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

- Licensing and regulating managed health care plans, including all Health Maintenance Organizations (HMOs), some Preferred Provider Organizations (PPOs), Exclusive Provider Organizations (EPOs), Medicare Advantage, most Medi-Cal managed care plans, and specialized plans. In total, the DMHC oversees plans that provide comprehensive health coverage to more than 21 million Californians and regulates approximately 90 percent of the commercial health care marketplace in California.
- Enforcing the body of statutes collectively known as the Knox-Keene Health Care Service Plan Act of 1975, as amended.
- Conducting medical surveys and financial examinations to ensure 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-YR EXPENDITURES AND POSITIONS

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>3870 Health Plan Program</td>
<td>299.8</td>
</tr>
<tr>
<td>9900100 Administration</td>
<td>-</td>
</tr>
<tr>
<td>9900200 Administration - Distributed</td>
<td>-</td>
</tr>
<tr>
<td>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</td>
<td>299.8</td>
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**FUNDING**

<table>
<thead>
<tr>
<th>Positions</th>
<th>Expenditures</th>
</tr>
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<tbody>
<tr>
<td>2013-14*</td>
<td>2014-15*</td>
</tr>
<tr>
<td>0890 Federal Trust Fund</td>
<td>$1,584</td>
</tr>
<tr>
<td>0933 Managed Care Fund</td>
<td>38,388</td>
</tr>
<tr>
<td>0995 Reimbursements</td>
<td>2,999</td>
</tr>
<tr>
<td>TOTALS, EXPENDITURES, ALL FUNDS</td>
<td>$42,971</td>
</tr>
</tbody>
</table>

### 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

**Workload Budget Adjustments**

- **Workload Budget Change Proposals**
  - Federal Mental Health Parity: $- $- $- $- $3,336 11.0
  - Additional Enrollment into Individual Market: - - - - 1,134 7.0
  - AB 1962 (Chapter 567, Statutes of 2014): Dental Plans Medical Loss Ratio: - - - - 189 1.5
  - SB 1182 (Chapter 577, Statutes of 2014): Large Group Claims Data Exposure: - - - - 85 0.5
  - Totals, Workload Budget Change Proposals: $- $- $- $- $4,744 20.0

- **Other Workload Budget Adjustments**
  - Retirement Rate Adjustments: $- $827 - $- $827 -
  - Pro Rata: - - - - 776 -
  - Salary Adjustments: - 539 - - 540 -
  - Benefit Adjustments: - 234 - - 273 -

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

† Past year appropriations are net of subsequent budget adjustments.
4150  Department of Managed Health Care - Continued

PROGRAM DESCRIPTIONS

3870 - HEALTH PLAN PROGRAM

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

9900 - 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

PROGRAM REQUIREMENTS

3870 HEALTH PLAN PROGRAM

State Operations:

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>$1,584</td>
<td>$518</td>
<td>$-</td>
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<td>0933</td>
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<tr>
<td>0995</td>
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<td>2,999</td>
<td>3,157</td>
<td>2,640</td>
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SUBPROGRAM REQUIREMENTS

9900100 Administration

State Operations:

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<th>2015-16</th>
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9900200 Administration - Distributed

State Operations:

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<td></td>
<td></td>
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TOTALS, EXPENDITURES

<table>
<thead>
<tr>
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<tr>
<td>$42,971</td>
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EXPENDITURES BY CATEGORY

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<td>PERSONAL SERVICES</td>
<td>Authorized Positions (Equals Sch. 7A)</td>
<td>299.4</td>
<td>402.3</td>
<td>399.0</td>
<td>$21,761</td>
</tr>
</tbody>
</table>

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.
† Past year appropriations are net of subsequent budget adjustments.
### Department of Managed Health Care - Continued

#### 1 State Operations

<table>
<thead>
<tr>
<th></th>
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<td>Net Totals, Salaries and Wages</td>
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#### Operating Expenses and Equipment

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#### Special Items of Expenses

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#### Totals, Positions and Expenditures, All Funds (State Operations)

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</thead>
<tbody>
<tr>
<td>$42,971</td>
<td>$65,659</td>
<td>$68,191</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

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**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS**

