

State of California—Health and Human Services Agency
Department of Health Services



California
Department of
Health Services

SANDRA SHEWRY
Director



ARNOLD SCHWARZENEGGER
Governor

DATE: May 14, 2007

MMCD All-Plan Letter 07009

TO ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: NEW FINANCIAL REPORTING REQUIREMENTS

This All-Plan letter is to notify all Medi-Cal managed care health plans of a change in financial reporting requirements. The additional information requested will provide the California Department of Health Services (CDHS) with specific Medi-Cal financial data on an on-going basis which are essential elements to evaluate the plans' financial status as it relates to their Medi-Cal contract(s) with CDHS.

Under the financial terms of your contract with CDHS, the following information is requested:

Medi-Cal line of business income statement and enrollment data submitted with the required quarterly and annual financial statements to CDHS. The income statement and enrollment data shall be prepared in the "Orange Blank" format (Report #2 and #4, respectively). **The Medi-Cal line of business information shall pertain only to the direct contract(s) with CDHS.** It is CDHS' intent to obtain this information for the four quarters beginning in 2006. For those plans that currently submit a Medi-Cal only income statement and enrollment data quarterly, please continue to provide CDHS with this information. For all other plans, please submit income statements and enrollment data beginning with the March 2006 quarter, and each quarter thereafter.

- Financial forecasts on a consolidated basis and for the Medi-Cal line of business including underlying assumptions with projected enrollment submitted annually at a minimum for the State fiscal year (July – June). The forecasts shall be prepared in the "Orange Blank" format forecasting projected revenues/expenses and tangible net equity (TNE). The TNE is for the consolidated basis only and should include a projected minimum required TNE. The Medi-Cal line of business information shall pertain only to the direct contract(s) with CDHS, as

MMCD All Plan Letter 07009

Page 2 of 2

May 14, 2007

stated in the first bullet. For those plans that currently submit their financial forecasts, please continue to provide CDHS with this information through the 2007-08 State fiscal year by June 13, 2007. For all other plans, please submit the forecasts for the 2007-08 State fiscal year, including the quarter ending June 30, 2007, by June 13, 2007.

Please submit all financial information to:

Mr. Calvin Oshiro, Chief
Fiscal Monitoring Unit
Medi-Cal Managed Care Division
1501 Capitol Avenue
P.O. Box 997413, MS 4405
Sacramento, CA 95899-7413

E-mail Address: coshiro@dhs.ca.gov

Your cooperation and assistance in this matter is greatly appreciated. If you have any questions or concerns regarding this letter, please contact Calvin Oshiro at (916) 449-5237.

Sincerely,


Vanessa M. Baird, MPPA, Chief
Medi-Cal Managed Care Division