplus Money Investments	2,089	3,000	1,500
4171100 Cost Recoveries - Other	2,167	2,000	2,000
4173000 Penalty Assessments - Other	599	750	750
Transfers and Other Adjustments			
Loan repayment from General Fund (0001) to Managed Care Fund (0933) per Item 4150-011-0933 Budget Act of 2020	-1,000	-500	-500
Loan repayment from General Fund (0001) to Managed Care Fund (0933) per Item 4150-011-0933, Budget Act of 2020	1,000	500	500
Revenue Transfer from Managed Care Fund (0933) to the California Health Data and Planning Fund (0143) per Health and Safety Code Section 127683	-1,458	-994	-1,086
Revenue Transfer from Managed Care Fund (0933) to the Health Plan Improvement Trust Fund (3209) per Health and Safety Code Section 130209	-2,215	-2,306	-2,316
Loan from Managed Care Fund (0933) to General Fund (0001), per 2024 Budget Act	-	-	-22,900
Total Revenues, Transfers, and Other Adjustments	\$140,285	\$148,332	\$144,792
Total Resources	\$168,087	\$200,442	\$171,733
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
4150 Department of Managed Health Care (State Operations)	106,924	165,492	163,070
9892 Supplemental Pension Payments (State Operations)	1,767	1,767	1,372
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	7,286	6,242	6,895
Total Expenditures and Expenditure Adjustments	\$115,977	\$173,501	\$171,337
FUND BALANCE	\$52,110	\$26,941	\$396
Reserve for economic uncertainties	52,110	26,941	396
<u>3133 Managed Care Administrative Fines and Penalties Fund^s</u>			
BEGINNING BALANCE	\$5,326	\$2,294	\$44,399
Adjusted Beginning Balance	\$5,326	\$2,294	\$44,399
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	42	900	200
4173000 Penalty Assessments - Other	2,253	43,500	3,500
Transfers and Other Adjustments			
Revenue Transfer from the Administrative Fines and Penalties Fund (3133) to the Medically Underserved Account for Physicians, Health Professions Education Fund (8034) per Health and Safety Code Section 1341.45(c)(1)	-1,000	-1,000	-1,000
Revenue Transfer from the Managed Care Administrative Fines and Penalties Fund (3133) to the Health Care Services Plans Fines and Penalties Fund (3311) per Health and Safety Code Section 1341.45(c)(2)	-4,327	-1,295	-43,400
Total Revenues, Transfers, and Other Adjustments	-\$3,032	\$42,105	-\$40,700
Total Resources	\$2,294	\$44,399	\$3,699
FUND BALANCE	\$2,294	\$44,399	\$3,699
Reserve for economic uncertainties	2,294	44,399	3,699

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4150 Department of Managed Health Care - Continued**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
Baseline Positions	610.0	715.5	724.0	\$60,992	\$72,463	\$73,034
Salary and Other Adjustments	-97.7	-	-	-6,483	3,004	3,181
Totals, Adjustments	-97.7	-	-	\$-6,483	\$3,004	\$3,181
TOTALS, SALARIES AND WAGES	512.3	715.5	724.0	\$54,509	\$75,467	\$76,215

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