#### 1 State Operations

<table>
<thead>
<tr>
<th>0890 Federal Trust Fund</th>
<th>2013-14*</th>
<th>2014-15*</th>
<th>2015-16*</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPROPRIATIONS</td>
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<tr>
<td>001 Budget Act appropriation</td>
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<tr>
<td>Consumer Assistance Program Federal Grant Augmentation</td>
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<td><strong>TOTALS, EXPENDITURES</strong></td>
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<table>
<thead>
<tr>
<th>0933 Managed Care Fund</th>
<th>2013-14*</th>
<th>2014-15*</th>
<th>2015-16*</th>
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<tbody>
<tr>
<td>APPROPRIATIONS</td>
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<tr>
<td>001 Budget Act appropriation</td>
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<td>Allocation for employee compensation</td>
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<td>-</td>
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<td>Baseline Benefit Adjustments</td>
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<td>-</td>
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<td>Item 9840: Augmentation for Attorneys' Fees Settlement</td>
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<td>Retirement Baseline Adjustments</td>
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<td>Prior Year Balances Available:</td>
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<td>Chapter 28, Statutes of 2012</td>
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<td>Managed Care Fund (0933) Carryover Adjustment</td>
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<td>Unexpended balance, estimated savings</td>
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<td>Balance available in subsequent years</td>
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<tr>
<td><strong>TOTALS, EXPENDITURES</strong></td>
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<td>$61,984</td>
<td>$65,551</td>
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<table>
<thead>
<tr>
<th>0995 Reimbursements</th>
<th>2013-14*</th>
<th>2014-15*</th>
<th>2015-16*</th>
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<tbody>
<tr>
<td>APPROPRIATIONS</td>
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</tr>
<tr>
<td>Reimbursements</td>
<td>$2,999</td>
<td>$3,157</td>
<td>$2,640</td>
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<tr>
<td><strong>TOTALS, EXPENDITURES</strong></td>
<td>$2,999</td>
<td>$3,157</td>
<td>$2,640</td>
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</tbody>
</table>

**Total Expenditures, All Funds, (State Operations)**

<table>
<thead>
<tr>
<th>State Operations</th>
<th>2013-14*</th>
<th>2014-15*</th>
<th>2015-16*</th>
</tr>
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<tbody>
<tr>
<td>$42,971</td>
<td>$65,659</td>
<td>$68,191</td>
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### Department of Managed Health Care - Continued

<table>
<thead>
<tr>
<th></th>
<th>2013-14*</th>
<th>2014-15*</th>
<th>2015-16*</th>
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</thead>
<tbody>
<tr>
<td>Totals, Authorized Positions</td>
<td>299.4</td>
<td>402.3</td>
<td>399.0</td>
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<tr>
<td>Salary and Other Adjustments</td>
<td>0.4</td>
<td>-7.5</td>
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<tr>
<td>Totals, Expenditures</td>
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<td>Workload and Administrative Adjustments</td>
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<td>AB 1962 (Chapter 567, Statutes of 2014): Dental Plans Medical Loss Ratio</td>
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<tr>
<td>Corporation Examiner</td>
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<tr>
<td>Assoc Govt Program Analyst</td>
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<td>Assoc Info Sys Analyst (Spec)</td>
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<tr>
<td>Atty</td>
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<td>Atty III</td>
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<tr>
<td>Consumer Assistance Techn</td>
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<td>-</td>
<td>36</td>
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</tbody>
</table>

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<table>
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<th>Positions</th>
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<tbody>
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<td>2013-14</td>
<td>2014-15</td>
</tr>
<tr>
<td>2013-14*</td>
<td>2014-15*</td>
</tr>
</tbody>
</table>

#### Positions

- **Legal Secy**: 0.5
- **Nurse Evaluator II**: 0.5

#### Federal Mental Health Parity

- **Asst Hlth Care Svc Plan Analyst (Limited Term 06-30-2017)**: 6.0
- **Atty III (Limited Term 06-30-2017)**: 3.0
- **Office Techn (Gen)**: 1.0
- **Staff Hlth Care Svc Plan Analyst**: 1.0

#### SB 1182 (Chapter 577, Statutes of 2014): Large Group Claims Data Exposure

- **Sr Legal Analyst**: 0.5

#### Totals, Workload and Administrative Adjustments

<table>
<thead>
<tr>
<th>Totals, Adjustments</th>
<th>Positions</th>
<th>Expenditures</th>
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<tbody>
<tr>
<td>0.4</td>
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<td>$1,389</td>
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#### Totals, Salaries and Wages

<table>
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<th>Totals, Salaries and Wages</th>
<th>Positions</th>
<th>Expenditures</th>
</tr>
</thead>
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