

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

June 4, 2018

2. Department

California Department of Insurance

3. Organizational Placement (Division/Branch/Office Name)

Executive Operations/Health Policy & Reform Branch

4. CEA Position Title

Chief Actuary, CEA B

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The California Department of Insurance (CDI) is requesting the reclassification of the current Comma Career Executive Assignment (CEA) position to a CEA, Level B, position as part of the Civil Service Improvement Classification Consolidation effort.

6. Reports to: (Class Title/Level)

Deputy Commissioner, CEA C

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under general direction of the Deputy Commissioner, Health Policy and Reform, the CEA will be responsible for formulating health actuarial policy for the Branch and the Department and will perform highly skilled actuarial analysis. He/she will supervise the work of the health actuarial staff including new duties that may be required to implement the Patient Protection and Affordable Care Act (PPACA) and state health reform laws.

The CEA will direct and monitor the work of the health actuarial staff, particularly with respect to the review of proposed health insurance rate filings. He/she will meet with insurance company leadership and technical experts as necessary to negotiate and resolve differences that arise during rate review.

The incumbent will provide policy and technical analysis and assistance to the Insurance Commissioner and senior staff, including the Deputy Commissioner, Health Policy and Reform and assist with issues related to the implementation of PPACA. This will include medical loss ratio requirements, reinsurance programs, risk adjustment programs and policies of the California Health Benefit Exchange.

The CEA will participate and represent the Insurance Commissioner on committees, subcommittees, task forces and working groups of the National Association of Insurance Commissioners (NAIC). He/she will provide support for the development of model laws and regulations by the NAIC and subsequently for the development of legislation and regulations by the Department.

The CEA will review proposed legislation and comment on the benefits and/or adverse impact on the insurance consumer and insurance industry, as well as the labor and dollar cost to the Department.

The CEA will issue periodic memorandum or notices to insurance companies regarding actuarial matters to communicate the Department's position and/or requirements regarding certain actuarial issues.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Health Policy Approval Bureau is responsible for overseeing the health insurance policy form review for CDI which includes performing legal matters for the Health Policy & Reform Bureau. These responsibilities include implementing or overseeing the requirements under both state and federal law applicable to health insurance companies and health insurance systems. Recently, the California State Legislature has enacted additional complex regulatory requirements in the health insurance arena for CDI to enforce and/or implement. These include additional requirements related to health insurance benefit coverage, network adequacy, prescription drug formulary review, and mental health parity.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

As part of the Civil Service Improvement Classification Consolidation effort, CDI has committed to abolishing departmental specific actuarial CEA classifications (Class Code 5406) and converting them to traditional policy setting CEA positions (Class Code 7500).

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Provide policy and technical direction on a statewide basis in the areas of:

1) Review of Actuarial Opinions and Analyses

Review and provide technical analysis to the Insurance Commissioner and senior staff related to implementation of PPACA.

2) Policy Form Review

Review and analyze actuarial policies to negotiate and resolve differences with insurance company leadership that may arise during rate reviews.

3) Development of Legislation and Regulations

Participate and represent the Commissioner on committees, subcommittees, task forces and working groups of the NAIC; provide support for the development of model laws and regulations by the NAIC and subsequently for the development of legislation and regulations by the Department.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA will formulate actuarial policy for the Branch related to health reform and implement administrative policies and administer compliance with labor contracts.

The CEA will direct and monitor the work of the program focusing on issuance of valuation certificates, review of actuarial opinions and asset adequacy reports, policy forms and non-forfeiture values, and long-term care rate and solvency issues.

The CEA will provide policy and technical direction related to medical loss ratio requirements, reinsurance programs, risk adjustment programs, and policies of the California Health Benefit Exchange.

The CEA will participate and represent the Insurance Commissioner on committees, subcommittees, task forces, and working groups of the NAIC.

The CEA will review proposed legislation and comment on the benefits and/or adverse impact on the insurance consumer and insurance industry, as well as the labor and dollar cost to the Department.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Yes. As the field of actuarial science continues to evolve and the insurance industry continues to develop diverse new programs and processes for doing business that are increasingly complex and sophisticated, the CEA position will need to monitor, adjust as needed, and implement changes to existing policy to continue to provide protections to the consumers of California. The CEA will need to continually monitor industry and actuarial trends and advances, provide guidance to the other actuarial staff and executive level staff in adjusting current policy, and developing and implementing new policy.